

## How retailers prevent youth tobacco access



I.D. Requirements



Retailer Training



Ban on e-cigarette sales in accordance  
with Health Canada regulations

## Why are convenience store retailers & distributors concerned about plain packaging?



### Products are easily counterfeited.

A standard package size, colour and design can be easily replicated by counterfeiters in Canada, or around the globe. Existing tobacco tax stamps are already being counterfeited in Canada, meaning this alone cannot be used to determine which tobacco products are real or fake.



### No overwrap makes it impossible to tell legal from illegal products.

Retailers often use package overwrap to differentiate products from one another, but also to determine which products are legal or illegal. Not having any type of visual identifier will make this determination more time consuming, and ultimately more difficult for retailers, customers and law-enforcement.



### Illegal tobacco is already a problem in Canada.

Illegal tobacco is already 20% of Canadian market – 33% in Ontario – and the problem is not in control. If all packs look the same, illegal products – sold at 1/10 the price - will be even more rampant than they already are.

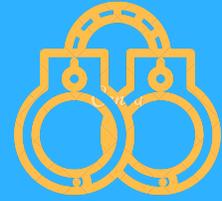
# Plain Packaging Impacts in Australia



The Australian Department of Health acknowledges that in the first year after the implementation of plain packaging, tobacco consumption actually **increased** (National Drug Strategy Household Survey, 2013).



While massive, multiple tax increases eventually resulted in lower consumption, rates did **not drop beyond its trending rate of decline**, which has happened for decades prior to plain packaging.



A 2015 KPMG study revealed contraband tobacco consumption **jumped 30%** over two years, from 11.5% in 2012 to 14.3% 2014. This resulted in **\$1.49 Billion (AUD) in lost revenue** for the Australian government since December 2012.

## Recommendations from Retailers & Distributors



### Provide resources to fight contraband.

Increase resources to law enforcement, including working with convenience retailers and distributors, who already have a strong track record of selling and distributing age-tested products.



### Ensure some type of visual mark / overwrap.

Allow for some element of differentiation between packages and cartons (on the outside of packages only) which would allow retailers and distributors to distinguish packages from one another, without affecting either the safety of retailers behind the counter (as their backs are turned from customers) or allowing for potentially illegal products to enter the market unknowingly.



### Allow retailers time to transition (12-18 months).

A reasonable, separate transition period for retailers and distributors of no less than 12 months following the registration of regulations will ensure we have sufficient time to take back products and clear in-store stock. It also allows enough time for our staff to be properly trained; a challenge experienced by our Australian counterparts when plain packaging was introduced.



### Create a level playing field for e-cigarette sales.

It is not immediately clear that e-cigarette products would be retailed the same way in convenience stores as they would in vape shops, which could create a competitive disadvantage for our stores. We are asking that e-cigarettes containing nicotine be sold in the same manner at convenience stores as they would be in all other retail locations, so as not to give today's illegal vape shops a free pass for the years they have ignored Health Canada warnings not to sell e-cigarettes with nicotine.