

The Principal Research Officer  
Education and Health Standing Committee  
Legislative Assembly  
Parliament House  
Perth WA 6000

19<sup>th</sup> January 2009

Dear Sir

### **Inquiry Into The Tobacco Products Control Amendment Bill 2008**

I refer to your recently advertised opportunity for submissions to made to the "Inquiry Into The Tobacco Products Control Amendment Bill 2008".

The Australasian Association of Convenience Stores (AACS) represents what is commonly known as the "organised" convenience industry which is made up of some 4000 outlets across Australia.

AACS was established in 1990 to represent the convenience industry in Australia and later New Zealand. Since then the Association has grown and now provides valuable service to members in the form of specialised convenience store training, annual study tours, data and research about the performance of the industry here and overseas, and valuable networking opportunities and conferences to focus on the issues that face our industry. In addition we act as the collective voice of the industry on matters involving all levels of Government in Australia and New Zealand.

In terms of our position with regard to the proposals AACS generally supports the Bill with **the exception of the proposed Retail Display Bans**.

AACS does **not** support this particular proposal for the following reason; there is **no** evidence from anywhere around the world that shows there is a link between "display bans" and the reduction of incidences of smoking.

The unintended consequences on members of my industry of this proposal are:

1. The proposal would force retailers to spend even more hard earned dollars to comply. Two years ago the retailers had to face complying with reduced display space to 1 square metre in Western Australia. At the time we pointed out that this would not reduce smoking rates but the Government of the day went ahead anyway. To introduce even greater restrictions when there is no evidence that the reduction to 1 square metre worked is ludicrous. Total display bans will unfairly prejudice the smaller retailer in favour of the two large supermarket chains and the "power" retailers of tobacco, tobaccoconists.
2. Tobacco sales in a convenience store represent in excess of 30% of in store sales – about \$13000 per week for an average store (AACS Annual State of the Industry Report (1991 – 2007)).
  - The practicalities of selling packets of cigarettes from cupboards and drawers will create transaction inefficiency, and excessive queuing, which would cause significant delays in dealing with sales of tobacco to legitimate purchasers, and other products, which in turn would cause customers to shop elsewhere.
  - Training new staff to locate tobacco products and find product information for customers would be onerous and costly. Staff turnover in the industry is of order 75% annually

It may be helpful if I share some recent research undertaken by AACS in NSW in both a community and retailer survey. The retailers were a mixture of independent grocery outlets, convenience stores and pubs and clubs. The key findings are:

- The majority of people believe young people get their cigarettes from older friends or siblings and not retail outlets. 63% of the NSW community believe that young people who smoke primarily obtain cigarettes from older friends or siblings, with 84% of NSW retailers surveyed holding the same view. Interestingly 76% of people aged 18-29 believe that young people obtain cigarettes from older siblings. This age group is the closest in age to under-age smokers and arguably the most likely to know how young people acquire cigarettes.
- 65% of NSW retailers surveyed believe their business is worse than 12 months ago, with 92% saying that petrol prices and rising interest rates are having a negative impact on their business.
- 40% of NSW retailers surveyed say that removing cigarettes from sight would actually have the opposite effect and make cigarettes more appealing to young people.
- 76% of NSW retailers surveyed said that cigarettes are important to their overall survival
- 87% of retailers surveyed said that a reduction in the sale of cigarettes would have a negative impact on their business
- 67% of NSW retailers surveyed had not heard anything about the proposals, with 22% having heard a little and 11% having heard a lot.
- 81% of retailers surveyed believe that banning cigarette displays will see smokers shift their purchases to large supermarkets

In Saskatchewan in Canada, which was the first province to introduce display bans in 2005, authorities have seen an increase in tobacco consumption and also an increase in the sale of illegal tobacco. In fact this province is bucking the trend in other provinces where display bans were introduced later or not at all and where smoking rates have been in decline in any case. There is no trend data showing a link between display bans and falling rates of smoking. Most of the reduction in smoking rates can clearly be linked to better consumer awareness about the bad effects of smoking on health.

There is **no** link between the reduction smoking rates and in store "display" bans so it's completely unfair to test such ideas out on small businesses which are already finding times hard and are sick and tired of being the guinea pigs of regulators' hypotheses as is happening in other States. It would seem that most Australian States are engaged in some sort of competition to ignore small businesses and appease unproven claims made by the anti smoking lobby groups, many of which are funded by Governments.

AACS supports a united approach by all Australian States based on proper researched proposals and is in the process of raising the matter with the Federal Government.

I am keen to meet with you to make these points in person and look forward to hearing from you.

Yours faithfully



**David Killeen**  
**Executive Director**