Submission 31



2 February 2009

Dr J.M Woolard, MLA Chairman Education & Health Standing Committee

laehsc@parliament.wa.gov.au

Dear Dr. Woollard

RE: EDUCATION AND HEALTH STANDING COMMITTEE INQUIRY INTO THE TOBACCO PRODUCTS CONTROL AMENDMENT BILL 2008

Coles welcomes the opportunity to comment on the above Inquiry.

Coles operates more than 240 retail outlets¹ that sell tobacco products in multiple formats across Western Australia and takes our compliance obligations regarding the sale and display of tobacco products very seriously.

Coles fully supports harm minimisation measures aimed at curbing smoking around children and has no objection to the proposed ban on the use of tobacco products in cars (when a child is present) or in outdoor playing areas and swimming areas.

However, Coles believes consumers have the right to view tobacco products (like any other product) in order to make an informed choice and strongly opposes a ban on point of sale displays.

The *Tobacco Products Control Act 2006* (the Act) already places significant restrictions on the way in which retailers can display tobacco products in retail outlets and inform consumers about the different types of tobacco products available for sale. For example, under the current Act the point of sale display must be no greater than 1 sqm and only include one type of each brand variant. Any further changes to point of sale displays would require us to redesign and/or purchase new tobacco fixtures at a significant cost. The redesign, sourcing and installation of new tobacco fixtures would take considerable time (minimum 12 months) given that Coles has more than 240 retail outlets across the state.

In addition to these costs and time constraints, a ban on point of sale displays creates a number of operational and compliance issues for our business. Feedback from Coles Supermarkets in Tasmania and South Australia (where we do not have any tobacco products on display) has been that team members (especially casuals) have reported difficulty in locating tobacco products for customers. This can slow service time for customers (smokers and non smokers) and result in increased customer inconvenience and dissatisfaction.

Before considering a ban on point of sale displays, Coles requests the Education and Health Standing Committee (the Committee) conduct a comprehensive review of the effectiveness of display restrictions already implemented in Western Australia to determine if any further regulation is warranted.

If a ban on point of sale displays is introduced, Coles requests some flexibility to allow for restocking of tobacco product with minimal customer visibility during this process. This is because most of our

¹ These stores comprise of Coles Supermarkets, Coles Express, Liquorland, Vintage Cellars, 1st Choice Liquor Superstore and hotels.

Submission 31

tobacco units are re-stocked from the team member console area and customers would have limited vision of tobacco products held in the units during the re-stocking process. Coles Express for example operates 24 hours a day and there is no 'non-trading' hour to restock product without customer visibility. It is also important that current price ticket and price board requirements are retained to ensure team members can easily identify tobacco products on request.

Coles has serious concerns about the proposed ban on tobacco products in outdoor eating or drinking areas of a liquor licensed premise. Coles currently operates five hotels in Western Australia and estimates that this proposal will cost our business:

- \$10,000 per hotel complying with the legislation (i.e. making relevant structural alterations)
- \$5,000 per hotel configuring internal layouts to remove vending machines etc.

Given that we would have to obtain licensing approval to make these changes there should be appropriate transition provisions (i.e. 6-12 months) to implement changes.

Rather than imposing additional regulatory requirements on retail outlets, Coles suggests the Committee consider non-regulatory measures (such as targeted education and awareness campaigns) to drive behavioural and/or cultural change in relation to smoking.

We welcome members of the Committee to visit our retail outlets or hotels in Western Australia to see our current tobacco displays and to ensure all parties have a clear understanding of the implications of a display ban.

Thank you again for the opportunity to comment on the proposed changes. We hope that our comments will assist the Committee to develop sensible and effective tobacco regulations that ensure adult consumers can continue to make informed choices about legal products.

Should you wish to further discuss please contact me on (03) 9829 3753 or via email Jodi.dixon@coles.com.au

Yours sincerely

Jodi Dixon

Manager Regulatory Affairs, Public Affairs.