



AUSTRALASIAN ASSOCIATION OF CONVENIENCE STORES

MEDIA RELEASE

23 September 2009

Convenience store sector research identifies positive economic mood but dissatisfied with government

Newly published research findings from the [Australasian Association of Convenience Stores](#) (AACCS) on the convenience store sector, collated at the conclusion of 2008, underlines the impact the recession has had on the Australian economy, with 40% of survey respondents saying the economic situation negatively impacted on their business (with 40% not committing either way). The sector was upbeat, however, with 100% of respondents expecting business to grow in 2009.

The AACCS's annual 'State of Industry' report, compiled by Nielsen, The Advantage Group and Him! Australia, based on a sample of over 1,900 convenience store outlets, provides the only statistical insight into the condition of the Australian convenience store sector. There are 4,200 member stores of the AACCS alone, with AACCS members employing in the region of 100,000 Australians, so its contribution to the economy and employment is significant.

Sales and profit were hit hard in the convenience store sector in 2008. In the years 2004 to 2007 there was an average increase in merchandise sales of nearly 10% per year. In 2008, however, increases in sales across the sector slumped to .8%. Convenience store profit, for the first time since 2005, decreased on average across the sector although, according to research partner Nielsen, the growth of the most profitable product lines in 2008 grew by 2.8% to just over \$2.7 billion, a significant drop from the 7.8% profit growth that took place in 2007.

The research also found that the sector's attitude to the government's role in their business was mixed, with 50% of respondents agreeing that they have noticed the impact of the Federal Government stimulus package on their business. The industry was not positive towards government as a whole; however, with the research finding that a whopping 63% of respondents disagreed with the assertion that government (in general) is providing fair support to their business.

"This latter research finding will be driven by a number of factors, with the inconsistency of legislation in regard to the selling of tobacco high up on members' frustrations," says new AACCS Executive Director, Sheryle Moon. "The AACCS fully supports government objectives to reduce smoking rates in Australia, particularly among teenagers, however we would like to work with governments around Australia to ensure that any future tobacco reforms minimise unintended consequences and avoids imposing unnecessary compliance costs on business. The current piecemeal approach to tobacco regulation, overly prescriptive requirements and constantly changing laws are imposing unnecessary complexity and compliance costs on business.

"Each state has different legislation in regard to the display and selling of tobacco," continues Ms Moon. "This is causing the industry considerable problems in training staff, fitting out stores and logistics. We encourage all governments to adopt a nationally uniform approach."

Ms Moon also pointed out that, “Bans on tobacco point of sale bring into play security, theft, OH&S, restocking and speed of customer service issues, all of which impact negatively on the operations and safety of our members.”

Ms Moon joined the AACS because it is an organisation committed to change. “I am attracted to the diversity of the association,” she says. “From mum and dad corner store operators to large manufacturing suppliers, from multi-store operators to remote rural retailers, convenience stores play a valuable role in the Australian community.

“My goal is establish the organisation as a discrete and influential voice in the retail and manufacturing sectors, helping it become a contender in contributing to the formation of government policy decisions, at both the federal and state levels.”

Ms Moon has worked for more than 25 years in the professional services sector, split between the ICT and the human services industries. Previous roles include industry association leadership positions such as the Chief Executive Officer of the [Australian Information Industry Association](#), President of the Information Technology Contract and Recruitment Association and State President of the Recruitment and Consulting Services Association. In 1999, Ms Moon was named Telstra Australian Business Woman of the Year and in 2001 she was recognised by Prime Minister Howard as one of the twenty most influential women in Australia.

About the State of Industry research report

The ACCS's annual State of Industry report, compiled by [Nielsen](#), [The Advantage Group](#) and [Him! Australia](#), is based on a sample of over 1,900 convenience store outlets and nearly 7,000 shoppers. The data is provided by the majority of petrol & convenience retailers in the Australian marketplace and includes data from all the major convenience store retailers with the exception of Woolworth's Petrol. The financial, operational and employee statistics and figures provided by retailers are wholly based on data and information provided by them through a survey process.

For the report, The Advantage Group collected all the industry sales and other hard data and compiled it. Him! Australia provided the convenience store shopper data based on in store/exit interviews. Nielsen ran their own audit process to give market size and category performance.

About the AACS

The AACS is the campaigning voice of more than 4,200 convenience stores. As the convenience store champion, AACS supports its members through lobbying, advice on legislation and issues that affect retailers and suppliers and through learning and networking events.

Ends.

Media enquiries, further information and interviews with Sheryle Moon, contact:

Craig Pearce

Craig Pearce Strategic Communication

0438 003 430 + craig@craigpearce.info or craignpearce@gmail.com