



NEW RESEARCH FINDINGS – TOBACCO DISPLAY BANS

NEGATIVE IMPACT ON RETAILERS

The ACT Government's proposed new restrictions on the sale of cigarettes will have a negative impact on small businesses in Canberra, according to new research released today.

A survey of ACT retailers, conducted on behalf of the Australasian Association of Convenience Stores (AACCS), found that small businesses can't afford further restrictions as they are already doing it tough.

AACS Executive Director David Killeen said the rising cost of petrol and increasing interest rates, compounded with these planned new restrictions, will have a significant impact on the financial viability of many small businesses.

"Now is not the time to be experimenting with small business in Canberra because they are already hurting and can't afford another regulatory hit. 40% are saying their business is now in a worse position than it was 12 months ago" Mr Killeen said.

"In short, these measures will hurt Canberra small business" he said.

"78% of Canberra retailers say that cigarette sales are "important" to their business and 66% say a reduction in sales of cigarettes would have a "negative" impact on their business.

The new measures proposed by the ACT Government include banning the display of tobacco products in retail outlets, which nearly three quarters of retailers say they are "strongly opposed to".

The ACT Government says the changes are aimed at reducing the level of youth smoking, but the survey found that three quarters of retailers believe the measures will in fact have no effect on youth smoking rates.

About a third of retailers believe the proposed bans on display will actually make cigarettes more appealing to the youth market.

"Retailers are concerned they are unfairly bearing the brunt of government action on tobacco and are concerned that the Government's proposals are being made without any evidence of their effectiveness or impact."

Canberra retailers believe that more effective measures to reduce the rate of youth smoking would include; providing more education for youth smoking prevention in schools, providing support materials for parents, a Canberra

wide education program and increased fines for young people caught buying cigarettes for minors.

For further information please call David Killeen 0417 385 931

ACT retailer research – key findings

Overall Canberra business climate

- 43% of ACT retailers believe that the ACT is 'heading in the right direction' and 41% believe it is 'heading in the wrong direction'. A further 16% could not say.
- 40% of retailers said that their business is worse than 12 months ago with 34% stating that it is better.
- 4 out of 5 retailers said that petrol prices and rising interest rates had at least a slight negative impact on their business.

Sale of tobacco

- 78% of ACT retailers state that cigarette sales are important to their bottom line.
- 66% state that a reduction in sales of cigarettes would have a negative impact on their business.
- Nearly 1 in 5 retailers unprompted mentioned the issue of restrictions on cigarette displays as an important issue for their business and more than 1 in 3 mentioned something to do with regulation of cigarettes or alcohol.
- The top rated issue creating a problem for ACT retailers was further restrictions on the sale of cigarettes, receiving an average 'problem' rating of 7.4 out of 10.
- 94% of retailers agree with the statement that 'putting more restrictions on the display of cigarettes will only result in more hassles for business owners'.
- 92% agree with the statement that 'hefty fines should be dealt to those people caught buying cigarettes for minors'.
- 88% agree that 'parents, the community and schools need to be better educated to address youth smoking'.
- 78% agree that 'retailers are unfairly bearing the brunt of government restrictions on tobacco products'.

ACT Government's proposals

- 77% of retailers had heard about the ACT Government's proposals surrounding the display and sale of cigarettes at retail outlets, but just 2% said they felt consulted by the Government on these measures.
- 52% agree with measures by the ACT Government to ban confectionary or fruit flavoured cigarettes, however;
 - 47% disagree with banning rewards (such as Fly Buys) when buying smoking products
 - 46% disagree with removing cigarette vending machines from licensed venues
 - 88% disagree with putting tobacco products out of sight in retail outlets.
- When it comes to the difference in smoking rates amongst young people that each measure would have;
 - 74% of ACT retailers stated that that banning confectionary or fruit flavoured cigarettes will have no reduction at all.
 - 76% said that removing cigarette vending machines from licensed venues would have no reduction at all.
 - 86% said that banning rewards (such as Fly Buys) when buying smoking products would have no reduction at all.
 - 88% said that putting tobacco products out of sight in retail outlets would have no reduction at all.
- 97% of retailers said that putting tobacco out of sight would have the most negative impact on their business.

Preventing youth smoking

- The top rated idea to prevent youth smoking was 'more education for youth smoking prevention in schools' (7.9 out of 10 effectiveness rating).
- Other ideas which received a rating of more than 6 out of 10 were support materials for parents, a Canberra wide education program and increased fines for young people caught buying cigarettes for minors.
- More retailers believe that removing cigarettes from sight at point of sale would make cigarettes more appealing to young people (29%) rather than less appealing (7%).
- 60% of retailers believe that it will make no difference to the appeal that cigarettes have to young people.

Methodology

This survey involved more than 40% of small retailers in the ACT aged 18 years or more. Interviews were conducted by telephone between Thursday 15 May 2008 and Wednesday 21 May 2008. The research was conducted by polling organisation Auspoll for the Australasian Association of Convenience Stores.