

## Transcript

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 Compere: **ALAN JONES** Summary ID: **S00032890255**

Item: **JONES SPEAKS WITH DAVID KILLEEN ABOUT THE RAMIFICATIONS TO CONVENIENCE STORES OF LEGISLATION PREVENTING TOBACCO PRODUCTS BEING SEEN IN STORES. KILLEEN IS CONCERNED THE RESULTING DELAYS IN THE SALES PROCESS WILL CAUSE CUSTOMERS TO TURN TO LARGER STORES.**

**INTERVIEWEES: DAVID KILLEEN, AUSTRALASIAN ASSOCIATION OF CONVENIENCE STORES**

Demographics:	Male 16+	Female 16+	All people	ABs	GBs
	62000	85000	147000	21000	92000

ALAN JONES: I tell you what, business would do okay if government got out of their way. Just have a listen to this. There's plenty of debate lately about tobacco advertising laws. Earlier this week, a court was told that Coles breached cigarette advertising laws, by having staff offer discounts to customers who bought more than one pack.

Now, the Department of Health launched a Supreme Court action against the chain after its inspectors reported the practise, known as upselling, at 26 outlets across New South Wales. The Department said undercover inspectors had ordered single packets of cigarettes from Coles stores in July last year. In each case, the sales assistant told them they could get a discount if they bought two packs.

Bruce Hodgkinson, appearing for the Department of Health, said this amounted to a cigarette advertisement, which is illegal. Coles admits aspects of the breach, but it's challenging technicalities.

Well, in the middle of all of this, I had a call on the open line from David Killeen. David Killeen's the executive director of the Australasian Association of Convenience Stores. And he rang about a piece of legislation that's being rammed into the State Parliament, Public Health Tobacco Act 2008, and the impact it will have on convenience stores, this is shambolic.

David Killeen is on the line.

David, good morning.

DAVID KILLEEN: Good morning, Alan.

ALAN JONES: So, basically, what is this legislation doing?

DAVID KILLEEN: Well, this legislation is - is basically going to stop tobacco products being seen in a store.

ALAN JONES: So if a convenience store is selling - store is selling tobacco products, which I might add are legal, you can only sell them or stock them in such a way that they won't be seen?

DAVID KILLEEN: Correct.

ALAN JONES: Right. So, when you're a little convenience store, which you just might only have one person behind the counter, then that person has got to deal with the transaction often, every two minutes or so, that won't happen, He'll be back fossicking for tobacco products.

DAVID KILLEEN: Exactly. That's exactly the problem. And it will slow the whole process down and the small shopkeepers will lose their customers to other forms of retail.

ALAN JONES: That's right. They didn't want - someone is behind the person who wanted cigarettes. And the person behind them, I'm behind them and I just wanted something else, well, I'll just go to the supermarket cause I'm not going to wait in the chaos while someone's fossicking around looking for the tobacco product.

DAVID KILLEEN: That's exactly the problem. Yes.

ALAN JONES: Now, of course, then there's the security. I mean, the one person behind the counter turns his - his or her back, looking for the tobacco product. They become distracted, so it's an open slather for sleeves - thieves.

DAVID KILLEEN: Well, exactly. And, you know, one person has to control many different forms of sale in that store. I

mean, it could be fuel, it could be - you know, it could be somebody buying, I don't know, something to eat, something to drink.

ALAN JONES: Well, that's the nature of a convenience store. It's got everything.

DAVID KILLEEN: Exactly. It's a...

ALAN JONES: But one product, one product, which is legal, has got to be unseen.

DAVID KILLEEN: That's right.

ALAN JONES: So, you're going to have to now change the units which you use to exhibit your merchandise, all your cupboards, all your drawers, cause something's got to be put out of sight.

DAVID KILLEEN: That's right. And there's a cost involved obviously. And we reckon it's at least \$6000 per store and, in fact, in some cases it could be as much as \$9000 a store.

ALAN JONES: And then, of course, you know, when you've got the visual look of, whether it's the lollies or the liquorice all-sorts or the whatever it is, or the drinks, you can see when the stock is going down to reorder. That'll be even more difficult, so you're likely to run out because you won't be able to see when the product is running out. So there are greater delays and greater inefficiencies.

DAVID KILLEEN: Exactly. And then you've got the issue of new staff coming into the store. There's quite a high staff turnover in these small shops, quite often, and, of course, those people need to be trained. They've got to learn where stuff is, where the products are. you've got the [indistinct] layers.

ALAN JONES: What is the, for God's sake, the purpose of all of this?

DAVID KILLEEN: Well, the point is - the point is...

ALAN JONES: It's a legal product.

DAVID KILLEEN: It's a legal product. The Government are basically responding to pressure from the anti-smoking lobby who claim that if you can see a tobacco product in store, it's more likely to make you smoke.

Now, we have evidence from Canada, where this was first introduced about four, five years ago, that in actual fact the state that first - or the province that first introduced it, which was Saskatchewan, they can't - they've actually shown an increase in smoking rates since they actually introduced this legislation and this practise. Meanwhile, we have seen business migrate from small stores to large supermarkets and to specialist tobacconists.

ALAN JONES: Well, that is the real issue, isn't it? Now, just on the status of the legislation, this won't be proclaimed till next year?

- DAVID KILLEEN: That's correct.
- ALAN JONES: Now, is there any chance of meeting - most probably not because the purpose of the legislation is to put cigarette products out of sight, isn't it. So, I guess there's no way regulations will be able to dilute the impact of the legislation?
- DAVID KILLEEN: Well, the only way that regulations can and should dilute this in favour of small operators, is really to apply a rule that says that stores of a smaller size, less than a certain size maybe, stores employing less than a certain number of people, maybe they, in some way, should get some exemption. Or maybe even allow them to at least have a square metre, as is the case, say, in Queensland for example.
- ALAN JONES: Yeah. Just so - it is so ridiculous. It's got nothing to do with smoking.
- DAVID KILLEEN: No.
- ALAN JONES: Nothing to do with smoking at all. Just, look, have you people been consulted about all of this?
- DAVID KILLEEN: Well, we've been proactive in trying to be consulted. I have to say...
- ALAN JONES: Who are the ministers who've got the carriage of this in New South Wales.

DAVID KILLEEN: Well, the problem is, of course, we've had to deal with many different ministers in New South Wales, so it's not been very easy to keep track of all the changes and actually get back in front of the people we need to speak to. So, you know, you'd meet somebody at one meeting, and the next - next time, you know, a week later, they've gone, there's somebody else in the chair. So you've got to start all over again. I have to say, it's been a very poor consultation process from the New South Wales Government.

ALAN JONES: Just one other thing. Supermarkets are at it again. Are they lobbying government to allow them to include cigarette sales in shopper-docket programs? In other words, buy your smokes and get four cents off your petrol?

DAVID KILLEEN: Well, I believe they are. I've been informed that they are. The issue, of course, there for them is that they don't wish to have a different process to deal with tobacco sales and...

ALAN JONES: So, on the one hand, supermarkets are trying to say, hey, buy cigarettes, get in here and buy your cigarettes and you petrol will be cheaper, and they're trying to shut away a little convenience store and prevent him from exhibiting the fact that he's got cigarette products for sale.

DAVID KILLEEN: Absolutely, and that's the problem. And, you know, we're talking here about little newsagents, we're

talking here about the milk bar on the corner. Cigarettes could be 40, 50 per cent of that stores' sale. If you interfere with that, then you interfere with the employment of many, many people working in these stores.

ALAN JONES: That's right. And, of course, often only one person is in the store and has to deal with a transaction. And transaction speed and efficiency is a key component to the customer.

DAVID KILLEEN: Exactly. And at peak times it's less than once every two minutes.

ALAN JONES: Yep. Interfere with that and the customer goes elsewhere.

DAVID KILLEEN: Absolutely.

ALAN JONES: All right. Let's see what we can do. We'll talk to someone to see who makes some sense out of all of this. It's just - I wish government would get out of all our lives, David. Close the Parliament down, we'd all be a lot better off.

DAVID KILLEEN: I agree with you, Alan. We've got plenty of other things we could be doing.

ALAN JONES: Absolutely. Good to talk to you.

DAVID KILLEEN: Thank you very much, indeed.



ALAN JONES:

David Killeen.

That's unbelievable, isn't it? It is unbelievable.

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ABs = Managers, administrators, professions. GBs = Grocery buyers.

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