

Hon Katy Gallagher  
Deputy Chief Minister  
ACT Legislative Assembly  
GPO Box 1020  
Canberra  
ACT 2601

31<sup>st</sup> March 2008

Dear Minister

I am writing to you about the recent introduction of the Tobacco Amendment Bill into the Legislative Assembly on 6th March 2008.

As you are aware this Bill seeks to ban the retail display of tobacco products along with other sweeping changes to the retail operating environment.

We are concerned by the way in which this Bill has been brought forward, without adequate consultation of retailers.

As Executive Director of ACAPMA (Australian Convenience & Petroleum Marketers Association) I represent the major national convenience retailers such as 7-11, BP, Caltex, Coles Express and ExxonMobil and many of the independent chains. In total our members operate some 4000 outlets across Australia in every State and Territory.

Our members employ in excess of 10000 Australians and provide training and coaching to those employees in order that they conduct their business in a responsible and professional manner.

ACAPMA was recently formed from a merger of the Australian Association of Convenience Stores and the Australian Petroleum Agents and Distributors Association. Both Associations have been established many years.

ACAPMA is supportive of regulation that demonstrates a measurable and effective public policy objective, and we do not believe that a complete retail display ban achieves what you have set out to do. We are also supportive of regulation that includes the input of all affected stakeholders and a discussion around practical solutions, and we do not believe this has occurred.

This is not just a smoking issue, it is about retailers' rights to maintain authority over their business, how they are run, how they can sell a legal product, and it is about business security and business certainty. In markets where attempts to introduce display bans have occurred there is no evidence that shows that there is an overall decrease in the levels of people smoking or sales of tobacco products. What has happened is that sales have moved from one channel to another. The beneficiaries have been the larger supermarket chains whose general approach is to sell tobacco at a lower price point to convenience stores

in any case. Small retailers have incurred huge expense and operational difficulties that cause great inconvenience for all customers. Small stores are forced to close and staff become unemployed; and no evidence that people reduce their smoking frequency!

Tobacco sales in a convenience store represent something like a third of all store sales. Many stores have facilities for the sale of fuel. Some stores deal with in excess of 1500 customers per day. Customers are inconvenienced if a sales transaction is not efficient and quick. There are often queues of people waiting to be served and they can be inconvenienced by inefficiencies in dealing with other customers.

If tobacco products are not able to be seen by the customer or the staff of the outlet there will be a significant delay as customers select their products. The question then is how do they make these selections if products cannot be seen? Will lists of products be allowed and so on?

There are some real practical problems associated with not being able to see packets of cigarettes quickly. There are other issues too associated with a reduced security over other parts of the business as console operators search for products, there's the cost of installing new equipment (estimates of around \$10000 per outlet or \$40 million for our industry alone nationally).

This is also about business viability, particularly for smaller retailers. The proposed legislation is a nail in the coffin of small retailers as it unfairly favours supermarkets and specialized tobacconists.

Retailers have not been adequately consulted in drafting this Bill given some of the intended changes to the provision of pricing information, the storage and display of tobacco products, not to mention the viability of smooth and practical implementation.

I would appreciate the opportunity to meet with you at your earliest convenience to discuss these matters in greater depth.

Please feel free to contact me on 03 9855 5493

Yours sincerely,



David Killeen  
Executive Director

Cc Please see the attached list

Individuals receiving a copy of the letter addressed to Hon Katy Gallagher dated 31<sup>st</sup> March 2008:

Andrew Barr  
Wayne Berry  
Jacqui Burke  
Simon Corbell

Vicki Dunne  
Deb Foskey  
Mick Gentleman  
John Hargreaves

Karin MacDonald  
Richard Mulcahy  
Mary Porter  
Steve Pratt  
Zed Seselja  
Brendan Smyth  
Jon Stanhope  
Bill Stefaniak

Minister for Education and Training  
Speaker  
Deputy Leader of the Opposition  
Attorney-general and Minister for Police  
and Emergency Services  
Member for Ginninderra  
Member for Molonglo  
Member for Brindabella  
Minister for Territory and Municipal  
Services  
Government Whip  
Member for Molonglo  
Member for Ginninderra  
Deputy Speaker  
Member for Molonglo  
Opposition Whip  
Chief Minister  
Leader of the Opposition