

2 June 2015

Ms Jenny Leaman  
Secretary  
Legislative Council Sessional Committee Government Administration A  
Tobacco Free Generation  
Parliament of Tasmania  
Parliament House  
HOBART TAS 7000

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#### **RE: TOBACCO FREE GENERATION**

The Alliance of Australian Retailers Pty Ltd (AAR) appreciates the opportunity to participate in the Legislative Council Sessional Committee Government Administration A inquiry into the practicability and workability of the “Tobacco Free Generation” proposal.

The AAR represents thousands of individual small retailers around Australia, and includes hundreds of members in Tasmania. The AAR’s member associations represent independent convenience stores, newsagencies, milk bars and local corner stores on issues relating to the retail sale of tobacco products.

The AAR supports evidence-based measures to reduce smoking in the community - but is opposed to measures that will unfairly impact on small retailers and policy outcomes that will do nothing for public health but exacerbate the increasing trade in illicit tobacco and shift business to the large supermarkets.

Our members operate a legal business selling a product which is entirely legal, contribute billions of dollars in revenue to Australian governments, while employing hundreds of people across the state. In the convenience channel, for instance, tobacco contributes approximately 40% of turnover.

Tobacco is a legal product and an important category for many small businesses. Why should our members be continually punished for selling a legal product, and one which provides the government with approximately \$8 billion in revenue each year?

Tobacco is a highly regulated industry. Our members comply with a wide range of tobacco regulation and strongly support regulation to prohibit supply or use of tobacco products by those under age. Our members sell only to adult consumers who exercise free choice to use our products.

But small businesses like the ones we represent are under increasing pressure due to excessive tobacco regulation. In addition to ensuring all tobacco products are behind closed doors, our members face day-to-day challenges in dealing with plain packaged products which leads to both customer and retailer frustration, and competing with the illicit tobacco trade.

It is important to keep in mind that as tobacco products become more expensive and as brand logos and imagery are banned, consumers look to cheaper products, including illicit tobacco. The cheapest product will always be found in the illicit market, and those involved in selling illegal product are surely less concerned with selling tobacco products to children.

The central argument for this Bill appears to be that if legal supply of a product is banned, then demand for that product will disappear and also that people will be unable to access the product. It is an obviously flawed argument. One need only think of Prohibition in the United States to see that cancelling supply does not cancel demand, and consumers will look to alternative sources.

This Bill will have a serious impact on honest, hard-working retailers. The Tasmanian small business economy will miss out on income which will instead go to online purchases from other states, or criminals peddling illicit tobacco in our own backyard.

Ivan Dean has said unequivocally that people of the tobacco free generation will not be impacted by the Bill – they will still be able to smoke, and they will still be able to get tobacco products. One wonders then what is the point of this Bill? It is intended to stop people of the tobacco free generation from smoking, and yet the proponent of the Bill has said they can still smoke. It seems then that this Bill is only intended to hurt small business in Tasmania.

Retailers do not sell tobacco products to anyone under the age of 18 – the widely accepted age of majority. The age at which one can vote; could fight for their country; may choose to drink alcohol. There is already legislation in place to prevent under-age smoking – and rightly so. But once a person turns 18, they have the right to make their own choices about a range of things.

As long as tobacco remains legal to sell, purchase and consume, the AAR submits that small businesses should not be punished for selling tobacco products by being subjected to unreasonable regulation that has not been proven to demonstrate a public health benefit.



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We ask that you listen to the retail community, such as our members, who have to deal with the consequences of ill-thought out policy on a daily basis. This Bill is simply not workable nor practical.

A handwritten signature in black ink that reads 'A. Maccioni'.

Alf Maccioni  
Chairman