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26 April 2017

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Dear Chairman

**Subject: Red Tape Committee – The effect of red tape on tobacco retail**

I write to make a submission to the Red Tape Committee on the effect of red tape on tobacco retail.

One issue we have is understanding compliance requirements between State and Federal jurisdictions. For example, there is no standard size price board between all the states. Each state has their own size requirements. The price board is the only visual way to retail tobacco products to customers. When it is small it is hard for the customers to select tobacco products. Due to high prices because the huge increases over the last five years, customers are extremely price conscious. They rely on the price board to determine the cheapest and best value tobacco products.

The size of the price board also makes it very difficult to display all the prices of all the products. This means customers are asking for the prices of products that are not on display. This requires us retailers to look up the price in a folder or in the computer which means it adds to time and labour costs.

Having plain packaging also adds time and labour costs as it takes longer to find the requested products for customers. The size of the price board and the plain packaging adds approximately 40% to time and labour costs.

Taking one step back in the supply chain at the retail level, when stock are delivered it takes an extra 30% in time to sort and check off the stock with the freight company and it takes just as much time to store the products in certain sequence to help in locating the stock later on.

There is also fear in the workplace. Every employee is trained and understands the compliance issue regarding the age of the purchaser. They are trained to ask for identification when there is the slightest doubt on the age of the customer. However, when Department of Health inspectors sends

in under-aged casual employees to purchase tobacco products for the purpose of intentionally causing non-compliance to the law, that's entrapment and is grossly unacceptable and unfair. Why is there a fear? The employee knows and understands that they (the employee) and the employer are both subject to the \$10,000 fine. How would a teenager pay that \$10,000 fine?

As a small business owner we do not have the resources of big retailers. We are the warehouse receivables, HR, accounts receivables, accounts payable, front office, back office, compliance office, legal department, and so on... you get the drift. We have to try to fit everything into 168 hours per week and squeeze in some family time. We provide employment to teenagers earning their pocket money. We employ young mums and dads giving them opportunities to set up home and provide for their children. We employ seniors and in some cases they have been discriminated against in their previous profession because they are considered 'too old'.

There is a more than meets the eye and a lot under the surface. As they say, we're like the ducks on a pond. Gliding smoothly on the top but our feet are going like crazy underneath the surface.

I sincerely hope something comes out of this inquiry, for too long politicians of all persuasions have made lip service to helping small businesses.

Yours sincerely

Philip Foo