

The following are answers to questions taken on notice during the committee hearing.

Senator SHELDON: Well, I don't know about a responsible retailer. On 5 March 2018, there was a statement put out by the Fair Work Ombudsman regarding significant wage theft. In that statement, it said:

"A large number of employees at the audited sites are young and migrant workers, cohorts that we know to be particularly vulnerable to workplace exploitation and reluctant to complain about mistreatment.

"Sixty per cent of the 194 employees the Fair Work Ombudsman obtained records for were visa holders and nearly 26 per cent under the age of 24," ...

It talked about the nonadvice that was given to franchisees. I appreciate the business model has been changed, but there were also a number of operations that were directly under the control of Ampol. So you're saying that, even though there was a problem with stealing and wage theft, you'll be able to manage the medical dispensing of nicotine for vaping, if that was the form it took?

Mr Loydell: I have a couple of comments. I'd need to go back and check the context of those remarks, but I don't think that we were guilty of wage theft in the way that was just characterised at all. Those issues were dealt with through Senate committees at the time, and I'd refer you to those. I can say that our retail model has been strengthened because we've made the decision to bring all of our franchisees in-house. Perhaps Martine might like to explain the sorts of training that we do with staff on tobacco products.

Ampol acted decisively and took a zero tolerance approach when instances of wage underpayment emerged in our franchise network in 2016. Franchisees found to be underpaying their staff were terminated and an assistance fund was established to help franchise employees impacted. No instances of wage underpayment were found in the Ampol operated store network. Ampol now has practically completed the transition to a company operated retail network. We now have approximately 750 company operated stores and over 7000 retail employees, demonstrating our credentials as a responsible retailer.

Senator SHELDON: If nicotine and e-cigarettes were able for sale as a consumer-facing good and Ampol was able to sell them, does Ampol have any estimate of how much the market value of that industry would be worth?

Mr Loydell: I might refer to Martine as to whether we have any estimates on that.

Ms Cooper: No, we don't have any estimates in particular. It would depend on what the uptake is. We can take that one on notice and have a look at what we think.

Using New Zealand as the most comparable market, we estimate the Australian market could be worth approximately \$1.66 billion.

Senator SIEWERT: Senator Sheldon has covered quite a lot of the areas and questions I was going to ask. I'll just follow up from where Senator Griff left off. Do your staff have the time, and are they qualified, to ask those sorts of questions? We're sort of entering into a therapeutic area.

Mr Loydell: I'll hand over to Martine in a second. We're not saying that we have an answer today on exactly how that would be done. We'd want to work with health authorities to make sure

that we were actually contributing to a public health outcome and not making it worse. But perhaps, as I suggested before, Martine can discuss how we train our staff on the sale of tobacco products at the moment and what happens when new staff members come on board.

Ms Cooper: Thanks, Todd. We have very strict process and protocols around new team members joining. No-one is [inaudible] unless they have completed the training modules online. And every six months the same program is run for all staff. It's actually online and recorded as part of their HR file. We also have a very strict policy around only those who are 18 or above selling the product. I think that 0.04 per cent of our retail team is younger than 18, and they only work in the Boost Juice outlets. Otherwise, everyone serving tobacco is over the age of 18. We know that in a couple of states you can be younger than that, but we're very strict on everyone being over 18.

Senator SIEWERT: What are the actual guidelines? I understand you've just said they do online training, but what are they encouraged to tell people?

Ms Cooper: It's all around explaining the way that we sell the products; the merchandising; the 'smoking kills' signs that we have up, the big banners we have above the smoking cabinets. It explains to them how to actually access the product in the vending machines that we have behind the counter. It's also the standard of communication behind the counter as well. So what's explained [inaudible].

CHAIR: Ms Cooper, we're losing you again.

Mr Loydell: We might be able to follow up in writing with the end of that statement.

CHAIR: That might be easier. Sorry, Ms Cooper, you're dropping out again.

Senator SIEWERT: If you could put it in writing, that would be great. That's the end of my questions.

Training specifically covers:

- *Identify our tobacco products*
- *Understand cigarette law and its importance*
- *Know how tobacco legislation has changed over time*
- *Understand key federal acts*
- *Understand the national standards as they pertain to your state*
- *Know how to appropriately engage in tobacco sales*

Whilst some laws do differ between states, there are also National Standards which must be met.

These standards are mostly centred around who you can sell to and the display of tobacco.

As per the National Standards, employees can NOT sell tobacco to persons under the age of 18. If there is a concern that a customer requesting a tobacco product is under 18, you must check their ID.

- *Valid Forms of ID are Drivers License, Passport or Proof of Age card*
- **Ask to See Identification:** *If there is any doubt about a person's age, you must ask for proper ID. You should ask for ID from any person who you think looks under the age of 25.*
- **Check Identification Carefully:** *Check the birth date on the ID. Make sure it has not been altered in any way e.g., erased, typed over, smudged or cut out and replaced. Compare the photograph to the person. Be sure the physical characteristics match those of the customer.*

- **If In Doubt, Don't Make The Sale:** *If the person can't produce valid ID, regardless of the reason, refuse the sale.*
 - **Be Informative:** *The person will understand your position better if you explain it. Explain the law and the penalty that applies.*
 - **Seek Manager Support:** *If the customer objects or becomes aggressive, seek manager support.*
 - *You must not recommend tobacco brands or lines to customers, if they are unsure direct them to the price board. You can however, answer direct questions from customers*
 - *You must not up-sell any smoking related products such as lighters, filters or paper*
- If you believe an adult is purchasing tobacco on behalf of a minor, you must refuse the sale*

Senator CANAVAN: Thanks for the evidence this afternoon. In your submission you mentioned, I think, that your opening hours are longer. Do you have a consolidated figure for how many of your service stations or outlets are 24 hours or how many are open at a particular set of times?

Mr Loydell: I don't have that information in front of me, but I'd be happy to give you that breakdown.

Of Caltex owned and operated sites, 340 are trading 24 hours. Sites that are not trading 24 hours are usually trading from 5am to midnight.

Senator CANAVAN: This is just a comment to finish with. You don't have to comment because it relates to pharmacies. I don't believe pharmacies have that kind of infrastructure, in terms of locked cabinets. Obviously, there are behind-the-counter things, but they're all usually observable, so it would mean quite an infrastructure task, you would imagine. There is one thing you could inform us on. It's been at least a decade or so since cigarettes have been behind the counters. Do you recall, or have any corporate knowledge of, what sort of transitional period was put in place before cigarettes had to go behind these boxes? I imagine it was a bit of a task to install them all and get them rolled out.

Ms Cooper: I don't actually have that knowledge. I've only been in the business for 15 months. I could certainly find that out. I'm sure it would have been. We have different units across the network as well. There are a few VDMS units. They're a vending machine unit which holds a certain amount of product—more from a security point of view because, obviously, we get targeted for theft and that kind of thing as well. We want our teams to be safe—

Senator CANAVAN: Could you take on notice my question about, historically, how long it took to transition? I'm particularly asking about the locked non-observable containers or shelving that cigarettes are now in today and how long that took to roll out.

*2011 was the first complete ban on point-of-sale tobacco product displays
It took 8 to 12 weeks to undertake the conversion.*

There were two approaches –

1. *Investing in the electronic vending option (approx. 20-25k) or*

2. Installing cabinets with sliding doors with key locks approx. \$7k

Our network was heavily weighted towards option 2