

Submission No. 31
(Plain Packaging Bill)
A.O.C. Date: 25/07/2011

Committee Secretary
Standing Committee on Health and Ageing
House of Representatives
PO Box 6021
Parliament House
CANBERRA ACT 2600
AUSTRALIA

21 July 2010

Dear Committee Chair,

Regulatory packaging impacts on the retail sector

Peak retail industry body the Australian Retailers Association (ARA) is concerned about the duplicated regulatory burden and compliance costs associated with national plain packaging legislation on its members.

Current and scheduled state tobacco display laws along with the proposed Federal Government plain packaging duplicates or increases the regulatory burden and associated costs for retailers.

Retailers have invested in new store fit outs to ensure they are compliant with state tobacco display bans but they are now left wondering what exactly they are hiding behind cupboard doors if Federal legislation dictates standard packaging.

In light of recent Federal Government statements on alcohol packaging regulations and lobby groups making the case to regulate packaging warnings on fast or takeaway foods, the retail industry sees more, not less, compliance burden and costs hitting the sector along with the plain packaging moves.

The retail industry is already facing significant on costs through market pressures and Government policy making.

Like retail display bans, plain packaging is likely to significantly increase the time taken to complete a transaction including the sale of tobacco products. Regulations that increase transaction times have been estimated to cost businesses up to half a billion dollars (\$461 million), equivalent to 15,000 jobs*.

Increased transaction times also often lead to 'retail rage' at the checkouts which is a health and safety concern for retail employees, particularly young workers.

The issue of plain packaging has been rejected by previous governments, including Australia and around the world, because it is legally difficult and complicated as well as being a violation of international treaties and obligations. Put simply, plain packaging will come at an unmanageable cost to small retailers and will bring with it no real public health benefit.

To avoid putting further jobs at risk with a regulatory burden, the ARA urges the Federal Government to consider the alternate tobacco control measures and reject any plain packaging legislation.

Yours sincerely



Russell Zimmerman
Executive Director

* Deloitte Study into Compliance Cost for Small Retailers in NSW

"Find attached Australian Retailers Association State of the Retail Sector 2010 and Australian Retailers Association Employment Atlas as supporting documents".