



# Master Grocers Australia Ltd

Trading as:

**MGA Independent Retailers &**

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**Response to Queensland Government Consultation:  
Regulatory Impact Statement - Reducing the negative  
effects of smoking in Queensland**

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Submission Paper

June 2022

National Support Centre - Suite 5, 1 Milton Parade, Malvern VIC 3144

**P** 1800 888 479 | **F** 03 9824 4022 | [www.mga.asn.au](http://www.mga.asn.au) | **ABN** 44 004 063 263 © Master Grocers Australia Limited

## Introduction

MGA Independent Retailers Australia (MGA) wishes to thank the Queensland Government for the opportunity to contribute to the Government's *Consultation Regulatory Impact Statement (CRIS) – reducing the negative effects of smoking in Queensland*.

MGA Independent Retailers is a national, registered, not for profit employer organisation, that only represents family enterprises and private businesses, particularly in grocery and liquor and other retail businesses nationally.

These businesses range in size from small, to medium and large, and make a significant contribution to the retail industry, employing 120,000 people and accounting for approximately \$16 billion in sales.

There are 2,700 branded independent grocery stores, trading under brand names such as Farmer Jacks (WA) Foodworks, Foodland (SA), Friendly Grocers, Supa IGA, IGA, IGA Xpress and SPAR with a further approximately 1,300 independent food and grocery businesses trading under their own local brand names.

In Queensland MGA represents over 470 members employing over 20,000 people and accounting for over \$3 billion in sales.

MGA has worked collaboratively with AACS and ALNA to prepare and present our industry sectors views in a joint submission covering the following key recommendations pertaining to our sector

- Cost neutral tobacco licensing scheme
- A nominal flat \$350 licensing fee
- Establishing an illicit taskforce
- New legislation giving Increased police powers to combat illegal activity
- On the Spot Fines & Infringement Notices

MGA wishes to directly respond to Part 2 of the RIS: Section 2.4 ***“Sale of smoking products by minors”***

**MGA strongly supports the retention of Option 1. Which maintains the status quo. Allowing Minors to continue to sell and handle smoking products. We believe that the introduction of Option 3 would lead to a significant loss of junior jobs and future work opportunities as well as adding unsustainable costs to SME businesses throughout Queensland.**

Option 3 states the following

**Benefits: employees / minors**

1. Reduced regulatory responsibility

**There would be no reduction of regulatory responsibility as all staff currently complete a tobacco training course, which would be continued should the regulation change.**

2. Reduced risk of smoking uptake through the removal of exposure to smoking products as part of employment

**There is no evidence presented that states that minors being exposed to or selling tobacco products are more likely to take up smoking.**

In fact, a survey of our members minor staff showed the opposite, that due to the nature of the product they would NOT take up smoking at all.

### 3. Reduced risk of employees supplying smoking products in breach of controls

There is no evidence provided that show that the risk would be any different to the current level of risk. Presently all minors and senior staff undertake a tobacco training course which they must sign off on, confirming that they fully understand their responsibilities and obligations when selling tobacco products. They along with their employer take the role they play in the legal sale of tobacco products very seriously and understand the consequence of breaching any controls in sales of tobacco and are diligent with their enforcement.

#### Costs: employees/minors

##### 1. Potential for reduction in available employment at retail

This assumption is completely understated.

Retail has always been the initial pathway for the employment of junior staff, whether as a first job as a school leaver or a part time work whilst studying. Should this recommendation be introduced many retailers will have to reduce junior staff levels as they predominately man the checkout points.

MGA conducted a random survey of 20 member stores (available on request) with all of respondents stating that they would have to let go of most of their junior staff and replace them with a lesser number of senior staff 18 or over.

IGA Coombabah store manager Mr Dwyane Fry reported that,”

*“If introduced it would have a massive impact to my store, we currently employ 29 staff of which 20 are juniors that work varying shifts during the seven-day trading period, and I believe I would have to let all 20 junior staff go and replace them with less senior staff. Which, with the current worker shortages is near nigh impossible”*

Using the quoted increased hourly rate increase of between \$7.71 and \$11.23 per hour if Dwayne replaced 20 of his junior staff with 5 senior staff the store wage costs increase over a 12-hour trading day would be,

### Lower rate

5 staff @ 12hrs = 60hrs x \$7.71 per hr = \$462.60 per day x 365 days = \$168,849 increase in the annual wage bill

### Higher rate

5 staff @ 12hrs = 60hrs x \$11.23 per hr = \$673.80 per day x 365 days = \$245,937 increase in the annual wage bill.

These figures do not take into consideration other entitlements such as superannuation, annual leave, and sick leave. Putting a great strain on the viability of the business.

This increased cost would be amplified across all SME businesses throughout Queensland, with many of the small store owners having to work 70 – 80 hours to stay open and trade and some would have to consider trading fewer hours impacting consumer service, especially in rural towns.

## Submission Summary

MGA supports the objective of the RIS to further reduce the negative effects of smoking, improve the health and wellbeing of the community and ultimately reducing the costs of smoking on society.

However, the introduction of Part 2 of the RIS: Section 2.4 ***Sale of smoking products by minors*** Option 3, would.

1. Greatly impact the viability of all SME businesses in Queensland
2. Is anticompetitive and would further strengthen the position of the national retail chain stores

MGA believes with the introduction of a tobacco licence fee, stronger policing and compliance checks, stronger financial penalties, potential loss of tobacco license and ongoing staff training, keeping the current status quo in allowing minors to sell and handle tobacco products can continue to work.

MGA thanks the State Government for its strong engagement on this vital issue and MGA welcomes the opportunity to discuss this submission further in person.

**Jos de Bruin**



Chief Executive Officer

**George Kovits**



National President MGA Liquor



“MAKING LIFE EASIER,”

