

# Preventing underage access.



With over 700 pieces of Australian legislation in existence relative to tobacco already in place, it appears governments are considering yet further reforms, with vending machine laws being debated in most Australian states over the past year.

While the WA government and a NSW parliamentary inquiry both rejected further restrictions on vending machines over the past few months (due to the already highly restricted status of vending in these states), other Australian states have recently turned to practical ways to ensure adults continue to have

of things like tropical beaches), fines for minors entering bars and so on. Beyond these restrictions, Australian governments have shown themselves to be wary of calls to ban cigarette sales in hotels and bars. A June 2006 inquiry into tobacco smoking in New South Wales considered the fact that the sale of cigarettes is only a very small element of revenue for hoteliers and bar owners. Most people would agree that since the debate centres around underage access, targeting vending machines would be inappropriate.

Coming on the back of total indoor smoking bans, a further vending ban would be viewed by most as an unfair

decline in hospitality vending. Vending wasn't banned in Tasmania but many people assumed incorrectly that because smoking was banned in hotels, so was the sale of tobacco.

However, because this decline in vending machine sales was matched by an increase in sales through convenience stores near hotels and bars, it was the hospitality industry that felt this economic impact.

This highlights the fact that a ban on vending does not encourage people to quit smoking, but encourages them to instead purchase their cigarettes from either a convenience store or supermarket. 10 years ago, a federal parliamentary inquiry found



ESD Unit



VS+



Goya 22

access to a legal product, while providing sensible restriction against youth sales – something all responsible retailers would applaud.

Most states already regulate the number of machines, location, notices, number of packet “facings,” lighting or movement, “unbranded tobacco advertising” (such as attractive displays

penalty to hoteliers and bar owners who have already borne significant impacts to their business – in both an economic and operational sense.

Indoor smoking bans have already impacted on hospitality tobacco sales. For Australia's leading tobacco manufacturer, British American Tobacco Australia, the total indoor smoking ban in Tasmania resulted in a 15 percent

supermarket competition had reached 80 percent market concentration<sup>1</sup> – and this has worsened since. Further advantaging supermarkets is not in the national interest.

Even so, for hoteliers and bar owners, it is not so much the lost sales from cigarettes but the lost alcohol and gaming revenue that occurs when smoking patrons leave bars to purchase

cigarettes. Often these patrons don't return to venues, and industry figures show that many smoking patrons are now choosing to socialise at home – buying alcohol at bottle shops and enjoying a smoke at home.

The most compelling argument, however, is that a vending ban would only mean that bars would sell cigarettes “over the counter.” All this would achieve is a further frustration for, and impost on, bar owners for no public health benefit.

## Preventing underage access.

The problem remained for legislators that there was a risk that minors can sometimes sneak past security at the hotel or bar door and use cigarette machines. That concern is matched by licensed venue operators – the vast majority of whom take their responsibility to prevent underage drinking and smoking at their venues very seriously.



Customer shows proof of ID

Under pressure to ban vending machines in licensed premises, a solution has been adopted in Tasmania and South Australia where governments have opted instead to introduce “lock-out mechanisms” – an idea shown earlier to work in New Zealand.

South Australia and Tasmania led the way on mandating lock-out devices

around a year ago. In these states, machines must be operated with assistance from an employee.

The result is an added safeguard against underage access. Put simply, the change means that the intervention of bar staff is needed to make the sale. Patrons approach bar staff, provide proof of age, and the staff activate the machine by pressing a remote control. Alternatively they can give patrons tokens that activate machines for one sale only.

To avoid confusion, signs should be installed to inform customers that lock-out modification has taken place and they should speak to the bar staff to activate the machine.

Nobody pretends the move to Seller-Controlled Units will be hassle free, as the ID check and activation process will take time away from busy bar staff. However, relatively



Employee operates lockout mechanism

few NZ bar owners opted to end vending in their venues when their only choice became lock-out mechanisms.

The move to Seller-Controlled Units in New Zealand has seen a 53 percent volume decline in the vending channel<sup>2</sup> but it was seen by hoteliers and bar owners as a better option than facing a 100 percent decline.



Customer obtains cigarettes

## What can you do?

1. Contact British American Tobacco to discuss your vending options on 1300 727 250.
2. Speak to your staff to remind them that cigarettes can only be sold to adults – and that penalties apply for sales to minors. Bar operators have a unique opportunity to demonstrate their genuine commitment to youth smoking prevention.
3. Seek guidance from your state Department of Health or the provider of your venue's vending machine or Seller-Controlled Unit to ensure that it (and its location within your bar) is compliant with relevant legislation.

<sup>1</sup> Parliament of Australia, Joint Select Committee on the Retailing Sector: “Fair Market or Market Failure? A review of Australia's retailing sector” August 1999 © Commonwealth of Australia 1999. <sup>2</sup> Tasman Vending figures: Actual volume for 2004 was 48.808 million sticks, compared to a 2005 volume 22.634 m sticks. The company reports that initially 10 percent of their machines were lost “through publicans not wanting the hassles associated with the ban on smoking in bars”; however since this initial impact, machine placement has been rather stable.