



2 January 2009

Preventative Health Taskforce Secretariat MDP 16
Department of Health & Ageing
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Dear National Preventative Health Taskforce

**RE: AUSTRALIA: THE HEALTHIEST COUNTRY BY 2020 – A DISCUSSION PAPER
PREPARED BY THE NATIONAL PREVENTATIVE HEALTH TASKFORCE**

Coles welcomes the opportunity to comment on the above Discussion Paper.

Coles recognises that measures are needed to tackle Australia's growing public health challenges caused by obesity, tobacco and alcohol consumption and fully supports the government's efforts to develop preventative health strategies for future years.

Coles has already implemented a number of initiatives aimed at helping our customers make healthier eating and lifestyle choices for themselves and their families. These initiatives are outlined in our attached submission and include for example our efforts to improve the quality, availability and affordability of our fresh food product range, our trials of new store formats, our new House Brand Quality Standards (which sets out targets such as salt and fat reduction in our products) and our commitment to Daily Intake Labelling from 2009. In addition, we have responsible tobacco and alcohol retailing strategies in place.

As a national retailer, Coles must comply with more than 300 separate Acts and regulations across all states and territories of Australia, which impose up to 10,000 different compliance obligations on our business. In addition to dealing with each state and territory, we also deal with more than 450 local councils who enforce the laws across Australia. If any measures are to be introduced to address these public health challenges, Coles' strong preference is that they be considered nationally in order to reduce the regulatory compliance burden on business and to advance Australia towards a seamless national economy.

We would be more than happy to provide further information or detail on request. Should you require further information please contact [REDACTED] Manager Regulatory Affairs on [REDACTED] or via email [REDACTED]

Yours sincerely

Ian McLeod
Managing Director.

INTRODUCTION

Coles welcomes the opportunity to comment on the National Preventative Health Taskforce Discussion Paper titled “Australia: The Healthiest Country by 2020” (***the Discussion Paper***).

Coles operates more than 2,200 food, liquor and convenience stores across Australia, through our Coles, BiLo, Vintage Cellars, Liquorland, 1st Choice and Coles Express brands and employs more than 100,000 team members across all states and territories of Australia. We also operate 95 hotels across Australia, mainly in Queensland.

Coles is a leading provider of fresh food and grocery items to most Australian families with more than 11 million customer transactions per week. We aim to provide our customers with value, quality, choice and convenience for their everyday needs and continuously look at new ways to improve the quality, availability and affordability of our fresh and grocery product range.

Coles also takes its responsible service of alcohol and tobacco obligations very seriously and has strict compliance policies, procedures and training in place to ensure that we only sell and display these products in accordance with all applicable laws.

Coles recognises that measures are needed to tackle Australia’s growing public health challenges caused by obesity, tobacco and alcohol consumption and fully supports the government’s efforts to establish a National Preventative Health Taskforce (***the Taskforce***) to develop a comprehensive Preventative Health Strategy (***the Strategy***) for future years.

Whilst Coles fully supports the work of the Taskforce and development of the Strategy, we do not believe a heavy-handed government or prescriptive regulatory response is appropriate or necessary to address these public health challenges. In our view, non-regulatory measures (such as sustained public education/awareness and targeted health programs) are necessary to drive behavioural and/or cultural change in order to address these public health challenges.

As a national retailer, Coles must comply with more than 300 separate Acts and regulations across all states and territories of Australia, which impose up to 10,000 different compliance obligations on our business. It is therefore important that any future measures proposed by the Taskforce are supported by strong evidence and research and considered nationally in order to reduce the regulatory compliance burden on business and to advance Australia towards a seamless national economy.

Please find below our comments on relevant issues raised in the Discussion Paper for your consideration.

OBESITY

Coles recognises obesity is a major health issue in Australia and is committed to working with the government and industry to help individuals make healthier eating choices for themselves and their families.

Coles has already implemented a number of initiatives to promote healthier eating choices that prevent overweight and obesity. These initiatives are explained below under key headings raised in the Discussion Paper.

Improving the quality, availability and affordability of fresh food

As one of Australia’s largest food retailers, Coles is committed to improving the quality, availability and affordability of our fresh produce and grocery range.

Coles offers our customers an extensive range of several thousand fresh produce items. This ranges from fresh meat, fruit, vegetables, juices, dairy and seafood as well as pasta and antipasto from Coles delicatessen.

Most of Coles fresh produce is grown directly for Coles which enables us to have traceability back to the farm gate to ensure freshness, quality and that it meets stringent food safety specifications. Coles continues to introduce new varieties of fresh fruit and vegetables and innovative fresh produce mixes for our customers that are available from Coles fresh produce, dairy and delicatessen areas in ready to eat convenient formats.

Coles has also recognised the growing consumer demand for organic products and continues to expand and make more widely available our organic range of fresh and processed foods. Coles was the first retailer in Australia to introduce its own brand of Certified Organic Products. The Coles Organic range was rolled out from 2004 and in 2006 Coles began to roll out a new look in its organic range, the You'll love Coles Organic brand.

In 2008, Coles commenced a comprehensive end-to-end review of our fresh produce supply chain, to support delivery of improved quality fresh products to customers. Key focus areas include quality control, merchant and instore training and improved instore merchandising and display. This has involved training more than 2500 team members on product knowledge, stock rotation, stock handling, instore display etc.

In addition, Coles has recently commenced trials of new store formats that make our fresh produce areas even more appealing. Key features include market style fresh areas, fresh produce displayed on ice, salad bars with fruit and vegetables cut fresh for customers, fishmonger, butcher and baker on site etc.

Coles Express has also recently commenced trials on a select range of fresh produce (such as two packs of apples, mandarins and oranges etc) in a number of stores.

Reshape the food supply towards lower risk products and encourage physical activity

Coles' commitment to obesity prevention and to helping our customers make healthier choices is outlined in our new Housebrand Quality Brand Standards. One of the key drivers of the Housebrand Quality Brand Standards is to support the virtues of a balanced eating plan and enhance the nutritional value of our Housebrand foods by setting targets in areas such as salt and fat, as well as limiting the use of artificial colours and flavours. Over time, through development in our Housebrand range, Coles aims to minimise the use of added salt by 25% over 5 years and intends to be lower than the leading market brand equivalent. Salt reduction requires a step-by-step approach. The key is finding ways to lower salt levels without compromising the taste or quality of the food. Coles is engaging with industry, NGOs and government to develop achievable targets (levels and time) for reduction in salt (see Attachment 1 for further detail).

Our Housebrand Brand Standards also includes guidelines for ingredient lists. Coles has committed to use natural colours and flavours in our Housebrand products where possible and will not permit the use of added flavour enhancers (such as MSG and glutamates). Coles has also committed to challenge the unnecessary use of preservatives and the quantities in which they are used in our Housebrand range and will not permit GM ingredients in our Housebrand products.

Coles recognises that we sell a wide range of foods to most Australian households. Our role is to provide our customers with food and information to make healthy choices, easily. We support the Australian Dietary Guidelines for children and adolescents and are striving to provide food to families that contain a higher dietary value. We also recognise the benefits of physical activity as an essential part of a healthy lifestyle.

Improve public education and information

Coles' is trying to help our customers make healthier foods choices through various promotions. For example, Coles is now promoting a range of fresh produce in our catalogues and in our Table magazine.

Coles has also supported and been involved in various other initiatives (such as our 7-a-day Fresh Food Education Campaign, *Coles Cares* Healthy Lunchbox program and the Healthy Steps Campaign). Coles will continue to work with the Australian Food and Grocery Council, other retailers, suppliers, governments, industry bodies and NGOs on the best way to communicate nutritional information to customers.

In December 2008, Coles announced its plan to start using "Australia made, Australian grown" icons in our weekly catalogues to offer more information to our customers about the origin of the food. These new icons will indicate to customers where their meat, fruit and vegetables have originated (see Attachment 2 for further detail). This initiative is in addition to our country of origin labels already in store and on pack.

Coles will also start to use distinctive labels to help consumers more clearly identify and buy Australian pork. Coles will display, the bright pink "Australian Pork", logo, on all fresh pork packaged for sale on our shelves (see Attachment 3 for further detail).

From a Housebrand perspective, Coles has adopted a Salt Reduction Policy and a Trans Fat Reduction Position Statement, as well as striving to enhance the nutritional value of our Housebrand foods by reducing energy, fat and sugar levels. We also have a full-time nutritionist employed who is responsible for developing and implementing these policies as well as overseeing the nutritional quality of our Housebrand products.

Coles is also helping our customers identify healthy choices using in-store and on-pack initiatives to identify nutrition information, for example our nutrition icons that include low/reduced fat, sugar, salt and kilojoule options.

In 2009, Coles will adopt Daily Intake (DI) labelling and provide this on pack along with responsible serve size suggestions to help customers not exceed their total energy and nutrient needs. The Australian Food and Grocery Council developed the DI front of pack labelling scheme in consultation with dietitians and health experts to help consumers better understand what is in a serve of a particular product and how it contributes to their daily diet. DI labelling indicates the amount per serve for energy and the six nutrients – protein, carbohydrates, sugars, fat, saturated fat and sodium – and the percentage of daily intake these represent per serve.

Reshape urban environments towards healthy options

Coles wholly supports government initiatives to encourage schools and workplaces to adopt nutrition and exercise programs.

Coles currently administers the 'Coles for You' program, which gives tips to its employees on topics such as health, nutrition and exercise.

In addition, a new onsite gym and exercise facilities - offering memberships, massage, classes, and personal training – has recently been built at Coles' head office for team members to use.

Strengthen, upskill and support primary healthcare workers and the public health workforce to support making healthier choices

Although this option for reform is not directly relevant to Coles, we support the government initiatives to support healthier choices.

Close the gap for disadvantaged communities

Eating healthily on a budget remains a challenge for many Australian families. Coles wants to help our customers and work with governments, NGOs and others to tackle poor health and nutrition. We have put in an application for an Australian Research Council linkage grant with Deakin University and National Heart Foundation to investigate whether a skill-building program is effective in helping Coles shoppers in socioeconomically disadvantaged neighbourhoods to increase their consumption of fruits and vegetables.

The proposed intervention would support this option for reform and the findings would help to provide effective strategies to address the social inequalities of obesity in low-income communities. This project would further demonstrate our commitment to encouraging Australians to make healthy eating choices, as well as adding to the evidence-based literature. Coles would use the results to inform internal and external stakeholders' strategies to target health promotion initiatives to increase fresh fruit and vegetable consumption. Coles will provide in-kind contributions, including access to data and use of facilities and expertises with an estimated commercial value exceeding \$100,000 over 3 years.

Coles has also committed to the health and wellbeing of children by working closely with Australian Red Cross to help provide breakfast to children across Australia. Coles has partnered with Australian Red Cross since 2007 and helps to fund one of Red Cross' major community programs, Good Start Breakfast Clubs.

Good Start Breakfast Clubs provide healthy breakfast and nutrition education every day to school kids in areas of greatest need around Australia in order to help them start the day well and concentrate better in the classroom. Breakfast Clubs also helps to foster vital social skills and introduce children to basic nutrition and the importance of healthy eating.

All money raised through the sale of Red Cross merchandise, collection of instore donations and direct cash donation of \$250,000 from Coles help ensure Breakfast Clubs around Australia continue to operate. There are now more than 220 Good Start Breakfast Clubs operating nationally, serving in excess of 650,000 meals a day.

Coles has also partnered with Foodbank Australia¹ since 2000 to help feed disadvantaged Australians in need of food relief each year. Foodbank is a not-for-profit organisation that seeks and distributes food to 1900 welfare agencies across Australia.

Coles makes regular donations to Foodbank and last year alone donated more than 1 million kilograms of food and groceries to Foodbank, making Coles one of their top three donors nationally. This year Coles and Foodbank have joined forces in a nation wide Christmas appeal to urge customers and team members to make donations of non-perishable food in all Coles and Bi-Lo stores.

In addition, Coles has contributed to a variety of community nutritional grants over the past financial year aimed at helping the community make healthier eating and lifestyle choices. These include for example:

- Fresh Kids/Kids go for your life - \$20,000 to the Western Regional Health Centre (VIC) to promote the enjoyment of healthy eating and physical activity within eight local primary schools in the City of Maribyrnong;
- Laynhapuy Homelands Nutrition Program Inc - \$20,000 to provide the Yolngu people (NT) to assist with a nutrition and education program;
- Action on Disability with Ethnic Communities - \$12,000 to fund a health and lifestyle enhancement program (VIC);
- Yarraville Community Centre - \$10,000 to develop nutrition as an integral module of the component in the ESL curriculum (VIC);

¹ *Foodbank are located in 5 states (excluding Tasmania) and 6 regions across Australia.

- Diabetes Australia (NSW) - \$50,000 to review, update and re-write the diabetes education booklet; and
- Diabetes Australia (TAS) – \$13,070 to “Get a Life” Health and Wellbeing Expos as part of national diabetes week.

TOBACCO

Coles takes its tobacco compliance obligations very seriously and has strict policies, procedures and training in place to ensure that our team members sell and display tobacco products in accordance with all applicable laws. Our hotels are also smoke free venues in accordance with all applicable laws.

Coles understands the Taskforce has identified a range of measures aimed at reducing harm associated with smoking and fully supports the government’s objective of reducing smoking rates in Australia. However, it is important that any future tobacco reforms minimise unintended consequences and avoids imposing unnecessary compliance costs on business with little or no justification. This is because the current piecemeal approach to tobacco regulation, overly prescriptive requirements and constantly changing laws are imposing unnecessary complexity and compliance costs on business.

Please find below our comments on some issues raised in the Technical Paper No 2 – “*Tobacco Control in Australia: Making Smoking History*” and in the Discussion Paper for your consideration.

Revenue measures to reduce the affordability of tobacco products

Coles understands the Taskforce is proposing to increase excise and customs duties on tobacco to ensure that cigarettes become significantly more expensive to discourage smoking and to provide funding for prevention activities, including those in lower socio-economic status groups. Coles supports targeted prevention activities in principle, but believes any decisions about taxation or funding are matters for government.

Legislative reform to address the current deficiencies in tobacco regulation

Coles understands the Taskforce is considering a range of tobacco reforms such as mandating plain packaging of cigarettes, increasing the size of graphic health warnings on packs and introducing a national ban on point of sale tobacco displays. Coles has no issue with an increase in the size of the graphic health warning on packages, but questions the proposed effectiveness of plain packaging given that (i) most states have limited (if any) point of sale displays of tobacco products; and (ii) that tobacco packs under the proposed plan would have health warnings on 90% of the front and 100% of the back of the pack. We are also unaware of any evidence that shows plain packaging delivers public health benefits.

Coles does not support a national ban on point of sale displays because we believe consumers have the right to view tobacco products (like any other legal product) in order to make an informed purchasing decision. We also have a number of operational concerns with a national ban based on our experience in Tasmania where team members (especially casuals) have reported difficulty in locating tobacco products that have been shrouded. This can slow service time for customers (smokers and non smokers) and result in increased customer inconvenience and dissatisfaction.

Coles recommends the Taskforce conduct a comprehensive review the effectiveness of display restrictions already implemented (such as the one square metre restriction in QLD and WA) to determine the impact of such restrictions on smoking rates before it considers a national display ban.

If a national display ban were to be introduced, Coles requests a minimum 12 month implementation period to ensure retailers have adequate time to source and redesign tobacco units/kiosks. It would also be helpful if the commencement dates were staggered to assist

national retailers to roll out new tobacco units/kiosks on a state-by-state basis given the significant resources and capital investment required. There must also be flexibility to allow for incidental viewing of tobacco products whilst re-stocking units during trading hours or when team members open tobacco units to retrieve tobacco products on request (particularly for stores that trade on a 24-hour basis such as Coles Express).

Coles would like the current ticketing standards (i.e. price tickets and/or price boards) retained because they help provide customers with the information they require to make an informed purchasing decision. However, our strong preference is for a national approach to be adopted so that we do not have to constantly invest capital and IT resources to change our instore ticketing to meet the changing tobacco regulations in each jurisdiction. For example, the ACT has recently prescribed that price tickets must be in Times New Roman Font – no character greater than 12 point, which is inconsistent with our national ticketing standards.

The following table shows some of the inconsistencies in relation to price tickets and price boards across jurisdictions.

JURISDICTION	PRICE BOARD SIZE	PRICE TICKET SIZE
VIC	Max 1.5m X 1.5 m – font must not exceed 2.1 cm high and 1.5cm wide	32sqcm - font must not exceed 2.1cm high and 1 cm wide
NSW	Max area no larger than 2000 sqcm – font must not exceed 2cm high and 1.5cm wide	35sqcm - font must not exceed 2cm high and 1.5cm wide
ACT	Max 1sqm (Not permitted as of 2009)	15 sqcm - font must be in Times New Roman, no greater than 12 point.
QLD	Max .5 sqm, font not prescribed	32sqcm - font not prescribed
SA	Max .5m – font must not exceed 20mm	32sqcm – font must not exceed 15mm
WA	Max 1 sqm, font must not exceed 1cm in height	35sqcm – product line must be the same height across all tickets, 8mm or less.
NT	Max 1 sqm, font must not exceed 2cm high and 1.5 cm wide	35sqcm – font style/size not prescribed.
TAS	Max 100cm X 75cm – font must not exceed 2cm in height	Ticket size not prescribed – font height must not exceed 2cm

For consistency and simplicity we recommend the following national position be adopted:

- Price tickets – 32 sqcm (not font style/type prescribed)
- Price Boards – A2 size (no font style/type prescribed).

It is also understood that the Taskforce is considering modernising the *Tobacco Advertising Prohibition Act 1992 (Cth)* to cover new forms of media such as the Internet. Coles Online currently sells tobacco products and has strict age verification requirements in place when customers order tobacco products. We believe the current laws governing these types of online sales are appropriate so long as the seller/retailer has reliable age verification procedures in place and complies with all applicable laws. If the Taskforce and government is concerned about certain Internet sales operations, we respectfully suggest more targeted enforcement action could be undertaken.

Coles strongly supports the establishment of a national system to more regularly review mandated warnings on tobacco packs and health warning signage in retail outlets. This would significantly reduce the compliance burden on retailers who currently have to administer different health warning signage requirements in each jurisdiction.

Coles understands the Taskforce also proposes to establish a regulatory body with the powers to ban, limit or mandate tobacco product constituents, emissions, additives or design features. If a regulatory body is established, it is important that it have the powers to make national decisions to avoid the current situation with inconsistent laws and interpretations across jurisdictions (such as with different ban orders being adopted in one jurisdiction, but not another). This would also benefit government through reduced duplication of effort and resources across jurisdictions.

Coles takes the issue of sales to minors very seriously and understands it has an important role to play in preventing children and adolescents from purchasing tobacco products. We believe government and industry can do more to prevent youth smoking and support any proposal aimed at ensuring cigarettes are not sold to children.

Expenditure measures - campaigns

Coles supports an increase in the frequency, reach and intensity of education campaigns that personalise the health risks associated with smoking because we believe education and awareness is fundamental in terms of driving behavioural change in relation to smoking.

We also fully support a continuing social marketing campaign to be developed and run in collaboration with state QUIT agencies. However, Coles would prefer a national, uniform approach be adopted rather than with state specific QUIT agencies.

Advertising and promotion

Coles notes there are already strict laws in place that prohibit retailers and manufacturers from advertising or marketing tobacco products and therefore does not believe any further reforms are needed at a retail level. However, we support the Taskforce's proposal to raise awareness among young people working in the Australian film and entertainment industry about the effects of seductive portrayals of smoking in popular entertainment view by children.

National licence

Coles does not support the proposal that Australia should move by 2020 to a system where cigarettes could only be sold through a limited number of specially licensed outlets. This would not only be inconvenient for customers who wish to purchase tobacco (like any other legal product) through normal retail channels, but also penalises retailers that act responsibly with regard to the sale of these products.

However, Coles fully supports a move to a national licensing scheme. This is because the different licence fees and requirements across jurisdictions are costly and complex for national retailers to administer. Coles recommends the new NSW licence approach be adopted as the national benchmark (i.e. simple online notification process with no fees or renewals).

ALCOHOL

As one of Australia's leading alcohol retailers, Coles Liquor Group² is highly committed to the responsible service, supply and promotion of alcohol in all of our 760 stores and 95 hotels across Australia.

Alcohol is widely enjoyed throughout society and is accepted as a way of relaxing and socialising. Changing Australia's drinking culture will require a long-term approach based on

² Coles Liquor Group comprises of Vintage Cellars, Liquorland and 1st Choice Liquor stores.

nationally consistent messages and legislation, commitment and patience, involvement of whole of society and active and sustained enforcement.

It is important that the Taskforce acknowledge the influence of societal views on drinking which are deeply rooted in our social activities. If there is a desire to change drinking behaviour or patterns in Australia, then an appropriate starting point might be to look at why people drink rather than the location at which the alcohol was purchased or the particular type of alcohol product purchased.

There is also a need to develop strategies and programs that encourage a drinking not drunken culture. Arguably the intention or motivation to drink, whether in moderation or to excess, is in most cases formed prior to the consumers attendance at a licensed premises. Therefore, the importance of education, awareness and enforcement should not be underestimated.

The misuse of alcohol is an issue that must be recognised by the whole community, not just regulators and licensees. This includes encouraging individuals to take responsibility for their own level of alcohol consumption. There is also a need for better Australian research to understand the relationship between outlet density, licence types trading hours, promotion, pricing, high-risk groups and alcohol related harm.

There is no “one size fits all” solution to reducing alcohol related harm. Evidence based illness prevention and health promotion programs should be developed and any solution to reduce alcohol related harm must be based on this evidence and tailored to ensure that high-risk groups are targeted. A targeted approach is more likely to be effective in managing high risk groups while minimising the impact of any proposed restrictions on the vast majority of the population who consumer alcohol responsibly.

Coles Liquor Group does not believe the Discussion Paper or Technical Paper adequately addresses the issue of poly-drug use, where a person may consume alcohol and a drug (illicit or otherwise) and the impacts of the combination of these substances. It is likely that the use of drugs with alcohol may contribute to many of the health and social problems that are currently attributed to alcohol use and as such distort data regarding alcohol related harm.

Coles Liquor Group has developed its own “Enjoy Responsibly Guidelines” that sets out its guiding operational principles and put a number of other initiatives in place to ensure that alcohol is sold responsibly in all of our premises such as:

- adopting a House Policy for all of our premises;
- adopting standards for the responsible marketing and packaging of products in order to ensure that products that are not marketed or packaged in a responsible manner are not offered for sale in our outlets. This has involved removing some products from sale;
- requiring all customers who look 25 or under to provide proof of age. If they cannot then they are refused service, regardless of whether they are over 18;
- secondary supply campaign including displaying the “Don’t buy it for them” signage aimed at discouraging adults from purchasing alcohol for minors; and
- participation in local liquor accords.

Coles Liquor Group works closely with Police and other community groups to respond to potential issues regarding the sale and supply of alcohol. For example, we have recently removed certain products from sale and changed our trading hours in response to community concerns (such as in parts of the Northern Territory).

Please find below our comments on some of the proposed liquor measures outlined in the *Technical Paper titled “Preventing Alcohol Related Harm in Australia: A Window of Opportunity”* and in the Discussion Paper for your consideration.

Regulating Physical Availability – Access to alcohol

Coles Liquor Group has strict process and policies in place regarding the responsible sale, supply and promotion of alcohol. These policies apply regardless of how many stores or hotels we have or where they are located.

Whilst we acknowledge that there has been an increase in the number of liquor licences issued in Australia since some states deregulated their liquor licensing regimes, we understand that despite the increase in availability, consumption has remained relatively constant throughout this period and is expected to decrease (i.e. the same amount of alcohol has been consumed despite the increase in liquor licences).

The relationship between outlet density and alcohol related harm is complex and likely to vary between different communities where community standards, town planning and licensing legislation may vary. Whilst some individuals believe an increase in the number of liquor licences will automatically result in an increase in misuse of alcohol, crime or in underage drinking, little research has been undertaken in Australia to be able to form a view on accessibility, density, saturation and associated harm. Given the lack of research, it should not be assumed that an increase in the number of licensed premises will necessarily lead to an increase in alcohol related harm within a community.

Before any liquor reforms are introduced, Coles Liquor Group believes independent Australian research is needed to determine whether there is a specific density threshold above or direct causal evidence in which alcohol related problems manifest themselves. This research should encompass all types of licences and distribution outlets as the effect of outlet density may vary by licence type. Until this research is undertaken it is inappropriate to rely too heavily on earlier research that did not specifically differentiate between the different types of licences and the types of areas they are located in (eg. entertainment precinct, restaurant area).

It is important to note that the potential impacts that may arise from the operation of a licensed premise will be influenced a number of factors such as the particular location and measures put in place by management to mitigate any negative impacts and enhance positive impacts. The impact of an additional liquor outlet will vary from area to area and any increase in alcohol related harm could have as much to do with the management of the liquor outlet rather than the fact that the outlet exists.

There is no cause and effect relationship between an increase in liquor outlets and an increase in certain forms of harm. Factors such as sales to minors or intoxicated persons are largely operator dependent (i.e. depend on the level of knowledge of responsible service of alcohol). If a responsible and compliant liquor licensee operates additional licensed premises then these licensed premises are also likely to be managed in a responsible and legal manner. As stated above, it should not be presumed that an increase in licensed premises would automatically result in an increase in underage drinking or harmful alcohol consumption.

Trading hours

The expectations of consumers have broadened to demand increased access, variety and convenience in respect of any product or service they seek. Licensed trading hours should reflect these consumer expectations.

Coles Liquor Group notes that approval for new extended trading licences are increasingly difficult to obtain. Licensees are required to demonstrate that they have in place strong policies and procedures to manage any potential issues associated with the late trading including mandatory RSA training for team members, minimum crowd controller numbers, CCTV coverage etc.

As stated above, it is important to recognise that an increase in alcohol related harm during extended trading hours could simply reflect the management of the licensed premises rather than the fact that the extended trading hours are permitted. Where licensees are not

complying with their legislative obligations then enforcement action should be taken against them.

Taxation & pricing

The alcohol industry contributes significantly to Australia's economic well-being. The industry makes a multi-billion dollar contribution to the Australian economy nationally and provides directly and indirect employment opportunities for many Australians. Furthermore, the alcohol industry provides a valuable taxation source to both the federal and state governments.

Price is only one factor that drives customers to purchase alcohol. Other factors that can influence a consumer's purchasing decision include the look and feel of a store, its location, the product range and the customer service offered by the store.

There is a complex relationship between alcohol price and consumption. An increase in alcohol taxation may not necessarily result in a decrease in alcohol related harm. This is because any change in consumption will depend on the actual product.

A volumetric approach to alcohol seems a simple solution, however, it can have serious implications on the cost of wine and subsequently that industry. A straight volumetric tax will increase the costs of beer and low to middle order wines, but considerably lower the cost of expensive wines. Whilst large-scale shifts in taxation policy may result in a decrease in alcohol related harm, this may have an adverse effect on the viability of the alcohol and agricultural industries.

Coles Liquor Group does not support a flat volumetric tax on alcohol because it will place an increased cost burden on consumers, particularly low and average income earners, the vast majority of whom enjoy and consume alcohol responsibly.

Regulating promotion

Coles Liquor Group fully supports the responsible promotion and marketing of alcohol and believes a licensee should ensure that any promotional activity it conducts does not encourage either rapid or excessive consumption of alcohol.

Coles Liquor Group has adopted standards for the responsible marketing of alcohol that go beyond the legislative requirements including:

- targeting our advertising to adults over the age of 25 years;
- including a responsible consumption/service message in all our promotional material;
- where we run lifestyle type advertisements (as opposed to product and price) ensuring they are balanced, mature and responsible approach to alcohol consumption;
- ensuring that any promotion does not give a consumer the impression that alcohol consumption will result in increased success (financial, sexual or otherwise); and
- in some remote communities not advertising some alcohol products that may contribute disproportionately to alcohol related harm.

It is our experience that alcohol promotions generally do not result in an increase in total alcohol sales, rather alcohol sales are redistributed between existing liquor outlets. For example, when another licensee runs a promotion we may see a decrease in sales in our outlets yet total alcohol sales for that period in that area remains fairly static

Whilst advertising may play a role in influencing a person's alcohol consumption other groups such as parents and peers are likely to be significant influences in determining how a person consumes alcohol. We refer to comments in the 2006 Inquiry into Strategies to Reduce Harmful Alcohol Consumption: Victorian Drugs and Crime Committee Report, which stated:

“Notwithstanding the highly persuasive sources and arguments in favour of stricter (statutory) interventions, the Committee believes any firm links between alcohol advertising and increased or harmful alcohol consumption (particularly among young people) remain inconclusive. As contribution authors to a leading Australian textbook on alcohol policy have recently remarked, “the effect of advertising restrictions on [young people’s] drinking is best considered an open question...”

A final point is that it is difficult for the industry to agree together to any action aimed at reducing alcohol related harm in a community (such as not to discount alcohol) due to potential Trade Practices Act implications.

Improved enforcement of current legislation

Coles Liquor Group believes long-term, ongoing enforcement of current legislation will act as a deterrent to any person or group, including licensees or members of the public, who are not complying with any liquor licensing legislation. This includes greater penalties for those people that drink and drive.

Licensees are not permitted to serve minors, intoxicated or disorderly patrons. Therefore it is important that appropriate enforcement action be taken against those licensees that operate their premises in a manner that is clearly not in the spirit of the legislation or that may result in patron intoxication or violence in and around licensed premises.

Consistent regulatory regimes

Coles Liquor Group believes all jurisdictions should adopt a nationally consistent approach to legislation, regulation and guidelines particularly in relation to the Responsible Service of Alcohol (RSA) training and accreditation.

Regardless of jurisdiction we require any person who works for the Coles Liquor Group to complete RSA training to ensure that anyone who works in our business is fully aware of the obligations regarding the responsible service of alcohol. We also provide our team members with ongoing and regular training regarding the responsible service of alcohol.

In our view, there should be one nationally accredited RSA training program. Most current RSA training programs are largely targeted at on-premises consumption and whilst the messages in the program are very important, they may not be as relevant for different types of licences.

RSA training programs generally could be further enhanced by:

- including a separate section on how to deal with aggressive and abusive customers;
- including a separate section on off-premises sales as current programs, whilst thorough, tends to focus on on-premises consumption;
- allowing the accreditation of employers so that the RSA training could be conducted in-house;
- including advanced "nominee" RSA training which is more comprehensive and includes more information regarding a licensee's legislative requirements; and
- amending state legislation to ensure there are consistent definitions of intoxication, secondary supply to minors etc. This will assist licensees and members of the public clearly understanding the laws regarding the sale and supply of liquor at all times.

Young People

Coles Liquor Group believes more needs to be done to address the issue of irresponsible supply of alcohol to minors. Some ways to effectively control minor access to packaged liquor could be any or all of the following:

- increased education for minors, parents and the community. Parents in particular have a key role to play as they have a significant power to influence their child's drinking habits;
- better use of technology to ensure that any education program is most effective;
- through printed material such as flyers and shelf-talkers in premises, school newsletters and advertisements in suburban/regional newspapers;
- enforcement;
- greater penalties for those who supply to a minor and for minors who actually purchase liquor; and
- for minors who are caught with alcohol perhaps the requirement to attend an information session about alcohol related harm and the law.

Coles Liquor Group believes secondary supply is a major problem in Australia and notes that the issue of sale to minors does not just rest with licensees who are generally well aware of their obligations regarding sales to minors and vigilant in monitoring and ensuring compliance. It is our experience that many adults, particularly parents, are unaware of the laws in respect of secondary supply and our team members are often confronted by an adult parent who insists that they can buy liquor for their minor child and who may become resentful or aggressive when the sale is refused.

Indigenous communities

Coles Liquor Group works closely with regulators and other licensees in the remote communities in which we operate. As a responsible retailer, we have put in place initiatives aimed at reducing alcohol related harm where necessary (such as removing some products from sale, restricting sale of some products and adjusting our trading hours). In our view, the most effective measures in term of reducing alcohol related harm in indigenous communities is licensees strictly enforcing the responsible service of alcohol and ensuring that intoxicated people are not served at any time.

The Alice Springs Alcohol Supply Plan has been in place since June 2007. Some initiatives that were included in the plan were:

- restrictions on the sale of cask and fortified wine;
- restrictions on the types of products that can be ranged;
- mandatory RSA training for all team members; and
- the introduction of an identification scanning system. Customers must produce identification, which is then scanned, prior to purchasing alcohol. Alcohol cannot be sold to certain individuals – the identification system will identify these individuals.

This Plan is currently being evaluated as to its effectiveness.

In our experience, a restriction on the sale of alcohol in some smaller communities has resulted in people relocating to larger towns. It is important that any evaluation of the effectiveness of strategies to reduce alcohol related harm in indigenous communities takes this into account this displacement.

CONCLUSION

In conclusion, Coles recognises that measures are needed to tackle Australia's public health challenges caused by obesity, tobacco and alcohol consumption and is committed to working with industry and government to address these challenges.

Coles has already implemented a number of initiatives to help our customers make healthier eating and lifestyle choices for themselves and their families. These include our efforts to improve the quality, availability and affordability of our fresh food product range, our trials of new store formats that seek to make our fresh product areas even more appealing, our new House Brand Quality Standards (which sets out targets such as salt and fat reduction in our products), and our commitment to Daily Intake Labelling on our Housebrand product range from 2009.

In addition, Coles has strict policies, procedures and training in place to ensure that our team members sell tobacco and alcohol products in accordance with all applicable laws.

In considering any potential measures to address these public health challenges, Coles' strong preference is for a national uniform approach to be adopted in order to reduce the regulatory compliance burden on business and to advance Australia towards a seamless national economy.