



**Lift in tobacco fee slammed as a Labor grab for revenue  
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The State Opposition has slammed a 1400% increase in licence fees to sell tobacco products as a cynical grab for revenue by a Labor government already rolling in cash and creates a frightening precedent by penalising small business for legitimate trading.

Shadow Minister for Small Business Liz Penfold said the cost for one small Port Lincoln business that needs four licences will rise from \$51.60 to \$800.

“Multiply this by the adverse effect across the state and it seems evident that Labor is again milking small businesses for its own gain,” she said.

Mrs Penfold is angry that her motion in Parliament to disallow the increase will not be debated until February 2007 while the increase takes effect from 1 January 2007.

“I understand that the rise in the licence fee is to fund the increased surveillance and compliance operation associated with the total ban on smoking in bars and clubs, which has nothing to do with small business who provide a service to the public providing legal goods for sale.

“Tobacco is already a highly-regulated industry and I am sceptical that the additional revenue, which is theoretically \$563,000, will be used on increased compliance and surveillance. More likely, it will be yet another windfall to government revenue,” she said.

Mrs Penfold said the majority of Australian states have minimal licence fees so the new regulations on South Australian retailers will be another nail in the coffin for small business in this state.

“It will act as a disincentive to sell perfectly legal items and ultimately will reduce the competitiveness of the industry to the disadvantage of consumers.

“While it has been proved that tobacco may damage health in the long term, it is still the right of the individual to make their own choices as to whether or not they buy or sell a legal commodity,” she said.

Mrs Penfold has written to the Legislative Review Committee objecting to the licence fee increase from \$12.90 to \$200 per annum as excessive, unnecessary, and causing hardship to the state’s 3010 retailers selling tobacco products.

“I also ask where it will end. What other items will be deemed unsuitable for the public and taxed through the small businesses selling them.

“Tyres are on vehicles that kill people so do we put a massive licence on all tyre retailers to pay for compliance and surveillance to ensure that they are safe?” she asked.

She encourages all businesses that will be adversely affected to support the Opposition by putting their objections in writing to the Legislation Review Committee, Parliament House, North Terrace, Adelaide, as a matter of urgency.  
ENDS