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PRESS RELEASE

The Service Station Association today expressed dismay at the Federal Government's decision to savagely increase the excise tax on tobacco products. "Independent service station operators rely heavily on cigarette sales to stay in business and to be able to offer discounted petrol to their customers", said SSA CEO Ron Bowden. "As overseas experiences show, all higher taxes do is push smokers to source their requirements from the illicit trade which will now thrive. The increase in tax will also force many current service station customers to make their tobacco purchases from supermarkets, which will further damage service station viability."

The SSA has repeatedly warned government that independent service stations are disappearing at an alarm rate under the onslaught from the supermarkets. "The increased tax hit will only serve to damage an already fragile industry segment and accelerate its final demise. This is a short sighted tax grab by the Rudd Government that will bring much damage for little community gain", said Bowden. " Everyone knows that education is the most effective way to stop people smoking and yet this government spends less than 1% of its tax collection on education and awareness. It's another example of poor public policy."

END

A handwritten signature in black ink, appearing to be 'RB', followed by a long horizontal line extending to the right.

Authorised by Ron Bowden

29th April 2010