

Friday, 4 March 2016

Action required from illegal tobacco inquiry

British American Tobacco Australia (BATA) today welcomed the opportunity to participate in the Parliamentary Joint Committee on Law Enforcement into illegal tobacco.

BATA believes the committee should recommend the Australian Government increase the level of action currently taken to stop the growing illegal tobacco problem.

BATA spokesperson Scott McIntyre said 14.3 per cent of all tobacco consumed in Australia was illegal with the majority of it smuggled into the country from Asia and the Middle East.

“There are a number of key steps the Australian Government can take to eradicate this growing problem which is run by organised crime syndicates and costs the government and taxpayers \$1.42 billion a year in lost revenue,” Mr McIntyre said.

“The first is to acknowledge that the 12.5 per cent tobacco excise increases which the industry receives on 1 September each year have fueled the tobacco black market to record levels. If the government invested more in the enforcement they could actually see a return in revenue from excise.

“A very significant step in the battle against illegal tobacco would be to appoint an enforcement agency such as the Police or Border Force, the authority to enforce the Tobacco Plain Packaging Act.

“Under the Tobacco Plain Packaging Act, the Department of Health currently has the ability to fine retailers for every non-compliant cigarette pack.

“Unfortunately in the three years since plain packaging was introduced not one fine had been issued as they’re not geared up to enforce such large scale criminal activity.

“If it was handed to an agency who was better resourced to enforce it we could see a large impact at the retail level.”

Mr McIntyre said greater investment in the Australian Border Force Tobacco Strike Team is also required so they can continue the good work they started last year.

“The strike team has had a couple of large seizures but in reality there’s still plenty of illegal tobacco getting through the borders,” Mr McIntyre said.

“Another quick win would be to introduce minimum sentences for tobacco smuggling under both the Excise and Customs Act. After reviewing 42 cases over a period of 15 years, it was found that of those convicted, 22 were immediately released and walked out of the court.

“If the government doesn’t act then the situation will only get worse and the bigger it gets the harder it will be to stop.

“Some countries in Europe and Asia have illegal tobacco rates in the 20 to 30 per cent range which we clearly don’t want to get to, so the time to act is now.”

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