

## **MEDIA RELEASE**

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### **New illicit tobacco laws- a positive step forward**

The illicit tobacco trade in Australia is costing huge dollars in tax revenue and the Federal Government has been determined to bring this costly criminal activity under control. In addition to the crippling economic effects, this insidious illegal tobacco trading is fuelling an increase in organised crime in Australia, particularly in Melbourne and Sydney. Record numbers of illegal cigarettes and quantities of illicit tobacco are constantly being uncovered by federal police and customs officials. The importation of illegal tobacco is getting out of control and our laws need to be tightened to combat these crimes. Jos de Bruin, CEO of Master Grocers Australia has welcomed the proactive initiative of the Federal Government in taking a firm stand to help stamp out this serious and destructive, illegal tobacco market by introducing new laws.

The Turnbull Government has, as part of its determination to combat this illicit tobacco trading, introduced two bills into Parliament. Mr. de Bruin said, "The bills reflect the Government's determination to halt the growth of criminal activity in illegal tobacco products. The newly proposed penalties for excise offences will increase to 10 years imprisonment. Furthermore, there will be heavy fines for any convictions that involve large commercial quantities of illicit tobacco and they will increase to \$2.25 million, where the tobacco weighs 500 kilos."

"Currently the law requires the origins of tobacco to be established and there are restrictions on penalties. Under the proposed bill there will be tobacco excise fault based and reasonable suspicion offences. There will be higher penalties, which will be consistent with the seriousness of the offences. These bills will help to protect our economy and are designed bring a halt to the illegal importation of tobacco and its harmful consequences. Once both bills are enacted, the amendments will ensure there is a comprehensive set of offences aimed at stopping the importation, possession, purchase, sale and production of illicit tobacco. In addition, the bill makes it an offence to possess equipment used in the production of illicit tobacco."

Mr de Bruin continued, "There have been other initiatives taken already with the establishment of the Government's Black Economy Task force and now we have further strong laws under way. At last we have proposed laws that will rein in and punish the perpetrators of this ugly, damaging black market. Let's hope these new laws will bring an end to the destructive criminal elements that have grown in our society.

"Retailers, genuine suppliers and legitimate tobacco companies welcome the newly proposed legislation and we are all thankful that a positive step in the right direction has been made. We look forward to the bills receiving royal assent."

#### **Media enquiries:**

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*MGA Independent Retailers is a National Registered Employer Industry Association, representing independent grocery and liquor retailers in all States and Territories. These businesses range in size from small, to medium and large, and make a significant contribution to the retail industry and the communities in which they trade, employing 115,000 people and accounting for more than \$14.5 billion in retail sales.*