



MEDIA RELEASE

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ACCC rejects application to reduce illegal tobacco

British American Tobacco Australia (BATA), Imperial Tobacco Australia (ITA) and Philip Morris Limited (PML) are disappointed by the ACCC's decision to deny their application for approval to collectively cease selling legal tobacco products to retailers caught selling illegal tobacco.

BATA, ITA and PML sought this application in order to try to reduce the sale of illegal tobacco in Australia, which at 13.9% of all tobacco sold, costs the Government \$1.6 billion in excise revenue each year. Australian tobacco control laws are entirely undermined by allowing criminals to operate in this space.

While the ACCC rejected the industry's proposed action, it readily acknowledged that "illicit tobacco is a problem that undermines public health policies and diverts revenue from legitimate retailers and government", and commented on the desirability of additional Government action to address it.

We hereby encourage the Government to actively pursue such action by adopting a national anti-illegal tobacco strategy to stiffen penalties, make it easier to prove violations, and clarify the roles and responsibilities of government agencies such as ATO, ABF, police forces and others who deal with this crime.

We would like to acknowledge retailers who overwhelmingly supported our application. Legitimate retailers should not be forced to compete with those operating outside the law.