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foot the bill for a bad Bill**

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MEDIA RELEASE

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Campaign questions expensive plain packaging experiment

British American Tobacco Australia (BATA) CEO, David Crow today launched a national media campaign which questions the Federal Government's proposed plain packaging legislation while also releasing a series of confidential government documents to support the company's view.

Many of the confidential documents obtained under Freedom of Information (FOI) show the Government has no credible proof that plain pack cigarettes would reduce smoking rates and that they are prepared to spend millions of taxpayers dollars on legal fees.

BATA believes the Government could also end up paying billions of taxpayers dollars to the tobacco industry in compensation and damages while increasing smoking rates due to cheaper cigarettes.

Mr Crow said there are a number of questions the Government needs to address before pushing ahead with its untested and experimental legislation.

"Will cheaper legal and illegal cigarette's increase smoking rates instead of having the opposite effect?" Mr Crow said.

"Does the Government want to see a situation where the tobacco industry is forced to compete on price as their brands have been taken away which in turn causes cheaper and therefore more accessible cigarettes?"

"What consequences will plain packaging have on smoking rates in young people as illegal tobacco smuggling spirals out of control and increases the availability of cheap counterfeit cigarettes?"

"What proof does the Government have that their plain packaging experiment will work? Can the Government give a hundred per cent guarantee that taxpayers dollars won't be wasted on legal fees and compensation?"

"Their own confidential documents demonstrate the Government is prepared to spend millions of taxpayers dollars defending the proposed legislation and we believe this could result in billions more to the tobacco industry for damages and compensation.

"Why should Australians have to potentially foot a huge bill for experimental legislation which has not been adopted anywhere else in the world?"

One of the Government documents obtained through the FOI process demonstrates a lack of evidence to support the Federal Government's plan for plain packaging.

A Senate Estimates Committee question on notice asked the Department of Health, "*What is the estimated reduction in smoking rates from the plain packaging measure?*"



Authorised by D. Crow for British American Tobacco Australia, Westfield Drive, Eastgardens, Sydney, NSW

The Department responded, *“This figure has not been calculated. As no other countries have implemented plain packaging for tobacco products, the actual impact on smoking behaviour is not able to be calculated at this stage.”*

Another confidential briefing note indicates the Government is prepared to spend millions of taxpayer dollars defending their planned legislation.

The note suggests the Government has budgeted \$4.8 million to implement the legislation and this figure does not include legal costs, estimated to be \$10 million plus.

The note also says the figure does not include possible damages associated with defending a legal challenge on plain packaging by the industry.

“We don’t want to see a situation where taxpayer dollars are being wasted. Unfortunately this suggests the Government has been planning a court case all along and is pushing us down the legal path,” Mr Crow said.

He also warned of the potential for organised crime to profit from the Government’s plain packaging plan, especially since illegal tobacco in Australia has grown 150% over the last three years.

“When all cigarette packs look the same and lose their trademarks and distinguishing features, counterfeiters will have a field day mass producing packets to smuggle into Australia,” Mr Crow said.

The Australia Crime Commission highlighted in its 2011 report on organised crime that *“Organised crime networks have been linked to the importation of counterfeit cigarettes and loose tobacco.”*

The report went on to say that significant government revenue is avoided through these activities, which backs an industry report by Deloitte in March 2011 on illegal tobacco showing the Government lost \$1.1 billion last year in tobacco excise to the black market.

Mr Crow said BATA was undertaking the media campaign to raise these serious questions in the community and draw attention to the potential unintended consequences plain packaging could have.

“The ads you’ll hear on radio, see on billboards and read in the newspaper are designed to show the serious possible repercussions that could flow from the Government’s unproven plans for plain packaging,” Mr Crow said.

“The UK Government has recently put plain packaging on the backburner due to a lack of evidence and concerns over counterfeit and compensation issues.

“They’re now taking their time undertaking serious consultation with the industry and more widely with all stakeholders in the community and we’d like our government to do the same.”

For more info: Visit www.plainpack.com or follow us on twitter @Scott_BATA or @Louise_BATA

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