



**BRITISH AMERICAN  
TOBACCO**  
AUSTRALASIA

media release

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## **Plain packaging likely to cost taxpayers billions**

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British American Tobacco Australia (BATA) said it was disappointed the Government has pushed ahead with plain packaging despite the risk it would end up costing taxpayers billions even though there was no proof it would work.

Several countries have considered plain packaging in the past such as New Zealand, Canada, UK and Australia, but it has never been put in place due to concerns over the legalities of such a move and the potential for huge growth in the illegal tobacco black market.

Even the UK Health Minister publicly admitted recently there was no proof that it would work and he had concerns about intellectual property and competition issues, "It hasn't been implemented anywhere in the world, the Australians are perhaps the first who are going to do so, so we don't have an evidence base for this." (Minister for Health, Andrew Lannsley, March 2011)

British American Tobacco spokesperson, Scott McIntyre said the Government's plain packaging proposal may infringe international trademark and intellectual property laws.

"What company would stand for having its brands, which are worth billions, taken away from them?" Mr McIntyre said.

"A large brewing company or fast food chain certainly wouldn't and we're no different.

"The Government could end up wasting millions of taxpayers' dollars in legal fees trying to defend their decision, let alone the potential to pay billions to the tobacco industry for taking away our intellectual property.

"Plain packaging will also make it easier to sell counterfeit cigarettes because fakes will be harder to spot. It provides a blueprint for criminals to make illegal cigarettes as they now have the exact specifications to produce and import them into the country."

"Last year the Government lost \$1.1 billion to illegal tobacco sales in excise and that figure could skyrocket under the plan for plain packaging. There's already been a 150% growth in the tobacco black market since 2007." Mr McIntyre said.

BATA would like the Government to put its plans for plain packaging on hold and consult with the industry. The Australian Health Minister should focus on strategies to reduce smoking rates which are based on evidence like education programmes that are proven to work and which we fully support.

With so much at stake why would the Government risk these serious and possibly expensive consequences, have they really thought this through?

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