



*Tuesday, 26 March 2013*

## **More chop chop while illegal tobacco overall drops**

The amount of illegal loose leaf tobacco or “chop chop” sold on Australian streets increased last year according to an annual industry report by Deloitte, while the number of illegal cigarettes peddled across the country has reduced.

The 2012 illegal tobacco report released today also highlights that Australian taxpayers lost nearly \$800 million to organised crime groups last year as these gangs obviously don't pay any tax.

Overall the size of the illegal tobacco black market is equal to 10.5% of the legal market, down from 13.4% in the 2011 report. The total amount of illegal tobacco smuggled into Australia by gangs from mostly Asia and the Middle East was around 1.8 million kilograms.

British American Tobacco Australia (BATA) spokesperson Scott McIntyre said even though there was less illegal tobacco on the streets last year than in previous years, it was still very easy to obtain.

“Currently there is a lot of chop chop being sold in Victoria which obviously doesn't comply with the government's new plain packaging laws,” Mr McIntyre said.

“In Sydney some dodgy retailers are selling branded contraband cigarette packs illegally for around \$8. There are packs that don't even have health warnings let alone comply with plain packaging.

“Even though the amount of illegal tobacco on the black market reduced last year, 10.5% is still a huge amount. Remember it's organised crime gangs who smuggle it into Australia and sell it on the streets. These guys are not nice people and they definitely don't ask kids for ID.

“Because tobacco excise rates are so high it's very lucrative for organised crime groups to smuggle illegal cigarettes and chop chop. Any tobacco excise increase will only see the problem grow further.

“The black market has only now stabilized after the government's 25% tobacco excise increase in April 2010 which saw illegal tobacco grow to 15.9%.

“BATA has invested heavily to reduce the illegal tobacco problem by tripling the number of covert operations undertaken by private investigators last year to try and stop retailers from selling illegal product. BATA also took legal action against several retailers for selling counterfeit packs.

“At the same time BATA launched a campaign targeted at retailers selling illegal tobacco highlighting the role they play in the organised crime chain.

“And in 2011 a joint law enforcement taskforce apprehended some key illegal tobacco smugglers which has also had a flow on effect on the market last year.”

It should be noted the Deloitte report was compiled before plain packaging was implemented on 1 December 2012.

*For a copy of the report please visit: [www.bata.com.au](http://www.bata.com.au)*

**Media contact:** Scott McIntyre on 02 9370 1222 or follow on Twitter @ Scott\_BATA