



**BRITISH AMERICAN
TOBACCO**
AUSTRALASIA

media release

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Focus on crime gangs not holidaymakers

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British American Tobacco Australia (BATA) today responded to media speculation about the possible banning of the sale and import of duty-free tobacco products for incoming travellers into Australia, claiming it wouldn't deter smokers.

Instead of purchasing their cigarettes or cigars in Australian airports duty-free, tourists and returning holidaymakers would buy their branded duty-free tobacco in other countries to avoid paying the 70 percent tobacco excise when they returned. By doing so they would in avertedly break the law and put further pressure on Customs officers trying to police such a ban.

Worse still the Government would be aiming their budget cost recovery efforts at tourists and Australians on holidays instead of putting greater focus on stamping out organised crime gangs who last year cost the taxpayer over \$1.1 billion in forgone tobacco excise.

BATA spokesperson Scott McIntyre said by recovering the \$1.1 billion cost to the economy that illegal tobacco causes, the Government would recover four times the estimated amount that a ban on duty-free would.

"Financially it's a no-brainer. You would hope that reducing crime would be attractive to the Government as well," Mr McIntyre said.

"Rather than targeting the hip pocket of Australian and international tourists, the Government could remove a large income source from organised crime gangs.

"It must be easier for the Government to find the 2.68 million tonnes of illegal tobacco coming into the country through organised crime networks than forcing Customs officers to sort through every piece of luggage for a few extra packets of cigarettes."

Only last week when referring to the strength of the Australian economy our Integrity Commissioner noted, "*This prime position also means there are profits to be made in Australia for criminal groups that trade in goods such as illicit tobacco.*"

A report last year by the Australian Crime Commission on organised crime in Australia highlighted, "*Significant government revenue is avoided through the activities of groups involved in illicit tobacco importation and illicit growing, curing, manufacture and sale of tobacco products.*"

"Illegal tobacco has grown 150 percent in the last few years due to the Government's continued increases in tobacco excise," Mr McIntyre said.

"We're calling on the Government to increase funding and resources for Customs so they can stamp out this problem rather than putting more stress on their officers on the front line."

For media inquiries: Scott McIntyre on 9370 1222