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Australian Council on Smoking & Health

MEDIA RELEASE

Senate Report on Illicit Trade Falls Short of a Lasting Solution & Raises Red Flags

The Australian Council on Smoking and Health (ACOSH) welcomes parts of the Senate Inquiry report released on Friday, including its recognition that stronger enforcement and national coordination are urgently needed to tackle the illicit trade, but says the overall recommendations fall well short of a lasting solution and raise red flags on industry influence.

The organisation says the report's key focus on cutting tobacco excise and opening up commercial vape sales would not dismantle organised crime networks or close illicit stores. Instead, these measures would make cigarettes cheaper and nicotine products more widely available.

"The report identifies real problems with enforcement and coordination, but when we take the recommendations as a whole, it's like picking up the hard-fought gains tobacco control has achieved over decades – and putting them in the bin," said Laura Hunter, ACOSH CEO.

"Slashing tobacco excise and expanding commercial vape sales would not stop criminal networks from importing, distributing and selling illicit products. Australians deserve a much bolder and far-reaching strategy", said Hunter.

Ms Hunter said the illicit trade is being driven by the global mass production of cigarettes, and with illicit packets costing as little as around 28 cents to manufacture, governments will never be able to price match.

"It shouldn't be about how much cheaper governments can make legal cigarettes. The issue is how we stop criminal networks from importing, distributing and selling an addictive product through tens of thousands of retail outlets where our border, supply chain and retail licensing schemes are no longer fit for purpose."

ACOSH has been calling for stronger laws and enforcement efforts across all jurisdictions, as well as raising the bar so the only businesses to get licenses would be those that can demonstrate robust systems for security, governance, reporting and traceability.

"We need to create a smaller, more compliant retail environment, making enforcement easier and illicit sales harder," said Hunter.

ACOSH strongly rejects the report's call for a commercial vape market, stating Australia already has a highly regulated pathway through pharmacies for adults seeking vapes as part of cessation support.

The senate report highlights New Zealand's policy as an example to follow while ACOSH says it in fact demonstrates the harms that can happen when nicotine is normalised.

“The New Zealand story is a case study of how you can reduce smoking while simultaneously creating a significant youth vaping epidemic. Ask Australian parents and teachers if that’s a trade-off they are willing to accept.”

ACOSH said the report also raises worrying questions about conflict of interest. The Inquiry’s decision to hear evidence from Philip Morris Limited, in private with names redacted, raises multiple red flags about transparency and industry influence, particularly when key recommendations align so closely with the commercial interests of tobacco and nicotine companies.

“In contrast to public health and other concerned organisations, Philip Morris was given the opportunity to make its case behind closed doors. The public is now entitled to ask whether that access has helped deliver recommendations that would give tobacco companies massive tax concessions on cigarettes, new opportunities to sell nicotine products, and a larger market in which to recruit customers,” Ms Hunter said.

“This crisis should be an opportunity to strengthen public health protections and disrupt criminal supply — not an excuse to make cigarettes cheaper and create new retail markets for the tobacco industry.”

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