

**MEDIA RELEASE**  
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**Australia Association of Convenience Stores urges Government to reconsider swift introduction of tobacco tax hikes**

The Australian Association of Convenience Stores (AACCS) believes the decision to introduce a hefty tax on cigarettes is short-sighted and will fuel black market tobacco sales, hurting Australian small businesses.

The AACCS believes the sweeping tax reforms that are expected to be introduced by the Federal Government within the next few days and result in an increase of \$6.50 a packet will drive smokers to find alternative ways to purchase cigarettes.

“When cigarettes become more expensive consumers simply look for cheaper alternatives. The AACCS is concerned that such a substantial tax hike will shift tobacco purchases away from legitimate, hard working retailers into a flourishing underground market,” said Sheryle Moon, Executive Director of AACCS.

It is important to not only address the supply of, but also, the demand for contraband tobacco in Australia.

According to a recent report released by PriceWaterhouse Coopers, illegal tobacco sales make up 12 percent of the Australian market.

“It’s unfortunate the government has decided to move forward with these tax hikes ahead of the release of recommendations from the Henry Tax Review in the coming days,” said Sheryle Moon.

“The proposal is completely short-sighted and purely a revenue raising exercise. It’s not a serious approach to addressing the long term health impacts of smoking or a measure to combat the lucrative tobacco black market in Australia,” said Sheryle Moon.

The AACCS supports measures to reduce smoking, particularly youth smoking.

“The plan proposed by the government will only make illegal tobacco products more attractive to consumers, especially those already doing it tough,” said Sheryle Moon.

In Australia, a pack of counterfeit tobacco can be bought for \$7 or less.

A Canadian report released by the Royal Canadian Mounted Police reveals there is a growing concern for the ever-increasing trend of organised crime involvement in the illicit tobacco market as it undermines expectations of community safety, public health and integrity.

**-ENDS-**

For comment or more information please contact Alicia Collins on 02 9256 9700

Note to the editor: Canada’s tobacco legislation is quite similar to Australia’s current or proposed measures. The AACCS has been monitoring the impact of Canada’s legislation.

The link to the full research from the Royal Canadian Mounted Police is available at:

- <http://www.rcmp-grc.gc.ca/pubs/tobac-tabac/tobacco-tabac-strat-2008-eng.htm> (website)
- <http://www.rcmp-grc.gc.ca/pubs/tobac-tabac/tobacco-tabac-strat-2008-eng.pdf> (link to PDF)