



LETTERS TO THE EDITOR

19 April 2010
Hobart Mercury
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English

Tax hike would fuel smoking black market

THE Australian Association of Convenience Stores stridently believes a tax hike on cigarettes will fuel black market tobacco sales and hurt Australian small businesses.

The Federal Government's National Preventative Health Taskforce proposal to increase a packet of 30 cigarettes by \$6.50 will take business away from legitimate retailers and push consumers to buy illegal cigarettes on the black market.

In Australia, a pack of counterfeit cigarettes can be bought for \$7 or less. Why would consumers pay \$20 if they can buy them somewhere else for \$13 less?

AACS supports measures to reduce smoking, particularly youth smoking but this revenue raising will only make illegal tobacco products more attractive to consumers, especially those already doing it tough.

According to a recent report by Price Waterhouse Coopers, illegal tobacco sales already make up 12 per cent of the Australian market.

When cigarettes become more expensive, consumers simply look for cheaper alternatives. We are concerned that a substantial \$6.50 tax hike will shift tobacco purchases away from legitimate, hard working retailers into a flourishing underground market.

In Ireland, significant tax grabs have forced an alarming underworld to flourish, with one in four cigarettes sold illegally.

This proposal is completely short sighted and purely a revenue raising exercise. This is not a serious approach to addressing the long term health impact of smoking.

AACS calls on the Government to think twice about the implications of this proposal. A tax hike of this proportion will hurt low income families and will seriously undermine Australia's successful tobacco control efforts.

Sheryle Moon

Executive director, Australian Association of Convenience Stores

LETTERS

Your Say

19 April 2010

Herald-Sun

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Tax hike on cigs to hit hard

OUR organisation believes a tax hike on cigarettes will fuel black market tobacco sales and hurt Australian small businesses.

The proposal to increase a packet of 30 cigarettes by \$6.50 will take business away from legitimate retailers and push consumers to buy illegal cigarettes on the black market.

In Australia, a pack of counterfeit cigarettes can be bought for \$7 or less. This revenue raising will only make illegal tobacco products more attractive to consumers, especially those already doing it tough.

Sheryle Moon, executive director, Australian Association of Convenience Stores

The Daily Telegraph story from Friday was also run on:

News.com.au - <http://www.news.com.au/money/money-matters/tobacco-tax-rise-could-drive-people-to-black-market/story-e6frfmd9-1225854297900>

PerthNow.com.au - <http://www.perthnow.com.au/money/money-matters/tobacco-tax-rise-could-drive-people-to-black-market/story-fn3iztr4-1225854297900>

The same story was also picked up by two industry news aggregators:

<http://www.tobacco-facts.net/2010/04/tobacco-tax-rise-could-drive-people-to-black-market>

<http://archive.wn.com/2010/04/16/1400/tobaccopost/>