



Kelly O'Dwyer MP
Minister for Revenue and Financial Services
Minister for Women
Minister Assisting the Prime Minister for the Public Service

Media Release

Thursday, 15 February 2018

COMBATING ILLICIT TOBACCO

The Turnbull Government is continuing the fight against illicit tobacco – today introducing into Parliament legislation to create a comprehensive set of offences targeting illicit tobacco. This is the first of two bills that together will deliver on the Turnbull Government's commitment to close down the illicit tobacco market.

Maximum penalties for excise offences will increase to 10 years imprisonment. Courts may impose heavy fines for convictions in relation to offences involving commercial quantities of illicit tobacco, for example up to \$2.25 million where the tobacco weighs at least 500 kilograms. The penalties will apply from the day after the Bill receives Royal Assent.

These changes are supported by the Minister for Home Affairs, who will later introduce legislation to amend the Customs Act to strengthen illicit tobacco offences, which will complement the amendments introduced in Parliament today.

The Minister for Revenue and Financial Services, the Hon Kelly O'Dwyer MP, said the Government is delivering on the 2016-17 Budget commitment to stop the illegal tobacco trade which the Australian Taxation Office has identified as a major revenue source for organised crime.

"Under the current legislation, before charges can be laid under the Excise or Customs Act, the origin of the illegal tobacco seized in Australia has to be proven. As the origin of tobacco cannot be readily determined, this obviously limits the ability to impose penalties even where substantial quantities are involved," Minister O'Dwyer said.

"Furthermore, the current law has inconsistent penalties and limitations on how they can be applied."

"This measure will ensure that tobacco products imported and consumed domestically are fully taxed and comply with Australian regulations."

The Bill provides for new tobacco excise fault-based offences and reasonable suspicion offences that can apply to tobacco. The penalties take into account the seriousness of the offence and will provide a deterrent to illegal activities.

Once both Bills are enacted, the amendments as a whole will ensure there is a comprehensive set of offences aimed at stopping the importation, possession, purchase, sale and production of illicit tobacco. In addition, the Bill makes it an offence to possess equipment used in the production of illicit tobacco.

Media contacts: Lachlan McNaughton 0433 642 145, Emma Nicholson 0481 909 550