

Tobacco and Other Smoking Products (Dismantling Illegal Trade) and Other Legislation Amendment Bill 2025

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Health, Environment and Innovation Committee
Parliament House
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**RE: TOBACCO AND OTHER SMOKING PRODUCTS (DISMANTLING ILLEGAL TRADE) AND
OTHER LEGISLATION AMENDMENT BILL 2025**

EXECUTIVE SUMMARY

The illegal tobacco trade in Australia is a multi-billion-dollar criminal enterprise, deeply entrenched in organised crime and increasingly marked by violence and intimidation. Current enforcement frameworks have proven inadequate to address the scale and complexity of this illegal activity. The impact on legitimate businesses and broader Australian communities is severe with over 200 arson attacks linked to the illicit trade since 2023.

Imperial Brands Australasia welcomes the introduction of the Queensland Government's *Tobacco and Other Smoking Products (Dismantling Illegal Trade) and Other Legislation Amendment Bill 2025*. We welcome the Committee's role in examining this important Bill and respectfully submit the following recommendations for the Committee's consideration:

- Establishing a dedicated, adequately funded enforcement body with transparent reporting and accountability.
- Transfer responsibility to an enforcement or regulatory agency better equipped to address organised crime elements.
- Propose the Queensland Government formally seek Commonwealth funding to ensure national consistency and adequate resourcing of State enforcement activities.

INTRODUCTION

Imperial Brands Australasia ("Imperial") is a trading subsidiary in the Imperial Brands PLC group of companies, an international fast-moving consumer goods business specialising in tobacco and other nicotine products.

Imperial welcomes the opportunity to participate in the Health, Environment and Innovation Committee's Inquiry into the *Tobacco and Other Smoking Products (Dismantling Illegal Trade) and Other Legislation Amendment Bill 2025* (the Bill). Imperial participates in a range of government



consultations that are relevant to our business. We do this on the basis that our views will be considered in an objective manner and that the evidence we provide will be properly evaluated, with due regard given to relevant legal and legislative requirements and the principles of best practice regulation.

We would like to affirm that we recognise the role of governments and public health authorities in the regulation of tobacco and non-tobacco nicotine products and support those measures that are reasonable, proportionate, and evidence based. Of paramount importance is that our products are only sold to adult smokers. We support strong regulation to prohibit supply or use of nicotine products by those underaged.

As a responsible manufacturer of tobacco products, Imperial is committed to working collaboratively with governments and other stakeholders to combat the illegal tobacco trade.

THE ILLEGAL TOBACCO TRADE

The FTI Consulting Report, 'Illicit Tobacco in Australia 2024', confirms that illicit tobacco has continued to entrench itself as a major segment of the tobacco market in Australia. At 39.4% of total consumption, the illicit market represented \$6.7 billion dollars in lost excise revenue to the Government last year. Industry estimates indicate that today illicit tobacco consumption has continued to grow and now represents over 50% of total consumption in Australia.

Sophisticated organised crime groups are deeply entrenched in the illegal tobacco trade with recent estimates suggesting that the illicit market is generating around \$10 billion annually in revenue¹, making it one of the most lucrative criminal enterprises in the country. These groups are involved in every stage of the supply chain—from importation and distribution to retail—and their operations are marked by increasing violence and intimidation.

The illegal tobacco trade is undoubtedly undermining national tobacco control efforts. Criminal syndicates selling cheap, unregulated tobacco products on the illicit market have no issues selling product to underage consumers. The products they sell are not compliant with plain packaging, bear no health warnings, and are of questionable quality and safety.

The impact on businesses and communities across Australia is unprecedented. Communities are facing increased crimes linked to illicit tobacco and are being deprived of essential community services as a result of the collapse in Government excise revenue.

¹ <https://www.abc.net.au/news/2025-08-04/illegal-tobacco-is-a-deadly-10-billion-industry/105607186>

REGULATORY FRAMEWORKS AND ENFORCEMENT

Imperial Brands Australasia commends the Queensland Government for its commitment to addressing the illicit tobacco market. The Bill represents a significant step forward in strengthening enforcement powers and closing the regulatory gaps which have allowed the illegal market to proliferate. We particularly welcome measures such as expanded closure powers, enhanced seizure and forfeiture provisions, and the introduction of offences targeting those who knowingly facilitate the illicit trade. These reforms represent a meaningful step towards dismantling the illicit supply chain and improving enforcement outcomes.

Illicit tobacco remains one of the most pressing public health and law enforcement challenges in Australia. Organised crime syndicates have entrenched themselves in this market, using illicit tobacco to fund broader criminal activities including drug trafficking and violent crime. Federal Health Minister Mark Butler has described the illicit tobacco trade as “the biggest threat to our most important public health program” and has urged states and territories to strengthen enforcement measures in line with South Australia’s best-practice model².

While the Bill introduces important enforcement tools, experience from South Australia demonstrates that legislative reform alone is not enough. South Australia’s success in disrupting the illicit tobacco trade has been underpinned by the establishment of a dedicated, well-resourced enforcement taskforce within Consumer and Business Services (CBS). This taskforce, supported by SAPOL and federal agencies, has recently executed Operation Shutdown, resulting in over 71 28-day store closures and seizures worth more than \$47 million since July 2024. The dedicated taskforce model ensures sustained, intelligence-led enforcement and strong coordination across federal/state agencies.

KEY RECOMMENDATIONS

Imperial Brands Australasia recommends that the Queensland Government:

1. Establish a dedicated and funded illicit tobacco enforcement unit, modelled on South Australia’s CBS taskforce, with powers to conduct targeted raids, issue closure orders, and coordinate intelligence sharing with Queensland Police, the Australian Border Force and other enforcement agencies. This unit should be adequately resourced to sustain long-term enforcement and disruption operations.

² <https://www.news.com.au/finance/economy/australian-economy/tobacco-criminals-have-stranglehold-health-minister-concedes/news-story/64536969e29d985e2be2cbefcb2eccc8>

2. While Queensland Health has strong compliance powers, the scale and sophistication of organised crime requires broader enforcement capabilities. Imperial recommends that the Queensland Government review whether enforcement should remain solely under Queensland Health or whether joint governance with law enforcement is required. This approach would deliver a stronger, more integrated enforcement capability required to dismantle organised criminal networks.
3. Pursue Federal funding to secure financial and operational support for Queensland's illicit tobacco enforcement initiatives.

CONCLUSION

Australia's current approach to tobacco and vaping regulation has become a global case study of unintended consequences and a cautionary tale for other jurisdictions. Repeated policy failings have created fertile conditions that gave rise to this thriving illicit market – now worth billions of dollars a year. This illegal trade is not only undermining tobacco control efforts but actively empowering organised crime networks that exploit regulatory gaps and profit from tax evasion.

Today in Australia, one in two adult smokers are buying illicit tobacco products. Together with the over one and a half million adult vapers who, for the most part, are purchasing illicit products, coupled with the emergent illicit nicotine pouch market, there is a well-established and entrenched illegal market for nicotine. This market flourishes at the expense of legitimate businesses, the Government, and the wider Australian community. The damaging consequences of the illicit market are being felt across the country. Without decisive and immediate action, the situation will continue to spiral out of control.

Imperial would welcome the opportunity to discuss this submission in further detail and clarify any questions that the Committee may have.

Imperial Brands Australasia

October 2025