

**PORTFOLIO COMMITTEE 5 – JUSTICE AND
COMMUNITIES**

INQUIRY INTO ILLEGAL TOBACCO TRADE

Inquiry Hearing: Wednesday, 17 December 2025

**RESPONSES TO SUPPLEMENTARY QUESTIONS ON
NOTICE**

Answers due by:

6 February 2025

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Supplementary Questions

(1) What specific elements of Commonwealth financial structures prevent NSW Police from accessing Border Force funding for destruction and ongoing illicit tobacco and vape operations?

ANSWER

- Funding was not provided in the first instance due to legislative provisions preventing the Commonwealth from sharing the funding with States and Territories.
- Legislation was amended in October 2025, with the NSW Police Force (NSWPF) receiving \$1.1 million from Australian Border Force (ABF) in December 2025.
- Prior to this, ABF offered operational support to NSWPF via joint operations and by providing support with transport, storage and destruction pressures relating to the seizure of illicit tobacco.

(2) In practice, how are enforcement and destruction costs for illicit tobacco and vapes shared between NSW and the Commonwealth?

ANSWER

- Currently, Commonwealth law enforcement agencies have the financial budgets for both tobacco and vape destruction.
- Cost Sharing and recovery is not shared with NSWPF.
- The NSWPF can only access Commonwealth funding under a Joint Agency Agreement (JAA) with Commonwealth law enforcement partners.
- The Multi Agency Strike Team (MAST) has predominately been utilising the ABF for tobacco seizures and Therapeutic Goods Administration (TGA) for Vapes storage and destruction facilities. The vast majority of the costs being absorbed by the Commonwealth bodies.
- The NSWPF and the Australian Federal Police (AFP) are retaining and storing samples as exhibits for the Court.

(3) Are there enforcement activities that NSW Police would otherwise undertake but do not proceed because funding for destruction or ongoing operations cannot be accessed?

ANSWER

- The primary focus of the NSWPF is combating organised crime. The NSWPF will conduct an investigation regardless of commodity. The NSWPF provides a supporting role to NSW Health in their efforts under the *Tobacco Legislation (Closure Orders) Amendment Act 2025*.
- At times, the NSWPF will negotiate with other law enforcement agencies, dependent on the circumstances, such as ABF for a border security issue, when seizing contraband and seek the ABF to assume responsibility for the management of the exhibits associated with the investigation.

(4) Does NSW Police hold intelligence estimates on the number of organised crime groups deriving material income from illicit tobacco?

ANSWER

- The NSWPF acknowledges that organised crime syndicates exploit a range of systemic regulatory deficiencies within the importation, sale and supply of illicit tobacco to derive criminal profits for other activities.
- The NSWPF is unable to quantify the number of organised crime networks specifically deriving income from the sale of illicit tobacco. The sale of illicit tobacco would be one element of an Organised Crime Network (OCN) criminal activity.
- The NSWPF's State Crime Command has seen an increase in the number of OCNs involved with illicit tobacco. The primary driver of this involvement is a lucrative source of revenue.
- The NSWPF would rely on data from NSW Health on the number of closures and seizures, post the introduction of the *Tobacco Legislation (Closure Orders) Amendment Act 2025*.

(5) To what extent does NSW Police assess that illicit tobacco constitutes a primary revenue stream for some organised crime groups, as distinct from a supplementary activity?

ANSWER

- The NSWPF can measure this via investigations undertaken by the Drug and Firearms Squad and MAST. It is evident that OCNs are utilising the import, supply and sale of a range of illicit products, not necessarily only tobacco/vapes as a revenue stream.
- Anecdotally, the extent of OCN involvement in the illicit tobacco trade in NSW is complex. Several OCNs operate with varying degrees of involvement at different points of the supply chain, leveraging well established methodologies used in the importation of other illicit goods across Australian borders.
- The illicit tobacco trade is heavily underpinned by importation and distribution activities of OCNs. However, OCN involvement in retail appears to vary.
- OCNs are agile, in that, they will never rely on a singular revenue stream.

(6) What early warning indicators identified by NSW Police would signal a shift toward violence similar to that experienced in Victoria?

ANSWER

- Whilst there are a number of warning indicators, the NSWPF in response, has expanded significant effort in the prevention and distribution of tobacco related offences.
- Warning indicators identified by the NSWPF include:
 - Increased incidents of arson upon shops/outlets/warehouses;
 - Direct Intelligence and/or external reporting; and
 - Escalation in violence.

(7) In a Health-led enforcement model, what operational limitations arise for NSW Police from not being authorised officers under tobacco legislation, and have those limitations affected enforcement outcomes?

ANSWER

- The NSWPF has powers under the Customs Legislation and *Poison & Therapeutic Goods Act 1966*.
- However, it should be noted that the primary focus for NSWPF is organised crime. The Health-led enforcement model is the responsibility of NSW Health.

(8) How does NSW Police intelligence distinguish between increased seizures resulting from improved enforcement and increased overall illicit tobacco supply?

ANSWER

- Increased seizures resulting from improved enforcement and increased overall illicit tobacco supply/importation is not currently being measured by the NSWPF.
- Previously, the importation of illicit tobacco was used as a strategy by the NSWPF to identify drug importers, money launders and trusted insiders in the supply chain.

(9) To what extent does the current legislative framework allow NSW Police to pursue financial disruption or asset confiscation in illicit tobacco matters beyond seizure activity?

ANSWER

- The NSW Crime Commission can now proceed against targets charged with an offence under the *Public Health (Tobacco) Act 2008*, s6(1), 6A(2), 6A(3) or 7(1) and under s2(f1) of the *Criminal Assets Recovery Act 1990*. These offences relate to the possession, supply, and sale of illicit tobacco.
- Under MAST (SF BEWDELLY) investigators utilised *Customs Act 1901*, s210 - Import / Possess - 10 year offence. However, as this is a Commonwealth offence, the NSW Crime Commission could not seize their luxury assets.
- Alternatively, the NSWPF will utilise state-based money laundering or participate in criminal group offences for a nexus between the Commonwealth.

(10) How does enforcement activity against illicit tobacco differ between regional NSW and metropolitan Sydney in terms of resourcing, response time and joint operations?

ANSWER

- The NSWPF provides assistance to NSW Health in the enforcement activities across each NSWPF Region.
- For NSWPF, the enforcement activity across each region is similar. However, the processes and logistics can differ. These include:
 - Storage locations are fewer;
 - Geography and distance can present challenges;
 - There is a greater concentration of illicit tobacco operators in metropolitan areas; and
 - Transporting exhibits can be costly and challenging for Regional Police Districts.

(11) Based on current intelligence and enforcement settings, does NSW Police assess that enforcement activity as it stands under current funding arrangements and the existing model is sufficient to achieve a sustained reduction in the availability of illicit tobacco?

ANSWER

- The primary focus for NSWPF is the criminality of the OCNs.
- There is an existing model and new reforms for Illicit Tobacco which will require time to mature. Operationally, at the present time, the joint efforts of NSWPF and NSW Health appears to be effective.
- Reassessment of these initiatives should occur post an appropriate amount of time.