

## Illegal tobacco inquiry – Supplementary questions

### Philip Morris Limited (PML) responses – 23 March 2026

1. What education and awareness campaigns or programs on the serious health issues associated with tobacco does Philip Morris Limited fund?

*PML response: Philip Morris Limited in Australia does not fund education and awareness campaigns regarding tobacco.*

2. Can you provide information on the national monitoring and intelligence sharing between your organisation, the NSW Government, and the Commonwealth government?

*PML response: Philip Morris Limited shares information with New South Wales and Commonwealth law enforcement agencies on suspected illicit trading activity in illegal tobacco and nicotine products. This activity is ad-hoc in nature and there is no allocated budget for this activity.*

- a. What is the allocated budget for this? *Please refer to the above response for Question 2.*
- b. The breakdown of that budget? *Please refer to the above response for Question 2.*
- c. How is the information used? *That is a consideration for law enforcement agencies in the New South Wales and Commonwealth Governments.*

3. Can you please provide more information on the move from Philip Morris to "alternative" products to leaf tobacco?

*PML response: Further information on Philip Morris International's smoke-free vision can be found at this link - [PMI's mission to deliver a smoke-free future | Philip Morris International](#)*

4. What evidence do you have that shows that the retail price of legal tobacco products is the primary driver for the sale of the illicit products?

- *As at August 2020, the per-stick tobacco excise rate was \$0.95. As at March 2026, the per-stick tobacco excise rate has increased to over \$1.50 per stick. Source - [Excise data - Dataset - Data.gov.au](#).*
- *From August 2020, illicit tobacco consumption in Australia has increased from 16.7% to over 50% of the market as per the [Illicit Tobacco and E-Cigarette Commissioner's FY 2024-25 Report](#). Source: [Illicit Tobacco and E-cigarette Commissioner Report 2024-25](#)*
- *From 2016 to 2020, illicit tobacco consumption remained between 14 to 20% of overall tobacco consumption. Source: [fti-consulting-illicit-tobacco-in-australia-2024-full-report.pdf](#)*

- *The above information and data demonstrate a correlative link between increases in the rate of tobacco excise taxation over the past five years, the impact this has had on the price of legal tobacco products and the consequential growth of illicit tobacco consumption in Australia.*
- *New South Wales Premier Chris Minns has commented on this link, “I think the evidence is in: the massive excise increase to tobacco has meant people haven’t stopped smoking, they’ve just transferred their sales into illegal tobacco.” Source: [NSW Premier Chris Minns want tobacco excise tax cut to counter illegal cigarettes and vapes trade](#)*
- *Assistant Minister for Citizenship, Customs and Multicultural Affairs, Julian Hill, has recently stated that, with respect to illicit tobacco, “high-rates of excise over the last decade has contributed to creating a large price differential, one of the key drivers of the growth of the black market. To deny this is nonsensical”. Source: [Illicit Tobacco and E-cigarette Symposium](#)*