

**Submission
No 55**

INQUIRY INTO ILLEGAL TOBACCO TRADE

Organisation: Office for the Illicit Tobacco and E-Cigarette Commissioner

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Australian Government
Illicit Tobacco and
E-cigarette Commissioner

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Our reference: IS25-000010

23 July 2025

The Hon. Robert Borsak MLC
Committee Chair
Portfolio Committee No.5
Parliament House, Macquarie Street
Sydney NSW 2000

Dear Mr Borsak

Thank you for the opportunity to provide a response to the inquiry.

The Office of the Illicit Tobacco and E-cigarette Commissioner was established on 1 July 2024 with a remit to support the development of national strategies in response to the growing threat of illicit tobacco and e-cigarettes.

Tobacco remains a leading cause of preventable illness and premature death in Australia. Australia's response to illicit tobacco is situated within an established policy framework. This includes the World Health Organisation Framework Convention on Tobacco Control, the Australian Government National Tobacco Strategy 2023-2030, and the *Public Health (Tobacco and Other Products) Act 2023*.

Since its establishment, my Office has undertaken broad consultation with a range of agencies engaged in combatting the illicit tobacco and e-cigarette trade. This has included agencies focussed on regulation, law enforcement, intelligence, and prosecution at both the Commonwealth and state and territory levels.

I also co-chair the National Illicit Tobacco and E-cigarette Coordination (NITEC) Forum, alongside the Secretary of NSW Health. All states and territories are represented at the senior official level.

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Through these engagements, my Office has received advice covering the breadth of the illicit tobacco and e-cigarette market. In summary we have heard:

- The illicit tobacco market is commonly viewed as a low-risk, high-reward enterprise. Funds generated through this activity are likely redirected to support other forms of criminality.
- There is a growing influence of serious and organised crime groups into this market, which is introducing a level of complexity for enforcement efforts, and increasing risks to the community.
- Illicit tobacco has significant implications from a public health policy perspective. Products sold through illicit channels do not carry the suite of public health warnings and product compliance measures required for legally sold tobacco and e-cigarettes in Australia. These include plain packaging, health warnings (both on packs and on individual sticks), limits on pack size, flavouring restrictions, higher price points, and information about quitting support services. Crucially, illicit products are also not subject to age-related access controls, leaving young people at particular risk.

In addition to the insights shared by stakeholders, my Office has also observed that effective regulatory and law enforcement responses are enabled by the development of internal intelligence capabilities, a sustained focus on intelligence-led enforcement activities, and strong interagency cooperation – for example the collaborative working relationships between police and regulatory compliance agencies.

A clear view emerging from our engagements is that there is no single solution to addressing illicit tobacco – a multi-pronged approach is needed across the ecosystem, from supply (growth through to retail) to demand, bringing together the power of national capabilities. Important initiatives are already underway, including:

- Strengthening powers to seize criminal profits and assets as part of the \$156.7 million commitment made by the Australian Government in the 2025-26 Budget.
- Steps taken by several state and territory governments to reduce opportunities for criminal exploitation and to make it more difficult for these organisations to operate.
- The recent introduction of licensing schemes in NSW and Victoria, which now sees all states and territories having a framework for regulating tobacco retail.
- An increase in engagement and cooperation across health, regulatory and enforcement agencies and between jurisdictions in the last 12 months.

My full analysis of these matters will be captured in my first report, which I will soon finalise as part of fulfilling the reporting functions of my role as detailed under Section 163D of the *Public Health (Tobacco and Other Products) Act 2023*. This report will be made publicly available. I encourage Members to consider the report as you undertake your inquiry.

Yours sincerely

Amber Shuhyta
Illicit Tobacco and E-cigarette Commissioner