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Committee Secretary
Senate Legal and Constitutional Affairs Committee
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RE: Submission to the Senate Legal and Constitutional Affairs Committee - Inquiry into the Customs Amendment (Immediate Destruction of Illicit Tobacco) Bill 2019

Dear Committee,

Introduction

British American Tobacco Australia (BATA) welcomes the opportunity to make a submission to the Legal and Constitutional Affairs Committee on the *Customs Amendment (Immediate Destruction of Illicit Tobacco) Bill 2019*.

In providing a submission to the Committee, BATA affirms its support of the proposed Bill. This legislation will reduce the operational and administrative burden for Australian Border Force (ABF) officers in relation to detecting, seizing, holding and destroying illegal tobacco. BATA submits that the measures proposed in this Bill will reduce the administrative processes that currently exist allowing greater scope for enforcement personnel to detect illicit tobacco and destroy it.

Great progress has been made in tackling illicit tobacco in 2018-19 and the new penalties and establishment of the Illicit Tobacco Task Force (ITTF) have driven greater seizures and arrests. However, we believe there is still scope for a significant increase in illicit tobacco seizures and recent published data highlights this.

The Department of Home Affairs Annual Report 2017-18 states that Home Affairs have observed “continued growth in cargo volumes, with more than 50 million air cargo consignments and more than 3 million sea cargo manifests processed in 2017-18”. During this same period the ABF registered 112,124 detections of undeclared tobacco at the border (406.4 tonnes of illicit tobacco)¹.

¹ Department of Home Affairs Annual Report 2017-18

Recent media reports show that the Department of Home Affairs in 2018-19 detected over 260 thousand parcels containing illegal tobacco in the international mail stream, a significant increase from previous years².

BATA is also of the view that given the increase in border movements the proposed amendments will provide border security agencies with increased capacity and scope for more seizures in the air and sea cargo streams.

General Comments

As highlighted in the explanatory memorandum of the Bill *“Trade in illicit tobacco is extremely profitable, particularly as a result of the ongoing excise increases”* and further *“Transnational serious and organised criminals are actively involved in the illicit tobacco”*.

BATA suggests that any decision by the Comptroller-General to destroy seized tobacco products would take into consideration whether the retention of those products is required to successfully prosecute those found to be importing illicit tobacco.

Conclusion

British American Tobacco Australia appreciates the opportunity to provide comments to the Legal and Constitutional Affairs Committee on the *Customs Amendment (Immediate Destruction of Illicit Tobacco) Bill 2019*.

The Bill further strengthens the efforts of the Federal Government in addressing illegal tobacco in Australia, that has already seen significant excise evaded tobacco seized. Furthermore, the amendments provide further opportunities, by reducing the administrative burden, for border control authorities to focus on activities to further reduce the importation of illegal tobacco into Australia.

² Channel 9 news, 1st July 2019