

## QUESTION TAKEN ON NOTICE

**BUDGET ESTIMATES HEARING : 23 May 2017**

IMMIGRATION AND BORDER PROTECTION PORTFOLIO

**(BE17/145) - Illicit tobacco - Penalties - Programme 3.1: Border-Revenue Collection**

Senator Pratt, Louise (L&CA 105) asked:

Senator PRATT: it is a timely reminder of how much tobacco people are using in our country, notwithstanding the fact that it has come down considerably thanks to the kinds of measures that successive governments have introduced. Can I ask if there is potential for government to increase penalties associated with the illegal importation of tobacco or tobacco products, and what are those penalties like relative to the importation of other illicit drug use substances?

Ms Noble: Yes. We are working with the Treasury and the Australian Taxation Office to prepare the relevant legislative amendments to strengthen illicit tobacco offences. They will, in their broad nature, give enforcement officers access to a broader range of offences and penalties—to give them more enforcement options, essentially. As for the timing of the introduction of those amendments: that will be a matter for the government.

Senator PRATT: Could you take on notice what those penalties are and provide that to the committee.

Ms Noble: Yes. Certainly.

*Answer:*

The maximum penalty for tobacco smuggling, or for possession of smuggled tobacco, under section 233BABAD of the *Customs Act 1901* is imprisonment for up to ten years, and/or a fine of up to five times the duty on the tobacco (or if the amount of duty cannot be determined, up to 1,000 penalty units).

Due to section 4B of the *Crimes Act 1914*, if a corporation is convicted of this offence, the maximum pecuniary penalty is five times the amount that can be imposed on an individual (a fine of 25 times the duty on the tobacco, or if the amount of duty cannot be determined, 5,000 penalty units).