

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
AUSTRALIAN CUSTOMS AND BORDER PROTECTION SERVICE

Question No. 40

Senator Parry asked the following question at the hearing on 25 May 2010:

Following the announcement of an increase in tobacco excise of 25%, has there been any analysis by ACBPS on the potential for increased illegal importation of tobacco?

The answer to the honourable senator's question is as follows:

When Customs and Border Protection was made aware of the proposed excise increase, our judgement was that while any increase in tobacco excise had the potential to encourage the trade in illicit tobacco products, Customs and Border Protection was well placed to manage this through its strong border control regime to detect and prosecute those involved in the importation of illicit tobacco.

This is evidenced by our detections over the past three years where we have seized 715 tonnes of tobacco and 217 million cigarette sticks in sea cargo and successfully prevented revenue evasion of approximately \$277 million.