



# Illegal tobacco

Unfair for honest businesses. Unfair for the community.



## What is illegal tobacco?

- Tobacco grown, manufactured or produced in Australia without a licence.
- Imported tobacco for which no duty has been paid.
- Tobacco sold without payment of taxes.

### Other terms illegal tobacco goes by

- chop-chop
- roll your own
- cheap cigarettes
- under the counter cigarettes.



### Signs a retailer is selling illegal tobacco

- packets missing health warning labels
- strong tobacco odour despite the shop containing strongly scented items like candles and incense
- customers asking for 'cheap cigarettes' or 'under the counter cigarettes'
- customers leaving a retailer with small plastic bags, often black in colour.

## The journey from crop to shop



Illegal tobacco is grown by organised crime syndicates. There have been no licensed tobacco growers since 2006.



The syndicates sell the illegal tobacco to dodgy retail businesses and use the profits they make to fund other more serious crimes.



Retail businesses sell the 'black market' tobacco to the consumer as loose leaf tobacco, cigars or cigarettes, undercutting honest businesses and paying no tax. This creates an uneven playing field.

## The cost of illegal tobacco



**1,656,000 kgs** of illegal tobacco was sold between 2022–23, meaning **\$2.7 billion** went to criminals instead of supporting the community.

That's equivalent to **2,070,000,000 cigarettes**, which if laid end-to-end, would wrap the equator nearly 4 times.



### Impacts of involvement in illegal tobacco

- **Serious penalties** including jail time, fines or a criminal conviction
- Life impacts of a criminal conviction, including the possibility of:
  - losing your business
  - difficulty travelling overseas
  - impact on employment opportunities.



### Help create a level playing field for all businesses

- Stop buying illegal tobacco products
- Report suspicious activity
- Report dodgy businesses.



Businesses that undermine the tax and super system such as those involved in the sale of illegal tobacco means the community misses out on vital services. Making a tip off is easy and it can be anonymous. You can report online [ato.gov.au/tipoff](https://ato.gov.au/tipoff), or phone **1800 060 062**.