

## Should we be concerned about Australia's growing illicit tobacco market?

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**Introduction:** Illicit tobacco (IT) includes any kind of tobacco products entering the market without necessary duties and taxes being paid, such as unbranded loose-leaf tobacco, counterfeit branded cigarettes, or illegally imported foreign cigarettes. International evidence suggests that IT causes substantial losses in tax revenue, funds organised crime syndicates, and undermines tobacco control policies. This presentation draws on data from the Australian Taxation Office (ATO), National Drug Strategy Household Survey (NDSHS) and an updated media analysis to discuss whether Australia's IT market is worthy of concern.

**Method:** First, we collated publicly available data from the ATO (net and gross tobacco tax gap percentages, seizures, lost tax revenue; 2015/16-2020/21) and NDSHS (self-reported illicit tobacco use; 2007-2019) to investigate trends in Australian IT use. Second, we analysed Australian news articles describing IT-related crimes reported between January 2000 and December 2022. News articles were coded for location, product type, dollar value, distribution/storage methods, agencies involved, and other crimes involved.

**Results:** ATO and NDSHS data suggest notable increases in Australians' use of illicit tobacco use since 2013. ATO data suggests a 34% increase in IT use since 2015/16, costing Australia \$1.9billion in lost tax revenue in 2020/21 alone. Our media analysis suggests an increase in Australian media reporting of IT-related crimes since 2000. The presentation is supported with photographs of IT products found on Brisbane streets.

**Discussions and Conclusions:** Increasing IT use in Australia is likely worthy of concern. Furthermore, the low cost and increasingly widespread availability of IT products threatens the effectiveness of Australia's world-leading tobacco control policies, thus undermining Australia's attempts to achieve a tobacco endgame.

**Implications for Practice or Policy:** These findings suggest a need for improved detection of IT shipments at border points and retail of IT products, and implementation of public campaigns promoting community tip-offs.

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