

# Experiences of tobacconists and public health officers regarding the illicit tobacco trade in Australia: lessons for the tobacco endgame.

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**TOBACCO ENDGAME**  
NHMRC Centre of Research Excellence



THE UNIVERSITY  
OF QUEENSLAND  
AUSTRALIA

CREATE CHANGE

## Acknowledgement of Country

I acknowledge the Traditional Owners and their custodianship of the lands on which we meet.

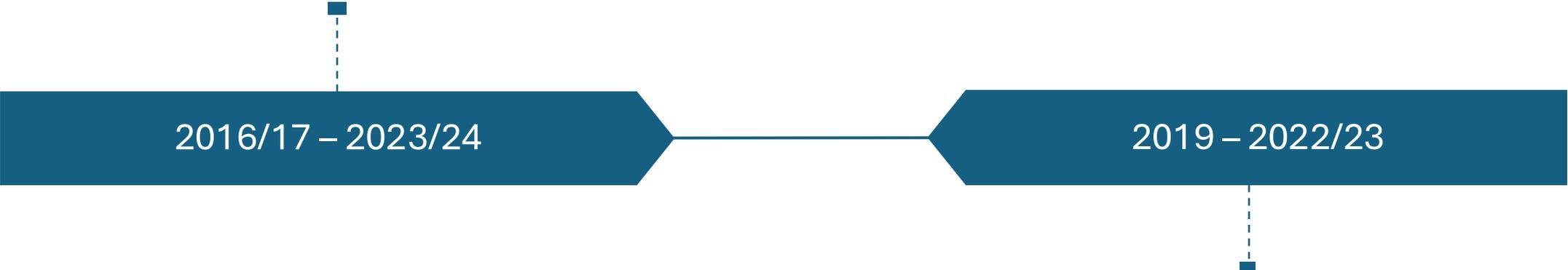
I pay my respects to their Ancestors and their descendants, who continue cultural and spiritual connections to Country.

I recognise their valuable contributions to Australian and global society.



# Illicit Tobacco Trade (ITT) in Australia

Between 2016-17 and 2023-24, the estimated size of the ITT market increased by **5x** (from 5.4% to **25%**) (Australian Taxation Office, 2025).



2016/17 – 2023/24

2019 – 2022/23

Between 2019 and 2022-2023, the proportion of Australians reporting use of chop-chop in the NDSHS **increased by 80%** (4.9% to 9.0%)

## ITT and Organised Crime

250+ arson attacks related to ITT – Victoria, NSW, South Australia, Queensland.

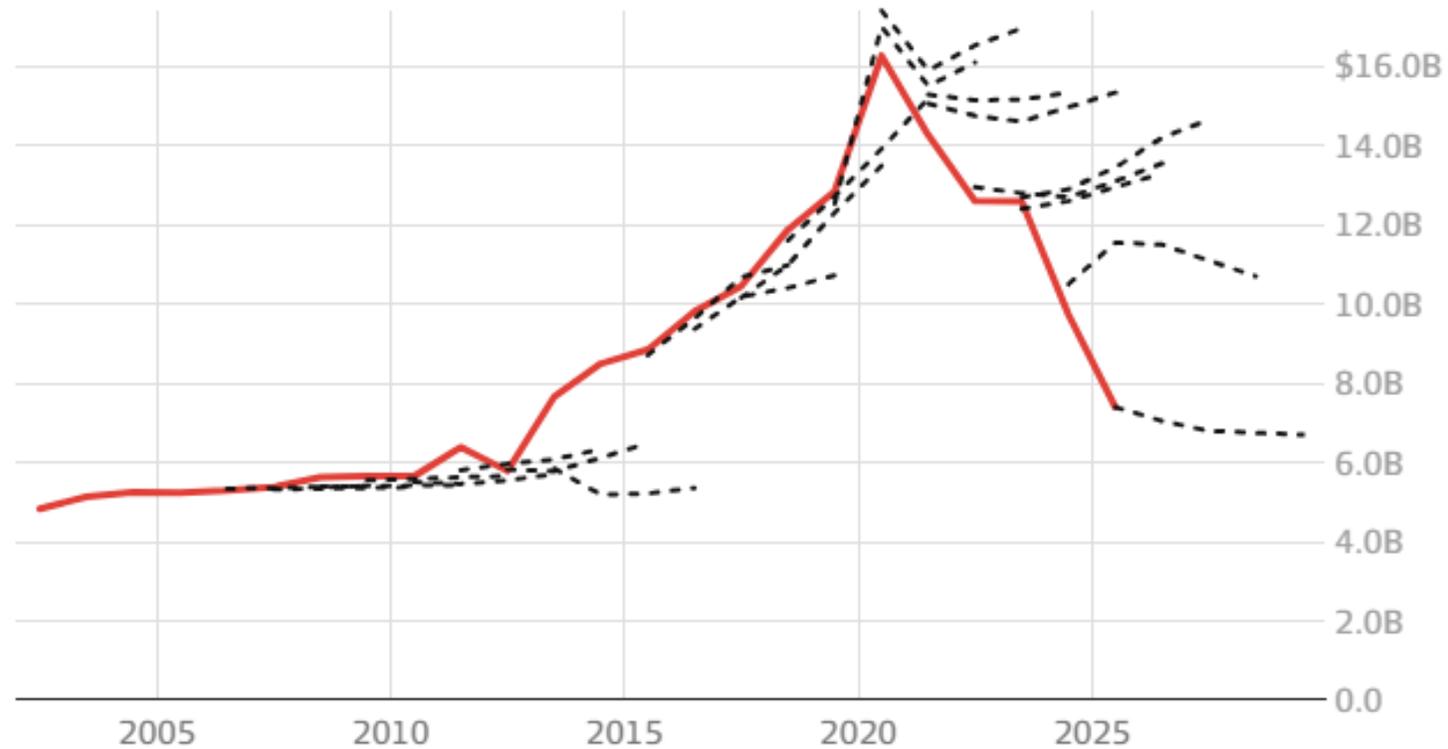
= Deaths of 8 people, including one innocent bystander.



The Treasury reported a **57%** decrease in tobacco excise tax revenue from the \$16.3 billion collected in 2019–20

### Tobacco excise revenue (\$b)

Actual (red) versus budget forecast (black)



Data collected from various budget papers starting in 2003-04

Chart: Michael Read, AFR • Source: Treasury

“Coles and Woolworths both reported more than 50 per cent declines in tobacco revenue over the past year”  
- The Australian, 2 November 2025

# Aim

To explore how the illicit tobacco trade affects legitimate retailers in South-East Queensland and New South Wales

# Our Research

12 qualitative interviews with staff and owners of franchise tobacconists.

2 interviews with public health regulators.

SEQ and Northern NSW.

Recruited through snowball sampling.

1-2 hour interview/observation period + ethnographic observation of store operation.

Analysed using iterative categorisation

# 1. “It was just like ‘boom’”

## – The ‘Overnight’ Changes to the Tobacco Industry

*I've lost more than 50% of my sales. More than half has gone –*

**Interview 8.**

*We have lost a lot of customers as well. Sales are down like 70% since say this time, two, three years ago –* **Interview 6.**

# 1. “*It was just like ‘boom’*”

## – The ‘Overnight’ Changes to the Tobacco Industry

*I'd say we're hovering around 80 to 90% of our resources now just on tobacco enforcement. It is unbelievable* – **Regulator**

**Interview 1.**

## 2. “*They have no other option*” – The Challenges of Staying Legitimate

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*I can definitely say (franchise stores) are (selling illicit tobacco)... If your sales declined by 50%, what would you do? The landlord won't listen to you, and you have signed the lease agreement for five years. ... so they have no other option.–*

**Interview 2.**

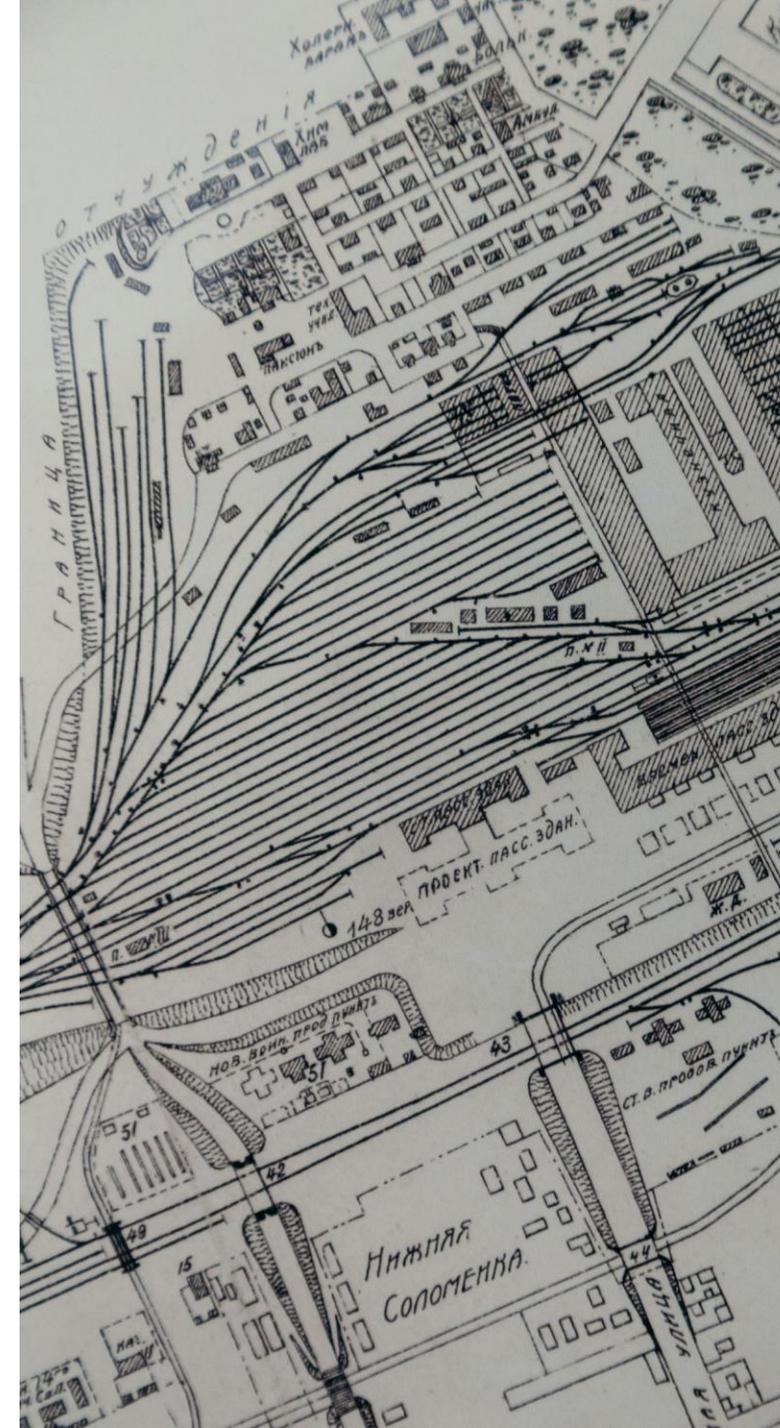
### 3. “*Those customers are gone now*” – Consumer Behaviours, Attitudes to Crime, and Responses to Economic Insecurity

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*We’ve still got a loyal customer base ... They can walk in, I can get what they want without them even having to ask. But then we have a lot of customers, their first response is ‘what’s your cheapest?’ They don’t care about brand, whatever’s cheap they’ll take. But we can’t compete with \$10 a packet. Our cheapest is \$30 – Interview 3.*

# Implications

- Tobacco licensing schemes aim to curb the ITT through store closures, fines and other penalties. These vary jurisdictionally and effectiveness remains to be seen.
- Need for more public education: 2022-2023 NDSHS found that 17% of Australians perceived tobacco as the drug that caused the most deaths, compared to 40% in 2007. Many aren't aware of the illegality of ITT products.
- Need for increased quitting support: The 2023-24 budget included \$737 million for tobacco control, which is equal to ~6.4% of the \$11.5b in tobacco tax collected that year.
- Need to consider ways to support tobacconists to transition away from tobacco retail, without collaborating with tobacco industry.



Thank you!

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