

Illicit tobacco continues to have a serious impact on legitimate retailers

by Deborah Jackson | August 10, 2021

The Australian Association of Convenience Stores (AACS) is calling on the government to take urgent action on the significant issue of illicit tobacco sales in Australia.

Retailers of tobacco products are being forced out of business as illegitimate, unregulated illicit tobacco continues to spread far and wide across the country.

Theo Foukkare, CEO, AACS, says that the most common conversation he has with tobacco retailers focuses on illicit tobacco and the massive impact it is having on their bottom line.

Second to this, the next most common conversation he is having is regarding liquid nicotine e-cigarettes / vapes and the fact that they are now also being sold illegally by the same retailers that are selling illicit tobacco.



“The high cost of cigarettes in Australia has inadvertently allowed this illegal activity to thrive and it continues to undercut the legal market.

“We know struggling retailers have also started selling illicit products just to survive because the demand for the cheaper product is so high.

“To protect retailers, we want the Federal Government to start working with State Governments and local councils to provide enhanced enforcement and funding resources to identify and penalise crime gangs bringing illegal products on to the market.”

Foukkare said the annual KPMG report into illicit tobacco consumption showed the illicit trade accounted for 16.9 per cent of the market last year, the equivalent of one in six cigarettes.

“This figure is alarming and shows the huge level of illegal activity our legitimate retailers are facing,” he said.

“Small business owners have worked hard to build their bottom line, but they are taking huge losses to the illicit trade.

“It’s about time governments at all levels recognised how enormous this issue is and take action to further reduce the impact on our retail members.”

Source: <https://www.c-store.com.au/illicit-tobacco-continues-to-have-a-serious-impact-on-legitimate-retailers/>