



**MGA
Independent
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‘Government excise policy further fuels the problem’: Independent Grocers demand tobacco rethink

Independent Grocers across Australia are calling on the Federal Government to recognise and address the implications of year-on-year increases in tobacco excise.

On 1 September 2024, tobacco excise will increase by another 5%, with the next 5% step up scheduled for 1 September 2025.

The illegal tobacco crisis currently gripping much of Australia is now a public conversation with reports of unprecedented levels of illegal cigarettes entering Australia, which are subsequently sold in plain sight.

“Our members live in fear as their businesses continue to be targeted by violent cowards who rob their stores and assault staff, typically with the objective of stealing legal tobacco for on selling into the illegal market,” said David Inall, Chief Executive Officer of MGA Independent Businesses Australia.

“It has been reported that more than 90 tobacco businesses have been firebombed in Melbourne over the past 18 months. How this is not a national crisis, we’ll never know.

“While the Government aims to reduce smoking rates by making legal tobacco less affordable, all they are achieving is shifting more legal tobacco consumers over to illegal products.

“With almost five billion illegal cigarettes seized over the past three years, it should be clear to anybody what is happening here.

“Clearly, by raising the price of legal tobacco via Government instrument, the door continues to be pushed open wider-and-wider to those selling illegal product,” Mr Inall added.

“This is a genuine safety issue. Our members, through this organisation, have been ringing the alarm bell around illegal tobacco since 2016.

“It is outrageous and quite frankly unreasonable to expect state Police and Border Force to arrest this problem on their own. We know the Police are doing what they can with the resources available, and they have our full support.

“We are calling on the Federal Government to engage in a constructive discussion regarding the impact that year-on-year increases in tobacco excise is having on this illegal trade, which is clearly out of control,” Mr Inall concluded.

About MGAIBA

MGA Independent Businesses Australia (MGAIBA) has been representing independent grocers since 1898. MGAIBA is a national employer industry association representing thousands of independent grocery and liquor outlets in all States and Territories of Australia. These businesses range from small to large and account for approximately \$16 billion in retail sales within the supermarket and liquor sectors, collectively employing over 120,000 people. Independent retailers represent about 15% of the supermarket and liquor retailing sectors. MGAIBA members trade under various respected banners, including FoodWorks, Foodland, Friendly Grocer, IGA, Supa IGA, SPAR, Cellarbrations, and The Bottle O. Although facing similar industry challenges as major chains, MGAIBA members have significantly fewer resources and many are family-operated, enduring the same economic pressures as the average Australian.

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