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5th July, 2017

Committee Secretary
Parliamentary Joint Committee on Law Enforcement
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Sirs,

SUBMISSION TO THE PARLIAMENTARY JOINT COMMITTEE ON LAW ENFORCEMENT –
INQUIRY INTO THE USE AND CONSEQUENCES OF ILLICIT TOBACCO IN AUSTRALIA

I am writing as a former senior civil servant in UK's HM Revenue and Customs and formerly in HM Customs and Excise where I lead the UK's Review of Alcohol and Tobacco Fraud in 1997/8. Among the recommendations were: a method of estimating the extent and cost of the illicit trade, increased resources for enforcement and a comprehensive national strategy to tackling illicit trade. Almost all of over 80 recommendations from that report were implemented resulting in the development of the UK's strategy to tackle illicit trade in tobacco products that, was estimated in 2000 at over 20% of consumption. The strategy has been refreshed several times since then and continuing public sector focus on both increased enforcement effort to tackle supply and an innovative approach to understanding and reducing demand has kept the illicit trade in tobacco products to around 10% of consumption.

Since retiring from HMRC in 2009, I have worked as a consultant on several projects (mainly aid funded) intended to improve the efforts of governments in developing countries in administering excise duties and in tackling illicit trade in excisable products. This included leading a review for the Southern African Development Community into illicit trade in excise products in their region. The report is available at <http://www.sadc.int/documents-publications/show/SADC%20Review%20-%20Study%20into%20the%20illicit%20trade%20in%20excisable%20products> .

Whilst I cannot comment specifically on the position in respect of illicit trade in tobacco products in Australia, I am submitting a booklet I authored in 2013 entitled "The Illicit Trade in Tobacco Products and How to Tackle it" to offer some suggestions on a way forward that has been proved to work in the UK. I am including also a toolkit setting out the standards that governments might expect to see in operation in well-run companies in respect of supply chain security. This was developed with the tobacco industry in mind but the principles are appropriate for any well-run manufacturing business that does not want to lose market share to illegal trade.

I hope you will find these contributions helpful.

Yours faithfully,

Elizabeth L Allen (Mrs)

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Elizabeth Allen, Former Senior Official HM Revenue and Customs, Specialist in Indirect Taxation; Change Management; International Public Administration