

Don't let the taxpayer
foot the bill for a bad Bill

PlainPack.com

MEDIA RELEASE

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High Court plain packaging proceedings commence

British American Tobacco (BAT) was today forced to commence proceedings in the High Court on behalf of its shareholders after the Tobacco Plain Packaging Act (TPP) gained Royal Assent.

The High Court proceedings by BAT will operate as a 'test case' on the validity of the TPP relating to various property rights of two of our brands, Winfield and Dunhill. If we're successful the decision should apply to other property and brands sold by BAT.

BAT believes the TPP legislation is unconstitutional and invalid due to the fact the Federal Government is trying to acquire our valuable intellectual property without compensation.

Minister Roxon has been unable to give a guarantee that her government would win a legal challenge by the tobacco industry and neither could her key legal advisers during the plain packaging Senate Inquiry.

BAT spokesperson Scott McIntyre said that this is such bad law we believe it should be stopped before we have to argue about compensation.

"Obviously we'd rather not be in a situation where we're forced to take the Government to court but unfortunately for taxpayers the Government has taken us down the legal path," Mr McIntyre said.

"Minister Roxon will now waste millions of taxpayer's dollars on legal fees defending plain packaging even though she has said herself there is no proof it will reduce smoking rates.

"As a legal company selling a legal product we have consistently said we will defend our valuable intellectual property on behalf of our shareholders as any other company would.

"If the same type of legislation was introduced for a beer brewing company or a fast food chain, then they'd be taking the Government to court and we're no different.

"There are so many serious consequences involved with plain packaging. Besides the High Court case the tobacco black market will be flooded with counterfeit cigarettes as they'll be easier to copy and smuggle into the country once all packs look the same.

"Taxpayers will miss out on billions in tobacco excise while organised crime gangs make millions. Worse still cheaper more accessible illegal tobacco will actually increase smoking rates which is the opposite effect to what the Minister is hoping to achieve.

"Legal cigarette prices will also be reduced as the industry is forced to compete on price rather than brands. We all know once you make a product cheaper more people will purchase it which will increase smoking rates even further."

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