

25 September 2026



Customs and Other Legislation Amendment (Illicit Tobacco Enforcement Modernisation and Other Measures) Bill 2026

Submission to the Senate Legal and Constitutional Affairs Legislation Committee

Introduction

Freight & Trade Alliance (FTA) is the peak body representing Australia's international trade and logistics sector, including customs brokers, freight forwarders, importers, exporters, depot operators, warehouse operators, transport operators and logistics service providers. FTA members play a critical role in facilitating international trade while supporting the integrity of Australia's border and revenue systems.

FTA welcomes the opportunity to provide feedback on the Customs and Other Legislation Amendment (Illicit Tobacco Enforcement Modernisation and Other Measures) Bill 2026.

FTA represents a broad cross-section of Australia's international trade and logistics sector including customs brokers, freight forwarders, importers, exporters, depot operators, warehouse operators and transport providers.

FTA acknowledges the significant challenges posed by organised criminal activity and the illicit tobacco trade and recognises the importance of effective enforcement measures designed to protect the integrity of Australia's border and revenue systems. Industry has a clear interest in ensuring that legitimate trade is not undermined by criminal networks.

This submission focuses on two areas of particular interest to members:

1. the proposed new licence conditions applying to customs brokers, depot licence holders and warehouse licence holders; and
2. the proposed committee arrangements relating to licensing matters.

Proposed "All Reasonable Steps" Obligations

The Bill proposes new licence conditions requiring customs brokers, depot licence holders and warehouse licence holders to take "all reasonable steps" to prevent conduct that facilitates prohibited tobacco imports or other unlawful activity.

FTA recognises the objective of ensuring that licensed participants maintain appropriate controls to prevent illicit tobacco activity occurring within legitimate supply chains, whether through direct involvement, poor governance, inadequate oversight or wilful blindness.

Following introduction of the Bill, FTA sought urgent clarification from the Australian Border Force (ABF) regarding the practical intent of these provisions.



FTA understands that the proposed reforms are intended to strengthen accountability measures while targeting entities that facilitate illicit activity, rather than creating additional burdens for compliant operators already maintaining appropriate governance and due diligence processes.

Notwithstanding this intent, members have expressed a desire for greater clarity regarding the practical application of the proposed requirement to take "all reasonable steps".

While customs brokers, depot licence holders and warehouse licence holders all perform important roles within the supply chain, the nature of their operations differs significantly. Guidance will therefore be required to ensure that expectations are understood and applied consistently across industry.

FTA recommends that the Australian Border Force publish practical guidance before commencement of Schedule 5, supported by industry engagement and education activities.

This guidance should include practical examples relevant to each licence type and clearly outline the controls, governance arrangements and due diligence measures expected by the regulator.

Technology-Enabled Supply Chain Integrity

FTA has consistently advocated for reforms that improve supply chain integrity through technology-enabled solutions.

While the proposed licence conditions focus on responsibilities of licensed operators, further consideration should also be given to measures that strengthen importer authentication and participant verification within government systems.

FTA sees merit in exploring existing government digital identity and authorisation frameworks, including mechanisms that may better link importers to authorised customs brokers and reduce opportunities for identity misuse and piggybacking activity.

FTA also sees merit in reforms that more closely align an importer's ABN, owner code, nominated customs broker and duty payment arrangements. In particular, mandatory direct debit arrangements linked to the importer could significantly reduce opportunities for unauthorised use of importer identities and provide a stronger level of assurance that the party responsible for the goods is appropriately connected to the customs transaction.

FTA considers that preventative, technology-driven solutions could usefully complement enforcement and licensing measures as part of a broader strategy to combat illicit trade.

Licensing Committee Arrangements

FTA notes the Bill proposes changes to committee arrangements relating to customs brokers, depots and warehouses.

Following discussions with the Australian Border Force, FTA understands that these reforms are intended to establish an overarching committee structure incorporating separate sub-committees for customs brokers and depot/warehouse licensing matters.

FTA welcomes the intent of promoting greater consistency, transparency and procedural fairness in licensing decisions.

However, any expanded committee structure should remain focused on complex, adverse or integrity-related matters and should not unnecessarily delay routine applications, variations or administrative decisions.

Clear referral criteria, procedural safeguards and appropriate industry expertise will be important to ensuring that the proposed arrangements achieve their intended outcomes.

Recommendations

FTA recommends that:

Recommendation 1

The Committee recognise the importance of measures aimed at strengthening Australia's ability to detect, deter and disrupt illicit tobacco activity and organised criminal involvement in international trade.

Recommendation 2

The Australian Border Force publish practical guidance outlining the application of the proposed "all reasonable steps" obligations before Schedule 5 commences.

Recommendation 3

Industry education and consultation be undertaken prior to commencement of the new licence conditions.

Recommendation 4

Government continue to explore technology-enabled importer authentication, authorised customs broker verification and importer-linked duty payment mechanisms to strengthen supply chain integrity and reduce opportunities for piggybacking and identity misuse.

Recommendation 5

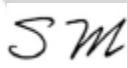
Licensing committee reforms be implemented with clear referral criteria, procedural fairness and appropriately targeted scope.

Conclusion

FTA acknowledges the importance of measures aimed at disrupting illicit tobacco supply chains and strengthening the integrity of Australia's border controls.

The proposed reforms will be most effective where enforcement measures are supported by practical guidance, meaningful industry engagement and systems that assist legitimate businesses to comply with their obligations.

FTA appreciates the opportunity to provide feedback and looks forward to ongoing engagement with the Australian Government and the Australian Border Force as the reforms progress.



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