

Media Release

The Hon Enver Erdogan MP

Minister for Casino, Gaming and Liquor Regulation

Minister for Corrections

Minister for Youth Justice



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TOUGH TOBACCO LICENSING SCHEME TO START NEXT MONTH

The Allan Labor Government's tobacco licensing scheme will begin next month to break the business model of organised crime – delivering boots on the ground to crack down on those breaking the law and backing the work of Victoria Police to disrupt the illicit tobacco trade.

Applications for licences will open from 1 July – giving retailers time to apply for a license ahead of boots on the ground enforcing from February 2026.

Backed by more than \$46 million in the *Victorian Budget 2025/26* – 14 licensing inspectors from the new regulator Tobacco Licensing Victoria will hit the streets to hold illegal operators to account – with the toughest penalties in the country in place for those breaking the law.

Under the licensing scheme, any person found to be selling illicit tobacco will face fines of up to \$355,000 or up to 15 years in jail, while businesses will face fines of more than \$1.7 million.

Inspectors will also support police with extra intelligence gathering in the fight against serious organised crime. It builds on the work of Victoria Police's Taskforce Lunar, which has already seen more than 130 offenders arrested and more than \$37 million worth of cash, vapes and illegal tobacco products seized.

Licences will only be granted to fit and proper people passing a strict test, with the regulator able to refuse a licence based on a person's history or known associates.

Licensing fees will be lower than New South Wales and Tasmania – with initial licences valid for 17 months from when enforcement begins in February 2026. The initial fee will be \$1,176, to avoid businesses applying for a license twice in the same year. It will be \$830 every year thereafter.

The regulator will have the power to cancel a licence and disqualify a person from applying for a licence. Victoria Police will also play a role in ensuring the suitability of licensees under the scheme and will have powers to impose further licence conditions – backed by more than \$4.7 million in the Budget for this function.

This scheme will help protect legitimate businesses from being undercut by organised crime syndicates and prevent those with criminal affiliations from having anything to do with the legal tobacco trade.

Victoria Police's search powers will be beefed up to make it easier and quicker to raid, search and seize illicit products from a retailer suspected of having links to organised crime.

For more information on the licensing scheme regulations visit vic.gov.au/tobacco-licensing.

Quote attributable to Minister for Casino, Gaming and Liquor Regulation Enver Erdogan

"Our scheme has the toughest penalties in the country – to disrupt organised crime and support Victoria Police with intelligence gathering."

Quote attributable to Minister for Police Anthony Carbines

"This will back the work of Victoria Police who are coming after crime lords. If you are doing the wrong thing and dealing in illegal tobacco, you will get caught and you will face the toughest penalties in Australia."

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