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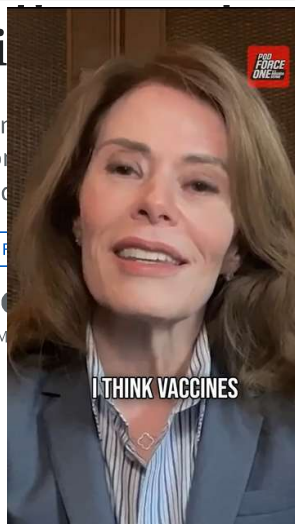
cigarette tax i ne crackdown

Federal Opposition Leader Angus Taylor will on Thursday unveil his party's bold four-point plan that aims to inject billions of dollars back into the federal budget, while ending [the firebombings, extortion, and violence on our streets](#).

**Jade Gailberger**

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September 2, 2026 - 9:30PM

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The tax on cigarettes would be slashed by 80 per cent, vapes and nicotine

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ough new coalition masterplan proposed to smash the criminal gangs behind
[Australia's deadly tobacco wars](#).

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Opposition leader Angus Taylor will on Thursday unveil his party's bold four-point plan that aims to inject billions of dollars back into the federal budget, while ending [the firebombings, extortion, and violence on our streets](#).

If elected, [the tobacco excise on a packet of 20 cigarettes](#) would fall from around \$30 to \$6 under the proposed 80 per cent cut to make legal products competitive with black market prices.



saying “she fought so hard”
Opposition Leader Angus Taylor has promised to slash tobacco tax. Picture: Jonathan Ng



Victoria
Under the proposal, pharmacy-only vapes and a ban on nicotine pouches
One Nation vows to wind back windfall gains, reveals potential nuclear locations
would be scrapped.

Both products would be made legal, with strong protections for children, and
taxed at 50c per mL of e-liquid and 2.5 cents per milligram of nicotine.
and flagged potential sites for nuclear reactors in his first debate ahead of the state election.

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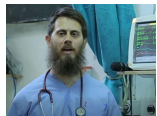
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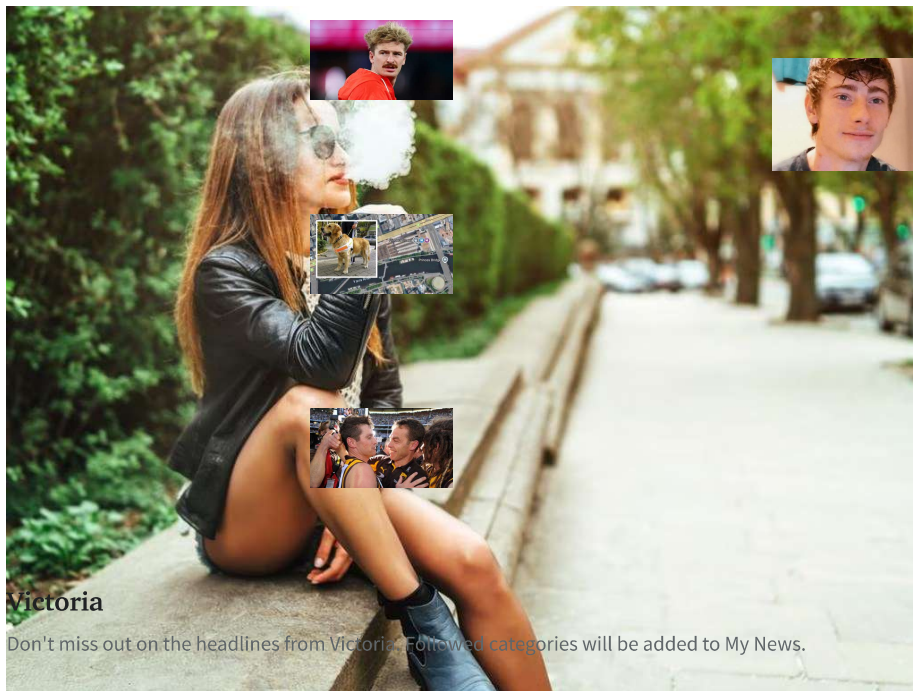
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[Vapes will Follow](#) will also be legalised under the bold plan. Picture: Supplied

The excise rate would be reviewed after two years to ensure the black market was annihilated.

Mr Taylor said the Australian Border Force, the Australian Federal Police, the Australian Criminal Intelligence Commission and AUSTRAC would be given “stronger marching orders” to target the gangs, their supply chains and money.

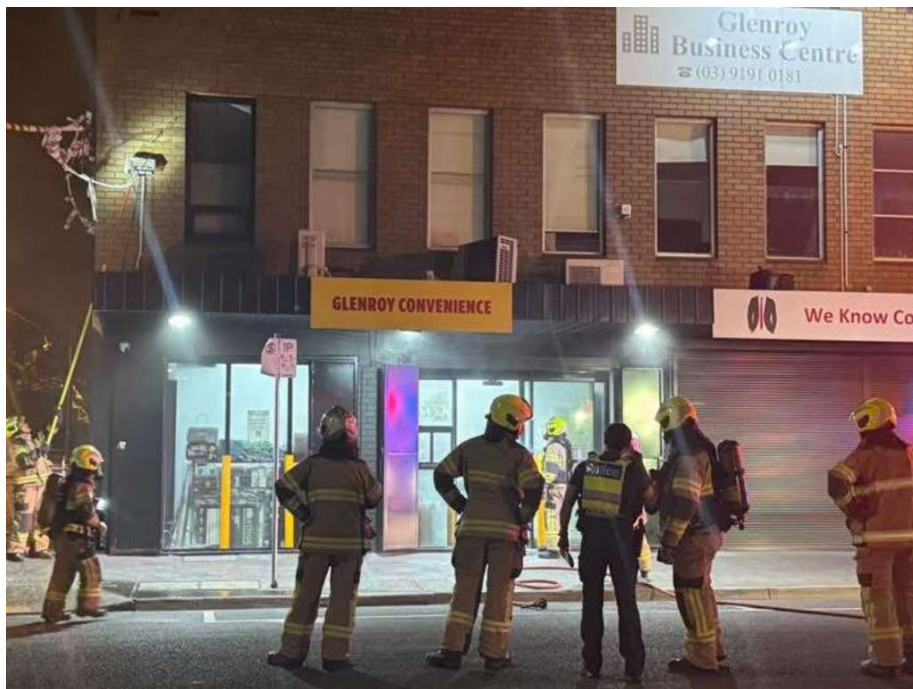
Law enforcement would receive a \$200m boost to conduct more raids, arrests, illegal tobacco seizures, border interceptions and investigations in a bid to crush the criminal networks.

The Coalition would also invest \$60m in a three-year public awareness and education campaign to warn Australians about the dangers of smoking and how money from illegal tobacco and vapes ends up funding drug trafficking, scams, and money laundering.

Parliamentary Budget Office analysis shows the policy would almost double excise revenue, which Treasury estimates will fall from \$4.13bn last year to \$3.5bn in 2026-27, with more than \$20bn to be funnelled back into government coffers over a decade.



CCTV footage captures an arson attack on a Glenroy tobacco store. Picture: Supplied



Emergency services at the scene of the firebombing. Picture: Supplied

The [excise on a cigarette stick](#) this week rose to \$1.55 following indexation. This means more than \$30 on a \$50 legal pack of cigarettes is tobacco excise.

The PBO found that smaller excise cuts would not be enough to close the massive gap between the cost of legal and illegal cigarettes, which can sell for \$15-\$20, and substantially change buying behaviour.

Tobacco consumption has soared 40 per cent between 2017 and 2025, according to federal government figures, with illegal nicotine products now making up 80 per cent of the market.

But the Albanese government, which has put more than \$350m into compliance and enforcement, has rejected calls to reduce the excise.

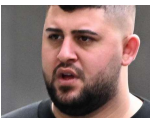
Labor and the Greens have previously criticised the Coalition’s approach, saying the excise has reduced smoking rates and a cut would not stop the illicit market.

Mr Taylor said the policy was “not about encouraging Australians to smoke” but about taking the market back from organised crime.

The policy is expected to help state Liberal leader Jess Wilson at the upcoming November election, with six homicides and almost 200 tobacco-related arsons directly linked to the black market.

The Coalition’s illicit tobacco task force co-chairs Richard Colbeck and Mary Aldred spent more than six months developing the plan.

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