



**GENERATION  
VAPE**

A research collaboration project



In partnership with  
**Cancer  
Council**

# Illicit tobacco use by Australian young adults in 2026

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**Generation Vape would like to acknowledge our research partners**

**The Daffodil Centre**



## Introduction

Australia has successfully adopted significant measures that reduce the appeal and demand for tobacco products, such as world-first plain packaging laws and bans on advertising. In comparison, laws to control the sale and supply of tobacco products are weak, which has contributed to a burgeoning illicit market. The Illicit Tobacco and E-cigarette Commissioner's Report 2024-25 estimated that the illicit market comprised 55% of the total Australian tobacco market (with an estimated range of 50-60%), with a value of \$5.6 billion, and between \$7.7 billion to \$11.8 billion in evaded excise revenue (1).

The growth in the illicit tobacco market poses a significant threat to progress in tobacco control and public health. Illicit sales thwart evidence-based tobacco control demand reduction policies, such as on-pack graphic health warnings and high excise, with the negative consequences of this likely to be particularly acute among young people and lower-income groups. Greater affordability of and access to illicit products, coupled with more appealing packaging, risks enabling initiation among non-smokers and undermining quit attempts among people who currently smoke. Illicit tobacco sellers also operate outside Australian laws and regulations so they may be less likely to comply with age-verification requirements, potentially increasing youth access to tobacco products.

Examining illicit tobacco use behaviours, attitudes, and beliefs among young adults in Australia is critical. Young adults are at a formative stage in establishing long-term nicotine dependence (2) and are more price-sensitive (3), making them particularly vulnerable to the widespread availability and affordability of illicit tobacco products. To date, there have been few studies examining illicit tobacco use among this age group following the dramatic rise in illicit tobacco sales. This short report helps to quantify the proportion of young adult Australians using illicit tobacco, assess the places of purchase, and explore the underlying reasons for use.

## Methods

The Generation Vape study is a national research project involving online cross-sectional surveys at 6-monthly intervals, and interviews and focus groups at 12-monthly intervals, examining vaping and tobacco smoking attitudes, beliefs, knowledge, and behaviours. This short report presents findings from Wave 10 of data collection with young adults, aged 18 to 24 years, conducted in March – April 2026. Participants who reported smoking tailor-made cigarettes, roll-your-own (RYO), or illegal chop-chop at least monthly were asked whether their most recent cigarette contained menthol, where they purchased their most recent cigarette pack or RYO pouch, the brand name and the price they paid. If participants had their tobacco product with them at the time of the survey, they were also invited to take a photo and upload it within the survey. Participants who did not purchase their own tobacco products (for example, a friend or relative shared it with them) were excluded from this study (n=149). Also, if inadequate data was provided to determine the likely illicit status of the product used (for example, a brand was provided only, with no price ("can't recall" response option), no photo and it was reported to be menthol-free), the participant's purchase was excluded from classification (n=86).

A multi-stage approach was used to classify illicit tobacco products. Products were immediately classified as illicit if the price reported was below the applicable tobacco excise tax liability for a pack of 20 cigarettes or a 30 g pouch of tobacco for the period 1 September 2025 – 2 March 2026 (4). All remaining products were assessed through a staged process: first, products were flagged as likely illicit if respondents reported their last cigarette as menthol (mentholated tobacco in Australia was banned from 1 July 2025); second, products priced at least 20% below the Woolworths reference price for the brand were deemed "suspicious" and subjected to manual review. These suspicious products were classified as likely illicit if they met at least one additional criterion, including photographic evidence of fully branded packaging and/or identification as a brand known to be frequently smuggled.

A total of 22 focus groups were also conducted with 102 young adults aged 18 to 24 years from across Australia. Participants who reported smoking were asked questions including what type of products they use,

the price they generally pay for them and the place of purchase. Focus group transcripts were systematically reviewed and thematically coded to identify patterns and themes related to illicit tobacco product use.

Ethics approval for the study was received by the Human Research Ethics Committee at The University of Sydney (reference number 2021/442). Informed consent was provided by all participants to take part in the research after receiving a detailed Participant Information Statement.

## Findings

A total of 232 participants were included in the survey analysis to determine whether their most recently purchased tobacco product was likely illicit or not. Based on price paid, whether or not the product was mentholated, the brand name and the image uploaded, it was determined that almost 80% (79.3%, n=184) had very likely purchased an illicit product as their most recent cigarette or RYO purchase. Among participants who purchased RYO, 78.8% (n=67/85) had likely purchased an illicit product, and among participants who purchased tailor-made cigarettes, 73.1% (n=152/208) had likely purchased an illicit product (Table 1).

Among purchase-location reports, the proportion classified as likely illicit was high for both tailor-made cigarettes and RYO across several retail settings. For tobacconists/tobacco shops, 81.7% (89/109) of tailor-made cigarette reports and 80.4% (37/46) of RYO reports were classified as likely illicit. The corresponding proportions for convenience stores, milk bars or corner shops were 81.4% (35/43) and 90.9% (10/11), respectively (Table 2).

The photos uploaded by participants demonstrate that a range of illicit products are being sold in Australia. As shown in Figure 1, products which apparently complied with Australia’s plain packaging and graphic health warnings up to 2024 but not with current warning requirements had been purchased at a markedly low price by several participants. Many participants also uploaded photos of fully branded products including Manchester and Marlboro, with some carrying a written health warning other than the ones required in Australia, and some carrying no warning at all. Among respondents who provided a brand name or photo (n=97), Manchester (33.0%, n=32) was the most commonly reported brand of tailor-made cigarettes purchased deemed to be likely illicit, followed by Marlboro (28.9%, n=28).

**Table 1: Participants purchasing tobacco products of likely Illicit status, by product type**

Tobacco product purchased	Likely illicit n (row %)	Unlikely illicit n (row %)	Total, n
<b>Any tailor-made cigarettes or roll-your-own tobacco:</b>	<b>184 (79.3%)</b>	<b>48 (20.7%)</b>	<b>232</b>
Tailor-made cigarettes	152 (73.1%)	56 (26.9%)	208
Roll-your-own tobacco	67 (78.8%)	18 (21.2%)	85

Note: Percentages are row percentages. Participants could report purchasing more than one tobacco product. The “Any tailor-made cigarettes or roll-your-own tobacco” row classifies participants as likely illicit if either product purchased was classified as likely illicit.

**Table 2: Proportion of purchase-location reports classified as likely illicit, by place of purchase and product type**

Reported place of purchase	Tailor-made cigarettes: likely illicit / total reports n/N (%)	Roll-your-own tobacco: likely illicit / total reports n/N (%)
At a tobacconist / tobacco shop	89/109 (81.7%)	37/46 (80.4%)
At a convenience store, milk bar or corner shop	35/43 (81.4%)	10/11 (90.9%)
At a petrol station	10/17 (58.8%)	6/9 (66.7%)
From a tobacco retailer via the internet	9/10 (90.0%)	2/3 (66.7%)
At a supermarket	5/24 (20.8%)	9/13 (69.2%)
At a hotel, pub, bar or tavern	2/2 (100.0%)	1/1 (100.0%)
Through a messaging app or social media	2/2 (100.0%)	2/2 (100.0%)
From a vending machine	0/0 (-)	0/1 (0.0%)

Note: Percentages are calculated within each purchase location and product type as the number of likely illicit purchase-location reports divided by the total number of purchase-location reports for that product type at that location. Participants could report more than one place of purchase, so counts represent purchase-location reports rather than mutually exclusive participants.



**Figure 1: Examples of images provided of illicit tobacco products**

Analysis of focus group discussions among young adult smokers revealed that participants were driven by price when deciding to purchase illicit tobacco or not, noting that illicit tobacco products are readily available at a significantly lower price compared to legal, regulated cigarettes:

*Honestly I haven't bought a pack of Australian cigarettes in years. I've just always bought the imported ones... (Where do you buy them from?) At the same shop I get my vape from. I like smoking the Chinese brand. Yeah. Just get both of them from there... I think for a pack of 20, 25, it's like \$15. – Female, 21yo, NSW*

*I refuse to buy legal cigarettes. I sell cigarettes at my [bottle shop], the cheapest we have is \$35. I get my cigarettes for \$10 a pack, so obviously I'm going to be buying the illegal ones, they're so cheap." – Female 19yo, Victoria*

Young adults also discussed purchasing these illicit products through physical retail outlets primarily, such as tobacconists:

*Whenever I'm out, it's just the closest tobacconist. Just buy the cheapest pack. (How much are you paying for them?) I think last week was probably \$15 – Male, 18yo, NSW*

*In my hometown we have about three or four chop shops, and it's just – you can buy them in boxes and it's just so much cheaper – Female, 19yo, South Australia*

## Discussion and Policy Implications

Our analysis suggests that most young adults who smoke are purchasing illicit tobacco, with nearly 80% of recent cigarette or RYO purchases classified as likely illicit. This is substantially higher than the most recent and reliable estimates provided by the Illicit Tobacco and E-cigarette Commissioner in 2024-25 (50-60%), and likely a reflection of young adults being a more price-sensitive demographic than older adults, a conclusion supported by the qualitative analysis showing that price was the driving factor for illicit tobacco purchases.

Our study also provides insight into the broad range of illicit tobacco products used by young adults, from products in plain packaging and carrying health warnings to fully branded products with no visible health warnings. Marlboro was also among the most commonly observed illicit tobacco brands, however, it remains unclear whether these products were counterfeit or genuine Philip Morris International (PMI) products diverted into the illicit supply chain.

Our results suggest that tobacconists/tobacco shops and convenience stores, milk bars or corner shops are key retail settings for likely illicit tobacco, with a high proportion of purchase-location reports from these outlets classified as likely illicit, highlighting the central role of easily accessible, physical retail environments in sustaining illicit supply. Only a very small number of young adults reported buying illicit tobacco online (n=9). Purchasing illicit tobacco from these outlets provides a sense of legitimacy, as consumers are easily obtaining these products alongside other everyday legal goods. With an estimated 40,000 tobacco retailers nationwide, access to tobacco products, regardless of legal status, remains widespread and normal. Higher retailer density and proximity are associated with increased young adult smoking behaviour and susceptibility (5, 6). Areas with a greater concentration of tobacco outlets may not only facilitate access but also reinforce environmental cues to smoke, thereby normalising tobacco use and contributing to continued demand for both legal and illicit products. With positive licensing schemes now in place across all Australian jurisdictions, there is a clear opportunity to both leverage and strengthen these frameworks and enforcement. Licensing schemes must raise the bar on the conditions and types of outlets that can be considered appropriate to sell such an addictive, dangerous, and highly taxed product.

Like all research, our study has limitations. For instance, the sample size does not allow us to provide further analysis to examine any differences between Australian states. However, a major strength was the direct questions that allowed objective assessment of likely illicit status which would have reduced social desirability bias (with respondents not required to acknowledge awareness of illicit status). The availability of photographs to confirm a proportion of the classifications was also a strength in an area of research where reporting errors can be problematic. Our results provide another piece of the complex picture of illicit tobacco access and use among a particularly important demographic.

## Citation

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