

3 Tobacco

Overview

Tobacco use is the major cause of drug-related deaths in Australia. In 1997, around 18,200 deaths were attributable to the use of tobacco (see Chapter 8), accounting for 80% all drug-related deaths.

In the Australian Burden of Disease Study, Mathers et al. (1999) estimated that almost 10% of the total burden of disease in Australia in 1996 was attributable to tobacco smoking. The burden of disease methodology combines years of life lost due to premature death with years living with a disability.

Indications from customs and excise information are that tobacco demand has been falling slightly over the past few years (Table 3.1). Indeed, Australia is now ranked 17th in the world for per capita consumption of cigarettes, down from 8th position in 1991 (Table 3.2).

This is further reflected in estimates of the prevalence of tobacco use. Data from the 1998 NDSHS suggest a slight reduction in the national prevalence of regular smoking, at around 22% of the adult population (Table 3.3). The prevalence of regular smoking was highest in the 20–29 years age groups for both males and females (Table 3.4).

On average each Australian spent \$337 on tobacco in 1996–97 (Table 3.5). Total government revenue related to the use of tobacco was in excess of \$4.2 billion in 1997–98 (Table 3.6).

Of the policy measures available to reduce smoking, the one with the greatest community support is stricter enforcement of the law against supplying cigarettes to persons under age (Table 3.7).

Consumption

Indicative consumption trends

Unlike alcohol, apparent consumption of tobacco is not estimated from production and trade volumes. The information that is available to indicate trends in consumption is the volumes of tobacco and tobacco products cleared through excise and customs.

Table 3.1 presents these data from 1991–92 to 1997–98. Due to confidentiality restrictions, the total volume of tobacco commodities attracting excise is not available for the last two financial years in this period. Based on the figures for cigarettes (which in previous years accounted for over 95% of the volume of all tobacco products for which excise was payable), and the customs volumes for all tobacco and related products, there appears to be a reduction in the overall demand for tobacco over the past two to three years. This follows a peak in cleared volumes in 1994–95.

Table 3.1: Volume of tobacco cleared through excise and customs, Australia, 1991–92 to 1997–98

Duty and product	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98
	('000 kg)						
Excise							
Cigarettes	24,956.4	22,606.6	21,602.9	21,462.7	19,273.0	19,435.0	19,103.0
Other tobacco	653.0	655.1	642.5	604.9	656.1	(a)	(a)
<i>Total excise</i>	<i>25,609.4</i>	<i>23,261.7</i>	<i>22,245.3</i>	<i>22,067.6</i>	<i>19,929.1</i>
Customs ^(b)							
Cigarettes	255.2	241.6	255.9	420.0	288.2	349.8	266.3
Other tobacco							
Cigars	85.6	71.6	80.8	69.2	67.9	70.5	82.6
Snuff	0.6	0.4	0.3	0.3	0.2	0.4	0.1
Loose tobacco	805.7	720.5	1,113.2	923.0	973.0	909.9	908.3
Unmanufactured tobacco/other	10,079.1	11,709.2	13,082.9	23,573.3	15,433.0	15,050.7	14,400.9
<i>Total other tobacco</i>	<i>10,970.9</i>	<i>12,501.7</i>	<i>14,277.2</i>	<i>24,565.8</i>	<i>16,474.1</i>	<i>16,031.4</i>	<i>15,391.9</i>
<i>Total customs</i>	<i>11,226.1</i>	<i>12,743.3</i>	<i>14,533.0</i>	<i>24,985.8</i>	<i>16,762.3</i>	<i>16,381.1</i>	<i>15,658.2</i>
Total	36,835.5	36,005.0	36,778.4	47,053.4	36,691.4

(a) Not available due to confidentiality restrictions.

(b) Figures differ marginally from those previously published due to the inclusion in this table of additional subcategories within 'Unmanufactured tobacco/other'. Excludes customs clearances of chewing tobacco and products containing tobacco substitutes. From 1997–98, chewing tobacco cannot be separately identified, and is included in 'Unmanufactured tobacco/other'.

Source: Australian Bureau of Statistics, unpublished.

International comparisons

Based on per capita consumption of cigarettes by adults (aged 15 years or more), Australia was ranked 17th on the international league table in 1996, with each adult Australian smoking 2,017 cigarettes on average (Table 3.2). This compares with top-ranked Greece on 3,474 cigarettes and 40th-ranked Egypt on 1,212. The majority of countries in this list experienced a decline in the per capita consumption over the ten-year period since 1986; Australia moved from 10th place in 1986 to 17th place in 1996. The change over this period equates to Australians smoking on average 700 fewer cigarettes per year.

Table 3.2: Adult (15 years and over) per capita cigarette consumption, selected countries, 1986 to 1996

Country	Calendar year					
	1986		1991		1996	
	(number)	(rank)	(number)	(rank)	(number)	(rank)
Greece	3,757	1	3,560	2	3,474	1
Japan	3,213	4	3,226	3	3,193	2
Poland	3,553	2	3,690	1	3,180	3
South Korea	2,671	11	3,021	5	2,993	4
Switzerland	2,918	8	2,902	6	2,658	5
Hungary	3,253	3	3,153	4	2,645	6
Cyprus	3,197	5	2,346	12	2,531	7
Bulgaria	2,429	15	2,312	14	2,509	8
Turkey	2,069	26	2,119	20	2,362	9
Ireland	2,367	17	2,403	10	2,333	10
Spain	2,595	13	2,710	7	2,324	11
Taiwan	2,314	19	2,252	16	2,284	12
Israel	2,406	16	2,267	15	2,261	13
USA	3,092	7	2,571	9	2,258	14
Germany	1,977	29	2,186	17	2,087	15
Canada	2,783	9	1,878	28	2,053	16
Australia	2,710	10	2,585	8	2,017	17
Portugal	1,816	36	1,996	23	1,996	18
Austria	2,506	14	2,322	13	1,973	19
China	1,710	40	1,958	26	1,904	20
Tunisia	1,837	34	1,791	30	1,878	21
Romania	2,073	25	1,381	42	1,874	22
France	2,152	22	2,136	18	1,848	23
Belgium/Luxembourg	2,115	23	2,091	21	1,848	24
Denmark	1,865	33	1,637	34	1,840	25
Saudi Arabia	1,882	31	2,122	19	1,812	26
Italy	2,247	20	1,880	27	1,810	27
United Kingdom	2,080	24	2,056	23	1,797	28
Iceland	2,667	12	2,388	11	1,789	29
Netherlands	1,351	50	1,619	35	1,658	30
Czech Republic	2,355	18	2,070	22	1,646	31
Argentina	1,876	32	1,537	38	1,616	32
Singapore	1,988	28	1,678	33	1,468	33
Indonesia	1,093	54	1,186	49	1,464	34
Jordan	1,769	38	1,439	41	1,419	35
Syria	2,037	27	935	58	1,380	36
Malaysia	1,797	37	1,609	36	1,349	37
South Africa	1,411	47	1,706	32	1,335	38
Albania	1,157	53	1,243	45	1,314	39
Egypt	1,587	43	1,221	46	1,212	40

Source: NTC Publications 1998.

Patterns of use

National trends

Using data from the NDSHS series, the proportion of adults (aged 14 years or more) that regularly smoked remained fairly stable between 1991 and 1998 at around 23%, with a small decline in 1998 (Table 3.3). Similarly, the rate of occasional smoking (less frequently than daily) has been about 4% of the adult population, with around 42% of the adult population being ex-smokers.

Table 3.3: Tobacco patterns of use, Australia, 1991 to 1998

Frequency of use	1991	1993	1995	1998
	(per cent)			
Current regular smoker				
More than 20 per day	10	8	7	8
11–20 per day	8	9	9	9
Up to 10 per day	5	6	7	6
<i>Total regular smoker</i>	23	24	24	22
Current occasional smoker	5	4	3	4
Ex-smoker				
Less than 100 in life	26	23	18	16
100 or more in life	20	22	20	24
<i>Total ex-smoker</i>	46	45	38	40
Never smoked a full cigarette	23	26	36	34

Sources: National Campaign Against Drug Abuse Household Survey 1991, National Drug Strategy Household Survey 1993, National Drug Strategy Household Survey 1995, National Drug Strategy Household Survey 1998.

Summary of recent use

Focussing on 1998 results, 25% of males aged 14 years and over and 20% of females reported being current regular smokers (that is, daily or most days, Table 3.4). Around 28% of males and 40% of females had never smoked a full cigarette. The prevalence of regular smoking was highest in the 20–29 years age group for males (33%) and for females (30%). The 60 years and over group had the lowest prevalence of regular smoking for both males and females (15% and 10% respectively). The age group that had the highest proportion of non-smokers (that is, those who had never had a full cigarette) was 14–19 years for males (49%) and 60 years or more for females (54%).

Table 3.4: Tobacco use summary, Australia, 1998

Tobacco use	Age group						Total
	14–19	20–29	30–39	40–49	50–59	60+	
	(per cent)						
	Males						
Current regular smoker (daily or most days)	16	33	28	29	22	15	25
Current occasional smoker (less often)	8	8	4	2	3	2	4
Ex-smoker	28	29	41	44	54	61	43
Never smoked a full cigarette	49	30	27	26	21	22	28
	Females						
Current regular smoker (daily or most days)	16	30	25	22	15	10	20
Current occasional smoker (less often)	9	7	4	3	2	0	4
Ex-smoker	29	31	40	36	43	36	36
Never smoked a full cigarette	45	32	31	39	40	54	40

Source: National Drug Strategy Household Survey 1998.

Economics

Per capita expenditure

Expenditure on tobacco products amounted to \$337 for each Australian in 1996–97 (Table 3.5). In constant price terms, personal expenditure on tobacco has gone down at an average rate of 6.7% per year between 1989–90 and 1996–97 (based on 1989–90 prices). In 1996–97, expenditure on tobacco represented 2.0% of total private expenditure.

Table 3.5: Per capita private final consumption expenditure on tobacco, Australia, 1989–90 to 1996–97

Measure	Year ending 30 June							
	1990	1991	1992	1993	1994	1995	1996	1997
Constant 1989-90 prices								
\$ per capita	235	226	209	192	177	165	154	146
% total expenditure	1.8	1.8	1.6	1.4	1.3	1.2	1.1	1.0
Current prices								
\$ per capita	235	253	257	286	301	306	340	337
% total expenditure	1.8	1.9	1.8	2.0	2.0	1.9	2.0	2.0

Source: Australian Bureau of Statistics Cat. No. 5206.0.

Government revenue

There are four main sources of government revenue related to the use of tobacco products: excise on domestic goods, customs duty on imported commodities, sales tax, and State Business Franchise fees. On 5 August 1997 the High Court determined that State Business Franchise fees are an excise and cannot be imposed by the States and Territories. From 7 August 1997, the Federal Government is collecting an equivalent amount as excise, on behalf of the States and Territories. Information on sales tax is not available at the commodity level.

In the context of these qualifications, net government revenue associated with tobacco was \$4.2 billion in 1997–98, the majority coming from excise (\$4.0 billion). This, however, is an 8% reduction in the total revenue from these sources compared with the previous year, reversing a trend of gradually increasing revenue over the past five periods. The most

significant change in revenue over this period was the more than doubling of excise due to the changes described above. Recently there were also substantial changes in customs duty rates, which resulted in more than doubling of customs revenue in the last financial year compared to previous years (Table 3.6).

Table 3.6: Government revenue from excise, customs clearances, and State Business Franchise fees related to the sale of tobacco, Australia, 1991–92 to 1997–98

Duty and product	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98
	(\$m)						
Excise							
Cigarettes	1,296.6	1,278.8	1,308.5	1,467.2	1,563.1	1,629.0	3,913.5 ^(a)
Other tobacco	34.0	37.2	39.1	41.8	53.6	^(b)	^(b)
<i>Total excise^(c)</i>	<i>1,330.6</i>	<i>1,316.0</i>	<i>1,347.6</i>	<i>1,509.1</i>	<i>1,616.7</i>	<i>1,642.0</i>	<i>3,990.0^(a)</i>
Customs ^(d)							
Cigarettes	13.9	14.2	16.1	29.6	23.5	29.3	50.5
Other tobacco							
Cigars	4.7	4.3	5.1	4.9	5.5	5.9	18.0
Snuff	—	—	—	—	—	—	—
Loose tobacco	37.0	42.0	64.9	63.7	79.2	76.1	172.8
Unmanufactured tobacco/other	2.7	2.3	2.4	1.4	0.1	0.1	0.3
<i>Total other tobacco</i>	<i>44.5</i>	<i>48.6</i>	<i>72.4</i>	<i>70.0</i>	<i>84.9</i>	<i>82.1</i>	<i>191.1</i>
<i>Total customs</i>	<i>58.3</i>	<i>62.9</i>	<i>88.5</i>	<i>99.6</i>	<i>108.4</i>	<i>111.4</i>	<i>241.6</i>
State/Territory franchise taxes	1,085.0	1,575.0	1,975.0	2,067.0	2,621.0	2,855.0	^(a)
Total	2,473.9	2,953.9	3,411.1	3,675.6	4,346.1	4,608.4	4,231.6

(a) On 5 August 1997 the High Court determined that State Business Franchise fees are an excise and cannot be imposed by the States and Territories. Effective from 7 August 1997, the Commonwealth is collecting the tax on behalf of the States and Territories as an equivalent amount of additional excise, customs and sales tax.

(b) These figures are unavailable due to confidentiality restrictions.

(c) The figures for total excise for 1991–92 to 1995–96 are sourced from international trade data from the Australian Customs Service. Due to confidentiality restrictions, the total excise from this source is not available for 1996–97 and 1997–98. For these years, the total is taken from public finance data from the Department of Treasury. There is a small discrepancy in these values for the years where totals from both sources are available.

(d) Figures differ marginally from those previously published due to the inclusion in this table of additional subcategories within 'unmanufactured and other' tobacco. Excludes customs revenue from chewing tobacco and products containing tobacco substitutes. In 1995–96 customs revenue from chewing tobacco was \$3,476.

Note: The Commonwealth Government also accrues revenue from company tax on companies manufacturing and/or selling tobacco products. These data are not readily obtainable and have been excluded from the table.

Source: Australian Bureau of Statistics, unpublished.

Direct health care costs

Use of tobacco is estimated to have cost Australian society \$833 million in direct health care costs in 1992 (Collins & Lapsley 1996).

Support for measures to reduce smoking

The NDSHS asked respondents to indicate their support for a range of policy measures to reduce smoking. Using 1998 results, nearly all policy options presented were supported by a majority of Australians (Table 3.7).

Table 3.7: Support for measures to reduce smoking, Australia, 1998

Measure	Age group						Total
	14–19	20–29	30–39	40–49	50–59	60+	
(per cent)							
Males							
Stricter enforcement of the law against supplying cigarettes to customers who are under age	69	84	91	95	92	92	88
Banning tobacco advertising at sporting events	44	44	58	62	62	69	57
Banning smoking in the workplace	63	71	78	81	84	78	76
Banning smoking in shopping centres	75	77	83	82	81	83	81
Banning smoking in restaurants	71	65	77	83	83	86	77
Banning smoking in pubs/clubs	33	37	48	53	54	58	48
Increasing the tax on tobacco products to pay for health education programs	54	55	60	57	58	63	58
Increasing the tax on tobacco products to contribute to the cost of treating smoking-related diseases	60	59	65	65	67	67	64
Increasing the tax on tobacco products to discourage people from smoking	55	56	57	53	58	63	57
Females							
Stricter enforcement of the law against supplying cigarettes to customers who are under age	76	90	94	94	96	94	92
Banning tobacco advertising at sporting events	48	59	69	74	68	68	66
Banning smoking in the workplace	72	80	85	88	90	84	85
Banning smoking in shopping centres	77	82	86	89	88	83	85
Banning smoking in restaurants	69	70	79	75	82	85	77
Banning smoking in pubs/clubs	34	39	54	61	57	59	52
Increasing the tax on tobacco products to pay for health education programs	58	60	66	68	69	67	65
Increasing the tax on tobacco products to contribute to the cost of treating smoking-related diseases	64	62	69	71	72	69	68
Increasing the tax on tobacco products to discourage people from smoking	60	58	63	67	70	66	64

Source: National Drug Strategy Household Survey 1998.

The measure with the greatest support was stricter enforcement of the law against supplying cigarettes to persons under age (supported by 88% of males and 92% of females). This measure was supported least by the 14–19 years age group for both males (69%) and females (76%). The measure with the least support was banning smoking in pubs/clubs (48% for males and 52% for females). This was particularly poorly supported by persons aged 14–29 years. Across all policy measures, support was greatest from the 50–59 years age group for both males and females.