

# 2 Tobacco

## Introduction

This chapter presents information on direct and indirect measures of tobacco consumption in Australia. For a comparison of tobacco use with other countries, refer to Chapter 6. Tobacco consumption in Australia may be measured in two ways:

- official clearances through excise and customs
- estimates derived from population health surveys.

This chapter looks at trends in apparent tobacco consumption and reported consumption from national population surveys. The latter sections present recent measures of tobacco consumption and government revenue derived from the sale of tobacco.

## Apparent consumption trends

Apparent tobacco consumption in Australia is measured by the amount of tobacco cleared through excise and customs (Tables 2.1 and 2.2). However, these estimates do not take into account the volume of cigarettes bought duty free by Australian international travellers.

In 1999–00, data on the volume of tobacco cleared through excise and customs began to be collected and reported by number of sticks, rather than by kilogram weight. Therefore, comparisons made here describe the trend before and after the year in which the change occurred, 1999–00.

From 1995–96 to 1998–99, the volume of cigarettes cleared through excise remained stable at around 19 million kilograms (Table 2.1). The volume of other tobacco cleared through excise remained stable at around 700,000 kilograms over the same period. The amount of tobacco cleared through customs decreased from 16.8 million kilograms in 1995–96 to 12.4 million kilograms in 1998–99.

The amount of cigarettes cleared through excise decreased from 23.1 billion sticks in 2000–01 to 22.6 billion sticks in 2001–02 (Table 2.2). In comparison, the 2001 NDSHS provided an estimate of annual tobacco consumption of about 20.9 billion cigarettes. The amount of other tobacco cleared through excise decreased from 293,000 kilograms in 2000–01 to 47,000 kilograms in 2001–02.

The amount of tobacco cleared through customs decreased from 15.1 million kilograms and 872 million sticks in 2000–01 to 11.4 million kilograms and 813 million sticks in 2001–02.

**Table 2.1: Volume of tobacco cleared through excise and customs, Australia, 1995–96 to 1998–99**

Duty and product	1995–96	1996–97	1997–98	1998–99
	('000 kg)			
Excise				
Cigarettes	19,273	19,435	19,103	18,602
Other tobacco	656	753 <sup>(d)</sup>	714	670 <sup>(e)</sup>
<i>Total excise</i>	<i>19,929</i>	<i>20,188</i> <sup>(e)</sup>	<i>19,816</i>	<i>19,272</i> <sup>(e)</sup>
Customs				
Cigarettes	288	350	266	272
Cigars, etc. <sup>(a)</sup>	70	71	84	97
Other manufactured tobacco <sup>(b)</sup>	975	911	910	788
Unmanufactured tobacco <sup>(c)</sup>	15,432	15,050	14,399	11,290
<i>Total customs</i>	<i>16,765</i>	<i>16,382</i>	<i>15,659</i>	<i>12,447</i>
<b>Total</b>	<b>36,694</b>	<b>36,570</b> <sup>(e)</sup>	<b>35,475</b>	<b>31,719</b> <sup>(e)</sup>

(a) Includes cigars, cigarillos and cheroots.

(b) Includes homogenised or reconstituted tobacco and tobacco extracts and essences.

(c) Much of this tobacco would have been used in the manufacture of cigarettes. When estimating the total amount of tobacco consumed in Australia, it should therefore be excluded from the total.

(d) Figure estimated based on data available.

(e) Excludes data not available due to confidentiality restrictions.

Source: Australian Bureau of Statistics, unpublished data.

**Table 2.2: Volume of tobacco cleared through excise and customs, Australia, 1999–00 to 2001–02**

Duty and product	1999–00		2000–01		2001–02	
	Loose ('000 kg)	By stick (m)	Loose ('000 kg)	By stick (m)	Loose ('000 kg)	By stick (m)
Excise						
Cigarettes	6,523 <sup>(d)</sup>	16,025	—	23,061	—	22,613
Other tobacco	226 <sup>(e)</sup>	—	293 <sup>(e)</sup>	—	47 <sup>(e)</sup>	—
<i>Total excise</i>	<i>6,750</i> <sup>(e)</sup>	<i>16,025</i>	<i>293</i> <sup>(e)</sup>	<i>23,061</i>	<i>47</i> <sup>(e)</sup>	<i>22,613</i>
Customs						
Cigarettes	179	481	19	860	18	801
Cigars, etc. <sup>(a)</sup>	91	6	89	12	89	12
Other manufactured tobacco <sup>(b)</sup>	570	—	828	—	838	—
Unmanufactured tobacco <sup>(c)</sup>	13,153	—	14,213	—	10,479	—
<i>Total customs</i>	<i>13,994</i>	<i>487</i>	<i>15,149</i>	<i>872</i>	<i>11,424</i>	<i>813</i>
<b>Total</b>	<b>20,743</b> <sup>(e)</sup>	<b>16,512</b>	<b>15,442</b> <sup>(e)</sup>	<b>23,933</b>	<b>11,471</b> <sup>(e)</sup>	<b>23,426</b>

(a) Includes cigars, cigarillos and cheroots.

(b) Includes homogenised or reconstituted tobacco and tobacco extracts and essences.

(c) Much of this tobacco would have been used in the manufacture of cigarettes. When estimating the total amount of tobacco consumed in Australia, it should therefore be excluded from the total.

(d) Coding changes from duty paid on weight to duty paid on number of sticks of cigarettes. This value is weight only, but approximately 16.0 billion cigarettes were produced in Australia in addition to that measured in terms of weight.

(e) Excludes data not available due to confidentiality restrictions.

Source: Australian Bureau of Statistics, unpublished data.

## Reported consumption trends

Tobacco use in this section was derived from responses to the 1995, 1998, and 2001 NDSHS, the 1991 and 1993 National Campaign Against Drug Abuse Household Surveys, the 2001 National Health Survey (NHS) and the 2001–02 Bettering the Evaluation and Care of Health (BEACH) study of general practitioners (GPs) and their patients.

### Males

Based on results of the 2001 NDSHS, one in three Australian males aged 14 years and over smoked in 1991. By 2001, the proportion had fallen to one in four (Table 2.3).

The proportion of Australian males aged 14 years and over that smoked on a daily basis decreased from 26.7% in 1991 to 21.1% in 2001. The proportion of male occasional smokers ranged between 3.6% and 5.7% over the same period. The proportion of males that were ex-smokers, or had smoked 100 cigarettes (or the equivalent amount of tobacco) or more in their life but were no longer smoking, increased from 25.1% in 1991 to 29.6% in 2001. The proportion of males that had never smoked 100 cigarettes in their life fluctuated between 41.8% and 46.8% over the period 1991 to 2001.

**Table 2.3: Tobacco smoking status: proportion of the population aged 14 years and over, males, Australia, 1991 to 2001**

Tobacco smoking status	1991	1993	1995	1998	2001
			(per cent)		
Daily	26.7	28.7	25.9	24.2	21.1
Occasional <sup>(a)</sup>					
Weekly	3.0	2.1	1.8	2.0	2.0
Less than weekly	2.8	1.7	1.9	1.6	2.6
Total occasional <sup>(a)</sup>	5.7	3.8	3.7	3.6	4.5
All smokers	32.5	32.6	29.6	27.8	25.6
Ex-smokers <sup>(b)</sup>	25.1	25.6	23.6	28.3	29.6
Never smoked <sup>(c)</sup>	42.4	41.8	46.8	43.9	44.7

(a) Occasional smokers are those who smoke less than daily, that is, weekly or less than weekly.

(b) An ex-smoker is a person who has smoked at least 100 cigarettes (manufactured and/or roll-your-own) or the equivalent amount of tobacco in their life, and reports no longer smoking.

(c) A person who has never smoked 100 cigarettes (manufactured and/or roll-your-own) or the equivalent amount of tobacco in their life is defined as never smoked.

Sources: National Campaign Against Drug Abuse Household Survey 1991, 1993; National Drug Strategy Household Survey 1995, 1998, 2001.

## Females

In the 2001 NDSHS, the proportion of females aged 14 years and over that reported smoking decreased from one in four in 1991 to one in five in 2001 (Table 2.4).

In 1991, 22.0% of females smoked on a daily basis compared with 18.0% in 2001. Female occasional smokers ranged between 2.7% and 4.7% over the same period. The proportion of females that were ex-smokers increased from 17.7% in 1991 to 22.9% in 2001. Females who had never smoked (100 cigarettes or more) made up between 54.3% and 58.2% of the population over the same period.

**Table 2.4: Tobacco smoking status: proportion of the population aged 14 years and over, females, Australia, 1991 to 2001**

<b>Tobacco smoking status</b>	<b>1991</b>	<b>1993</b>	<b>1995</b>	<b>1998</b>	<b>2001</b>
			(per cent)		
Daily	22.0	21.4	21.8	19.6	18.0
Occasional <sup>(a)</sup>					
Weekly	2.7	2.5	1.3	1.6	1.3
Less than weekly	2.0	1.9	1.7	1.1	1.5
<i>Total occasional<sup>(a)</sup></i>	<i>4.7</i>	<i>4.4</i>	<i>3.0</i>	<i>2.7</i>	<i>2.8</i>
All smokers	26.7	25.8	24.8	22.3	20.8
Ex-smokers <sup>(b)</sup>	17.7	17.9	17.0	23.4	22.9
Never smoked <sup>(c)</sup>	55.6	56.3	58.2	54.3	56.4

(a) Occasional smokers are those who smoke less than daily, that is, weekly or less than weekly.

(b) An ex-smoker is a person who has smoked at least 100 cigarettes (manufactured and/or roll-your-own) or the equivalent amount of tobacco in their life, and reports no longer smoking.

(c) A person who has never smoked 100 cigarettes (manufactured and/or roll-your-own) or the equivalent amount of tobacco in their life is defined as never smoked.

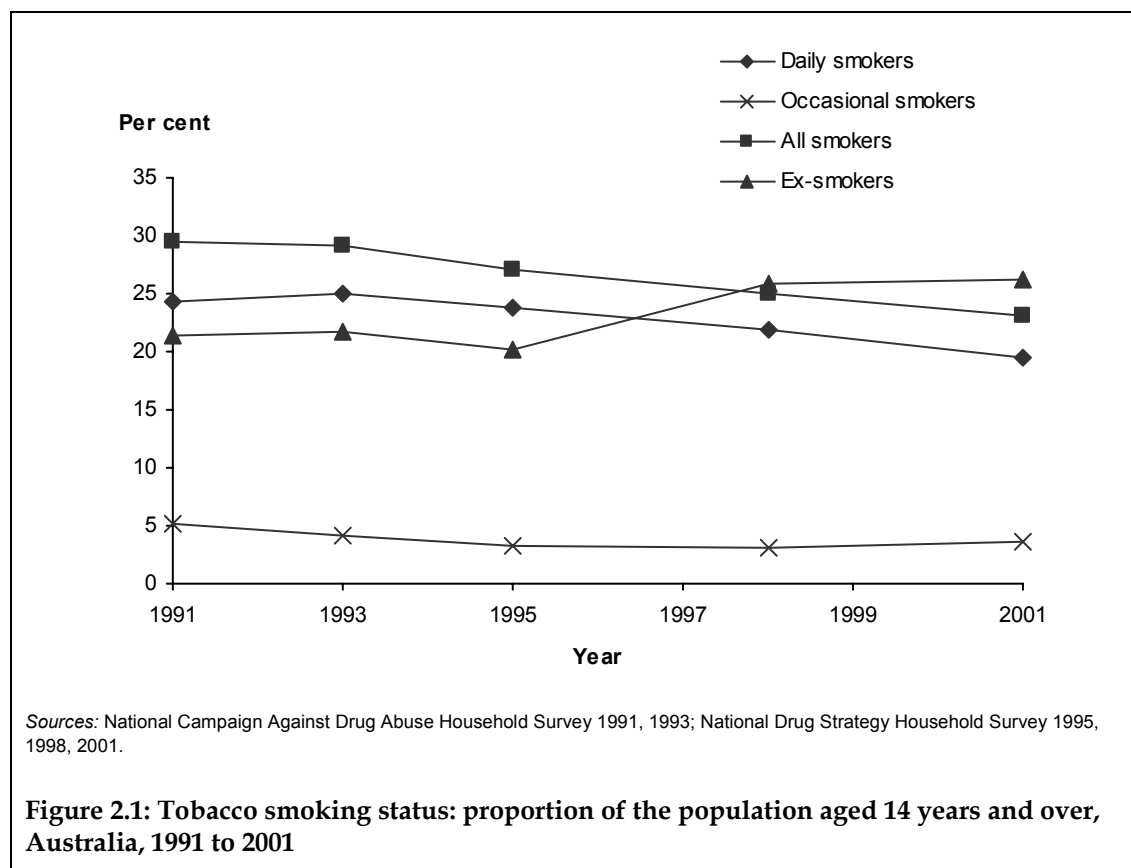
Sources: National Campaign Against Drug Abuse Household Survey 1991, 1993; National Drug Strategy Household Survey 1995, 1998, 2001.

## Persons

In the 2001 NDSHS, the proportion of the population aged 14 years and over that reported smoking declined from around three in 10 in 1991 to one in four in 2001, while the proportion that reported smoking daily decreased from one in four in 1991 to one in five in 2001 (Figure 2.1). Daily smokers accounted for around 85% of all smokers. Interestingly, the 2001 NDSHS also found that daily smokers smoked 98.9% of cigarettes smoked. By 2001, ex-smokers (26.2%) made up a greater proportion of the population than all smokers (23.2%).

In comparison, the 2001 NHS found that 24% of persons aged 18 years or more were current smokers, of whom 22% were daily smokers and 2% smoked less often. The 2001 NHS reported that 26% of adults were ex-smokers.

Another source of information on tobacco use in Australia is the BEACH survey of general practitioners and their patients. In 2001–02, the smoking status of 31,966 adult patients aged 18 years and over was ascertained from encounters with 981 GPs. Overall, 18.4% of adult patient encounters were with adults who were daily smokers, 4.1% were with occasional smokers and 27.8% were with ex-smokers. Male patients (21.6%) were more likely to smoke daily than female patients (16.4%).



## Consumption by age and sex

In the 2001 NDSHS, persons aged 20–29 years were more likely to smoke than persons in any other age group, with one in four smoking on a daily basis and one in three smoking at all (Table 2.5). Males (36.9%) in this age group were more likely to smoke than females (29.2%).

One in five 14–19-year-olds reported smoking at the time of the 2001 NDSHS, with 16.2% of females and 14.1% of males smoking every day.

After peaking in the 20–29-year age group, tobacco smoking decreased with age. One in five persons aged 50–59 years and one in 10 persons aged 60 years or more reported smoking. Except for those aged 14–19 years, males were more likely than females to smoke at every age.

**Table 2.5: Tobacco smoking status: proportion of the population aged 14 years and over, by age and sex, Australia, 2001**

Tobacco smoking status	Age group						All ages
	14–19	20–29	30–39	40–49	50–59	60+	
(per cent)							
<b>Males</b>							
Daily	14.1	28.5	27.3	23.6	20.3	10.2	21.1
Occasional <sup>(a)</sup>							
Weekly	2.7	3.3	2.8	1.3	1.2	0.7	2.0
Less than weekly	3.4	5.1	2.8	2.3	1.7	0.6	2.6
<i>Total occasional<sup>(a)</sup></i>	6.1	8.4	5.6	3.6	2.9	1.3	4.6
All smokers	20.2	36.9	32.9	27.2	23.2	11.5	25.7
Ex-smoker <sup>(b)</sup>	4.0	12.4	21.8	33.9	44.2	53.0	29.6
Never smoked <sup>(c)</sup>	75.9	50.7	45.4	38.9	32.5	35.5	44.7
<b>Females</b>							
Daily	16.2	23.7	24.3	20.8	16.1	7.8	18.0
Occasional <sup>(a)</sup>							
Weekly	2.0	2.3	1.7	1.1	0.7	0.2	1.3
Less than weekly	2.4	3.2	1.8	1.2	0.8	0.3	1.5
<i>Total occasional<sup>(a)</sup></i>	4.4	5.5	3.5	2.3	1.5	0.5	2.8
All smokers	20.6	29.2	27.8	23.1	17.6	8.3	20.8
Ex-smoker <sup>(b)</sup>	4.7	17.1	25.6	29.0	26.0	26.6	22.9
Never smoked <sup>(c)</sup>	74.7	53.7	46.7	47.8	56.4	65.2	56.4
<b>Persons</b>							
Daily	15.1	26.1	25.7	22.2	18.2	8.9	19.5
Occasional <sup>(a)</sup>							
Weekly	2.3	2.8	2.2	1.2	1.0	0.4	1.6
Less than weekly	2.9	4.1	2.3	1.8	1.2	0.4	2.0
<i>Total occasional<sup>(a)</sup></i>	5.2	6.9	4.5	3.0	2.2	0.8	3.6
All smokers	20.3	33.0	30.2	25.2	20.4	9.7	23.1
Ex-smoker <sup>(b)</sup>	4.4	14.7	23.7	31.5	35.3	38.7	26.2
Never smoked <sup>(c)</sup>	75.3	52.2	46.1	43.3	44.3	51.6	50.6

(a) Occasional smokers are those who smoke less than daily, that is, weekly or less than weekly.

(b) An ex-smoker is a person who has smoked at least 100 cigarettes (manufactured and/or roll-your-own) or the equivalent amount of tobacco in their life, and reports no longer smoking.

(c) A person who has never smoked 100 cigarettes (manufactured and/or roll-your-own) or the equivalent amount of tobacco in their life is defined as never smoked.

Source: National Drug Strategy Household Survey 2001.

## Government revenue

There are four areas related to the consumption of tobacco products from which State, Territory and Commonwealth governments earn revenue: excise on domestic goods, customs duty on imported products, goods and services tax (from 1 July 2000) and business franchise fees. In August 1997, the High Court ruled that the States and Territories could no longer collect State business franchise fees. Between August 1997 and June 2000, the Commonwealth Government collected additional tax and refunded this to the States and Territories as 'tobacco replacement payments'. Information on goods and services tax is not available at the commodity level.

In the context of the above, the net government revenue associated with tobacco products increased from \$4.3 billion in 1995–96 to \$5.1 billion in 2001–02 (Table 2.6). The amount of excise paid remained between \$4.6 billion and \$4.7 billion over the period 1998–99 to 2001–02, almost all derived from the sale of cigarettes. The amount of customs duty paid on tobacco products has increased from \$242 million in 1997–98 to \$399 million in 2001–02.

**Table 2.6: Government revenue from excise, customs clearances, and State business franchise fees related to the sale of tobacco, Australia, 1995–96 to 2001–02**

Duty	1995–96	1996–97	1997–98	1998–99	1999–00	2000–01	2001–02
	(\$m)						
Excise							
Cigarettes	1,563	1,629	3,914	4,555	4,645 <sup>(c)</sup>	4,542	4,673
Other tobacco	54	— <sup>(d)</sup>	139	142 <sup>(e)</sup>	48 <sup>(e)</sup>	73 <sup>(e)</sup>	12 <sup>(e)</sup>
<i>Total excise</i>	<i>1,617</i>	<i>1,629 <sup>(e)</sup></i>	<i>4,052</i>	<i>4,696 <sup>(e)</sup></i>	<i>4,693 <sup>(e)</sup></i>	<i>4,616 <sup>(e)</sup></i>	<i>4,685 <sup>(e)</sup></i>
Customs							
Cigarettes	24	29	51	63	133	174	170
Cigars, etc. <sup>(a)</sup>	6	6	18	22	23	24	26
Other manufactured tobacco <sup>(b)</sup>	79	76	173	169	131	178	203
Unmanufactured tobacco	—	—	—	—	—	—	—
<i>Total customs</i>	<i>108</i>	<i>111</i>	<i>242</i>	<i>255</i>	<i>286</i>	<i>376</i>	<i>399</i>
State franchise taxes <sup>(f)</sup>	2,621	2,855	— <sup>(f)</sup>	— <sup>(f)</sup>	— <sup>(f)</sup>	48	n.a.
<b>Total</b>	<b>4,346</b>	<b>4,595 <sup>(e)</sup></b>	<b>4,294 <sup>(f)</sup></b>	<b>4,951 <sup>(e)(f)</sup></b>	<b>4,979 <sup>(e)(f)</sup></b>	<b>5,040</b>	<b>5,085 <sup>(e)(g)</sup></b>

(a) Includes cigars, cigarillos and cheroots.

(b) Includes homogenised or reconstituted tobacco and tobacco extracts and essences.

(c) Coding changes from duty paid on weight to duty paid on number of sticks of cigarettes.

(d) Not available due to confidentiality restrictions.

(e) Excludes data not available due to confidentiality restrictions.

(f) Between 7 August 1997 and June 2000 the Commonwealth Government collected additional tax and refunded this to the States as 'tobacco replacement payments'.

(g) Excludes State franchise taxes which were not available at the time of publication.

Note: This table revises incorrect figures for 1997–98 and 1998–99 in the *Statistics on Drug Use in Australia 2000* report.

Sources: Australian Bureau of Statistics, unpublished data; Australian Bureau of Statistics 2002a.