

# Tobacco control — key facts and figures

Tobacco remains the leading cause of preventable death and disability in Australia, with smoking estimated to kill almost 19,000 Australians a year. In 2004–05, the social and economic costs of smoking (including health costs) to Australian society were estimated to be approximately \$31.5 billion each year.<sup>2</sup>

Over the last twenty years Australian Governments have implemented a broad range of tobacco control measures including:

- staged excise increases on tobacco products
- education programs
- national tobacco campaigns
- plain packaging of tobacco products
- labelling tobacco products with updated and larger graphic health warnings
- prohibiting tobacco advertising, promotion and sponsorship
- providing support for smokers to quit, including through nicotine replacement therapies on the Pharmaceutical Benefits Scheme.

# Council of Australian Governments (COAG) tobacco performance benchmark

The COAG performance benchmark for tobacco uses the results from the *National Health Survey* (NHS) to monitor changes in smoking prevalence in the general population using age standardised rates.

Under the COAG National Healthcare Agreement (NHA)<sup>3</sup> by 2018, Australian governments have committed to:

- reducing the daily national smoking rate among Australian adults (aged 18 years or older) from 19.1% (age-standardised) in 2007–08 to 10%
- halving the daily national smoking rate among Aboriginal and Torres Strait Islander adults (aged 18 years or older) from 47.7% (44.8% age-standardised) in the same period.

### **Tobacco sales**

In March 2017, the Australian Bureau of Statistics (ABS) released figures that show the total consumption of tobacco and cigarettes, as measured by estimated expenditure on tobacco products to be:

- \$7.174 billion in September 1959
- \$4.712 billion in December 2012
- \$3.415 billion in March 2017.<sup>5</sup>

Tobacco clearances data (including excise and customs duty) are an indicator of tobacco volumes in the Australian market, and provide a useful approximation of tobacco consumption over time.

Treasury has advised that tobacco clearances fell by 3.4% in the 2013 calendar year relative to the 2012 calendar year, and fell by a further 7.9% in 2014, 3.5% in 2015 and 2.8% in 2016. As at the end of 2016, tobacco clearances had fallen a total of 16.5% since 2012.

These tobacco clearance rates do not take into account refunds of excise equivalent customs duty made under Customs' plain packaging related Tobacco Refund Scheme between December 2012 and May 2013. These refunds cannot be related to annual net clearances on a comparable basis to other data used to derive tobacco clearance rates.

### Tobacco excise

Increasing tobacco prices, through taxation, is one of the most effective measures to reduce smoking. In April 2010, Australia introduced a 25% increase in the tobacco excise and excise equivalent customs duty.

The Government began implementing staged annual 12.5% tobacco excise increases and excise-equivalent customs duty on tobacco and tobacco-related products on 1 December 2013, followed by increases on 1 September 2014, 2015 and 2016, respectively.

In addition, Australia is the only country in the world to index tobacco excise to wage inflation (average weekly ordinary time earnings, AWOTE) to ensure that tobacco products do not become relatively more affordable over time.

These increases are expected to bring the percentage of excise tax in the retail price of cigarettes in Australia much closer to the World Health Organization (WHO) recommended benchmark of 70%. Whilst the Government has been active in raising the excise on tobacco products, the tobacco industry routinely increases its prices, which affects the Government's ability to maintain this ratio.

As of 1 March 2017<sup>6,7</sup>, the tobacco excise applied to five leading brands of manufactured cigarettes ranged from 52% to 60% of the total recommended retail price of these products, with total taxes (tobacco excise plus GST) ranging from 61% to 69% of the recommended total retail price.<sup>8</sup>

The tobacco excise applied to four leading brands of roll-your-own tobacco ranged from 60% to 62% of the total recommended retail price of these products, with total taxes ranging from 70% to 72% of the total recommended retail price.<sup>9</sup>

As part of the 2017–18 Federal Budget, 'roll-your-own' and other tobacco products such as cigars will be subject to the same tax treatment as manufactured cigarettes. It is intended that this measure will ensure fairness and efficiency in tobacco taxes by bringing the taxation of roll-your-own tobacco products in line with manufactured cigarettes.

# **Duty free tobacco allowance**

As part of Health initiatives announced in the 2016–17 Federal Budget, the Australian Government is reducing the allowable amount of duty free tobacco for travellers arriving in Australia.

From 1 July 2017, travellers aged 18 years and over entering Australia can only bring 25 grams of duty free tobacco, plus one open packet. The tobacco can be in any form (cigarette, loose leaf and so on) and is equivalent to approximately 25 cigarettes.

If you have more than this amount, you will be required to pay duty on all tobacco in your possession, unless you agree to dispose of the excess.

Please ensure you are familiar with duty free limits when travelling to Australia.

For more information on duty free limits, as well as what you can and cannot bring to Australia visit the Duty free concession page on the Australian Border Force website.

# **Smoking prevalence rates**

The Government relies on a number of sources to monitor smoking prevalence rates, including data from national surveys conducted by the Australian Bureau of Statistics (ABS), the Australian Institute of Health and Welfare (AIHW), and tobacco information collected nationally from secondary school students by the Cancer Council Victoria (CCV).

### National Health Survey: First Results, 2014–15

On 8 December 2015, the ABS released the *National Health Survey: First Results 2014–15.* <sup>10</sup> The survey was conducted nationally, across urban, rural and remote areas (other than very remote areas) from July 2014 to June 2015. Around 19,000 people in nearly 15,000 private dwellings undertook the survey. The report shows that in 2014–15:

- 14.5% (14.7% (age-standardised)) of adults aged 18 years and over smoked daily (approximately 2.6 million smokers), decreasing from 16.1% (16.3% age-standardised) in 2011–2012 and 22.4% (22.3% age-standardised) in 2001<sup>11,12,13</sup>
- 16.9% of males and 12.1% of women smoked daily, decreasing from 18.3% and 14.1% respectively in 2014–15.

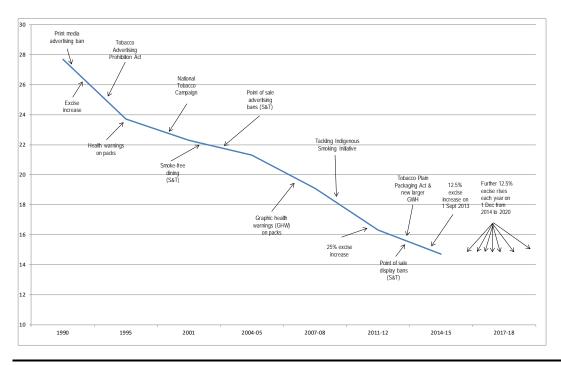
Table 1: Decrease in the daily smoking rate for 18 years and over<sup>10</sup>

| 2001  | 2004–05 | 2007–08 | 2011–12 | 2014–15 |  |
|-------|---------|---------|---------|---------|--|
| 22.3% | 21.3%   | 19.1%   | 16.3%   | 14.7%   |  |

Source: ABS NHS: First Results 2014-15 (age-standardised to the 2001 Australian population)

Graph 1: Smoking prevalence rates and key tobacco control measures

The following graph shows the smoking prevalence for daily smokers aged 18 years or older against key tobacco control measures implemented in Australia since 1990.



#### Text version of graph

Graph 1: Smoking prevalence rates and key tobacco control measures. The graph shows the decline in smoking prevalence for daily smokers aged 18 years or older in Australia since 1991 to 2014–15, against a number of key tobacco control measures implemented during this period.

The daily smoking prevalence rates for smokers aged 18 years or older plotted along the trend line are from the Australian Bureau of Statistics National Health Surveys of 1990, 1995, 2011, 2004–05, 2007–08 and 2014–15 and the Australian Bureau of Statistics Australian Health Survey 2011–12. The graph shows the steady decline in smoking prevalence rates from the surveys, from 27.7% in 1990 to 23.7% in 1995 to 22.3% in 2001 to 21.3% in 2004–05 to 19.1% in 2007–08 to 16.3% in 2011–12 to 14.7% in 2014–15.

Key tobacco control measures are listed along the trend line, to give an indication of when each measure was implemented, as follows:

- 1990 advertising ban in print media.
- 1992 increase in the tobacco excise.
- 1993 *Tobacco Advertising Prohibition Act 1992* prohibited broadcasting and publication of tobacco advertisements.
- 1995 nationally consistent text-only health warnings required.
- 1997 National Tobacco Campaign commenced.
- 2003 smoke-free dining introduced.
- 1998 to 2006 point-of-sale advertising bans were implemented at various times across states and territories.
- 2006 graphic health warnings required on packaging of most tobacco products.
- 2008 Tackling Indigenous Smoking initiative commenced.
- 2010 25% increase in the tobacco excise.
- 2011 point-of-sale display bans.
- 2012 introduction of tobacco plain packaging, and updated and expanded graphic health warnings
- 2012 reduction in the duty free allowance from 250 cigarettes or 250g of cigars or tobacco products to 50 cigarettes or 50g of cigars or tobacco products, from 1 September 2012.
- 2013 annual 12.5% tobacco excise increases were implemented on 1 December 2013, and continued to be implemented on 1 September 2014, 2015 and 2016.
- 2016 additional 12.5% annual tobacco excise increases to continue on 1 September 2017 to 2020 inclusive.
- 2017 reduction in duty free tobacco allowance to 25 grams of duty free tobacco (cigarette, loose leaf etc), plus one open packet; equivalent to approximately 25 cigarettes.

2017 — harmonisation of the taxation of roll-your-own tobacco and other products such as cigars, with manufactured cigarettes.

# National Drug Strategy Household Survey 2016 key findings

On 1 June 2017, the AIHW released the *2016 National Drug Strategy Household Survey key findings*. <sup>14</sup> The survey was conducted from 18 June to 29 November 2016, with nearly 24,000 people nationally. The report shows that:

- daily smoking rates among people aged 14 years or older slowed in 2016, only declining slightly from 12.8% in 2013 to 12.2% (not statistically significant);
- across all age groups, males were more likely to smoke daily than females; 13.8% of males aged 14 years or older smoked compared with 10.7% for females;
- fewer teenagers smoked, the proportion who had never smoked more than 100 cigarettes significantly increased between 2013 and 2016, from 95% to 98%;
- younger people delayed the take up of smoking, the average age at which 14 to 24 year olds smoked their first full cigarette increased from 14.2 years in 1995 to 16.3 years in 2016, significantly increasing from 15.9 years in 2013;
- the average number of cigarettes smoked per week slightly reduced between 2013 (96 cigarettes) and in 2016 (94 cigarettes);
- roll-your-own cigarettes noticeably increased among smokers aged under 40 years, increasing by 82% for young adults and 70% for smokers in their 30s between 2007 and 2016;
- between 2013 and 2016, there was a significant increase in the proportion of smokers in their 30s smoking roll-your-own cigarettes, from 29% to 37%, respectively; and
- in 2016, young adults (50%) were the age group most likely to smoke roll-your-own cigarettes, use of roll-your-own cigarettes then declined as age increased.

Table 2 Decrease in Australian smoking prevalence 1993 to 2013 15, 16

| Year    | 1993  | 1995 | 1998 | 2001 | 2004 | 2007 | 2010 | 2013  | 2016 |
|---------|-------|------|------|------|------|------|------|-------|------|
| 14+ yrs | 25.0  | 23.8 | 21.8 | 19.4 | 17.5 | 16.6 | 15.1 | 12.8# | 12.2 |
| 18+ yrs | 26.1* | 25.0 | 22.7 | 20.0 | 18.2 | 17.5 | 15.9 | 13.3# | 12.8 |

<sup>\*</sup>age group 20+ for 1993

# statistically significant change between 2010 and 2013

NOTE: Comparisons between the AIHW (NDSHS) and the ABS data cannot be made as they use different methodologies.

# 2014–15 National Aboriginal and Torres Strait Islander Social Survey

On 28 April 2016, the ABS released the *2014–15 National Aboriginal and Torres Strait Islander Social Survey*. <sup>17</sup> The survey was conducted from September 2014 to June 2015 with a sample of 11,178 Aboriginal

and Torres Strait Islander people living in private dwellings across Australia. The report shows that in 2014–15:

- the proportion of Aboriginal and Torres Strait Islander people daily smokers aged 15 years and over was 38.9% in 2014–15, down from 44.6% in 2008 and 48.6% in 2002
- in 2002, 51% of Aboriginal and Torres Strait Islander males aged 15 years and over were daily smokers, the daily rate declined to 46% in 2008 and to 41% in 2014–15
- in 2002, 47% of Aboriginal and Torres Strait Islander females aged 15 years and over were daily smokers, the daily rate declined to 43% in 2008 and to 36% in 2014–15
- fewer young people are starting to smoke with a significant decrease in daily smoking rates of those aged 15–24, down to 31% in 2014–15 from 39% in 2008
- the data indicates that the majority of the change in daily smoking rates has occurred in non-remote areas. In 2014–15, 47% of people aged 15 years and over in remote areas smoked daily (down from 50% in 2002) compared with 37% in non-remote locations (down from 48% in 2002).

# Australian secondary school students' use of tobacco in 2014

On 24 November 2015, the Cancer Council Victoria released the 2014 *Australian secondary school students'* use of tobacco report. 18

Over 23,000 secondary students aged between 12 and 17 years participated in the survey during June to December of the 2014 academic school year. The survey found that smoking among 12 to 15 years old is at its lowest level since 1984, when the survey began. Other key findings from the report were:

- youth smoking (12 to 17 years old) significantly decreased and in 2014, 5% were current smokers which were significantly lower than the 7% found in both 2011 and 2008
- more youth have no experience with smoking in their lifetime: 94% of 12 year olds and 61% of 17 year olds.

### Specific population groups<sup>19</sup>

#### Remoteness

- People aged 14 years or older, living in remote and very remote areas, were twice as likely to have smoked daily in the previous 12 months as those in major cities: 22% compared with 11.0%.
- The proportion of people aged 14 years or older smoking daily rose with increasing remoteness: 11.0% in major cities; 15.4% in inner regional; 19.4% in outer regional; and 22% in remote and very remote areas.

#### Socioeconomic and employment status

- People aged 14 years or older living in areas with the lowest socioeconomic status (SES) were three times more likely to smoke daily than people with the highest SES, 19.9% compared with 6.7%, but there were significant declines in daily smoking in both these groups between 2010 and 2013.
- The declines in daily smoking seen nationally were also seen among employed people but there were no significant changes in the smoking behaviour of unemployed people who were unable to work between 2010 and 2013.
- People aged 14 years or older, who were unemployed, were 1.7 times more likely to smoke daily and those who were unable to work were 2.4 times more likely to smoke daily.
- Compared to 2010, employed people aged 14 years or older were less likely to smoke daily in 2013, down from 16.1% to 13.5% respectively.

Table 3: Comparison of 2010 and 2013 State and Territory tobacco smoking status, people aged 14 years or older, by sex and jurisdiction (age standardised)<sup>20, 21</sup>

| 2010    | NSW  | Vic   | QLD  | WA    | SA   | Tas  | ACT  | NT   | National |
|---------|------|-------|------|-------|------|------|------|------|----------|
| Males   | 15.6 | 15.0  | 18.4 | 17.5  | 17.1 | 16.1 | 12.0 | 27.5 | 16.4     |
| Females | 12.9 | 14.7  | 15.0 | 13.6  | 13.1 | 15.8 | 10.1 | 16.8 | 13.9     |
| Persons | 14.2 | 14.9  | 16.7 | 15.6  | 15.0 | 15.9 | 11.0 | 22.3 | 15.1     |
| 2013    | NSW  | Vic   | QLD  | WA    | SA   | Tas  | ACT  | NT   | National |
| Males   | 13.3 | 14.0  | 17.0 | 15.7  | 12.9 | 19.8 | 9.6  | 23.6 | 14.6     |
| Females | 10.3 | 10.6  | 13.3 | 8.9   | 13.0 | 13.1 | 9.7  | 17.6 | 11.2     |
| Persons | 11.8 | 12.3# | 15.2 | 12.3# | 13.0 | 16.5 | 9.7  | 20.8 | 12.9#    |

# statistically significant change between 2010 and 2013

### **Tobacco control timeline**

Australia's low smoking rate is the result of concerted, sustained, and comprehensive public policy efforts from all levels of government and action from public health organisations.

- 1973 health warnings first mandated on all cigarette packs in Australia.
- 1976 bans on all cigarette advertising on radio and television in Australia.
- 1986 to 2006 phased in bans on smoking in workplaces and public places.
- 1990 bans on advertising of tobacco products in newspapers and magazines published in Australia.
- 1992 increase in the tobacco excise.
- 1993 *Tobacco Advertising Prohibition Act 1992* prohibited broadcasting and publication of tobacco advertisements.
- From 1994 to 2003 bans on smoking in restaurants.
- 1995 nationally consistent text-only health warnings required.
- 1998 to 2006 bans on point-of-sale tobacco advertising across Australia.
- 2006 graphic health warnings required on packaging of most tobacco products.
- 2010 25% increase in the tobacco excise.
- 2011 first complete state or territory ban on point-of-sale tobacco product displays.
- 2012 offence for any person to publish tobacco advertising on the internet or other electronic media.
- 2012 introduction of tobacco plain packaging, and updated and expanded graphic health warnings.

- 2012 reduction in the duty free allowance from 250 cigarettes or 250 grams of cigars or tobacco products to 50 cigarettes or 50 grams of cigars or tobacco products from 1 September 2012.
- 2013 first 12.5% tobacco excise increase on 1 December.
- 2014 change from bi-annual indexation based on the Consumer Price Index (CPI) to bi-annual indexation based on average weekly ordinary time earnings (AWOTE).
- 2014 12.5% excise increase on 1 September.
- 2015 12.5% excise increase on 1 September.
- 2016 release of the Post Implementation Review of Tobacco Plain Packaging.
- 2016 12.5% excise increase will be implemented on 1 September.
- 2017 additional four annual 12.5% tobacco excise increases implemented on 1 September each year from 2017 to 2020 inclusive.
- 2017 reduction in duty free tobacco allowance, 25 grams of duty free tobacco (cigarette, loose leaf etc), plus one open packet; equivalent to approximately 25 cigarettes.
- 2017 harmonisation of the taxation of roll-your-own tobacco and other products such as cigars, with manufactured cigarettes.

# **Tobacco plain packaging**

Further information on the impact of tobacco plain packaging in Australia is available on the <u>Evaluation of Tobacco Plain Packaging in Australia page</u>.

# **National Tobacco Campaign**

<u>National Tobacco Campaign</u> — promotes quit attempts among smokers and provides motivation and support to avoid relapse among quitters.

#### References

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- 2 Collins D., and Lapsley H., (2008) *The Cost of Tobacco, Alcohol and Illicit Drug Abuse to Australian Society in 2004/05*, Commonwealth of Australia, Department of Health and Ageing, Monograph Series No.64, p65.
- 3 COAG National Healthcare Agreement. Available at: https://www.coag.gov.au/node/439.
- 4 Rate from ABS, 2008 National Aboriginal and Torres Strait Islander Social Survey, used as a baseline figure by the COAG Reform Council.
- 5 5206.0 Australian National Accounts: National Income, Expenditure and Product, Dec 2015 Available at: Australian National Accounts: National Income, Expenditure and Product. Available at: <a href="http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/5206.0Dec%202015?OpenDocument.">http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/5206.0Dec%202015?OpenDocument.</a>
- These estimates are subject to a number of limitations, particularly if used in isolation to monitor Australia's progress in reducing the affordability of tobacco products. They do not necessarily reflect the variable price of a particular tobacco product paid by a consumer at the retail level.
- 7 Estimates based on market share (volume) data as at 2015 from Euromonitor International. Further information is available at: http://www.tobaccoinaustralia.org.au/chapter-10-tobacco-industry/10-6-market-share-and-brand-share.
- 8 Estimates based on recommended retail price list of Winfield 25s, Longbeach 30s, Horizon 30s JPS 26s and Peter Jackson 25s, available at: <a href="http://wholesale.pattersonroad.com.au/rrp\_lists\_1.isp">http://wholesale.pattersonroad.com.au/rrp\_lists\_1.isp</a>.
- 9 Estimates based on the recommended retail price list for 50g packs of Champion Ruby, Winfield, Drum and White Ox, available at: <a href="http://wholesale.pattersonroad.com.au/rrp\_tobacco.jsp">http://wholesale.pattersonroad.com.au/rrp\_tobacco.jsp</a>.
- 10 ABS National Health Survey: First Results 2014-15. Available at: http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4364.0.55.0012014-15?OpenDocument.
- These figures are reported as age-standardised rates, which are used to measure progress against the COAG benchmark for tobacco. Information about how the COAG benchmark for tobacco is calculated is available at <a href="http://meteor.aihw.gov.au/content/index.phtml/itemld/629977">http://meteor.aihw.gov.au/content/index.phtml/itemld/629977</a>.
- 12 Findings from the 2013 NDSHS show that in Australia daily smokers aged 14 years and over declined from 24.3% in 1991 to 12.8% in 2013.
- 13 As the NHS and NDSHS are different surveys and have been conducted at different points in time, it is not appropriate to directly compare specific results from the two surveys. However, when looking at trends over the last two decades, findings from both surveys clearly show a marked decline in daily smoking prevalence in the general population.
- 14 National Drug Strategy Household Survey (NDSHS) 2016 key findings. Available at: http://www.aihw.gov.au/alcohol-and- other-drugs/data-sources/ndshs-2016/key-findings/.
- 15 Figures for 1991, 1993, and 1995 are from AIHW unpublished data. 1998 to 2010 data is from the 2010 NDSHS report, Supplementary table, released on the AIHW website, 5 November 2010. 2013 data available at the AIHW website.
- 16 AIHW NDSHS data between1991 to 2013. Data available at: AIHW website.
- ABS National Aboriginal and Torres Strait Islander Social Survey, 2014–15, released 28 April 2016. Available at: <a href="http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4714.0Main+Features22014-15?OpenDocument">http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4714.0Main+Features22014-15?OpenDocument</a>.
- 18 Australian Secondary School Students' use of tobacco. Available at: <a href="http://www.nationaldrugstrategy.gov.au/internet/drugstrategy/Publishing.nsf/content/BCBF6B2C638E1202CA257ACD0020E35C/\$File/Tobacco%20Report%202014.PDF">http://www.nationaldrugstrategy.gov.au/internet/drugstrategy/Publishing.nsf/content/BCBF6B2C638E1202CA257ACD0020E35C/\$File/Tobacco%20Report%202014.PDF</a>.
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- 21 Australian Institute of Health and Welfare (2014). 2013 National Drug Strategy Household Survey detailed report. Online Table A7.1, Tobacco smoking status, people aged 14 years or older, by sex and state/territory, 2013 (agestandardised). Available at: <a href="http://www.aihw.gov.au/alcohol-and-other-drugs/ndshs-2013">http://www.aihw.gov.au/alcohol-and-other-drugs/ndshs-2013</a>.