

## Facts and figures about anti-smoking education spending

### *A fraction of the revenue collected from smokers*

In 1997/98, Australian governments collected over four and a half billion dollars from taxes on tobacco products (Federal Budget papers, May 1998; ABS 1997, 1998; SRO 1997). Of the \$1.65b retained by the federal government, less than \$4.25m, or a quarter of one per cent of this revenue was directed to anti-smoking education. Expenditure in 1998/99 is expected to be only \$2.2m. In its May 1998 Budget the current government announced that expenditure in 1999/2000 would be \$2.3m, reducing to \$1.4m in 2000/01 and \$2.4m in 2001/02 (Federal Budget papers, May 1998).

The Government anticipates receiving at least an additional \$250m (Costello, 1998) as a result of changing to a *per stick* system of taxing tobacco products. If reelected and able to implement its tax reform package as planned, from 2000/01 a Coalition government would also receive all the revenue from tobacco currently going to the States, currently estimated to total more than \$2.9b (Costello, 1998).

Table 1. Federal tobacco excise revenue from smokers under Coalition tax policies, compared with expenditure on recent and planned anti-smoking campaigns

Year	Actual and expected federal excise revenue on cigarettes, \$m	Actual & committed expenditure on anti-smoking, \$m	Factor by which federal revenue from cigarettes exceeds commitment to anti-smoking education
1996-97	\$1,625 <sup>1</sup>	\$4.25 <sup>4</sup>	380 x more
1997-98	\$1,655 <sup>2</sup>	\$4.25 <sup>4</sup>	390 x more
1998-99	\$1,615 <sup>2</sup>	\$2.2 <sup>4</sup>	730 x more
1999-2000	\$1,865 <sup>3</sup>	\$2.3 <sup>5</sup>	810 x more
2000-01	\$4,775 <sup>3</sup>	\$1.4 <sup>5</sup>	3,400 x more
2001-02	\$4,835 <sup>3</sup>	\$2.4 <sup>5</sup>	2,015 x more

#### Sources:

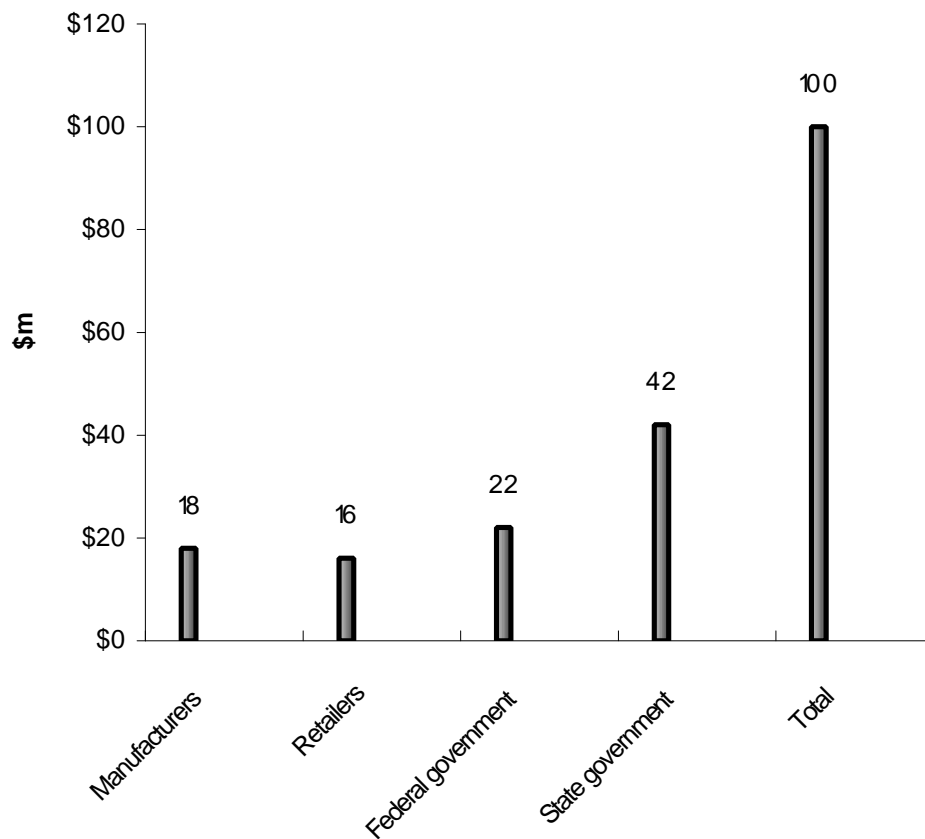
1. Fahey J. *The Commonwealth Public Account 1997-98*, Budget Paper No 4. Canberra: AGPS 1997, Table 4, p 5-9.
2. Costello P. *Budget Strategy and Outlook*, Budget paper No 1. Canberra: AGPS 1998, Table 3, p 5-8.
3. Costello P. *Tax Reform: not a new tax a new tax system*. Canberra: AGPS 1998, p 101, assuming base excise revenue at \$1.615b.
4. Personal communication DHFS.
5. Costello P. *Budget Measures 1998-99s*, Budget paper No 2. Canberra: AGPS 1998, p 1-42. Department of Health and Family Services *Public Health Facts Sheet No 1 Investment in Preventive Public Health Measures*, May 1998.

### *Substantially less than the revenue contributed by children*

Surveys indicate that in 1996 more than 336,000 Australian school children smoked a total of more than 370 million cigarettes. Taking into account current cigarette prices and tax rates, we estimate that this year, these

same children will smoke more than \$100m worth of cigarettes<sup>1</sup>. Of this \$100m, more than \$64 m will end up in the hands of federal and state governments.

Figure 1. Estimated revenue from school children smoking, \$m, 1998/99 – to manufacturers, retailers, federal and state government



Sources:

Calculated with data from the 1996 *Secondary School Alcohol and Smoking Survey*, using the model of cigarette prices taxes and consumption developed by the Anti-Cancer Council of Victoria;

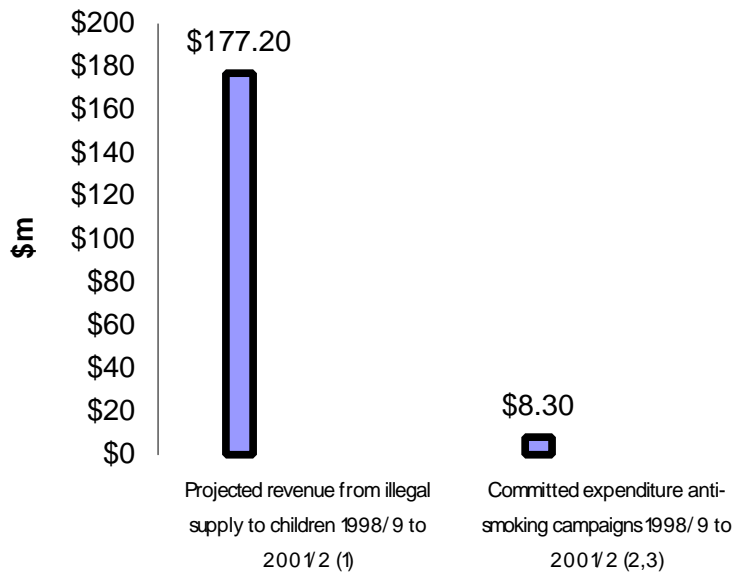
*Australian Retail Tobacconist* July 1998;

Excise rates as specified in the *Excise Tariff Amendment Acts Nos 3 and 5*.

<sup>1</sup> These figures relate only to school children and are hence extremely conservative. Smoking prevalence among children who are not in full-time education is known to be significantly higher.

Between 1998/9 and 2001/2, a federal Coalition government would receive more than \$177m from cigarettes supplied illegally to children, more than 20 times the amount it has so far committed to anti-smoking initiatives over the same period - \$8.3m (Federal Budget papers, 1998).

Figure 2. Projected federal tobacco excise revenue from school children compared to federal commitment to anti-smoking campaigns, total 1998/9 to 2001/2, \$m



Sources:

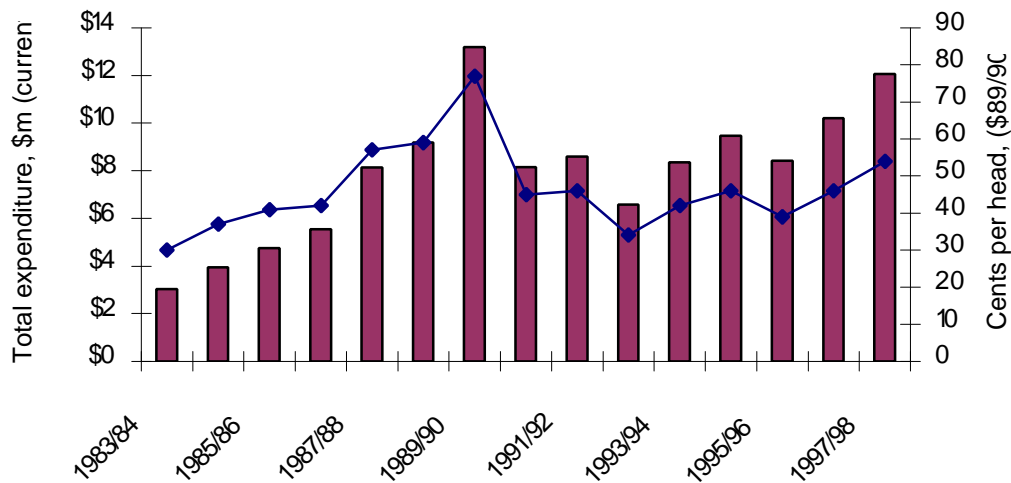
1. Tax revenue from illegal supply calculated using data from the 1996 *Secondary School Alcohol and Smoking Survey*, using the model of cigarette prices taxes and consumption developed by the Anti-Cancer Council of Victoria; *Australian Retail Tobacconist* May 1998; excise as specified in the *Excise Tariff Amendment Acts* Nos 3 and 5.
2. Personal communication DHFS;
3. Costello P. *Budget Measures 1998-99s*, Budget paper No 2. Canberra: AGPS 1998, p 1-42. Department of Health and Family Services *Public Health Facts Sheet No 1 Investment in Preventive Public Health Measures*, May 1998.

### *Less now than in 1988*

In recent years, the federal government has spent more on anti-smoking campaigns than any other Australian government. Unfortunately however, Australian governments in total are spending less now than they were in 1989/90. Total anti-smoking expenditure – including that by non-government agencies – was \$12m in 1997/98 compared to over \$13m in 1989/90. While expenditure in 1997/98 was higher than in the previous few years, it is still less in real terms than in was in the late 1980s – 54 cents per head in 1997/98 down from around 60 to 80 cents per head between 1987/88 and 1989/90.

Figure 3. Total and per capita expenditure on anti-smoking education in Australia, 1983/84 to 1997/98

Source: Data supplied to the Centre for Behavioural Research in Cancer by state and federal government departments, state cancer



- councils and heart foundation offices, together with data compiled from health promotion foundation annual reports
- 1. comprises expenditure directed at adults and children under tobacco-specific programs
- 2. includes both government and non-government expenditure at state and federal levels
- 3. excludes payments to Quit-sponsored sports and arts groups

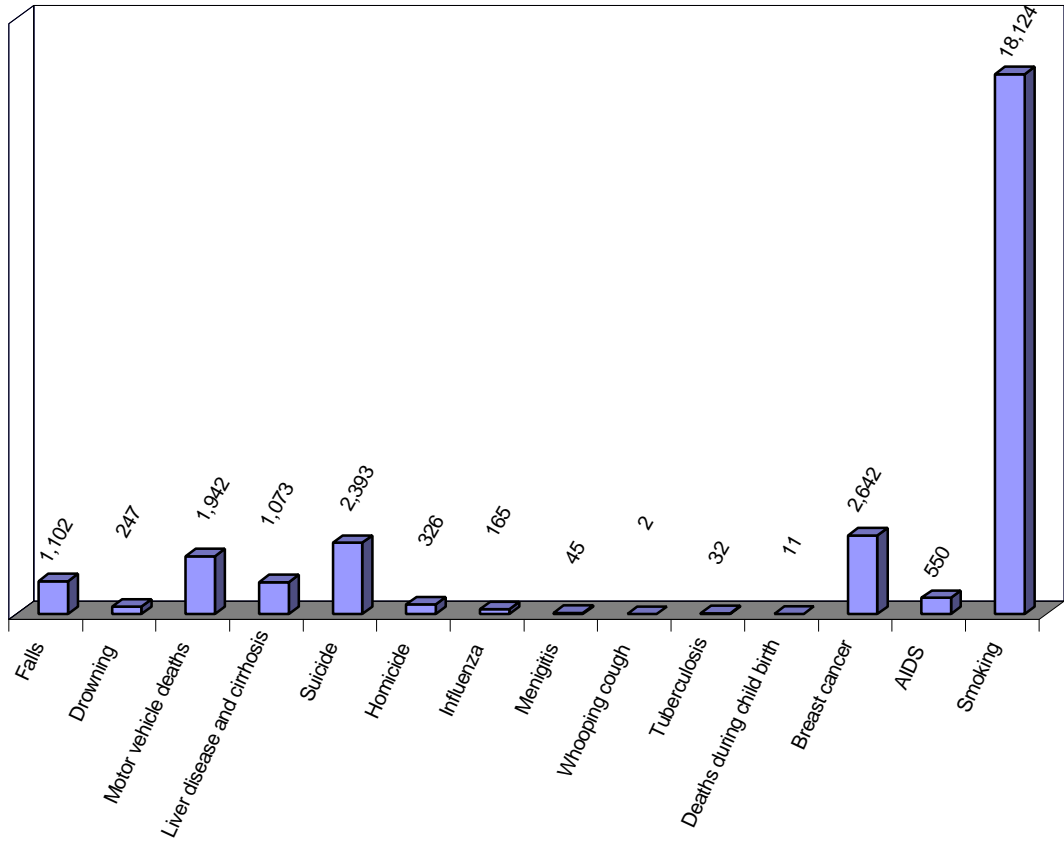
### *Less than on illicit drugs*

In its May 1998 Budget, the Federal Government reiterated its commitment to spending \$214.6m on the National Illicit Drug Policy (between 1997/98 and 2001/2). Only \$12.55 m was committed over the same five-year period for the National Tobacco Campaign and other anti-smoking initiatives. The social costs of illicit drugs in 1992 were estimated to be \$1.6b compared to \$12.7b for smoking. In 1995, 778 people died prematurely due to illicit drug use compared with an estimated 18,124 deaths due to smoking (Williams 1998).

### *Less than is spent on other health problems that cause fewer deaths*

The number of people who die each year due to smoking is far higher than the numbers who die from external causes such as accidents, AIDS, homicide and infectious diseases.

Figure 4. Number of people who died in 1996 due to smoking compared with other causes



Sources:  
Australian Bureau of Statistics. *Causes of Death 1996*, Catalogue no 3303.0, October 1997.  
Smoking estimate from English DR, Holman SDJ et al. *The quantification of drug-caused morbidity and mortality in Australia, 1995 edition*. Commonwealth Department of Human Services and Health, Canberra, 1995, updated for 1995 by the Australian Institute of Health and Welfare (Williams 1998).

Table 2. Federal Government Budget Measures: tobacco control compared with other major public health programs, 1994/95 to 2001/02

	1994/5	1995/6	1996/7	1997/8	1998/9	1999/00	2000/01	2001/02	Average spent per year for years covered, \$m
Black spot road safety program				36	36	36			\$ 36.0
AIDS									
AIDS control <sup>1</sup>	54.3	50.4	51.9						\$ 52.2
AIDS control <sup>2</sup>			44.7	51.5	52.3				\$ 49.5
Breast Cancer									
Breast Cancer Program <sup>1</sup>	41.9	47.4	48.4	49					
Breast Cancer Centre <sup>1</sup>	2.5	3.6	5.1	5.2					
Breast Cancer Fund-raiser <sup>1</sup>	2	2	2	0					
Total	46.4	53	55.5	54.2					\$ 51.6
Cervical Cancer Program <sup>2</sup>	8	7	11.4	11.6	11.8				\$ 10.5
Infectious diseases									
Childhood Immunisation Program <sup>1,2</sup>	9.5	13.4	16.6						\$ 13.2
Childhood Immunisation Program <sup>3</sup>			2.5	16.2	14.3				\$ 15.3
Illicit drugs									
National Drug Strategy <sup>1</sup>	38.4	35.2	36.2	37.3					\$ 36.6
Health Advanc, Innovative Programs for Homeless Youth and Nat Drug Strategy <sup>3</sup>			4.5	43.9	46.6				\$ 31.7
National Illicit Drug Strategy <sup>4</sup>					13.4	14.8	15.2	7.9	\$ 12.8
Provision of methadone <sup>4</sup>					10.2	18.2	21.4		\$ 16.6
Tobacco									
Health Australia - Tobacco Harm Minimisation <sup>2</sup>		7	6.1	5.2					\$ 6.1
National Public Health Programs, inc extension of TMH <sup>4</sup>					Not stated				
Tobacco Harm Minimisation <sup>5</sup>						2.3	1.4	2.4	\$ 2.0

Sources:

1. Willis R. *Budget Statements 1994-95* Budget Paper No 1. Canberra: AGPS 1994 p 3.63.
2. Lawrence C. *Human Services and Health Portfolio Budget Statement 1995-96*, Budget Related Paper No 4.9, Canberra: AGPS 1995 p 31-52.
3. Wooldridge M. *Health and Family Service Portfolio Budget Statement*, Budget related Paper no 1.8, Canberra: AGPS 1996.
4. Wooldridge M. *Health and Family Service Portfolio Budget Statement*, Budget related Paper no 1.8, Canberra: AGPS 1997.
5. Costello P. *Budget Measures 1998-99s*, Budget paper No 2. Canberra: AGPS 1998, p 1-42.

Table 3. Analysis of recent Federal Budget Measures: Expenditure on major public health programs 1994/5 to 2001-2, compared with deaths from associated causes in 1996

	Average spent per year for years covered \$m	Number of deaths in 1996 <sup>7</sup>	Amount committed per death, \$
Black spot road safety program	36.0	1,942	18,538
AIDS			
AIDS control <sup>1</sup>	52.2	550	94,909
AIDS control <sup>2</sup>	49.5	550	90,000
Total Breast Cancer <sup>1</sup>	51.6	2623	19,685
Cervical Cancer Program <sup>2</sup>	10.5	302	34,603
Illicit Drugs			
<i>National Drug Strategy</i> <sup>1</sup>	36.6		
<i>Health Advancement, Innovative Programs for Homeless Youth and National Drug Strategy</i> <sup>3</sup>	31.7		
<i>National Illicit Drug Strategy</i> <sup>4</sup>	12.8		
Provision of methadone <sup>4</sup>	16.6		
Total illicit drugs	61.1	778	78,524
Tobacco			
<i>Health Australia - Tobacco Harm Minimisation</i> <sup>2</sup>	6.1	18,124	337
<i>National Public Health Programs, including extension of THM</i> <sup>4</sup>	Not stated		
<i>Tobacco Harm Minimisation</i> <sup>5</sup>	2.0	18,124	112

Sources:

1. Willis R. *Budget Statements 1994-95* Budget Paper No 1, Canberra: AGPS 1994 p 3.63.
2. Lawrence C. *Human Services and Health Portfolio Budget Statement 1995-96*, Budget Related Paper No 4.9, Canberra: AGPS 1995, 31-52.
3. Wooldridge M. *Health and Family Service Portfolio Budget Statement*, Paper no 1.8, Canberra: AGPS 1996.
4. Wooldridge M. *Health and Family Service Portfolio Budget Statement*, Paper no 1.8, Canberra: AGPS 1997.
5. Costello P. *Budget Measures 1998-99s*, Budget paper No 2. Canberra: AGPS 1998, p 1-42.
6. Australian Bureau of Statistics. *Causes of Death 1996*, Catalogue no 3303.0, October 1997.
7. English DR, Holman SDJ et al. *The quantification of drug-caused morbidity and mortality in Australia, 1995 edition*. Commonwealth Department of Human Services and Health, Canberra 1995, updated for 1995 by the Australian Institute of Health and Welfare (Williams 1998).

### *Less than is needed to do the job*

Faced with the prospect of hundreds of state government lawsuits and class actions, United States tobacco companies in 1997 were prepared to settle out-of-court with state attorney generals, and agreed to a package of measures which included handing over more than \$2.1 billion increasing to \$2.8 billion per annum to fund anti-smoking campaigns. That's how much US governments accept as necessary for effective anti-smoking education. Taking into account population and currency value differences, this would translate into AUD\$200m increasing to AUD\$270m per annum for tobacco control in Australia (Scollo and Chapman 1997).

In California where anti-smoking education has been funded at around US\$60 to \$90m per annum since 1989, smoking rates have declined significantly more than in the rest of the country (LAO, 1995). Smoking prevalence in California in 1995 was only 16.7% compared with 25% among adult Americans nationwide (CDC, 1997), roughly equal to current rates in Australia (Hill et al, 1998). Similarly in Massachusetts, spending since 1993 on anti-smoking education has been around \$36m, or around US \$6 per head of population. This is more than fifteen times the amount currently spent in Australia. The Commonwealth of Massachusetts Department of Public Health has estimated that the number of cigarettes purchased per adult in Massachusetts and in California has declined by more than 20% between 1993 and 1996 compared with only 1% in the rest of the United States.

Table 4. Comparison of per capita cigarette sales in California and Massachusetts compared with the other States, US 1990 to 1997

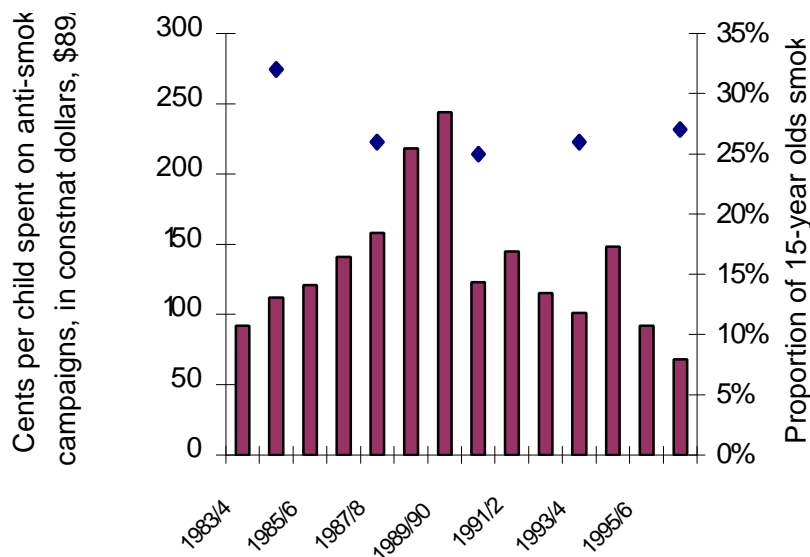
Number of pack of cigarettes purchased per adult per year in

Year	Massachusetts	California <i>1989*</i>	48 remaining states and the District of Columbia
1990	125	100	139
1991	120	92	135
1992	117	89	131
1993	102*	89	125
1994	101	73	126
1995	98	76	124
1996	93	75	124
1997	78	72	124

Source: US Tobacco Institute and US Census data, compiled for the Massachusetts Department of Public Health, May 1997. \* indicates year that large-scale campaigning commenced.

In Australia, declines in smoking prevalence have been greatest over periods when expenditure on mass-media-led anti-smoking campaigns has been highest. This has been the case both among adults (Hill et al, 1998) and among young people.

Figure 5. Anti-smoking expenditure and children's smoking prevalence in Australia, 1983/4 to 1996/7



Sources: Hill D, White V, Pain M and Gardner G. Tobacco and alcohol use among Australian secondary school students in 1987. *Medical Journal of Australia* 1990; 152:124-130; Hill D, White V, Williams R and Gardner G. Tobacco and alcohol use among Australian secondary school students in 1990. *Medical Journal of Australia* 1993; 158:228-234; Hill D, White V and Segan C. Prevalence of cigarette smoking among Australian secondary school students. *Medical Journal of Australia* 1995; 19(5):445-449; Hill D, White V and Scollo M. Smoking behaviours of Australian adults in 1995: trends and concerns *MJA*;168: 209-213; Hill D, White V and Scollo M Unpublished data, Centre for Behavioural Research in Cancer, Melbourne, 1998

To be effective, Australian anti-smoking campaigns should be comparable in scale and reach to the effective US anti-smoking campaigns and road safety campaigns here in Australia. To achieve this, public policy specialists at the National Heart Foundation and Australian Cancer Society believe that Australian governments should be spending a minimum of between \$64m and \$100m per year on tobacco control activities. This would include between \$25 and \$50m on mass media campaigns; between \$15m and \$26m on reducing cigarette sales to children and prevention programs both in and out of school; \$15m on smoking cessation services and resourcing of health professionals; \$4m on measures to reduce exposure to environmental tobacco smoke; \$1m per year on product regulation; and \$4m per year on research and evaluation.

### *Less than the public wants*

A recent study has indicated very strong public support for funding of tobacco control activities (Borland 1998). When asked about possible uses of tobacco taxes, over 89% indicated support for using tobacco tax revenue to prevent smoking. Around 96% approve spending on education to stop children smoking.

Table 5. Public support for various uses of tobacco tax revenue, Australia 1998

	<i>Total n=</i> <i>654</i>	<i>Smokers</i>	<i>Ex-</i> <i>Smokers</i>	<i>Never</i> <i>Smokers</i>
Education to stop kids smoking	96%	96%	98%	95%
Programs and products to help people quit	92%	94%	92%	92%
Other medical research	89%	91%	86%	89%
Paying for the health effects of smoking	80%	84%	81%	78%
Sponsorship of sporting activities	51%	44%	52%	52%

Source: Borland R and Boulter J. *Public Opinion About Use of Tobacco Taxes for Tobacco Control and Other Issues*. Anti-Cancer Council of Victoria, 1998

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Hill D, White V, Williams R and Gardner G Tobacco and alcohol use among Australian secondary school students in 1990. *Medical Journal of Australia* 1993; 158:228-234.

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Pierce JP, Evans N, Farkas et al. *Tobacco Use in California. An Evaluation of the Tobacco Control Program, 1989 -1993*. A Report to the California Department of Health Services.

State Revenue Office Victoria. State by state tobacco franchise fee revenue for the month of July 1997, Personal communication September 1997.

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