

Tobacco

FACTS

FOR MPs

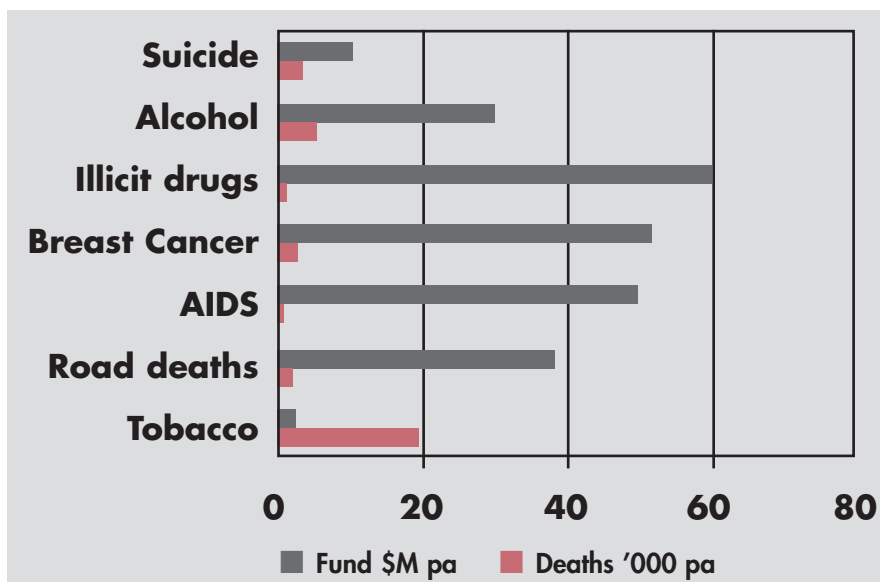
Smoking: Australia's worst serial killer

This year alone smoking will:

- kill another 19,000 Australians – more than road accidents, homicide, HIV, illicit drugs, alcohol and diabetes combined.
- cause more than 80% of all drug-related deaths.
- at the very least, result in an estimated \$12.7bn in social costs.

Sources: Collins and Lapsley: "The social costs of drug abuse in Australia in 1998 and 1992." National Drug Strategy Monograph series No.30. Cmwh Dept of Human Services and Health 1996; and www.aihw.gov.au/publications/phe/qdcmma98/index.html

Deaths compared with Federal funding



Source: Deaths per year ('000, 1998) compared with Federal funding (\$m pa, average 1994-2005) in Treasury submission "Blue Chip" document at www.vctc.org.au, chapter 2.

Funding sources?

Ways of boosting tobacco control funding include raising revenue from:

- Consolidated revenue (ie smokers contribute over \$4bn in excise duties on tobacco including over \$60m from children illegally supplied)
- Abolishing duty free sales
- Surcharge on profits of tobacco companies
- Licence fees to manufacture or import tobacco products
- A levy of one cent per cigarette (would raise \$230m pa)
- Non compliance penalties for failure to reach smoking rate targets for children
- Legal action to make the industry accountable for past and future harm.

February 2002

Health leaders urge funding boost to save health, lives and money

In a major pre-budget submission to Treasury, leading health and medical organisations have urged the Federal Government to save lives and costs by boosting government funding of anti-smoking campaigns from \$1 to \$10 per capita – in a bid to cut national adult smoking rates from 20.3% to 15% or less before the end of the decade. Tobacco control is one of the best investments governments can make to improve health and economic well being.

See 'Tobacco Control: a Blue Chip Investment in Public Health' at www.vctc.org.au.

Smoking hits business profits

■ A major study of the costs of tobacco and other drug use conservatively estimates that smoking costs Australia c\$12.7 billion a year in lost productivity, health care and other direct and indirect costs. The study found that the costs were largely borne by businesses.

Collins DJ and Lapsley HM. The social costs of drug abuse in Australia in 1988 and 1992. National Drug Strategy Mono series Commonwealth Dept of Human Services & Health Canberra 1996.

■ A study of 80,000 employees found: the costs of smoking were \$16.5m pa; and warranted preventive and rehabilitative programs. When extrapolated to Australia's top 100 employers, including Coles Myer, BHP and News Corp, the costs are estimated at \$320m a year. Across the whole of Australian industry, the authors estimate smoking costs at least \$1.5bn pa

(Refer Hocking et al. Medical Jnl of Aust 1994 Oct 3;161(7):407-12).

An information bulletin for Federal MPs from Australia's leading health organisations:

Action on Smoking and Health, Australian Medical Association, The Cancer Council Australia and National Heart Foundation.



Tobacco Facts for MPs

Anti-smoking campaigns **SAVE** money

New evidence confirms that effective smoking reduction programs not only cut tobacco deaths and disease, but also yield solid economic gains short-medium term. The "Priorities for Action in Cancer Control" report of the Dept of Health and Ageing's Cancer Strategies Group says:

- The National Tobacco Campaign is the most cost-effective intervention to cut cancer deaths and disabilities - even a modest funding increase would make savings. In the first six month stage of the NTC, spending of \$8.95m resulted in estimated savings of nearly \$40m.
- An effective campaign would pay for itself four times over.
- Health gains and savings would have been even greater if minor respiratory illness and loss of workdays had also been considered.
- More funds for tobacco control could create even more savings and smoking cuts - "a sound economic rationale for a substantial increase in spending on tobacco control".

www.health.gov.au/hsdd/nhpq/cancer/cancsg.htm

The Fork on Tobacco Road: slash smoking rates or blow out in death and disability

Two new reports sharply contrast the benefits of slashing smoking rates - or facing a disastrous blow-out in tobacco deaths.

Science historian Robert Proctor in *Nature Reviews Cancer* warns that on present trends, up to one billion people worldwide will die from smoking this century (ten times the 20thC toll). Governments, says the report, must "take the problem of global tobacco control seriously."

The projection coincides with new research showing, that the smoking rates in the US could with political will, be slashed to 10% by 2010 - saving hundreds of thousands of lives and millions in health costs.

Source: www.ama-assn.org/sci-pubs/msjama/articles/vol_286/no_21/jms1205012.htm

Billions of health care dollars up in smoke

In 1998, more than 142,500 Australians were hospitalised due to illness caused by smoking.

More than 940,000 hospital patient days are swallowed each year by tobacco illness.

Smoking causes one quarter of cases of low birth-weight infants, placing a heavy burden on neonatal services.

Source: Ridolfo, B and Stevenson, C: *Quantification of Drug-caused Mortality and Morbidity in Australia, 1998*, AIHW, 2001 at www.aihw.gov.au/publications/phe/qdcmma98/index.html

NEW POLL: Australians want tobacco control

A national survey of over 1026 people (including 490 smokers) found strong public support for adequate funding of programs to cut tobacco use.

80% were in favour of the Federal Government funding programs;

54% supported raising tobacco taxes to pay for such programs;

81% approved of a 10% surcharge on industry profits to pay for the programs;

74% said the tobacco industry never or rarely told the truth.

Source: Borland, R. "Public support for federal government program for tobacco control." *VicHealth Centre for Tobacco Control, 2001* (unpub).



Canada increases funding five fold

Health Canada will invest more than AU\$619m in a comprehensive tobacco control strategy over the next five years.

www.fin.gc.ca/news01/01-039e.html

World Bank demolishes economic arguments

The World Bank has attacked policy makers for ignoring the cost effectiveness of tobacco control and is calling upon all governments to act now. <http://who.int/toh/worldbank/wbr.html>

Thailand uses tobacco tax to reduce smoking

In a 94:3 vote, Thailand's Senate has approved a cabinet proposal to establish a health care foundation funded by 2% of tobacco and liquor revenue.

Californian levy reaps benefits

A 50% decline in tobacco consumption was linked to a massive 14% decline in the rate of lung and bronchial cancers in California, compared to only 2% decline in the rest of the country.

www.cdc.gov/tobacco/research_data/health_consequences/MMWR_lungrates_factsheet.htm

GOOD NEWS



ACCC to report on tobacco industry as deaths rise

Health, medical and consumer groups have fully backed the Senate's call for the ACCC to investigate the conduct of the tobacco industry in Australia. The industry defence has been that their product is legal: but the fundamental issue is not the legality of the product but of the companies' conduct, both past and present. The ACCC is to report to the Senate with respect to its functions, under the Trade Practices Act 1974, before the end of April 2002.

BAD NEWS



Internal documents reveal Australian tobacco companies part of international conspiracy to delay product liability and regulation

For three decades the tobacco companies knew their products were lethal and addictive but concealed what they knew to protect their profits.

The full story with links to the industry documents is at www.bmj.com/cgi/content/full/321/7257/371

Parliamentary Questions Service

If you would like further information or assistance with a tobacco-related question, please contact ASH on **02 9334 1876** or go to www.ashaust.org.au