



TOBACCO TAX – DEAKIN LAND

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ABOUT AUSTRALIAN TOBACCO

Tobacco first reached Australia in the 1700s.

Australia has seen a significant drop in the long-term trend of daily tobacco smoking, 24% in 1991 to 11% in 2019.

There has been a rise in Australians deciding to never take up smoking, shifting from 49% in 1991 to 63% in 2019.

Tabacco use is the leading cause in cancer – contributing 44%. It is also the leading cause of preventable burden, 8.6% as of 2018.

Almost 2 in 5 (39%) smokers had tried e-cigarettes in their lifetime (AIHW 2020, Table S2.19), a significant increase since 2016 (31%).

Tabacco in Australia imposes major burdens on the social and economic costs of smoking, in October 2019 it was estimated that the overall cost burden to the country was more than \$136.9 billion per annum.

In December 2012, Australia became the first country to implement plain packaging on all tobacco products.

TOBACCO RATES – TOBACCO, CIGARS, CIGARETTES AND SNUFF

Description	Unit	From 1 March to 31 August 2022	From 1 September 2022
In stick form not exceeding in weight 0.8 grams per stick actual tobacco content	\$ per stick	1.12688	1.14040
Either:			
<ul style="list-style-type: none"> no stick form in stick form exceeding in weight 0.8 grams per stick actual tobacco content 	\$ per stick kg of tobacco content	1609.83	1629.14
Blended Tobacco goods	n/a	The amount of duty worked out under section 6AAC	The amount of duty worked out under section 6AAC

Daily Smokers Aged 14+		More likely to never smoke in their lifetime	
Men	Women	Men	Women
12.2%	9.9%	55%	67%

Tobacco tax is an excise (indirect) tax imposed on tobacco products, with the aim to reduce tobacco use and its related harms (and, at the same time, raise revenue).

PACKAGING AND EDUCATION



EDUCATION

- In Australia, children are educated in schools through the presentation of information about smoking.
- Implemented into the curriculum to be warned about health risks of tobacco use and the prevalence and incidence of smoking.

PACKAGING

All packaging of Tobacco Products are legally required to plainly package and:

- be packaged in a certain colour
- display brand names in certain ways
- display the required text and graphic health warnings
- **not** display logos, brand images or promotional text

Strategy/programe	Description	Target Group	Location
The critics choice	Encourages students to watch, critique and discuss 12 anti-smoking television advertisements from all over the world. Classroom worksheets included. Free resource.	Upper primary and lower secondary.	South Australia, New South Wales, Queensland, Western Australia, Tasmania, Victoria, The ACT.

ADVERTISEMENTS AND REGULATION

OVERVIEW

Ban messaging that may persuade people to buy, smoke or use tobacco, including:

- in writing, images, audio or video;
- signs or symbols, such as trademarks;
- published for the public to see and hear, including:
 - on the internet or other electronic media;
 - in films, videos or radio; and
 - on products such as t-shirts.

PURPOSE

Limit messaging that may persuade people to start or continue using tobacco.

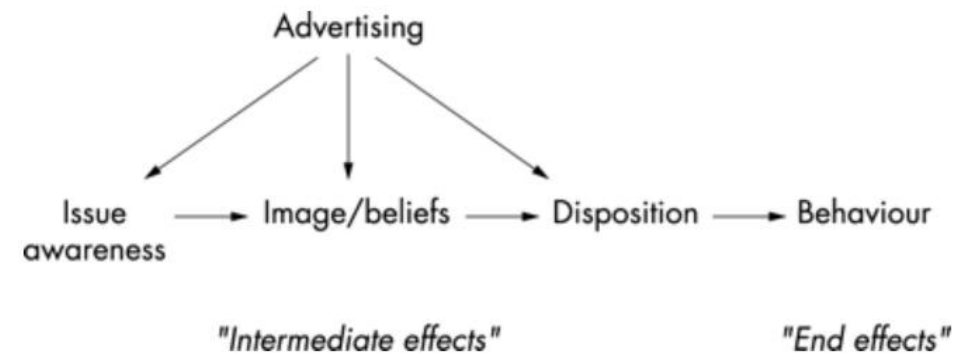
Policies and programs that aim to reduce smoking rates and tobacco-related harm in our community.

EXAMPLES

[Doctors smoking...?!](#)

vs.

[Targeted education](#)



COST OF TOBACCO USE VS. REVENUE FROM TOBACCO TAX

REVENUE AS AT 2022: \$14,647.50 million

COST AS AT 2022: ~\$140 billion

AIM: Set a Tax Price that guarantees
Economic Profit for Deakin Land



COUNTRY COMPARISON



INCREASE IN TAXATION



CONSUMER EDUCATION



NICOTINE REPLACEMENT
& THERAPIES

SUCCESS RATE OF ADVERTISEMENT BANS AND REGULATIONS IN AUSTRALIA

Forecasting for success in Deakin Land based on Australian tobacco control.

It is estimated that comprehensive advertising bans reduce smoking initiation by an average of 6% and smoking prevalence by an average of 4%. A partial ban is likely to only reduce prevalence and initiation by 2%.

30 developing countries showed that comprehensive bans resulted in a 23.5% reduction in per capita consumption of tobacco in these countries.

Strategies currently implemented by Australia:

Don't make smokes your story – an anti-smoking campaign focusing on Aboriginal and Torres Strait Islander people.

Tackling Indigenous Smoking – a targeted program to reduce smoking among Aboriginal and Torres Strait Islander people.

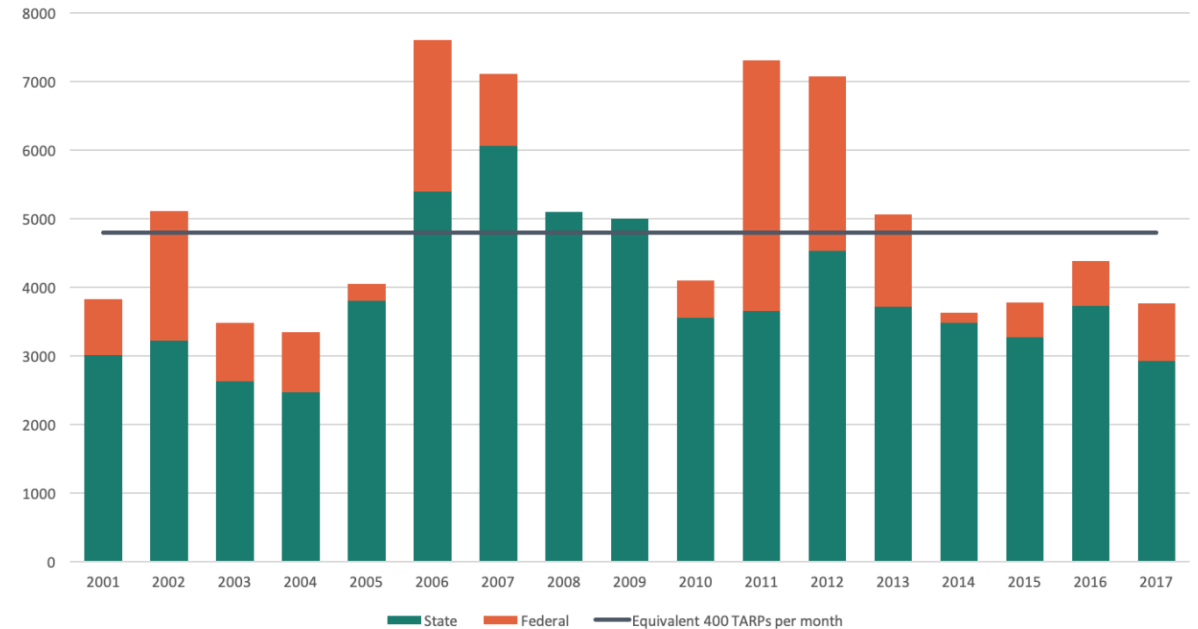


Figure 14.3.1
Annual government-sponsored anti-smoking televised audience ratings points, weighted to the total annual resident population for the six Australian states*

WHAT IS DEAKIN LAND

VISION & VALUES

Deakin Land aspires to be global leaders in social and environmental change against tobacco consumption to minimise the economic impacts, risks and deaths associated with tobacco.

ECONOMICS

Island nation, with high GDP per capita.

Service-based economy.

Balanced level of exports and imports.

Large accumulation of capital spread throughout the people.

SUSTAINABILITY

Environmentally conscious society.

National parks, beaches and greenery.

Low carbon footprint.

EDUCATION

Strong public and private education system in primary and senior school as well as university.

Highly educated society, most people have a bachelor's degree.

TAX APPROACH – FISCAL SHOCK

Deakin Land intends to roll out shock tobacco tax hikes to combat the increasing health risk associated with premature death and morbidity rates because of tobacco consumption.

Wide definition to include e-cigarettes and other related products that have begun to gain popularity in the past 5 years.

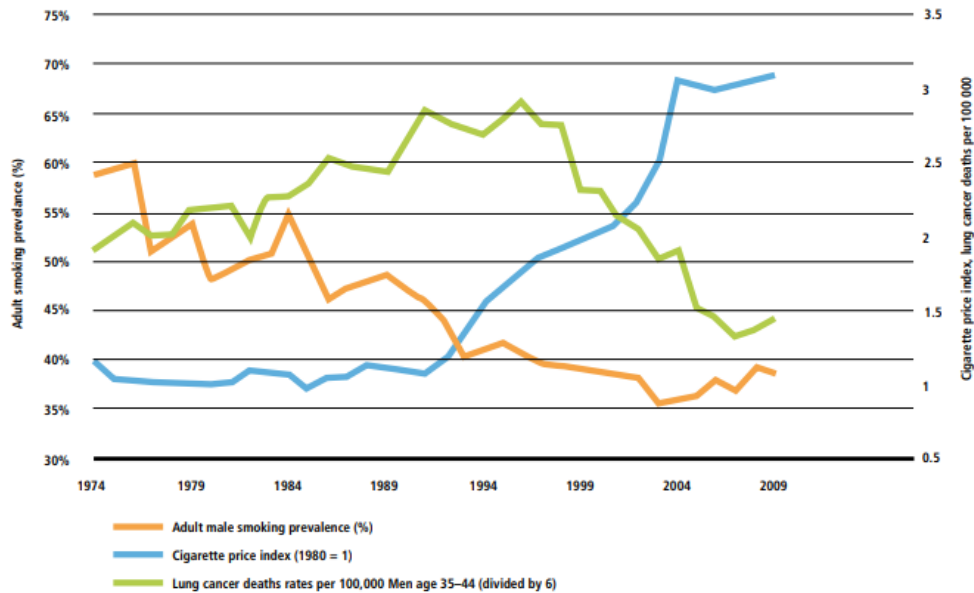
Increasing tax on tobacco will deter citizens from purchasing and consuming tobacco, encouraging better health and wellbeing. Research from high-income countries finds that a 10% price increase will reduce overall tobacco use by between 2.5% and 5%.

This research is backed by the World Health Organization (WHO) – reiterating that this policy is most effective in reducing tobacco use.

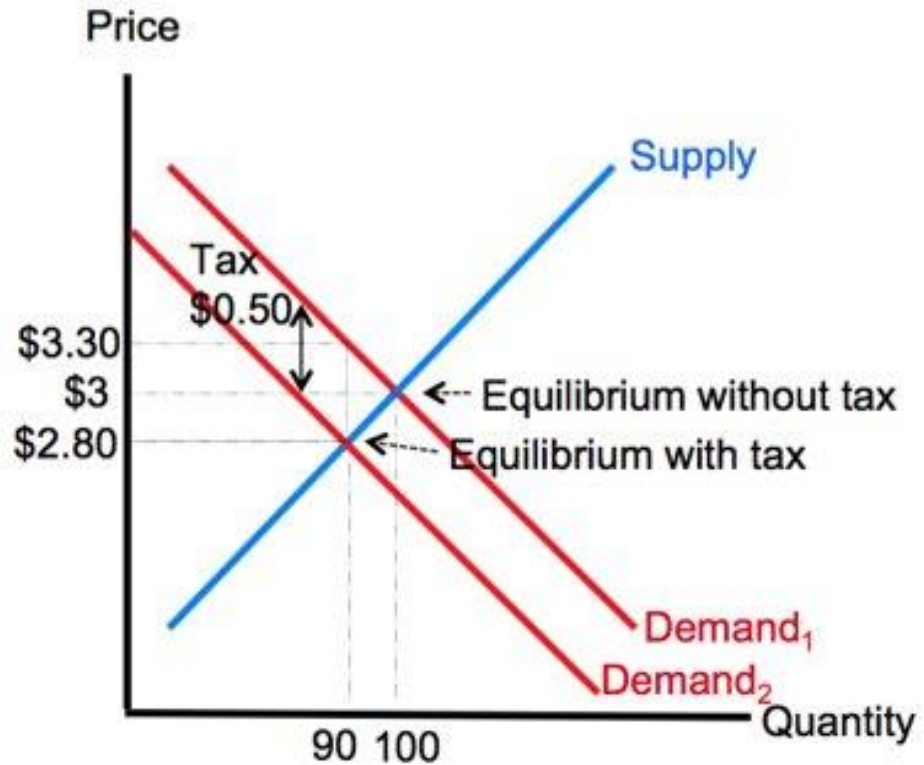
We will implement strategies such as:

- Age limit – 21years of age
- Preventing black market production
- Enhancing and providing education
- No smoking in restaurants, public amenities and outside of designated smoking areas

DECLINES IN SMOKING PREVALENCE AND LUNG CANCER DEATHS ACCOMPANY LARGE PRICE INCREASES IN FRANCE (DATA 1974–2009)



ECONOMIC IMPACT OF EXCISE TAX ON CONSUMERS





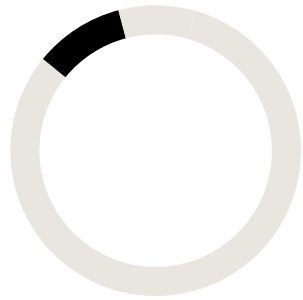
**Smoke with kids
in the car & you'll
cough up a fine.**



OTHER REGULATORY MEASURES

- AGE LIMIT
- PREVENT BLACK MARKET PRODUCTION AND SALES
- HEALTH PROMOTION & EDUCATION
- ADVERTISEMENT
- PLAIN PACKAGING
- RESTRICTIONS ON WHERE YOU CAN SMOKE

LEGISLATED REDISTRIBUTION OF EXCISE TAX

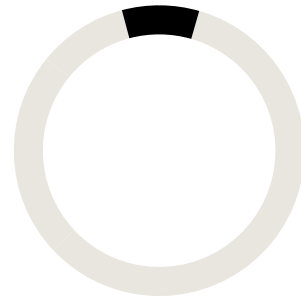


15%

ENVIRONMENT

Deakin Land prides itself on maintaining a low carbon footprint.

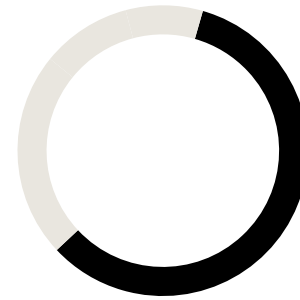
Reinvest tax revenue in maintaining national parks, beaches and the local environment.



5%

OTHER

Provides sovereignty for government to reinvest as needed.



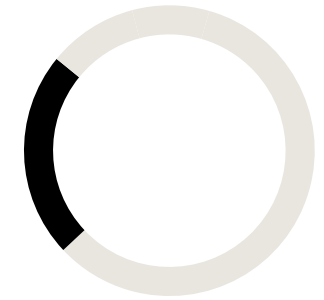
60%

HEALTHCARE

Biggest cost of tobacco is on healthcare system.

Reinvest tax revenue to maintain high standard of free healthcare.

Includes anti-smoking measures (e.g., subsidised nicotine patches).



20%

EDUCATION

Education is a key driver of productivity.

Reinvest tax revenue in education system.

Includes anti-smoking measures (e.g., education in schools and ads).

CONSEQUENCES OF APPROACH

Economic

Reduce negative externalities, particularly, economic impact on healthcare system.

Raise revenue to reinvest in healthcare, education, environment, etc.

Limit impact of illegal market.

Social

Happier and healthier society.

Better country to work, live, play and visit.

Political

Protect the interests of the majority in respect of health, education, and environment.

Reduce power of global tobacco industry.

Limit impact of illegal market.

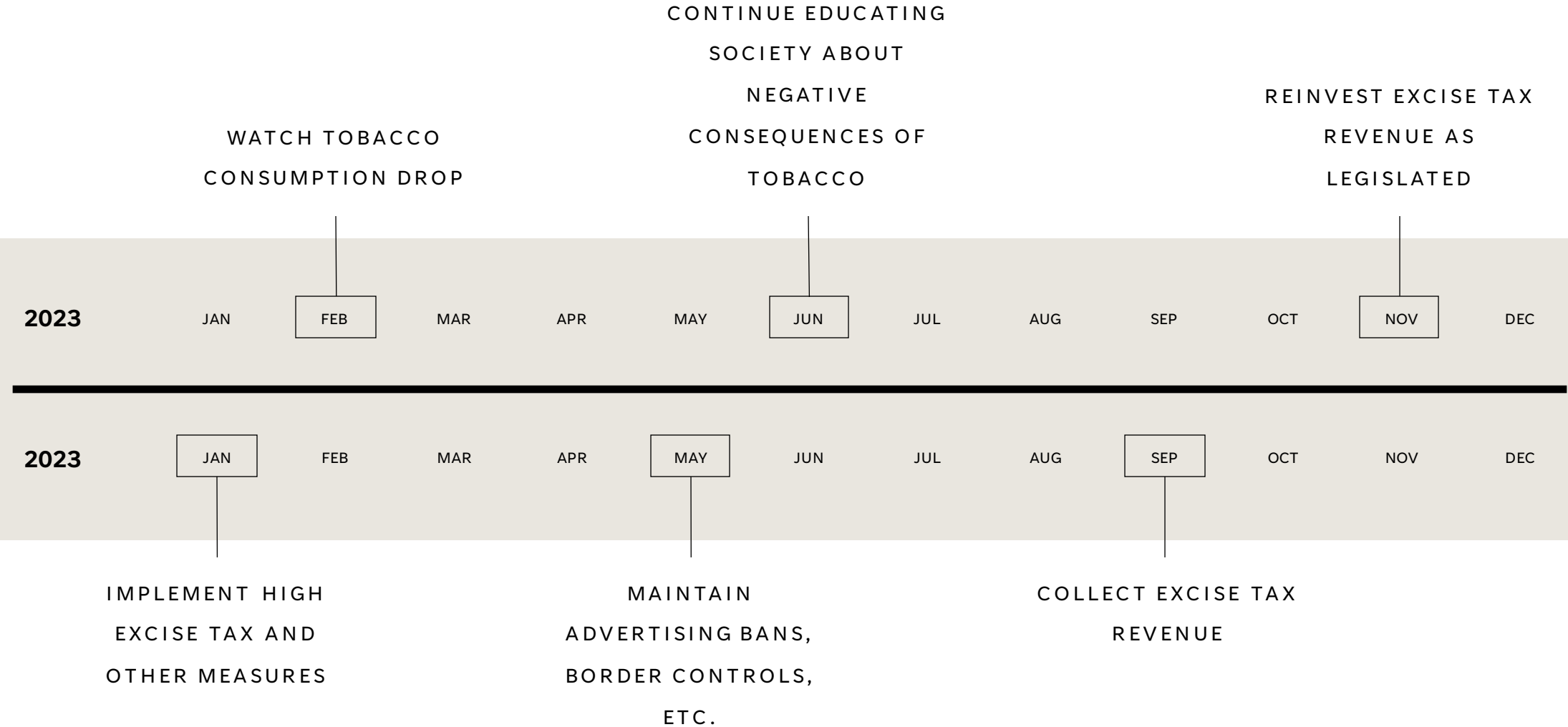
Border controls.

Environmental

Reduce environmental impact of tobacco and related by-products (e.g., cigarette butts).

Maintain low carbon footprint in Deakin Land.

ACTION PLAN



OUR TEAM



MERINDA ROBERTS
Economist



SREYA THOMAS
Economist



PAUL RANDO
Economist



WEBLIOGRAPHY

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THANK YOU

Deakin Land does not condone smoking.

Smoking kills...