

ACOSH

Australian Council on Smoking and Health

20 October 2008

Dr Ken Henry AC
Australia's Future Tax System
AFTS Secretariat
The Treasury
Langton Crescent
PARKES ACT 2600

AFTSubmissions@treasury.gov.au

Tobacco Excise

Dear Dr Henry,

I am conscious that this review is a few days beyond the deadline, but understand that late submissions to your review are acceptable. This submission is provided by the Australian Council on Smoking and Health (ACOSH). ACOSH is an independent expert organisation with forty member organisations from health, medical and related areas.

As you will be aware, smoking is Australia's largest preventable cause of death and disease, causing the deaths of some 16,500 Australians annually. While there has been encouraging progress, 17.4% of Australians aged 14 and above still smoke, and a recent national survey reports that 17% of 16-17 year olds have smoked in the last week. The total tangible and intangible costs of smoking nationally have been estimated at some \$31 billion p.a. Smoking remains a colossal health and economic burden for the whole community and the case for action is urgent.

A recent survey undertaken in Perth by the independent Survey Research Centre at the University of Western Australia showed:

80% support (and only 10% opposition) in response to the question: "Would you [support] a rise in taxes on tobacco products if the money went towards the health care costs of treating smokers and prevention programs?"

Patron The Hon David K Malcolm AC QC

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The recently released Discussion Paper and Technical Report on Tobacco from the National Preventative Health Taskforce clearly set out the rationale for making tobacco products less affordable. They also note that the price of cigarettes has not kept pace with other goods and services, and that tax as a percentage of total cost of cigarettes in Australia is lower than in many comparable countries.

We urge that the Review recognise the importance on health grounds of ensuring appropriate levels of tobacco taxations, and recommend adoption of the approach and implementation of the proposals in this area in the Taskforce Report.

We further urge that consideration be given to hypothecation of tobacco taxation to ensure that adequate funding is available to implement other components of the program recommended by the Taskforce.

We would be very pleased to provide further information should this be of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stephen Hall', written in a cursive style.

Stephen Hall
Executive Director