

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Additional Estimates 2015 - 2016, 10 February 2016

Ref No: SQ16-000052

OUTCOME: 1 - Population Health

Topic: Tobacco Control

Type of Question: Written Question on Notice

Senator: Gallagher, Katy

Question:

Can the department provide a list of international comparisons for the level of tax charged on tobacco, showing how Australia compares with other countries?

Answer:

As at mid-2014, Australia's total taxes applied to cigarettes were sixth highest among the 106 countries who reported average cigarette taxes and prices to the World Health Organization (WHO). While the full WHO list is not reproduced here, we have shown the figures for a number of other comparator countries.

Average total taxes applied to a pack of 20 cigarettes as at 31 July 2014

Rank	Country	Average total taxes in international dollars (at purchasing power parity)
1	United Kingdom	9.11
2	Ireland	8.68
3	Singapore	8.15
4	New Zealand	7.96
5	Norway	6.25
6	Australia	6.21
...		
26	Canada	4.43
...		
54	United States	2.61
...		
106	Iran	0.11

Source: WHO Report on the Global Tobacco Epidemic 2015, Appendix IX, figures derived from data in Table 9.5, available at http://www.who.int/tobacco/global_report/2015/appendix_ix/en/

Since this report was published, Australia has had two 12.5% excise increases, as well as biannual increases in excise in line with wage inflation.

Australia has the seventh highest after tax cigarette prices in the world.¹

Australia is the only country in the world to index tobacco excise to wage inflation (average weekly ordinary time earnings) meaning that tobacco products do not become relatively more affordable over time.²

¹ WHO Report on the Global Tobacco Epidemic, 2015, Appendix IX, Table 9.1, Graph 9.2.0, available at http://www.who.int/tobacco/global_report/2015/appendix_ix/en. The prices reported are for a pack of 20 of the most sold brand of cigarettes, in international dollars (at purchasing power parity) as at mid-2014.

² See discussion of this in WHO Report on the Global Tobacco Epidemic, 2015, p.39, available at http://apps.who.int/iris/bitstream/10665/178574/1/9789240694606_eng.pdf?ua=1