



## 4. What next, what first and for what cost?

Much remains to be done in tobacco control in Australia. If we are to meet the target of one million fewer Australians smoking or 9% smoking prevalence by 2020, we will need to implement all the major recommendations, and do so as soon as possible.

A piecemeal approach will be dramatically less effective, will result in more unnecessary deaths, and may perpetuate social inequalities.

Many of the measures required over the next decade would be almost cost-free to government.

Restrictions on advertising and smoking in public places are largely self-enforcing. Any costs associated with regulating tobacco products and manufacturers can be covered through licence fees. Likewise, the cost of regulating retailers should be covered by matching annual fees to the budget required for enforcement.

Media campaigns of around 700 TARPs per month on average, together with programs to support smokers to quit, would require a total investment of over \$40 million per annum over the next decade. An economic analysis of the impact of the National Tobacco Campaign finds, however, that media campaigns discouraging smoking are highly cost-effective. The sustained 1.4% drop in prevalence observed following the first phase of the campaign will prevent an estimated 55,000 premature deaths, and (in this case for an investment of \$9 million over only seven months) will lower healthcare spending by at least \$740 million<sup>44</sup> on the four major diseases caused by smoking. (462) California's US\$1.8 billion investment in anti-smoking campaigns has saved healthcare costs totalling around US\$86 billion to 2004.(463)

Treatments for smoking cessation would be the most costly component of a comprehensive tobacco control program. Based on the pattern observed with Zyban (bupropion) (which cost the PBS \$30 million in 2001–2002 but now requires only \$2.5 million per annum), we could expect that demand for subsidised NRT would be high for the first year or two but would quickly diminish to a level no higher than most drugs currently on the PBS. A drop of just 5% in prevalence could reduce PBS spending by \$4.5 billion on cardiovascular drugs alone over the next 40 years.<sup>45</sup>(464)

Most of the benefits from reducing smoking over the coming decade will be realised in the 2030s and 2040s. However, even by 2020 we could expect savings well in excess of our investment. (467-467)

A report to the Australian Department of Health and Ageing assessing the returns on investment in public health to date estimated that the 30% decline of smoking between 1975 and 1995 had prevented over 400,000 premature deaths(468) and saved costs of over \$8.4 billion, more than 50 times greater than the amount spent on anti-smoking campaigns over that period.(469) The huge body of research demonstrating the effectiveness of tobacco control interventions suggests that it would be feasible to pick up the pace and slash smoking rates by another 50% over a much shorter period.

A great deal of misery could be avoided and our country would be much more productive and inclusive if we could achieve a target of a million fewer Australians smoking by 2020, as a crucial next step in making smoking history.

44 In current dollars, using a discount rate of 3%.

45 With a Net Present Value of \$1.14 billion calculated at a discount rate of 5%.