A cost-benefit analysis of the average smoker: a government perspective
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Record Status
This is a critical abstract of an economic evaluation that meets the criteria for inclusion on NHS EED. Each abstract contains a brief summary of the methods, the results and conclusions followed by a detailed critical assessment on the reliability of the study and the conclusions drawn.

Health technology
Government policies (levying tax on cigarette smoking, antismoking campaigns, and assistance to industry) regarding cigarette smoking.

Type of intervention
Primary prevention.

Economic study type
Cost-benefit analysis.

Study population
Cigarette smokers aged 18 years and over.

Setting
Society. The economic study was carried out in Australia.

Dates to which data relate
The benefit data were estimated based on studies or reports published between 1989 and 1994. The cost data were estimated based on reports or studies published between 1993 and 1994. The price data were relevant to 1989-1990.

Source of effectiveness data
Effectiveness data were derived from a review of previously published studies and reports.

Outcomes assessed in the review
The outcomes assessed were the percentage of smokers in the Australian population, and the contribution of tobacco industries to the economy.

Study designs and other criteria for inclusion in the review
Not reported.

Sources searched to identify primary studies
Not reported.

Criteria used to ensure the validity of primary studies
Methods used to judge relevance and validity, and for extracting data
Not reported.

Number of primary studies included
A total of 5 studies and reports were used.

Methods of combining primary studies
Not reported.

Investigation of differences between primary studies
Not reported.

Results of the review
The percentage of smokers in the Australian population was 28.4%. The contribution of tobacco industries to the economy was estimated to be Aus$2,191 million.

Measure of benefits used in the economic analysis
The benefit measure was the total revenue resulting from levying taxation on cigarette smoking. The benefit was estimated from the perspective of the government.

Direct costs
Discounting was not required due to the 1 year time horizon adopted for the model. Quantities were not reported separately from the costs. The cost items were reported separately. The cost analysis covered the costs of hospital care, medical care, pharmaceutical care, allied professional care, nursing home care, antismoking campaigns, assistance to industry, and passive smoking. The cost analysis was performed from the perspective of the government. The sources of cost data were official reports or published studies. 1989-1990 price data were used. The following costs were not included in the cost analysis: enforcement of non-smoking policies, monitoring and enforcement of legislation, litigation relative to passive smoking, smoking research and education, traffic accidents associated with smoking, increased cleaning costs associated with smoking, welfare costs associated with smoking-induced morbidity and mortality, and ambulance cost.

Indirect Costs
Discounting was not required due to the 1 year time horizon adopted for the model. Quantities were not reported separately from the costs. The cost items were reported separately. The calculations of indirect costs covered the costs of foregone earnings and absenteeism. The cost analysis was performed from the perspective of the government. The sources of cost data were official reports or published studies. The date of the price data was 1989-90. The analysis of indirect costs did not include any opportunity costs of either tobacco production or consumption not accurately represented in prices.

Currency
Australian dollars (Aus$).

Sensitivity analysis
No sensitivity analysis was performed.

**Estimated benefits used in the economic analysis**
The total cigarette taxation revenue was estimated to be Aus$620.56 per smoker. The time horizon adopted in the benefit analysis was 1 year.

**Cost results**
The total cost per smoker was Aus$203.57.

**Synthesis of costs and benefits**
Costs and benefits were not combined.

**Authors' conclusions**
The results of this analysis suggest that the objective of raising revenue from smoking is more of a priority than reducing smoking rates.

**CRD COMMENTARY - Selection of comparators**
No policy was explicitly or implicitly chosen as the comparator.

**Validity of estimate of measure of benefit**
The internal validity of the benefit results may be weakened by the apparent lack of a comprehensive literature review and a quality assessment of the primary studies and reports included in the review.

**Validity of estimate of costs**
Resource utilisation was not reported separately from the costs, but adequate details of methods of cost estimation were given. The internal validity of cost estimates can not be assessed due to lack of information regarding the sources of cost data.

**Other issues**
The issue of generalisability to other settings or countries was not addressed. A societal perspective would have been more appropriate.

**Source of funding**
None stated.

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