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Senate Finance and Public Administration Committees  
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### **Comments from the Australian Council on Smoking and Health (ACOSH)**

The Australian Council on Smoking and Health (ACOSH) welcomes the opportunity to provide a submission to the Government Investment Funds Amendment (Ethical Investments) Bill 2011.

The tobacco industry is lethal. As the leading cause of preventable death and disease in Australia, tobacco kills more than 15,000 Australians every year and costs our economy more than \$30 billion annually. Cigarettes, when used precisely as intended, kill one of every two long term users.

The Australian Government has shown outstanding leadership in addressing the massive harms caused by tobacco, with implementation of a comprehensive program of action that has been recognised internationally, including the world first plain packaging of cigarettes, increased taxation on tobacco, legislation to ban tobacco marketing on the internet, major public education programs, support for action on Indigenous smoking and a significantly reduced duty free allowance. While the Government has taken strong steps to reduce the prevalence of smoking, this action has been actively undermined by the tobacco industry, both overtly and covertly.

It is inconceivable that at the same time the Government is fighting to reduce the prevalence of smoking and address the death and disease caused by smoking, the same Government, through its Future Fund, Building Australia Fund, Education Investment Fund and Health and Hospitals Fund has invested over \$100 million in the tobacco industry.

The irony of these investments is that they increase in value as more and more people become addicted to cigarettes - causing an inherent conflict of interest in simultaneously investing in the tobacco industry to make money from this lethal industry, and actively leading the way world-wide to reduce smoking. This is

particularly true when the Government - and all Australians - pay for the very substantial damage caused by the tobacco industry.

There are many precedents for governments and other agencies refusing to invest in the tobacco industry. Public investment in tobacco companies runs counter to any semblance of ethically responsible investment and completely contradicts the Government's very strong world leadership in tobacco control. It is particularly inappropriate for the Government to be investing in an industry that is both lethal and working actively to undermine, oppose and subvert government health policies.

ACOSH supports this Bill on the basis that continued investment in the tobacco industry is inappropriate and unethical.

Thank you for the opportunity to provide these comments.

Yours sincerely,

Professor Mike Daube  
President, ACOSH