



Senate Finance and Public Administration Committees
PO Box 6100
Parliament House
CANBERRA ACT 2600

Via email: fpa.sen@aph.gov.au

20th July 2012

Dear Committee,

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Australia

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Re: Government Investment Funds Amendment (Ethical Investments) Bill 2011 (The Bill)

Quit Victoria welcomes the opportunity to comment on the Government Investment Funds Amendment (Ethical Investments) Bill 2011 (The Bill). We support the Bill and ethical investment guidelines that restrict government investment funds from investing in companies whose business is inconsistent with Australia's public health objectives and which negatively impact on human rights and the environment.

Quit applauds the Australian Government's commitment to reducing the harm from tobacco use and the comprehensive approach it has taken which has included increasing taxation on tobacco products by 25%, introducing plain packaging for all tobacco products and record investments in anti-smoking social marketing campaigns.

Quit is pleased to see the Bill proposes inclusion of Section 20A into the *Future Fund Act 2006* and the *Nation-building Funds Act 2008* which prohibits these funds from investing in companies that manufacture tobacco products. We believe the adoption of the Bill is an important addition to the comprehensive approach to tobacco control taken to date and that it will remove what is currently an incongruity between health and financial policies within government. We believe the government has a responsibility to look beyond the financial benefits of a particular investment to consider the impact an investment has on, amongst other things, public health.

In addition, the Bill is consistent with Australia's obligations as a signatory party to the World Health Organisation Framework Convention on Tobacco Control (FCTC). Australia is legally bound to perform, in good faith all of its obligations under the treaty.

The Guidelines for the Implementation of Article 5.3 of the FCTC provide that:

"Government institutions and their bodies should not have any financial interest in the tobacco industry, unless they are responsible for managing a Party's ownership interest in a State owned tobacco industry."ⁱ

Quit Victoria is concerned that while Australia is expending considerable sums of money to defend plain packaging laws designed to reduce tobacco consumption, we are also investing hundreds of millions of dollars in tobacco companies who are fighting to have these laws overturned. In order to address this incongruity and similar potential scenarios we strongly support the Bill. The Bill will ensure that future investment decisions by *Future Fund Act 2006* and the *Nation-building Funds Act 2008* are consistent with Australia's public health objectives and our obligations under the FCTC.

Yours sincerely,

Fiona Sharkie
Executive Director, Quit Victoria

ⁱ *Guidelines for implementation of Article 5.3 (Tobacco advertising, promotion and sponsorship) of the WHO FCTC*, adopted by the third session of the FCTC Conference of the Parties, Durban, South Africa, 17-22 November 2008, 4.7.