



# Future Fund buys shares in shamed tobacco company

By chief political correspondent Simon Cullen

*Updated Tue Feb 12, 2013 5:34pm AEDT*

**The Government's multi-billion-dollar Future Fund has bought shares in a tobacco company that once commissioned a study outlining the economic benefits of premature deaths.**

Documents provided to a Senate committee show the fund increased its tobacco-related shareholdings in the lead up to last October's announcement that it was reviewing its investment strategy.

The details reveal that in May last year the fund bought shares in Philip Morris (Czech).

In 2001, Philip Morris was forced to apologise for a study commissioned by its international affiliate that found the Czech Republic benefited financially from the early deaths of smokers.

Asked whether the purchase of such shares complied with the fund's environmental, social and governance (ESG) policy, managing director Mark Burgess told a Senate hearing: "As we've said for some time, our ESG policy, we believe, is world's best practice, but we do review it on a regular basis."

In October, Mr Burgess raised the prospect of the fund divesting itself of tobacco shareholdings following pressure from health groups and the Greens.

He said the board's governance committee would consider the fund's investment in cigarette and tobacco companies, including the cost implications of such a decision.

Greens senator Richard Di Natale says he is extremely disappointed the fund was buying more shares just months before that announcement.

"(These companies) are taking legal action against the Government, companies that are essentially in the business of killing people," Senator Di Natale told ABC News Online.

"Australians are horrified when they learn that their taxpayer dollars are being invested in companies like Philip Morris (and) British American Tobacco."

## Exclusions

Mr Burgess says it would be wrong to pre-empt the governance committee's recommendations because it is still considering the fund's exclusions policy.

"Exclusions is a very clear area that you must determine in a very structured framework and policy because there are many views of that and therefore you must think it through (and) analyse it carefully.

"That's what our governance committee is currently doing.

"The fund does exclude for example cluster munitions and

landmines - it's a very clear statement in that area."

The current value of the fund's shareholding in cigarette and tobacco companies is \$221 million, which is down from \$231.7 million in October.

It is unclear, however, whether that is due to the sale of shares or a decrease in the number of shares held by the fund.

According to the October figures, the fund was holding \$57 million worth of British American Tobacco shares, \$48 million in Lorillard shares, almost \$46 million in Philip Morris International and \$34.6 million worth of Japan Tobacco shares.

**Topics:**federal-government, business-economics-and-finance, tobacco, smoking

*First posted Tue Feb 12, 2013 12:45pm AEDT*

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