

Are we all skills for Big Tobacco?

Written by The Conversation USA

On September 9, the Financial Review carried a [lead story](#) about how Sydney University, fresh from efforts to significantly reduce fossil fuels within its \$1.4b portfolio, was now investing in British American Tobacco, beer giant SAB Miller and FEMSA, a big Mexican Coca-Cola and Powerade bottler.

Earlier this year, in response to the university's public commitment to reduce the overall carbon footprint of its investments, the profiles of all its funds managers were reviewed. The university is a signatory to the CDP (Carbon Disclosure Project) and a member of the UN-led PDC (Portfolio Decarbonisation Coalition).

The university's investment policy prohibits investment in entities "directly involved in the primary manufacture of complete tobacco products", but Vice President for Operations Sara Watts told me one of its fund managers inadvertently gave the university "indirect exposure to tobacco and alcohol products because of the pooled nature of the investment vehicle used by that manager".

"This is an issue which the university takes seriously, and we will be looking at options that remove this indirect exposure and will bring them to the relevant Senate committee for decision," she said.

The sub-text of the Fin Review piece was plain: Sydney University was being hypocritical, publicly divesting in stocks that swelled its carbon footprint, while investing \$2m in big tobacco. It was therefore benefiting from the sales of a product that kills over 6 million people annually around the world.

Sydney University has been a pioneer in getting rid of tobacco from its affairs. In September 1982, its Senate passed the world's first policy that disallowed staff from accepting grants from a tobacco company. This was strengthened in 2003, after a protest I led over the then chair of BAT Australia, Nick Greiner, being appointed to an honorary role in the university's Graduate School of Government. Greiner resigned from his position.

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Tobacco companies are the only companies explicitly excluded from participation in the annual student career fairs; tobacco is not sold on campus; and smoking is banned everywhere but four small, outdoor designated smoking areas far from buildings.

The Fin Review story saw pro-smoking activists delirious with excitement on social media that this meant, of course, that I was now obviously a big tobacco shill, as my salary derived in part from tobacco investments. This meant I was now paid by them, the argument ran.

With \$2m of \$1.4b invested in BAT, the homeopathically small proportion that might arguably be linked to my salary would be pressed to buy a sachet of sugar for a coffee. But that's what passes for excitement among pro-smokers these days.

Indeed, by extending the same logic, there is no citizen in Australia who is free from taking the Big Tobacco dollar. Some \$9.763b is collected annually from customs and excise duty on tobacco and GST. This money goes into consolidated revenue where, along with every other form of government revenue, it is pooled to provide expenditure on things we all use and benefit from: roads, government schools, health care, prisons, defence etc.

Every doctor in Australia by this argument, "benefits" from big tobacco each time they receive a Medicare payment from Canberra.

I'm proud of the responsive way my university is dealing with its carbon-footprint-related investments. I'm confident that the inadvertent investment in a tobacco company will soon be erased. And I'm certain that BAT doesn't see me as a shill on its payroll.

Read more <http://theconversation.com/are-we-all-shills-for-big-tobacco-47423>