



The City of Melbourne Disinvests from Tobacco Industry



Deputy Lord Mayor Arron Wood,
City of Melbourne

The City of Melbourne is a local government authority for central Melbourne in Victoria and the surrounding suburbs. The City works to ensure that everyone who lives, works or exercises within the area can do so without harm to their health or wellbeing.

Deputy Lord Mayor Arron was unaware of the substantial public funds invested in tobacco until he met Dr Bronwyn King, CEO of Tobacco Free Portfolios. However, once he did learn about this, he agreed that divesting from the tobacco industry was an obvious and essential decision.

Cr. Wood and his team researched this issue and developed a proposal for divestment from the tobacco industry. A representative from Cr. Wood's team contacted the Australian Council on Smoking and Health (ACOSH) and Tobacco Free Portfolios for assistance and advice.

Following his research, Cr. Wood consulted with the Lord Mayor Robert Doyle AC, who supported this initiative wholeheartedly. This was then discussed with the other Councillors and on May 30 2017, a Notice of Motion was passed unanimously in Council.

It was also agreed that the investment policy of the City of Melbourne will be reviewed to prevent the Council from directly investing in any banks or institutions that support the tobacco industry. The Lord Mayor also wrote to the Premier of Victoria to affirm Council's support on introducing legislation to formally ban accepting political donations from the tobacco industry.

In addition, Cr. Wood met with Vision Super, the default superfund of the City of Melbourne to inform them of the City of Melbourne's decision. The Chief Financial Officer and his team are now responsible for ensuring this is enacted. The Chief Financial Officer is responsible for liaising with Vision Super for a smooth transition away from tobacco.

The Council of the City of Melbourne hopes that this initiative will influence local governments across Australia to implement tobacco free investments. This decision will put further pressure on the banking sector to consider their social responsibilities in regard to ethical investments.

Cr. Wood said *"The social and health costs of smoking to the community are significant. Local Councils have a responsibility to be leaders protecting people from the harms associated with smoking. This includes divesting from the tobacco to ensure we don't invest or benefit from the industry."*

For more information on the City of Melbourne case study please contact Rosie Pham (03) 9358 8434 / rosie.pham@melbourne.vic.gov.au

ACOSH would like to help you achieve similar outcomes for your local government. Please contact acosh@acosh.org or (08) 6365 5436 for more information.