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**Media release**

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## **Government should stand firm on tobacco plain packaging legislation, and withdraw from restrictive treaties, says Fair Trade group**

“The move by Philip Morris tobacco company to sue the Australian government using an obscure bilateral investment treaty with Hong Kong shows the dangers of signing trade or investment treaties which could give corporations the right to sue governments over legitimate health or other public interest regulation,” Dr Patricia Ranald, Convener of the Australian Fair Trade and Investment Network said today.

“The Australian government does not have such an investment treaty with the United States, which is the main base of the Philip Morris Company. Public campaigning also prevented the Howard government from including the right of corporations to sue governments in the Australia-US Free Trade Agreement in 2004. The company is apparently using the existence of a subsidiary company in Hong Kong to pursue this case, said Dr Ranald.

“The ALP government's trade policy announced on April 12, 2011, confirmed that it will not agree to give corporations the right to sue governments in any future free trade agreements or bilateral treaties. This policy is a response to community and public health advocacy, and to recommendations of the Productivity Commission, which found there was no economic justification for corporations to have the right to sue governments. It was also a rebuff to tobacco companies' threats to use such provisions against the plain packaging legislation”, explained Dr Ranald.

“We support the right of governments to regulate in the interests of public health. The Australian government plain packaging legislation is based on a World Health Organisation recommendation to reduce the ability of tobacco companies to market their products to young people. We are confident that the general framework of international law enables governments to implement World Health Organisation recommendations and to regulate to protect public health.

“We urge the government not to be intimidated and to stand firm and proceed with its plain packaging legislation” said Dr Ranald. “Far from withdrawing this legislation, the government should instead consider withdrawing from all bilateral treaties which restrict its legitimate ability to regulate.”

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