

Letters

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Regulators, Rudd fail Telstra investors

Time to consider a bill of rights

There really is more to the Telstra debacle than raised by former Telstra executive, Phil Burgess, in his "Telstra split is brazen value destruction" (Opinion, September 21).

I was not an admirer of former Telstra chief Sol Trujillo's approach but at least he and his colleagues understood one thing — their duty was not to please government but to deliver value to shareholders.

In relation to the federal government's instruction to Telstra to break up its business, there are three points to be made:

□ This action makes the first two prospectuses issued to sell off the government's shareholding in Telstra misleading. Neither of those prospectuses gave any sense that the government wanted to continue to

control Telstra, which it is now trying to do. The word swindle comes to mind to describe this turnaround. The government raised money and sold shares with documents that were false, misleading and incomplete. Where was the Australian Securities and Investments Commission and the Australian Competition and Consumer Commission?

□ An Australian Stock Exchange-listed company is a poor instrument for implementing public policy. The government took money from 1.4 million investors to pay down the federal deficit and now it is manipulating the company, supposedly owned and controlled by those investors, to implement its broadband policy. If successive

federal governments wanted to implement policy through the Telstra business then they shouldn't have sold it.

□ Allowing the Future Fund to sell out of Telstra three weeks before the break-up announcement, with no inquiry launched into this trading, is one of the more disgraceful events I've seen in my 30-year involvement in financial markets. The Future Fund is bound by the same rules that govern all participants trading listed shares — if they possess knowledge not generally available they are prohibited from dealing. This standard should apply to government and semi-government bodies as well as individuals. Clearly it does not.

For the Howard and Rudd governments to show such disregard

of the responsibility of a public company to its shareholders and also for governments to be so ignorant of the professional working of the stockmarket, means that no future sale of public assets can ever be viewed in the same light again.

In case the present Telstra board needs a reminder, their duty is to protect and increase shareholder value and uphold this principle against a government that doesn't really understand it and which cares nothing for the risks undertaken in good faith by the many small shareholders who invested in the company.

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James Eyers gives a helpful roundup of legal opinions on the introduction of an Australian statutory bill of rights ("Prescribed rights", Review, September 18).

But rather than having politicians, the public and the legal fraternity continue to debate the matter ad nauseam, can I suggest an evidence-based approach.

The Victorian charter of Human Rights and Responsibilities Act was introduced in 2006.

By 2016, if not before, it should be apparent whether, as feared by some critics, it has proved supine and toothless, or, as feared by others, it has usurped the will of parliament, placing supreme power in the hands of (horror!) unelected judges; or whether, as many advocates hope, it has made a modest but useful contribution to preserving the rights