

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates, 16 February 2006

**Question: AT 24**

**Topic:** *ASIC statement about Telstra brought forward*

**Hansard Page:** E17

**Senator CONROY asked:**

I am just trying to find out what the sequence of events was. I got the impression that you rushed out a statement—that you were not quite in a position to announce your outcomes and you seemed to rush a statement out during the course of the day in response to the newspaper article.

**Mr Lucy**—I do not have any recollection of such an action.

**Senator CONROY**—Can you take that on notice and see if you brought forward the date?

**Mr Lucy**—Yes.

**Answer:**

The Senator's question appears to arise from the fact that on the day that ASIC announced the results of its investigation – 14 December 2005 – certain morning editions of the Australian Newspaper carried an article by Michael Sainsbury headed "Telstra chiefs risk jail over secret briefings".

That article stated, erroneously, that *"Telstra Chief Executive Sol Trujillo and his most senior lieutenants could face jail for secretly briefing senior Howard government ministers and journalists before briefing the stock market"*.

This article did not cause ASIC to bring forward the date of its media release regarding Telstra. ASIC had written to the Telstra Board on 30 November 2005 advising that ASIC had concluded its investigation and had found insufficient grounds to issue legal proceedings.

ASIC did in that letter however, point out its concerns about certain of Telstra's disclosure practices and also advised Telstra's lawyers that, after receiving any response from Telstra, ASIC would be making a formal public announcement about the outcome of its investigation.

Telstra responded to ASIC's letter on 8 December 2005.

After considering Telstra's response, ASIC sent a further letter to Telstra and issued a media release on 14 December 2005.