

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates 30 May – 1 June 2006

Question: bet 95 (ASIC)

Topic: Telstra shareholders swaying marginal seats in an election

Hansard Page: E60

Senator MURRAY asked:

I remind everybody that I have a subscription, so I am not touting for one. They quote Phil Burgess from Telstra—it does not say where it comes from—as having said:

... we want our shareholders to know what's going on, not just financially ... we want our shareholders to know what's going on socially, politically and economically—and how social, economic and political forces affect their share value ... we believe one of the things people ought to be aware of when they vote is public policy affects the value of their investment in companies.

It stated earlier that this concerns a large number of households. In terms of electoral districts, in some places this could have a significant impact. The article goes on to state:

He went on to say that Telstra would like its shareholders to write letters to their political representatives, and when asked whether Telstra's shareholder base was large enough to potentially swing marginal seats in an election, Big Phil replied: "Probably."

I am acquainted with the Australian Constitution and the fact that you may not improperly pressure a parliamentarian in the conduct of their duties. This seems to me to be on the edge of that issue. What I would like you to do, because I doubt that you would be able to respond to this one off the cuff, is give some thought to this issue and tell me in due course whether you think, as a regulator of corporations, it is within your ambit of interest to consider any potential breaches of the law, if you like, which this could entail. I am not alleging that it is a breach of the law, but it does seem to me to be on the edge of trying to interfere in the political process in a way which is quite different from the normal lobbying and submission process that big corporations must undertake and should undertake in the interests of their shareholders.

Mr Lucy—I am happy to have a look at it. It may well be that an aspect of it—indeed, a significant aspect of it—might be out of our immediate jurisdiction. But to the extent that it is, I will raise it with the AGS and they can complement what we are looking at.

Answer:

Any Australian citizen or entity may engage in the political process in any lawful way that it sees fit. A lawful attempt by a particular corporation to engage in the political process is a matter falling outside ASIC's jurisdiction.