
24-Hour News Versus 40 Year Investments

By Andrew Proebstl, Chief Executive, Legalsuper

The twenty-four-hour news media can be short-sighted when it comes to reporting on investments with a 40-year timeframe, writes Andrew Proebstl.

Some of the heightened anxiety many of us are feeling toward investment markets at the present time may have a little less to do with the severity of the events taking place – and they are severe – and a little more to do with the way they are being reported.

Take a lawyer I know of, who said recently he'd decided to stop reading the financial pages of the daily newspapers. He didn't want to read any more articles about the global financial crisis – the reportage was making him anxious. His spirits have apparently been lifted.

While a total avoidance strategy may assist some, I would contend that having access to the right kind of information at this present time is still beneficial. If more of that information were available a better balance could be achieved against the current noise and hysteria.

Media reporting of the crisis has been characterised by confusion and some over-dramatisation. This is unfortunately the nature of our media.

Daily news is naturally short-term focussed. Papers, television and radio newsrooms operate on a 24-hour cycle so what's news one day is old the next. This generates a high turnover of stories, in turn driving the

need for more analysis and speculation. Unfortunately, instead of clarification, the final result is often obfuscation.

Daily news is also characterised by a fair amount of hyperbole. A shot of adrenalin here and there sells more papers and what has tended to follow has been headlines and copy that are overdramatic, rather than measured and considered.

On several occasions this year, I've noted headlines and copy on consecutive days reporting markets plummeting, markets surging, followed by markets plunging. It can be a roller coaster ride – no surprises if you're feeling unsettled.

In contrast to the 24-hour news cycle, investments like superannuation, for most people have a timeframe of 40 years. In this context daily reports on the amount super funds and other investment have lost or gained are simply unhelpful. What needs to be considered are long-term trends, principles and, if they arise, deep-seated issues.

Here then, are some recommended thoughts to keep in mind while you continue to follow – or not – the financial events that are still unfolding.

Firstly, it's worth noting that we are still in the middle of the financial crisis. From within any financial storm events always appear more chaotic and dangerous than they are, largely because the level of attention the media is giving



Andrew Proebstl,
Chief Executive, Legalsuper

to reporting the event is so much greater. From the crash of '87, you will remember that events felt similarly chaotic then. Looking back 1987 now seems like a small blip in the past.

Secondly, nobody really knows how long the current crisis will last or what its full short-term impact will be. What we do know, however, is the history of similar events. It's worth noting, for example, that in the last 40 years the Australian stock market has had 13 downturns of varying amounts. Over the same period the market grew at an annual average of 7 per cent. Since the crash of '87, nearly all major share markets globally have recovered after periods of decline. And in the past 30 years the average market decline lasted nine months, some less, some more.

Lastly, it's worth remembering that superannuation funds have very strong corporate governance procedures and investment decisions are

based upon reliable, safe and proven long-term investment principles. While all investments will be buffeted during short-term events, long-term principles are unlikely to be undermined. I note, for example, that while legalsuper continues to monitor investment performance throughout this period, to date we have made very few changes

to our investment portfolio. This is because the foundations on which these investment decisions were formulated remain sound for the long-term.

Feeling anxious about the current financial turmoil is a natural reaction, but it can be exacerbated by our media environment. If you can rise

above the noise and focus on the principles that really matter you will put yourself in a better frame of mind to plan for your financial future.

Andrew Proebstl is Chief Executive of legalsuper, Australia's largest super fund dedicated to the legal profession. He can be contacted directly via 03 9607 9401 or aproebstl@legalsuper.com.au.

New Justice Kriewaldt Website

Insights into Indigenous Criminal Justice History

By Associate Professor Heather Douglas, University of Queensland

A new biographical website has been launched on an important 1950s Northern Territory judge, combining unpublished cases, media reportage and contemporary analysis on an important period in Australian legal history.

The website, hosted by the T.C. Beirne School of Law at The University of Queensland, is <http://www.law.uq.edu.au/justice-martin-kriewaldt>.

The site centres around the life, times and judgements of Justice Martin Kriewaldt, who served as the sole judge of the Northern Territory Supreme Court between 1951 and 1960.

During his time on the bench presided over a large number of murder cases, many concerning Indigenous defendants.

The Namatjira case was a particularly famous case in Australian legal history, which saw Albert Namatjira, a celebrated Indigenous artist, sentenced to prison for sharing rum with his cousin.

The case, which went all the way up to the High Court,

became a test case for the 1950s assimilation policy and the prohibition on alcohol consumption by Aboriginal people.

Through these cases Justice Kriewaldt developed a number of legal principles which still bear relevance in cases involving Indigenous defendants today.

Described as a fearless, fair and good judge who combined justice with mercy in his approach to dealing with Aboriginal defendants, Justice Kriewaldt was an important and influential figure throughout the 1950s.

The website itself seeks to blend history, biography, case excerpts, newspaper articles from the period, and contemporary analysis to provide a multimedia portal into this important period in Australian legal history.

The site contains a string of previously unpublished cases, as well as photos and archive material which will add considerably to the pool of online resources accessible to students, teachers, academics and members of the public.

Kriewaldt's work broke new ground in legal thinking on Indigenous criminal issues. He was constantly challenged by the relationship between customary law and white law. The principles he developed remain important today.

The website was made possible with the support of a NT History Grant.

Associate Professor Heather Douglas, a leading Australian academic on Indigenous legal history. She may be contacted at h.douglas@law.uq.edu.au, Ph 07 3358 1759

**ADVERTISE YOUR
POSITION VACANT - AT NO CHARGE**

On the new Law Society website. Visit:
www.lawsocietynt.asn.au to submit the job details.