

On behalf of my wife and myself, self funded retirees dependent in part on Telstra dividends for our livelihood. I wish to express disgust at the cavalier treatment to which we have been subjected. We bought shares from the Commonwealth Government in T1, T2 and T3 in good faith, believing that we were making a sound investment decision. We read the prospectus in each case but saw no mention of possible forced dismemberment in any of them. Ministerial attempts to claim that vague references to future regulatory risks covered this possibility are nonsense because the shares would have been unsaleable to the public at the price realised if that were the case. We believe that statements by large shareholders (for example AFIC and IML, among others) that separation would be value destructive for Telstra shares are correct, and that self serving, unsubstantiated statements by the Minister that value would be preserved or enhanced under his "suggestions" are not. I note that he has stated that he is unconcerned about the effect of his proposals on the Telstra share price, being focussed on the on the public good. It seems that one million plus Telstra shareholders are not part of the public.

The Commonwealth Government sold Telstra, spent the money, and now wants parts of it back on the cheap. There have been a number of reports that the minister took legal advice as to the best course of action to minimise or eliminate compensation for his proposals if they were implemented. It would be interesting to see the response if the Government tried to appropriate the assets of BHP in this way.

Threats to deny Telstra access to additional wireless spectrum, and the forced sale of other assets as a means of encouraging "voluntary" separation are outright thuggery. I can't believe that such threats are legal. Men were hung for this sort of behaviour in the bushranging era. But then, unfortunately, they were not politicians.

We note that the minister refuses to release detailed cost-benefit studies for the NBN, but expects Telstra to become part of that fantasy. Any company administration agreeing to such a ridiculous proposition would be in breach of its obligations to its shareholders. A number of published estimates of service cost to customers conclude that the NBN will be uneconomic. My suggestion to the Government is that they build the NBN at their expense. If it is viable Telstra shareholders may consider amalgamating on fair terms.

John Curtis