



Dear Sir

As a Telstra shareholder I am writing this submission to the Inquiry into the Telecommunications Legislation Amendment (Competition and Consumer safeguards) Bill 2009 in a state of disgust that an Australian Government can seek to legislate in a way to specifically damage a particular Australian company. Even the Bill's name is deliberately misleading.

The proposal to effectively force Telstra to separate into different entities its hitherto legal operations and thereby destroying billions of dollars of shareholder value introduces into the Australian regulatory environment sovereign risk that would make most third world dictators proud. I trust that most international investors will note this heinous proposal and will put their money in places with markedly less sovereign risk, like, say, Afghanistan or Venezuela.

What is also very troubling about the background to this proposal is that it is being cheered on by a foreign (albeit friendly) government's player in the Australian telecommunications market, being Singtel (of which I am also a shareholder). This proposed legislation might be in the best interests of Singtel but is certainly not in Australia's best interests.

The unmitigated gall of a government to seek to break-up a company that is of a size and with operations that make it internationally competitive and could enable it to make significant investments off-shore, to the benefit of all Australians, by arguing that it is too monopolistic, is breath taking. This is only matched by the hypocrisy of the parallel proposal to establish the monopoly of the National Broadband Network.

If Telstra must be broken up because it has too much market power (a highly dubious assertion at the best of times) then the Government proposal to establish the National Broadband Network monopoly must, ipso facto, be completely improper and must be followed by an equal requirement for its splitting up.

Any company that may consider joining the Government in the National Broadband Network should think very carefully about the implications of this hare-brained proposal lest its board member face joint and several and personal future legal action for wilfully and knowingly breaching their fiduciary duties.

Yours faithfully

Reg. T. Fisk