

SUBMISSION FROM TWO SELF FUNDED RETIREES TO SENATE INQUIRY INTO THE  
TELECOMMUNICATIONS LEGISLATION AMENDMENT

Dear Senate Committee Members,

We are a retired couple, approximately 70 years age who are self funded retirees drawing a pension from our Self Managed Super Fund (SMSF).

Some years ago we constructed our retirement arrangements so that we could manage on our own resources without the need to draw on taxpayer funds to survive.

We decided to invest a considerable portion of our retirement savings in Telstra shares as we viewed these as a safe, low volatility investment with a good solid dividend return. We had believed that as these shares were purchased from the Federal Government we were buying from a reputable source. We believed that Telstra represented a successful, well managed company, with great products, marketing and substantial market position. We truly felt that Telstra was an Australian Icon Company with a fully integrated structure that would ensure it could progress in an increasingly competitive environment.

We are completely shattered and totally dismayed that the Company we purchased to provide our security is about to be destroyed by the same Australian Government that sold these shares to us. We recognise that different people are now in control of our Government but do not accept that a change of party gives those in control authority to act in such a reprehensible fashion. This Government came to power with broad support for new and fresh ideas. No more! The actions proposed for Telstra represent bullying and blackmail that we had not believed would ever be proposed by a responsible government.

We do not believe that the Government sought a mandate to dismember one of Australia's premier companies in this fashion nor did they seek a mandate to appropriate property with unethical legislation. We do not believe that structural separation represents a win-win for Telstra shareholders. It is insulting to suggest such outcome is possible. Any informed onlookers know full well that structural separation will destroy value for Telstra shareholders. The proposed sanctions against Telstra to prevent access to new band widths is obviously an attempt to blackmail the Company into submission.

The Federal Government of the day strongly recommended that Australians purchase Telstra shares. The Government was rewarded for those shares with the savings of millions of shareholders who participated. To now attempt to steal back the assets sold by the Government represents action unheard of in truly democratic societies throughout the world. Telstra was sold to us and millions of other shareholders as a company that was an integrated wholesale/retail telecommunications company owning a hybrid coaxial cable infrastructure and 50% share in Foxtel. To now suggest that these assets must be separated without substantial compensation and with a threat of being starved of resources is an outrageous abuse of power.

We are extremely disappointed by this unprincipled proposed legislation and we urge all responsible senators to make it clear to the Government its behaviour is not acceptable. Behaviour that implies a heightening of sovereign risk that will not only be of little benefit to taxpayers but also warn overseas investors that they must be careful in accepting any assurances from an Australian Government that will change the rules about ownership after it has sold its interest. We believe that all small retail shareholders who find themselves in a similar position to ourselves, will protest in every way possible until the Government relents and treats Telstra in the same way as all other Australian Companies.

The Government and the Senate must be aware that the intent of this legislation is to damage Telstra to ensure the viability of a National Broadband Network and hence enhance the position of Telstra's competitors. Competitors who are primarily owned by non Australian interests. Such action will clearly damage Telstra and hence damage existing shareholders. Shareholders who are overwhelmingly Australian based. The beneficiaries are those offshore investors who will be assisted by the government's legislation. How can the Government insist it is acting in the best interests of

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Australian investors?

We urge Senators to reject this biased and harsh legislation born out of misplaced ideology.

Yours faithfully,  
David & Pamela Lidbetter