

The Telstra Management,

Dear Sirs,

I was not entirely persuaded by your letter of 29 September. My wife and I bought in each of the three tranches, convinced by Government assurances that the investment would be entirely secure. Now a later administration threatens to deprive us of our income prospects by legislative surgery on the very structure of the company we own.

You say you will take decisions in what you conceive to be the best interests of the shareholders and keep us informed, but that is not good enough. You will make judgments from the vantage point of people on generous salaries and with substantial pension entitlements, and you may well be supported by the managers of your major fund investors whose future is similarly protected. I doubt you know much about the precarious existence of your smaller shareholders who must rely on investment income to sweeten their remaining days.

By all means proceed with your negotiations but make clear you are not authorised by the company's owners to conclude any agreement until the detail has been approved by a majority vote at a specially convened meeting. I would go further in insisting that the vote should be by individual shareholders and that block votes by fund managers purporting to speak for their members be disallowed.

There are sufficient Telstra shareholders to threaten the Government's tenure at the next election should the Government proceed with confiscation by legislation. We also have some big guns on our side if we have the courage to deploy them.

Yours sincerely,

Brian Havard