

The Senate should not pass the Government's Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill 2009 without amendment allowing for fair compensation to be paid by the Government to Telstra for the expropriation of Telstra's assets to implement the National Broadband initiative.

My wife and I derive half our income from investments that allow us to be self-funded retirees and not a drain on the national purse. Like thousands of other Australians we are Telstra shareholders. We decided to purchase Telstra shares because the company was regarded as a safe investment, paying reliable dividends and it was "sold" to us by the Australian Government of the day.

When selecting Telstra as an investment we appreciated that we were in effect paying twice for the assets that formed the value of the company. As taxpayers we had, over our lifetime, already contributed to the costs of the construction of the telecommunications infrastructure and all that ended up being folded into Telstra.

Despite reservations about the general principle of privatisation of Public Assets we accepted that private sector management of the company would probably be more efficient and this has clearly proved to be the case.

As they sold off Telstra, successive Governments, after extensive public debate established the rules under which Telstra and the telecommunications industry now operate. On this basis, we, like others, purchased our Telstra shares.

Over the years we have followed the telecommunications competition debate and have some sympathy for the view that Telstra has made full use of its market power under the system Government mandated. While the ongoing public interest may not have been best served by the arrangement put in place by Government, successive Governments sold Telstra to the public on that basis. The Government of the day received a full value each time they sold shares (the subsequent lower share price is clear evidence of this).

The Government has now determined that the arrangements put in place by previous Governments are not in the public interest and the solution is to force Telstra to effectively split itself into two. While Government presents this as a free choice for Telstra, no one could be silly enough not to see that they are proposing to expropriate Telstra assets without the need to pay fair compensation, as required by the Constitution.

We can understand why Government is seeking to correct policy failures of earlier Governments (both Liberal and Labour). We object, however, when such action results in us, and over a million other "mum and dad" direct investors and millions of other indirect investors (through their superannuation accounts) paying a third time for much of the Telstra asset base.

Outside of former Eastern Block and other dictatorships, few Governments have sought to punish their "little people" in such a way. The possibility of an Australian Government going down such a road was recognised by our founding fathers when

they included in the Australian Constitution section 51 (xxxix). No doubt Government lawyers feel they have found a way around the constitution but they would be foolish to think that the people of Australia would be fooled by such cynical and dishonorable behavior.

John Hines