

We have multiple concerns over the Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill 2009, especially Schedule 1, part 1, Division 2 – Structural separation of Telstra. The options given to Telstra are simply – if Telstra doesn't cut off both arms, the Government is going to take off both legs. Either way it is going to be a painful death.

We understand that Rudd's idea is to induce free competition in the telecommunications market in Australia, but the way to do it is not by killing the biggest player in the market. It is like we don't encourage skilled migrants to Australia by placing unskilled Australians into a concentration camp.

If Telstra was 100% government owned operation, I wouldn't give a fig about the fact that this bill will kill Telstra from left to right and centre. For God's sake, Telstra is a public listed company with 1.4 million shareholders with a lot of long term shareholders like us who bought T1 and T2 first public offer and have never sold a share. In retrospect, the T1 and T2 prospectuses are fraudulent, misleading and disgraceful.

The whole schedule 1 is not only unfair to Telstra but also hurts its shareholders both financially and emotionally. I have read recently in the financial press that the structural separation of Telstra's business will cost Telstra 2.8 billion dollars. We understand that the government's dominant purpose of separating the wholesale and retail operation is to facilitate its broadband ambitions. Telstra has offered to install broadband itself with or without the government interference, however, the government denied Telstra the opportunity on multiple occasions. It is mine and lots of shareholder's point of view if the government wants to destroy Telstra, they should compensate the suffering shareholders.

I don't see the necessity to introduce this legislation at all. The government can encourage competition in the telecommunication section by giving fiscal, financial and taxation preference to new players interested in investments in Australian broadband. Even if at all, Telstra's current infrastructure should be dealt with by strategic partnership and negotiation between willing participants in the market and not by legislation. Free market cannot be created by legislation of this kind. In fact, action of this nature is far more likely to achieve the reverse.

We urge the Senate to reject this draconian legislation on the grounds that it is unnecessary, unwarranted, oppressive and indefensible. It constitutes intimidation of the Corporation, the Board and through them, each and every one of the 1.4 million shareholders. It is grossly unfair. Looked at from any point of view, it is commercial blackmail and morally and ethically disgraceful.