



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

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Media Release

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Government makes \$57.5 billion from Telstra and gives back \$1 billion for phone services in the Bush That's just 1.76% of the Government take!!

Independent Member for New England, Tony Windsor can't believe that the Minister for Communications, Senator The Hon Helen Coonan has boasted that the Federal Government has spent \$1 billion on phone services in the bush from 1997 to 2004.

"I can't believe that Minister Coonan can boast that the Federal Government has spent just over \$1 billion on services in the bush over the last 8 years when the Government has actually received over \$57.5 billion in income from share dividends, the sale proceeds from the T1 and T2 floats and tax paid.

That is a miserable 1.76% that the Government has spent on fixing telecommunication services in country Australia – they have just kept milking the cash cow without reinvesting in upgrading services.

For the Minister to be out crowing about how committed the Government is to providing Australians who live in the "bush" with a high quality telecommunications service is a joke.

The Minister should be ashamed to admit that the Government have spent only 1.76% of what they have made out of Telstra back into telecommunication services in the country and to try to tell country people that we should be grateful for the \$1 billion is a reflection on how the Government continues to treat country people with contempt believing that they can pull the wool over our eyes," Mr Windsor said.

Mr Windsor is asking country people to see the real figures and not be hoodwinked by the Minister whose job it is to sell the rest of Telstra despite the vast majority of people not wanting it to happen.

"A billion dollars is a lot of money in anyone's language but when you see it as just 1.76% of what was made by the Government, and we still have major problems with telecommunication services in the country, then country people should be rightly offended that the Minister should attempt to make the rough end of the pineapple look like an armchair!

Future proofing telecommunication services in the country can only be achieved by the continuation of the majority shareholding by the Government and an appropriate reinvestment program far in excess of the trivial 1.76% or 12 cents per person per week given in the past 8 years.

Despite Minister Coonan's attempts to say the Government can legislate and regulate, a fully privatised Telstra will be in an all powerful position to tell the Government how and where it will operate and this will be in profitable major markets not unprofitable country markets," Mr Windsor said.

For further information contact Tony Windsor, Ph (02) 6761 3080 or 0427 66 8868

Total income received by Federal Government 1997 – 2004

	Total Dividend	% Owned	Govt \$ dividend	Tax Paid
1996-97	\$4.146 Billion	100%	\$4.146 B	\$0.948 B
1997-98	\$1.802 Billion	66.6%	\$1.200 B	\$1.723 B
1998-99	\$4.247 Billion	66.6%	\$2.828 B	\$1.967 B
1999-00	\$2.316 Billion	50.1%	\$1.160 B	\$1.725 B
2000-01	\$2.445 Billion	50.1%	\$1.225 B	\$2.180 B
2001-02	\$2.831 Billion	50.1%	\$1.418 B	\$1.833 B
2002-03	\$2.474 Billion	50.1%	\$1.239 B	\$1.558 B
2003-04	\$3.186 Billion	51.0%	\$1.625 B	\$1.697 B
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			\$13.741 Billion	\$13.631 Billion
Sale of T1 in 1997			\$14.24 Billion	
Sale of T2 in 1999			\$16.04 Billion	

Total income sales, dividends & tax 1997-2005 \$57.652 Billion

LESS

Regional Telecommunications Program 1997-2005 \$ 1.016 Billion

or 1.76%

Nett income/proceeds to Government \$56.636 Billion