Australian Government

**Department of Communications,
Information Technology and the Arts**

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our reference

to: Manager, Company Announcements Office, ASX	from: Brenton Thomas, GM, Enterprise and Infrastructure
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number of pages: 5	date: November 16, 2004

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Dear Sir or Madam

Telstra Share Buyback - Notice of Change of Interests of Substantial Holder

In accordance with section 671B of the *Corporations Act 2001*, I attached a notification for the market indicating movement in the Commonwealth of Australia's shareholding in Telstra.

If you have any questions, please contact Mr Paul Mooney on 02 6271 1842.

Yours sincerely

Brenton Thomas
General Manager
Enterprise and Infrastructure
16 November 2004

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Department of Communications, Information Technology and the Arts

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The Manager
Company Announcements Office
Australian Stock Exchange
4th Floor
20 Bridge Street
SYDNEY NSW 2000

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Form 604

Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme: TELSTRA CORPORATION LIMITED ("**Telstra**")

ACN/ARSN: 051 775 556

1. Details of substantial holder (1)

Name: The Crown in right of the Commonwealth of Australia ("**Commonwealth** ")

ACN/ARSN (if applicable): N/A

There was a change in the interests of the substantial holder on: 15 / 11 / 2004

The previous notice was given to the company on: N/A

The previous notice was dated: N/A

The provisions of the Corporations Act requiring the lodgement of substantial shareholder notices did not apply to the Commonwealth until 13 March 2000. On that basis, the Commonwealth has not previously lodged a substantial shareholder notice in respect of its interest in Telstra. There has been no movement in the Commonwealth's holding in Telstra of greater than 1% between October 1999 (when the Commonwealth disposed of 16.6% of its interest in Telstra as part of the second tranche of the sale by the Commonwealth of its shares in Telstra ("**T2**")) and 15 November 2004, when the change described in this notice occurred.

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
ORD	6,446,207,123	50.1%	6,446,207,123	51.8%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
15/11/04	Commonwealth	Telstra bought back 1.85% of its share capital in a share buy-back conducted in 2003 and a further 1.47% in 2004. The Commonwealth did not participate in either buy-back and as a consequence the Commonwealth's post T2 holding of 50.1% has now increased to 51.8% (there was a 0.95% increase after the 2003 buy-back and a 0.75% increase after the 2004 buy-back)	N/A.	Ordinary Shares Shares bought back in 2003 being, 238,241,174 and shares bought back in 2004 being 185,284,289.	N/A

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Commonwealth	Commonwealth	Commonwealth	Legal and beneficial owner of shares	6,446,207,123 Ordinary Shares	6,446,207,123

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Commonwealth	C/- Department of Communications, Information Technology and the Arts (DCITA) 38 Sydney Avenue, Forrest ACT 2603 (GPO Box 2154, Canberra ACT 2600)

Signature

print name Brenton Thomas

capacity: General Manager, Enterprise & Infrastructure, DCITA, for and on behalf of the Minister for Communications, Information Technology and the Arts

sign here BThomas date 16/11/04

DIRECTIONS

(1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.

(2) See the definition of "associate" in section 9 of the Corporations Act 2001.

(3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.

(4) The voting shares of a company constitute one class unless divided into separate classes.

(5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.

(6) Include details of:

(a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and

(b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

(7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

(8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".

(9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice