

Notes to the Financial Statements (continued)

5. Segment information

Operating segments

We report our segment information on the same basis as our internal management reporting structure, which drives how our company is organised and managed.

During the year ended 30 June 2012, the following changes were made to our operating segments:

- a new business unit "Telstra Customer Sales and Service" (TCS&S) was created, headed by the Chief Customer Officer. It consolidates the results of all domestic retail business units, i.e. Telstra Business (TB), Telstra Consumer and Country Wide (TC&CW) and Telstra Enterprise and Government (TE&G), which all continue to be disclosed as separate reportable segments. The Chief Customer Officer has also assumed the responsibility for our New Zealand retail unit, TelstraClear (TClear) which also continues to be disclosed as a separate reportable segment. The TCS&S head office function (excluding the domestic retail business units and TClear results) has been included in the "All Other" category;
- a new business unit "Telstra Applications and Ventures Group" (TAVG) was created to invest and partner with other companies and government agencies at the forefront of innovation to provide a new range of digital services for business and consumers, including in health and education. TAVG has been included in the "All Other" category;
- Telstra's media businesses have been consolidated into a single division, "Telstra Media Group" (TMG) and reported as a separate segment. The new division is responsible for managing Telstra's end-to-end media capabilities including Sensis[®], BigPond[®], Trading Post[®], IPTV, FOXTEL and other content arrangements. TMG includes Sensis which was reported as a separate segment in fiscal 2011. It also includes Telstra Digital Media (new business unit), Telstra Cable and Media Applications and Experience (both previously reported in "All Other" category) and FOXTEL (reported in the prior year as a reconciling item between the underlying EBITDA contribution and profit before tax);
- Telstra International changed its name to Telstra International Group (TIG);
- the financial results of the Reach operations acquired in fiscal 2011 and previously reported as a reconciling item to underlying results, are now included in the Telstra International Group (TIG) reportable segment; and
- SouFun's financial results, previously included in the "All Other" category, are now excluded from underlying results (following its disposal in fiscal 2011).

Segment results are reported according to the internal management reporting structure at the reporting date. Segment comparatives are restated (with the exception of Reach transactions as disclosed in footnote (a) in the segment results table) to reflect the changes described above as well as any organisational changes which have occurred since the prior reporting period to present a like-for-like view.

The Telstra Group for fiscal 2012 is organised into the following operating segments for internal management reporting purposes:

Telstra Consumer and Country Wide (TC&CW) is responsible for providing the full range of telecommunication products, services and solutions (across Mobiles, Fixed and Mobile Broadband, Telephony and Pay TV) to consumer customers in metropolitan, regional, rural and remote areas of Australia. This is achieved through inbound and outbound call centres, Telstra Shops (owned and licensed), Telstra Dealers and Telstra Digital. Telstra Digital is responsible for delivering self service capabilities for all Telstra customers, across all phases of the customer experience from browsing to buying and bill and service requests.

Telstra Business (TB) is responsible for providing Australia's small to medium enterprises with a full range of telecommunications products, services and solutions, including the latest in cloud computing.

Telstra Enterprise and Government (TE&G) is responsible for the provision of network services and applications and integrated voice, data and mobile solutions via Telstra Next Generation Services[®] to enterprise and government customers.

Telstra Operations (TOPs) is responsible for:

- overall planning, design, engineering and architecture of Telstra networks, technology and information technology;
- construction of infrastructure for our Company's fixed, mobile, Internet protocol (IP) and data networks;
- delivery of customer services across these networks;
- operation, assurance and maintenance, including activation and restoration of these networks;
- supply and delivery of information technology solutions to support our products, services, customer support functions and our internal needs; and
- delivery of network-centric professional services, managed services and outsourcing services for Telstra customers.

Telstra Wholesale (TW) is responsible for the provision of a wide range of telecommunication products and services delivered over Telstra networks and associated support systems to non-Telstra branded carriers, carriage service providers and internet service providers as well as NBN Co Limited.