

Notes to the Financial Statements (continued)

29. Related party disclosures (continued)

Transactions involving our controlled entities (continued)

(d) The Telstra Entity and its Australian controlled entities have formed a tax consolidated group, with a tax funding arrangement currently in place. The amounts receivable or amounts payable to the Telstra Entity under this arrangement are due in the next financial year upon final settlement of the current tax payable for the tax consolidated group. Refer to note 9 for further details.

(e) The Telstra Entity operates a current account with some of its Australian controlled entities, being an internal group bank account used to settle transactions with its controlled entities or between two controlled entities. Cash deposit balances in the current account owed to our controlled entities are recorded as loans. All loan balances with our controlled entities are unsecured, with settlement required in cash. As at 30 June 2012, \$3,181 million (2011: \$2,978 million) related to loans owed by, and \$1,258 million (2011: \$1,832 million) related to, loans payable to controlled entities. We also have an allowance for amounts owed by controlled entities of \$2,948 million (2011: \$2,773 million) as at 30 June 2012.

(f) At 30 June 2012, \$150 million (2011: \$169 million) related to a loan provided to Telstra OnAir Holdings Pty Ltd (a partner in the 3GIS Partnership). Telstra and Vodafone Hutchison Australia will conclude their joint venture agreement for the 3GIS network on 31 August 2012. Refer to note 26 for further details. This loan has been provided to ensure committed deferred consideration payments and funding calls from the 3GIS Partnership can be met. The loan is an interest free loan.

(g) At 30 June 2012, \$1 million (2011: nil) related to a loan provided to Life Events Media Pty Limited. The loan is interest bearing and matures in March 2014.

(h) At 30 June 2012, Telstra Entity received a \$234 million (2011: nil) loan from TelstraClear Limited. The loan is interest bearing and repayable in June 2013. The loan will be extinguished via a pre completion dividend upon the sale of TelstraClear.

Transactions involving our jointly controlled and associated entities

Interests in our jointly controlled and associated entities are set out in note 26. Our transactions with our jointly controlled and associated entities recorded in the income statement and statement of financial position are as follows:

	Telstra Group	
	Year ended/As at 30 June	
	2012	2011
	\$m	\$m
Income from jointly controlled and associated entities:		
Sale of goods and services (a)	139	197
Distribution from FOXTEL Partnership (b)	108	70
Interest on loans to jointly controlled and associated entities (c)	12	-
Expenses to jointly controlled and associated entities:		
Purchase of goods and services (a)	892	884
Total amounts receivable at 30 June from:		
Current		
Jointly controlled and associated entities - trade receivables (a)	4	4
Jointly controlled and associated entities - loans (c)	33	35
	37	39
Non current		
Jointly controlled and associated entities - loans (c)	448	5
Allowance for amounts owed by jointly controlled and associated entities (c)	(5)	(5)
	443	-
Movement in allowance for amounts owed by jointly controlled and associated entities:		
Opening balance	(5)	(182)
Amounts reversed	-	147
Foreign currency exchange differences	-	30
Closing balance	(5)	(5)
Total amounts payable at 30 June to:		
Current		
Jointly controlled and associated entities - payables (a)	31	13