

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

7. EXPENSES

		Telstra Group	
		Year ended 30 June	
		2014	Restated 2013
	Note	\$m	\$m
Continuing operations			
Labour			
Included in our labour expenses are the following:			
Employee redundancy		251	189
Share-based payments		45	47
Defined benefit plan expense	24	306	305
Cost of goods sold		2,906	2,881
Other expenses			
Impairment losses			
- impairment in value of inventories		30	29
- impairment in value of trade and other receivables		220	230
- impairment in value of property, plant and equipment	13	15	15
- impairment in value of intangibles (a)	14	1	5
- impairment in value of goodwill (a)	14	12	-
- impairment in value of TelstraClear net assets (b)	12	-	28
- impairment in value of amounts owed by joint ventures		-	16
- impairment in investments		2	-
		280	323
Reversal of impairment losses			
- reversal of impairment in value of trade and other receivables	10	(20)	(39)
		(20)	(39)
Net loss on disposal of TelstraClear	20	-	127
Rental expense on operating leases		632	583
Net foreign currency translation losses (c)		111	-
Service contracts and other agreements		1,468	1,367
Promotion and advertising		346	279
General and administration		977	951
Other operating expenses		194	242
Other expenses		3,988	3,833
Depreciation of property, plant and equipment	13	2,896	3,066
Amortisation of intangible assets		1,054	1,012
		3,950	4,078
Finance costs			
Interest on borrowings	17(e)	961	1,017
Net interest on defined benefit plan	24	10	24
Unwinding of discount on liabilities recognised at present value		14	18
Loss on fair value hedges - effective (d)		128	95
Gain on cash flow hedges - ineffective		(11)	-
Loss on transactions not in a designated hedge relationship/de-designated from fair value hedge relationships (e)		64	89
Other		5	5
		1,171	1,248
Less: interest on borrowings capitalised (f)		(58)	(96)
		1,113	1,152
Research and development expenses		4	2
Total expenses from discontinued operation	12	720	985