

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

9. INCOME TAXES

Telstra Group		
As at 30 June		
	2014	Restated 2013
	\$m	\$m
Major components of income tax expense		
Current tax expense.....	1,799	1,588
Deferred tax resulting from the origination and reversal of temporary differences	(90)	(4)
Under provision of tax in prior years.....	6	1
	1,715	1,585
Notional income tax expense on profit differs from actual income tax expense recorded as follows:		
(Loss)/profit before income tax expense from discontinued operation	(168)	219
Profit before income tax expense from continuing operations.....	6,228	5,157
Profit before tax	6,060	5,376
Notional income tax expense calculated at the Australian tax rate of 30%.....	1,818	1,613
Which is adjusted by the tax effect of:		
Different rates of tax on overseas income	(44)	(24)
Non assessable and non deductible items (a)	(56)	(2)
Amended assessments	(9)	(3)
Under provision of tax in prior years.....	6	1
Income tax expense on profit.....	1,715	1,585
Comprising:		
Tax expense from continuing operations	1,679	1,517
Tax expense from discontinued operation	36	68
Income tax (benefit)/expense recognised directly in other comprehensive income or equity during the year	(16)	196
Telstra Group		
As at 30 June		
	2014	Restated 2013
	\$m	\$m
(Deferred tax liability)/deferred tax asset		
Deferred tax items recognised in the income statement (including impact of foreign exchange movements in deferred tax items recognised in the income statement)		
Property, plant and equipment.....	(1,110)	(1,199)
Intangible assets	(881)	(883)
Borrowings and derivative financial instruments.....	(14)	(22)
Provision for employee entitlements	307	297
Revenue received in advance.....	103	139
Provision for workers' compensation.....	19	18
Allowance for doubtful debts.....	34	48
Defined benefit asset/liability (b)	105	97
Trade and other payables	95	153
Other provisions	28	31
Income tax losses	1	2
Other	13	(11)
	(1,300)	(1,330)
Deferred tax items recognised in other comprehensive income or equity (c)		
Defined benefit asset/liability (b)	(120)	(86)
Derivative financial instruments	141	91
	21	5
Net deferred tax liability	(1,279)	(1,325)
Our net deferred tax liability is split as follows:		
Deferred tax assets recognised in the statement of financial position	7	5
Deferred tax liabilities recognised in the statement of financial position	(1,286)	(1,330)
	(1,279)	(1,325)