

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

16. PROVISIONS

| | Telstra Group | |
|---------------------------------|---------------|------------|
| | As at 30 June | |
| | 2014 | 2013 |
| | \$m | \$m |
| Current | | |
| Employee benefits (a) | 838 | 853 |
| Workers' compensation (b) | 22 | 23 |
| Redundancy (b) | 40 | 6 |
| Other (b) | 32 | 36 |
| | 932 | 918 |
| Non current | | |
| Employee benefits (a) | 135 | 131 |
| Workers' compensation (b) | 121 | 126 |
| Other (b) | 5 | 19 |
| | 261 | 276 |

(a) Aggregate employee benefits

| | Telstra Group | |
|---|---------------|--------------|
| | As at 30 June | |
| | 2014 | 2013 |
| | \$m | \$m |
| Current provision for employee benefits | 838 | 853 |
| Non current provision for employee benefits | 135 | 131 |
| Current provision for redundancy | 40 | 6 |
| Accrued labour and on-costs (*) | 440 | 555 |
| | 1,453 | 1,545 |

(*) Accrued labour and related on-costs are included within our current trade and other payables (note 15).

Provision for employee benefits consist of amounts for annual leave and long service leave accrued by employees. For long service leave these amounts cover all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances.

The amounts are presented as current, since we do not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, we do not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts have been determined in accordance with an actuarial assessment and reflect leave that is not expected to be taken or paid within the next 12 months:

| | Telstra Group | |
|--|---------------|------|
| | As at 30 June | |
| | 2014 | 2013 |
| | \$m | \$m |
| Leave obligations expected to be settled after 12 months | 521 | 507 |

Employee benefits are measured at their present value. Refer to note 2.14 for further details. The following assumptions were adopted in measuring this amount.

| | Telstra Group | |
|--|---------------|------|
| | As at 30 June | |
| | 2014 | 2013 |
| Weighted average projected increase in salaries, wages and associated on-costs | 4.8% | 4.7% |
| Discount rates | 3.7% | 4.2% |