

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

16. PROVISIONS (CONTINUED)

(b) Movement in provisions, other than employee benefits

	Telstra Group	
	Year ended 30 June	
	2014	2013
	\$m	\$m
Workers' compensation (i)		
Opening balance	149	155
- additional provisions	8	16
- amount used	(22)	(22)
- unwinding of discount on liabilities recognised at present value	5	5
- effect of any change in the discount rate	3	(5)
Closing balance	143	149
Redundancy (ii)		
Opening balance	6	6
- additional provisions	42	6
- reversal of amounts unused	(1)	-
- amount used	(7)	(6)
Closing balance	40	6
Other (iii)		
Opening balance	55	79
- additional provisions	22	32
- amount used	(30)	(54)
- unwinding of discount on liabilities recognised at present value	-	1
- reversal of amounts unused	(1)	(4)
- foreign currency exchange differences	-	1
- disposal of controlled entities	(9)	-
Closing balance	37	55

(i) Workers' compensation

We self insure for our workers' compensation liabilities. We provide for our obligations through an assessment of accidents and estimated claims incurred. The provision is based on a semi-annual actuarial review of our workers' compensation liability. Actual compensation paid may vary where accidents and claims incurred vary from those estimated. The average time for which these payments are expected to be made is eight years (2013: eight years).

Certain controlled entities do not self insure but pay annual premiums to third party insurance companies for their workers' compensation.

(ii) Redundancy

A provision exists only for those redundancy costs for which a detailed formal plan has been approved and we have raised a valid expectation in those affected that the plan will be carried out. Only those costs that are not associated with the ongoing activities of the Company have been included. The costs included in the redundancy provision are based on current estimates of the likely amounts to be incurred and include an estimate of the termination benefits that affected employees will be entitled to. The execution of these detailed formal plans, for which the redundancy provision has been raised, is expected to be completed during financial year 2015.

(iii) Other

Other provisions include provision for lease incentives, provision for committed capital expenditure, provision for reinstatement costs, and other provisions.