

# NOTES TO THE FINANCIAL STATEMENTS

(Continued)

## 22. EXPENDITURE COMMITMENTS

	Telstra Group	
	As at 30 June	
	2014 \$m	2013 \$m
<b>Capital expenditure commitments</b>		
Total capital expenditure commitments contracted for at balance date but not recorded in the financial statements:		
<b>Property, plant and equipment commitments (a)</b> .....	880	1,272
<b>Intangible assets commitments (b)</b> .....	1,350	1,524
<b>Operating lease commitments</b>		
Future lease payments for non-cancellable operating leases not recorded in the financial statements:		
Within 1 year .....	476	502
Within 1 to 5 years .....	1,273	1,301
After 5 years .....	1,029	1,175
	<b>2,778</b>	<b>2,978</b>

(a) This includes the Telstra Entity capital expenditure commitments of \$847 million (2013: \$1,222 million). Refer to note 30 for further details.

(b) This includes commitments of \$1,302 million (2013: \$1,302 million) for the 700MHz and 2.5GHz spectrum licences won at auction, with the payments due in financial year 2015.

### Description of our operating leases

We have operating leases for the following types of assets:

- rental of land and buildings
- rental of motor vehicles, caravan huts and trailers, mechanical aids and heavy excavation equipment
- rental of personal computers, laptops, printers and other related equipment that are used in non communications plant activities.

The weighted average lease term is:

- 16 years for land and buildings
- 2 years for motor vehicles, 4 to 5 years for light commercial vehicles, and 7 to 12 years for trucks and mechanical aids and heavy excavation equipment
- 3 years for personal computers and related equipment.

The majority of our operating leases relate to land and buildings. We have several subleases with total minimum lease payments of \$39 million (2013: \$15 million) for the Telstra Group. Our property operating leases generally contain escalation clauses, which are fixed increases generally between 3 and 5 per cent, or increases subject to the consumer price index or market rate. We do not have any significant purchase options.