

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

29. RELATED PARTY DISCLOSURES (CONTINUED)

Transactions involving our joint ventures and associated entities (continued)

(g) We sold and purchased goods and services, and received interest from our joint ventures and associated entities. These transactions were in the ordinary course of business and on normal commercial terms and conditions.

Details of our individually significant transactions involving our joint ventures and associated entities during financial year 2014 are as follows:

- we purchased pay television services amounting to \$668 million (2013: \$655 million) from our joint venture Foxtel. The purchases were to enable the resale of Foxtel services, including pay television content, to our existing customers as part of our ongoing product bundling initiatives. In addition, we made sales to Foxtel for our cost recoveries of \$119 million (2013: \$119 million)
- we made purchases of \$23 million (2013: \$27 million) from our joint venture Reach Ltd (Reach) in line with market prices. These were for the purchase of, and entitlement to, capacity and connectivity services.

(h) A \$165 million (2013: \$155 million) distribution was received from our joint venture Foxtel during the year.

(i) Loans provided to joint ventures and associated entities relate to loans provided to Reach of \$6 million (2013: \$6 million) and Foxtel Management Pty Ltd of \$451 million (2013: \$451 million).

The loan provided to Reach is an interest free loan and repayable upon the giving of 12 months' notice by both PCCW Limited and us. We have fully provided for the non-recoverability of the loan as we do not consider that Reach is in a position to be able to repay the loan amount in the medium term.

In April 2012, Telstra Corporation Limited provided a loan to Foxtel Management Pty Ltd to fund the acquisition of shares in AUSTAR. The loan is interest bearing and it has a minimum term of just over 10 years and a maximum of 15 years.

Commitments to and from our joint ventures and associated entities

Our purchase commitments to Project Sunshine I Pty Ltd, primarily for advertising services, amount to \$69 million.

Project Sunshine I Pty Ltd commitments to Telstra, mainly for telecommunication services and property subleases amount to \$95 million.

Transactions involving other related entities

Post employment benefits

As at 30 June 2014, the Telstra Superannuation Scheme (Telstra Super) owned 38,774,394 shares in Telstra Corporation Limited (2013: 40,152,463) at a cost of \$135 million (2013: \$136 million) and a market value of \$202 million (2013: \$192 million). All of these shares were fully paid at 30 June 2014. In financial year 2013, we paid dividends to Telstra Super of \$11 million (2013: \$10 million). We own 100 per cent of the equity of Telstra Super Pty Ltd, the trustee of Telstra Super.

Telstra Super also holds bonds issued by Telstra Corporation Limited. These bonds had a cost of \$16 million (2013: \$6 million) and a market value of \$16 million (2013: \$6 million) at 30 June 2014.

All purchases and sales of Telstra shares and bonds by Telstra Super are determined by the trustee and/or its investment managers on behalf of the members of Telstra Super.

Key management personnel (KMP)

Refer to note 28 for further details on our KMP's remuneration and their other related parties transactions.