Occupational Health and Safety

Occupational Health and Safety (Commonwealth Employment) Act 1991 (Cwth)

This report is provided in accordance with section 74 of the Australian Occupational Health and Safety (Commonwealth Employment) Act 1991 (Cwth) (OHS Act).

Together with other licensed authorities under the Safety, Rehabilitation and Compensation Act 1988 (SRC Act), we have initiated proposals for the rationalisation and simplification of excessive and ineffective regulation of our activities under the OHS Act and the SRC Act. It is our policy to promote a healthy workplace and to create and maintain a safe working environment. We have developed and implemented our own Telstra care health and safety management system to assist us in ensuring a safe working environment is available for our employees and contractors. A rigorous audit and inspection programme supports our Telstra care system.

This programme focuses on leadership in safety together with measurable accountabilities through all levels of management strategically designed to reinforce the value we place on our people and their safety. The Telstra Health and Safety Management System since its inception in 1997 has continued to contribute to Telstra becoming a safer place to work.

Our lost time injuries reduced by a further 40% down to 800 and our lost time injury frequency rate reduced from 12.9 to 9.

The following statistics of accidents and dangerous occurrences and of notices were recorded for the 2000 fiscal year in accordance with section 74 of the OHS Act.

Incidents

<table>
<thead>
<tr>
<th>Type</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatality</td>
<td>0</td>
</tr>
<tr>
<td>Serious personal injury</td>
<td>68</td>
</tr>
<tr>
<td>Prescribed incapacity</td>
<td>14</td>
</tr>
<tr>
<td>Dangerous occurrence</td>
<td>132</td>
</tr>
</tbody>
</table>

Notices and directions

<table>
<thead>
<tr>
<th>Type</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provisional improvement notices (section 29)</td>
<td>8</td>
</tr>
<tr>
<td>Directions not to disturb workplace (section 45)</td>
<td>0</td>
</tr>
<tr>
<td>Prohibition notices issued by investigators (section 46)</td>
<td>0</td>
</tr>
<tr>
<td>Improvement notices issued (section 47)</td>
<td>0</td>
</tr>
</tbody>
</table>
Occupational Health and Safety

Safety, Rehabilitation and Compensation Act 1998 (Cwth)

This report is provided in accordance with section 107U of the Australian Safety, Rehabilitation and Compensation Act 1988 (Cwth) (SRC Act). As a self insurer, Telstra is licensed under the SRC Act to contract out the administration of its workers’ compensation claims to the private sector.

The Telstra return to work and claims management systems place emphasis on early intervention, speedy claims processing and ongoing monitoring of each incident that has resulted in injury. Central to the effective operation of these systems are managers and staff members who work together to create and maintain a safe workplace. The efficiency of these systems has resulted in some cost savings.
Freedom of Information Act 1982 (Cwth)

Freedom of Information Act 1982
This statement is made in accordance with Section 8 of the Australian Freedom of Information Act. The Freedom of Information Act 1982 gives a right of access, subject to exemptions and exceptions, to information held in documentary form by the Telstra Entity.

Functions
The particulars and functions of the Telstra Entity are set out in detail in this report. From time to time the Telstra Entity may make decisions regarding the supply of telecommunications services and matters incidental, ancillary or complementary to the supply of telecommunications services that may affect members of the public.

Organisation
An outline of Telstra's organisation is given under Item 1 – Description of Business.

Consultative arrangements
Consultative arrangements exist between Telstra, a number of user groups for specific products, as well as a wide range of groups including:

- Telstra's Consumer Consultative Council (residential customers);
- Telstra's Small Enterprise Consultative Council (small business customers);
- National Farmers Federation (rural and regional customers);
- Australian Communications Industry Forum (carriers, service providers and community groups);
- Telecommunications Access Forum (carriers and service providers); and
- Australian Telecommunications Users Group (business and general).

Categories of documents
Documents are maintained under the following general categories:

- documents available to the public free of charge, including the whole or part of, or a summary of, the material terms and conditions of Telstra's Standard Form of Agreement with customers insofar as it relates to a customer’s commercial relationship with Telstra, A Guide to Telstra's Services, product and service brochures and Telstra's Annual Report.
- tariffs and charges;
- customer services and products;
- network planning;
- installation and performance;
- legislative and regulatory contracts;
- tenders;
- agreements;
- financial management; and
- administrative.

Access to certain classes of documents is available to the public via Telstra's Internet site:

Telstra is exempt from the provisions of the Commonwealth Freedom of Information Act in relation to documents received or brought into existence in the course of, or for the purpose of, the carrying on of its commercial activities.
Freedom of Information Act 1982 (Cwth)

Freedom of information requests

Initial enquiries concerning requests for access to documents or amendment of personal records under the Freedom of Information Act 1982, may be directed to:

Telstra's Freedom of Information Unit
Locked Bag 5691
Melbourne 8100

or:

Telstra Corporation Limited
242 Exhibition Street
Melbourne Vic 3000

Telephone enquiries should be directed to the Freedom of Information Co-ordinator on (03) 9632 3376.
Glossary

ACA: Australian Communications Authority
ACC: Australian Competition and Consumer Commission
Access line: a fixed or wireless local access connection between a customer's premises and a carrier's local switch
ACIF: Australian Communications Industry Forum
ADSL (Asymmetric Digital Subscriber Line): a compression technology that allows combinations of services including voice, data and one-way, full motion video to be delivered over existing copper feeder, distribution and subscriber lines.
ATM (Asynchronous Transfer Mode): a high bandwidth, low delay technology for transmitting voice, data and video signals
Bandwidth: the capacity of a communication link
Broadband network: a network to support pay television and on-line services
CDMA (Code Division Multiple Access): a mobile telephone system based on digital transmission
CSP (carrier service provider): a person that supplies a telecommunications service to the public using Carrier network infrastructure
Carrier: a licensed owner of certain specified transmission infrastructure that is used to supply telecommunications carriage services to the public; any person holding a carrier licence
Churn (where expressed at a rate): the rate at which subscribers to a service disconnect from the service. Churn is usually expressed as total disconnects for a period divided by the average number of customers for that period
Churn (where expressed as an activity): the transfer of a customer’s telecommunications’ service from one supplier to another. In the case of a transfer involving a resale arrangement, no disconnection occurs and a churn relates to a change in the legal entity responsible for a telecommunications service or account
Communications Minister: the Commonwealth Minister for Communications, Information Technology and the Arts
Commonwealth: Commonwealth of Australia
CSG: Customer service guarantee
DMO (Data Mode of Operation): refers to our programme to consolidate multiple data and internet based networks into a single network so that we may meet the forecast customer driven growth in data and internet products at reduced cost
Declared Services: a particular telecommunications service, or other service that facilitates the supply of services, that is subject to the regulated access regime. The ACCC has the responsibility for determining declared services, based on public inquiries or the recommendation of the ACAF
e-commerce: e-commerce includes buying and selling electronically over a network
ETSI: European Telecommunications Standards Institute. A body that sets European standards for telecommunications services
Frame relay: a packet switching technology for voice, data and video signals which uses packets of varying length, or frames. Frame relay can be used with any data protocol
Glossary

**Government:** the Government of the Commonwealth of Australia

**GSM (Global System for Mobile Communications):** a mobile telephone system based on digital transmission

**GRPS (General Packet Radio Service):** a service that will allow new mobile phones and data devices to access internet and other data networks on a packet basis. The devices can remain connected to the net and send or receive data information, email at any time.

**ISP (Internet Service Providers):** an Internet service provider provides the link between an end user and the internet, usually by means of a dial-up service. An ISP is also likely to provide help desk, web hosting and e-mail services to the end user. An ISP may connect to the Internet via their own backbone or via services acquired from an Internet access provider

**Intranet:** a private network which uses internet software and standards

**ISDN (Integrated Services Digital Network):** a digital service providing switched and dedicated integrated access to voice, data and video

**LAN:** local area network - a short distance data communications network used to link computers and other equipment

**Local Exchange:** provides the point of connection for access lines to the telecommunications network and switches originating and terminating traffic to these access lines (customers)

**Number portability:** the ability of end users to keep their telephone number when they change their telephone service provider

**NGT (New Generation Telephony):** part of our DMO technology that will allow bundled voice and data services to be delivered over any broadband access such as ADSL or cable

**PABX (Private Automatic Branch Exchange) and PBX (Private Branch Exchange):** telephone equipment on a customer’s premises seen as terminal equipment on the public network

**Preselection:** the ability of a customer to choose a service provider. Preselection is on a “permanent” basis when the customer selects a provider for all calls placed without an override code

**PSTN (Public Switched Telephone Network):** our national fixed network delivering basic and enhanced telephone service

**Reseller:** non-carrier providers of telecommunications services

**SMS:** short messaging service

**Telstra:** Telstra Corporation Limited and its controlled entities as a whole

**Telstra Entity:** Telstra Corporation Limited

**Telstra®:** a registered trade mark of the Telstra Entity

**Telstra Act:** the Telstra Corporation Act 1991 (Cth)

**TIO:** Telecommunications Industry Ombudsman

**TSLRIC:** total service long run incremental cost

**ULL (Unconditioned Local Loop):** One or more twisted copper pairs between the exchange and the network boundary at a customer’s premises

**US GAAP:** generally accepted accounting principles in the United States
Glossary

**USO (Universal Service Obligation):** obligation imposed on carriers to ensure that standard telecommunications services are reasonably available to all persons in the universal service area

**WAN:** wide area network

**Wireless Local Loops:** low power, multi-directional radio systems to supply access to customers

**xDSL:** term used to describe various forms of digital subscriber line technologies that can provide very high-speed service using existing copper lines
(This page has been left blank intentionally)
**Telstra Corporation Limited and controlled entities**

### Five Year Financial Summary

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales revenue</strong></td>
<td>18,609</td>
<td>17,571</td>
<td>16,703</td>
<td>15,430</td>
<td>14,716</td>
</tr>
<tr>
<td><strong>Operating revenue</strong></td>
<td>19,840</td>
<td>18,218</td>
<td>17,302</td>
<td>15,983</td>
<td>15,239</td>
</tr>
<tr>
<td><strong>EBITDA(1)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- before abnormals</td>
<td>9,135</td>
<td>8,351</td>
<td>7,375</td>
<td>6,597</td>
<td>6,021</td>
</tr>
<tr>
<td>- after abnormals</td>
<td>8,563</td>
<td>8,351</td>
<td>7,375</td>
<td>4,793</td>
<td>6,226</td>
</tr>
<tr>
<td><strong>EBIT(2)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- before abnormals</td>
<td>6,489</td>
<td>5,849</td>
<td>5,053</td>
<td>4,793</td>
<td>3,670</td>
</tr>
<tr>
<td>- after abnormals</td>
<td>5,917</td>
<td>5,849</td>
<td>5,053</td>
<td>2,406</td>
<td>3,875</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- before abnormals</td>
<td>5,921</td>
<td>5,320</td>
<td>4,468</td>
<td>3,805</td>
<td>3,242</td>
</tr>
<tr>
<td>- after abnormals</td>
<td>5,349</td>
<td>5,320</td>
<td>4,468</td>
<td>2,073</td>
<td>3,447</td>
</tr>
<tr>
<td><strong>Profit after tax &amp; minorities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- before abnormals</td>
<td>4,043</td>
<td>3,486</td>
<td>3,004</td>
<td>2,568</td>
<td>2,174</td>
</tr>
<tr>
<td>- after abnormals</td>
<td>3,677</td>
<td>3,486</td>
<td>3,004</td>
<td>1,617</td>
<td>2,305</td>
</tr>
<tr>
<td><strong>Dividend</strong></td>
<td>2,316</td>
<td>4,247</td>
<td>1,802</td>
<td>4,146</td>
<td>1,368</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>30,339</td>
<td>27,682</td>
<td>26,470</td>
<td>25,858</td>
<td>24,362</td>
</tr>
<tr>
<td><strong>Gross Debt</strong></td>
<td>9,821</td>
<td>7,211</td>
<td>7,772</td>
<td>7,981</td>
<td>5,143</td>
</tr>
<tr>
<td><strong>Net Debt</strong></td>
<td>8,531</td>
<td>5,769</td>
<td>6,458</td>
<td>7,036</td>
<td>3,739</td>
</tr>
<tr>
<td><strong>Shareholders’ equity</strong></td>
<td>11,602</td>
<td>10,294</td>
<td>11,079</td>
<td>9,938</td>
<td>12,686</td>
</tr>
<tr>
<td><strong>Operating cashflow</strong></td>
<td>6,547</td>
<td>6,574</td>
<td>5,635</td>
<td>5,254</td>
<td>4,478</td>
</tr>
<tr>
<td><strong>Cash used in investing</strong></td>
<td>(4,896)</td>
<td>(4,064)</td>
<td>(3,609)</td>
<td>(4,171)</td>
<td>(3,870)</td>
</tr>
<tr>
<td><strong>Cash used in financing</strong></td>
<td>(1,881)</td>
<td>(2,484)</td>
<td>(1,808)</td>
<td>(1,572)</td>
<td>(1,659)</td>
</tr>
<tr>
<td><strong>Net movement</strong></td>
<td>(230)</td>
<td>26</td>
<td>218</td>
<td>(489)</td>
<td>(1,051)</td>
</tr>
<tr>
<td><strong>Capital expenditure &amp; investments</strong></td>
<td>5,428</td>
<td>4,478</td>
<td>3,973</td>
<td>4,504</td>
<td>4,071</td>
</tr>
<tr>
<td><strong>Financial Ratios</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return on average assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- before abnormals</td>
<td>23.2</td>
<td>22.7</td>
<td>20.1</td>
<td>17.7</td>
<td>16.6</td>
</tr>
<tr>
<td>- after abnormals</td>
<td>21.2</td>
<td>22.7</td>
<td>20.1</td>
<td>10.1</td>
<td>17.5</td>
</tr>
<tr>
<td>Return on average equity(3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- before abnormals</td>
<td>37.0</td>
<td>29.9</td>
<td>28.7</td>
<td>20.1</td>
<td>17.9</td>
</tr>
<tr>
<td>- after abnormals</td>
<td>33.7</td>
<td>29.9</td>
<td>28.7</td>
<td>12.7</td>
<td>18.9</td>
</tr>
<tr>
<td>Interest cover (times)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- before abnormals</td>
<td>9.4</td>
<td>9.4</td>
<td>7.6</td>
<td>9.7</td>
<td>8.6</td>
</tr>
<tr>
<td>- after abnormals</td>
<td>8.5</td>
<td>9.4</td>
<td>7.6</td>
<td>5.5</td>
<td>9.0</td>
</tr>
<tr>
<td>Gross debt to capitalisation(3)(4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- before abnormals</td>
<td>45.8</td>
<td>36.9</td>
<td>41.1</td>
<td>44.5</td>
<td>28.9</td>
</tr>
<tr>
<td>- after abnormals</td>
<td>42.4</td>
<td>31.8</td>
<td>36.8</td>
<td>41.5</td>
<td>22.8</td>
</tr>
</tbody>
</table>

---

(1) Operating profit before interest received/receivable, interest expense (borrowing costs), depreciation and amortisation and income tax expense. EBITDA before abnormals is used as a measure of financial performance by excluding certain variables that affect operating profits but which may not directly relate to all financial aspects of the operations of the company. EBITDA before abnormals is not a measure of operating income, operating performance or liquidity under Australian GAAP or US GAAP. Other companies may calculate EBITDA in a different manner to us.

(2) EBITDA before abnormals less depreciation and amortisation.

(3) Excludes the effect of the special dividend of A$2,059 million provided for in the financial statements as at 30 June 1999.

(4) Based on gross debt (total current and non current borrowings) as a percentage of gross debt plus shareholders’ equity.

(5) Based on net debt (gross debt less interest bearing assets and loans to employees) as a percentage of net debt plus shareholders’ equity.
Financial Calendar 2001

Half-year result announced .................................................. Wednesday 7 March
Ex-dividend share trading starts ........................................ Thursday 19 March
Record date for interim dividend ........................................ Monday 23 March
Interim dividend paid .......................................................... Friday 27 April
Annual result announced ..................................................... Wednesday 29 August
Ex-dividend share trading starts ........................................ Thursday 17 September
Record date for final dividend ............................................. Monday 21 September
Final dividend paid .............................................................. Friday 26 October
Annual General Meeting ....................................................... Friday 16 November

Note: Timing of events can be subject to change

Contact details

Telstra Corporation Limited
Incorporated in the Australian Capital Territory
Telstra is listed on Stock Exchanges in Australia, New Zealand (Wellington), and USA (New York)

Registered Office
Level 41, 242 Exhibition Street
Melbourne Victoria 3000 Australia

Michael Montalto
Company Secretary
Ph: (03) 9634 6400

Principal Australian Offices
242 Exhibition Street
Melbourne Victoria 3000 Australia
231 Elizabeth Street Sydney
New South Wales 2000 Australia

Investor Relations Unit
Level 36, 242 Exhibition Street
Melbourne Victoria 3000 Australia
Wayne Treeby
General Manager

The Telstra Share Registrar
ASX Perpetual Registrars Limited
PO Box 14300 MELBOURNE CITY MC Victoria 8001
Australia: FREECALL™ 1800 06 06 08*
All other: (613) 9615 9999
Facsimile: (613) 9615 9911

Annual Report Hotline
To receive further copies of the Annual Review or copies of the detailed Annual Report, please call FREECALL™ 1800 06 06 08*

Website
This review and the Annual Report may also be found via Telstra’s Investor Relations home page at: http://www.telstra.com.au/investor/

Depositary for American Depositary Receipts and Interim American Depositary Receipts
The Bank of New York
Level 22, W 101 Barclay Street
New York, New York 10286
Ph: (212) 815 5838
Facsimile: (212) 571 3050

*A free call unless from a mobile phone, which will be charged at the applicable mobile rate.
Everyone, everywhere, needs to communicate, everyday.