Supplement dated 6 March 2007

Telstra Corporation Limited
(ABN 33 051 775 556)
Debt Issuance Program

This supplement (Supplement) to the prospectus dated 12 October 2006 (Prospectus) constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 and is prepared in connection with the Debt Issuance Program established by Telstra Corporation Limited (Issuer). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus. It has been prepared by and issued with the authority of the Issuer. The Issuer accepts responsibility for all information contained in this Supplement.

To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Statements contained in this Supplement will, to the extent applicable and whether expressly, by implication or otherwise, be taken to modify and supersede statements incorporated in the Prospectus. To the extent that there is any inconsistency between any statement in this Supplement (or any statement incorporated by reference into the Prospectus by this Supplement) and any other statement in the Prospectus the statements in this Supplement prevail.

Save as disclosed in this Supplement, or in any document incorporated by reference in this Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

Supplementary Information

Publication of Interim Results

On 15 February 2007, the Issuer published its unaudited consolidated financial results for the six months ended 31 December 2006. A copy of those interim unaudited financial statements has been filed with the UK Listing Authority and, by virtue of this Supplement, those interim financial statements are incorporated in, and form part of, the Prospectus. This Supplement and copies of the documents incorporated by reference will also be published on the website of the Issuer.

Changes to Risk Factors

The information set out under the heading "Access pricing" on page 12 of the Prospectus is deleted and replaced with the following:

The ACCC requires us to provide certain services to our competitors using our networks at a price based on the ACCC's calculation of the efficient costs of providing these services if the parties fail to agree a price. In many cases we believe that the ACCC proposes prices that are below our efficient cost of supply. The ACCC is yet to issue its final determinations on the prices it will allow us to charge for various wholesale services including unconditioned local loop service ("ULLS") and spectrum sharing service ("SSS"). We believe that these are extremely important matters for the financial performance of our
business. The ACCC has issued interim determinations in each of the ULLS arbitrations to which we are a party, reducing the price from A$22.00 to A$17.70 per line per month in band 2 (metropolitan areas, where the greatest number of ULLS services will be provided). We are required by law to average our prices for a basic line rental service for all retail customers across Australia, but the ACCC will not follow the same principle for wholesale customers, instead setting prices which differentiate between metropolitan and non-metropolitan areas (de-averaged prices), well below our estimates of the efficient costs. This will enable our competitors to target customers in higher density areas where access prices are low, leaving us to provide services to some customers in high cost, low density areas at the same retail price as in metropolitan areas. The ACCC may reduce access prices further which would adversely affect our revenues, earnings and shareholder returns, including dividends. In addition, in December 2006 the ACCC issued two interim decisions in SSS arbitrations significantly reducing the monthly charge to A$3.20. We believe such a price would lead to accelerated growth in SSS enabling our competitors to provide broadband and VoIP services with greater growth opportunities while we are restricted to supplying basic access services. In addition, we believe such reduced access prices would be likely to lead to a reduction in our retail prices. Final determinations by the ACCC for ULLS and SSS are expected in the first half of 2007.

Paragraph 2 on page 16 of the Prospectus with the heading “The success of our information strategy is highly dependent on key personnel at Telstra and the loss of one or more of these key executives could materially impact the timely and effective implementation of this strategy” is deleted in its entirety (including the heading itself).

The first two sentences under the heading “Future sales of a substantial portion of our shares by the Future Fund could depress the market price for our shares and other equity interests” on page 18 of the Prospectus are deleted and replaced with the following:

The Commonwealth has transferred its Telstra shares not sold in the Global Offering to the Future Fund, a Commonwealth investment fund. The Future Fund now has a substantial shareholding in Telstra.

The heading “There are significant differences between the Commonwealth and the Telstra Board with respect to the nomination for election as a director of Mr Geoffrey Cousins” on page 18 of the Prospectus and the information under that heading on pages 18 and 19 of the Prospectus are deleted in their entirety.

The heading “The price at which Telstra instalment receipts trade may be higher or lower than the price you pay for them” on page 19 of the Prospectus and the paragraph under it are deleted.

The heading “There may not be an active trading market for the instalment receipts” on page 20 of the Prospectus and the paragraph under it are deleted.

The information set out under the heading “There may be a lower level of dividends” of page 20 of the Prospectus is updated by inserting the following sentence at the beginning of the paragraph under this heading:

Telstra’s Board of Directors declared a fully franked interim ordinary dividend of 14 cents per share, payable on 30 March 2007.

Changes to Corporate Profile

The information set out under the heading “History and Development of the Company” on page 26 of the Prospectus is deleted and replaced with the following:

Our origins date back to 1901, when the Postmaster-General’s Department was established by the Commonwealth Government to manage all domestic telephone, telegraph and postal services, and to 1946, when the Overseas Telecommunications Commission was established by the Commonwealth Government to manage international telecommunications services. Since then, we have undergone many changes and been renamed several times as follows:
• the Australian Telecommunications Commission, trading as Telecom Australia, in July 1975;
• the Australian Telecommunications Corporation, trading as Telecom Australia, in January 1989;
• the Australian and Overseas Telecommunications Corporation Limited in February 1992;
• Telstra Corporation Limited in April 1993, trading internationally as Telstra; and
• trading domestically as Telstra in 1995.

We were incorporated as an Australian public limited liability company in November 1991. Following the opening of Australia’s telecommunications markets to full competition in July 1997, we underwent a partial privatisation in November 1997 under which the Commonwealth sold approximately 33.3% of our issued shares to the public. Following the initial privatisation, those of our shares that are not held by the Commonwealth are quoted on the Australian Stock Exchange (ASX) and on the New Zealand Stock Exchange.

A further global offering by the Commonwealth of up to 16.6% of our issued shares was launched in September 1999.

In November 2006 as part of the Global Offering the Commonwealth completed a further sale of approximately 35.0% of our issued shares, taking its equity holding in us from 51.8% to 17.8%. The Commonwealth transferred its remaining shares into the Future Fund on 28 February 2007.

The sentence “On the date of this Prospectus the Commonwealth owns approximately 51.8% of our shares” under the heading “Brief Description of the Telstra Group” on page 26 of the Prospectus is deleted.

The information set out in the section entitled “Directors” in the table on page 34 of the Prospectus and the paragraph immediately below that table are deleted and replaced with the following table:

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Position</th>
<th>Year of initial appointment</th>
<th>Year last re-elected (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donald G McGauchie</td>
<td>57</td>
<td>Chairman</td>
<td>1998</td>
<td>2005</td>
</tr>
<tr>
<td>Solomon D Trujillo(2)</td>
<td>55</td>
<td>Chief Executive Officer</td>
<td>2005</td>
<td>2005</td>
</tr>
<tr>
<td>Geoffrey Cousins</td>
<td>64</td>
<td>Director</td>
<td>2006</td>
<td>-</td>
</tr>
<tr>
<td>Belinda J Hutchinson</td>
<td>53</td>
<td>Director</td>
<td>2001</td>
<td>2004</td>
</tr>
<tr>
<td>Catherine B Livingstone</td>
<td>51</td>
<td>Director</td>
<td>2000</td>
<td>2005</td>
</tr>
<tr>
<td>Charles Macek</td>
<td>59</td>
<td>Director</td>
<td>2001</td>
<td>2006</td>
</tr>
<tr>
<td>John W Stocker</td>
<td>61</td>
<td>Director</td>
<td>1996</td>
<td>2005</td>
</tr>
<tr>
<td>Peter J Willcox</td>
<td>61</td>
<td>Director</td>
<td>2006</td>
<td>-</td>
</tr>
<tr>
<td>John D Zeglis</td>
<td>59</td>
<td>Director</td>
<td>2006</td>
<td>-</td>
</tr>
</tbody>
</table>

(1) Other than the CEO, one third of directors are subject to re-election by rotation each year.
(2) Sol Trujillo was appointed CEO on 1 July 2005.

The following biography for Geoffrey Cousins is inserted on page 35 of the Prospectus below the biography for Solomon D. Trujillo and above the biography of Belinda J Hutchinson:

Geoffrey Cousins
Director since 14 November 2006
He has more than 26 years experience as a company director. He is currently: Director of Insurance Australia Group (2000-) and Director, Cure Cancer Australia. He was formerly Director, Globe International Limited (2001-2003), Chairman and Chief Executive, George Patterson Australia, Director Publishing and Broadcasting Limited, the Seven Network,
Hoyts Cinema Group and NM Rothschild & Sons Limited, and Chief Executive, Optus Vision. He was also a part-time consultant to the Prime Minister for nine years.

This information set out under the heading "Directors' and senior executives' shareholdings in Telstra" on page 40 of the Prospectus is deleted and replaced with the following:

As at 28 February 2007, the directors' and senior executives' shareholdings in Telstra are:

**Directors**

<table>
<thead>
<tr>
<th>Name</th>
<th>Direct Interest</th>
<th>Indirect Interest (1)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donald G McGauchie</td>
<td>29,666</td>
<td>82,666</td>
<td>112,332</td>
</tr>
<tr>
<td>Sol Trujillo</td>
<td>250,000</td>
<td>-</td>
<td>250,000</td>
</tr>
<tr>
<td>Geoffrey Cousins</td>
<td>-</td>
<td>1,747</td>
<td>1,747</td>
</tr>
<tr>
<td>Belinda J Hutchinson</td>
<td>38,912</td>
<td>199,521</td>
<td>238,433</td>
</tr>
<tr>
<td>Catherine B Livingstone</td>
<td>21,637</td>
<td>42,056</td>
<td>63,693</td>
</tr>
<tr>
<td>Charles Macek</td>
<td>-</td>
<td>108,282</td>
<td>108,282</td>
</tr>
<tr>
<td>John W Stocker</td>
<td>2,953</td>
<td>129,196</td>
<td>132,149</td>
</tr>
<tr>
<td>Peter J Willcox</td>
<td>-</td>
<td>48,023</td>
<td>48,023</td>
</tr>
<tr>
<td>John D Zeglis</td>
<td>16,500</td>
<td>5,355</td>
<td>21,855</td>
</tr>
</tbody>
</table>

(1) Shares in which the director does not have a relevant interest, including shares held by director related entities, are excluded from indirect interests.

**Key management personnel**

<table>
<thead>
<tr>
<th>Name</th>
<th>Direct Interest</th>
<th>Indirect Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bruce Akhurst</td>
<td>4,880</td>
<td>17,000</td>
<td>21,880</td>
</tr>
<tr>
<td>Kate McKenzie</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>David Moffat</td>
<td>364,722</td>
<td>-</td>
<td>364,722</td>
</tr>
<tr>
<td>Deena Shiff</td>
<td>5,680</td>
<td>-</td>
<td>5,680</td>
</tr>
<tr>
<td>John Stanhope</td>
<td>121,674</td>
<td>-</td>
<td>121,674</td>
</tr>
<tr>
<td>David Thodey</td>
<td>173,604</td>
<td>800</td>
<td>174,404</td>
</tr>
<tr>
<td>Greg Winn</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Changes to Legal Proceedings**

The heading "High Court challenge" and the following paragraph is inserted under the heading "Legal proceedings" on page 40 of the Prospectus:

On 24 January 2007, Telstra commenced proceedings in the High Court of Australia against the Commonwealth, the ACCC and eleven access seekers who had, prior to January 2007, notified access disputes in respect of ULLS and/or SSS. Telstra is seeking declaration from the High Court that Part XIC of the Trade Practices Act is invalid as it applies to ULLS and SSS, together with administrative relief directed at each of the specific access disputes. The matter was heard (for first directions only) on 8 February 2007 and orders were made for the filing of pleadings and requests for particulars. The matter has been relisted for 20 March 2007. The aim of this legal action is to ensure that the laws governing competition in the Australian telecommunications industry comply with a Constitutional right guaranteed to all Australians. In particular, the Australian Constitution guarantees every citizen the right to fair compensation when their property is compulsorily acquired. Telstra's view is that both ULLS and SSS, being services that involve the unbundling of Telstra's copper loops from its
changes to customer premises, amount to an acquisition of property for the purposes of the Australian Constitution. As Part XIC of the Trade Practices Act does not in our view guarantee Telstra "just terms" compensation for these services and as the ACCC has priced the services below cost, the legislation is unconstitutional and therefore invalid in so far as it relates to these services. The proceeding is considered unlikely to have any material effect on our overall business or financial position.

The information under the heading "Shareholder class action" on page 41 of the Prospectus is deleted and replaced with the following:

In January 2006, a shareholder commenced a representative proceeding in the Federal Court against us. The statement of claim alleges that we breached the Corporations Act and the ASX Listing Rules between 11 August and 7 September 2005 by failing to disclose to the ASX or in our fiscal 2005 full year accounts (1) that our CEO, Mr Trujillo had formed an opinion that there had been past deficiencies in operating expenditure and capital expenditure on telecommunications infrastructure, (2) that our CEO had forecast a significant and accelerating decline in our PSTN business, and (3) that we had communicated these matters to the Commonwealth. The claim seeks orders for compensation for the class of shareholders who bought shares between 11 August and 6 September 2005. The proceeding is considered unlikely to have any material effect on our overall business or financial position. We are vigorously defending the claim.

The information set out under the heading "Commonwealth as shareholder" on page 42 is deleted and replaced with the following paragraphs:

The Commonwealth has sold down its original 100% equity holding in us in three tranches: it sold 33.3% of its shares in November 1997; it sold an additional 16.6% of shares in October 1999 and a further 24.1% of shares in November 2006. Now that the transfer of its remaining shares to the Future Fund is complete the Commonwealth does not hold any shares in the Company.

In September 2005, the Commonwealth amended the Telstra Act by passing the Telstra (Transition to Full Private Ownership) Act 2005 (the "Transition to Full Private Ownership Act") to enable the Commonwealth to undertake a sale of all or part of its remaining stake in Telstra.

In November 2006, the Commonwealth sold approximately 34% of its shares in a global offering taking its equity holding in us from 51.8% to 17.8%. The sale was completed when the 30 day over- allocation option given by the Commonwealth to the banks who conducted the sale on its behalf was exercised in December 2006. The remaining shares held in us by the Commonwealth were transferred to the Future Fund on 28 February 2006. After a two year escrow period (which is subject to several exceptions), the Future Fund is expected to sell down its Telstra shareholding over the medium term to a market-weight holding.

The first three paragraphs under the heading "Changes to Commonwealth control after close of Global Offering" on page 42 of the Prospectus are deleted and replaced with the following paragraphs:

Under the amendments to the Telstra Act made by the Transition to Full Private Ownership Act, certain provisions in the Telstra Act have ceased to have effect or apply to us since the Commonwealth’s ownership of Telstra has fallen below two particular levels. Those two ownership levels are less than 50% and 15% or less. For this purpose, Telstra shares transferred to the Future Fund following completion of the Global Offering are not considered to be owned by the Commonwealth.

The Commonwealth’s ownership of Telstra fell below 50% on completion of the Global Offering (excluding the over allotment option on 24 November 2006). As a result of this, we have lost Australian capital gains tax (CGT) exempt status on assets that we acquired before 20 September 1985. Accordingly, any future gains in the value of these assets after completion of the Global Offering will be taxable upon disposal of the asset by us. Since we
do not currently intend to dispose of any material assets acquired before 20 September 1985, the loss of CGT exempt status for these assets is not expected to have a material impact on Telstra.

The legislative consequences of the Commonwealth’s ownership of Telstra having fallen below 50% are not considered to have a material impact on Telstra but include:

The fifth paragraph under the heading “Changes to Commonwealth control after close of Global Offering” on page 43 of the Prospectus is deleted and replaced with the following paragraph:

The Commonwealth’s ownership of Telstra fell to 15% or less when the Commonwealth transferred to the Future Fund its Telstra shares that were not sold as part of the Global Offering. This occurred on 28 February 2007. The main consequences of the Commonwealth’s ownership of Telstra falling to 15% or less are:

Changes to General Information

The heading “Updated Telstra Foreign Ownership Regulations” and the following paragraph is inserted under “Legal Proceedings” and before “Financial information and accounts” on page 126 of the Prospectus:

Our constitution contains provisions designed to enable us to monitor and enforce the restrictions on certain foreign ownership stakes in us under the Telstra Act. Following the adoption of our new constitution, we released an updated version of Telstra’s Foreign Ownership Regulations.

The heading “Change of Auditor” and the following paragraph is inserted after “Financial Information and accounts” and before “Material Change” on page 126 of the Prospectus:

Following the completion of the Global Offering the Auditor-General resigned as Telstra’s auditor, as foreshadowed in the prospectus for the Global Offering. Ernst & Young have been appointed as Telstra’s auditor, having acted as agent of the Auditor General to assist in performing independent external audit duties since fiscal 2000. Ernst & Young’s appointment extends to the year ending 30 June 2009, subject to confirmation of their appointment at Telstra’s 2007 annual general meeting.

The heading “New Constitution” and the following paragraph are inserted under the above supplemented insertion “Change of Auditor” and before “Material Change” on page 126 of the Prospectus:

At Telstra’s annual general meeting held on 14 November 2006, our new constitution was adopted. One of the main reasons for amending the constitution was to reflect the change in the Commonwealth’s ownership of Telstra.
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