

29 April 2008

Mr David Boymal  
Australian Accounting Standards Board  
Level 7, 600 Bourke Street  
Melbourne 3000

ED 162 sub 1

Dear David

### **ED 162 Proposed Amendments to Key Management Personnel Disclosures by Disclosing Entities**

#### **General Comments**

We are pleased to have the opportunity to provide our comments to the proposals contained in ED 162. For the purpose of avoiding the duplication of a number of Key Management Personnel (KMP) remuneration disclosures being made in both the remuneration report and in the notes to the financial statements, Telstra supports the adoption of AASB 124, as proposed to be amended.

We support the operative date of the revised AASB 124 being for annual reporting periods ending on or after 30 June 2008.

Our comments to the specific matters outlined in ED 162 are detailed below.

#### **Specific Matters for Comment**

**(a) Whether we agree with the proposal to exclude disclosing entities that are companies from the application of AASB 124 paragraphs Aus25.2 to Aus25.6 and Aus25.7.1 and Aus25.7.2;**

We agree with the proposal to exclude disclosing entities that are companies from the application of the above Aus paragraphs of AASB 124. As we have indicated above, this will remove the unnecessary duplication of these disclosures for disclosing companies, such that now they will only be made in the remuneration report for the year ending 30 June 2008.

Notwithstanding the above, we believe that *all* Aus paragraphs of AASB 124 relating to KMP disclosures should be transferred to the remuneration report, including the remaining Aus paragraphs 25.7.3 to 25.9.3. This would allow all KMP disclosures to be made in one place, being the remuneration report. As such, we believe that the AASB should revoke all of the Aus paragraphs in AASB 124 relating to KMP disclosures and request Treasury to incorporate the remaining Aus paragraphs 25.7.3 to 25.9.3 in the Corporations Act 2001 and Corporations Regulations.

**(b) Whether, overall, the proposals would result in financial reports that would be useful to users; and**

We agree that, overall, the proposals would result in financial reports that would be useful to users, particularly, as Shareholders will have one place, being the remuneration report, to refer to for the information upon which they have a non-binding vote at Annual General Meetings for listed entities.

**(c) Whether the proposals are in the best interest of the Australian economy.**

Telstra supports harmonisation with international accounting standards in order to achieve more comparable and transparent financial reporting on a global basis.

We thank you for the opportunity to comment on these changes. Please contact me on +61(3) 9634 2900 if you need any further explanation on the comments made in this letter.

Yours sincerely



Mark Hall  
Executive Director Corporate Planning, Accounting and Administration