

27 August 2003

Office of the Company Secretary

The Manager

**Company Announcements Office
Australian Stock Exchange
10th Floor, 20 Bond Street
SYDNEY NSW 2000**

**Level 41
242 Exhibition Street
MELBOURNE VIC 3000
AUSTRALIA**

**Telephone 03 9634 6400
Facsimile 03 9632 3215**

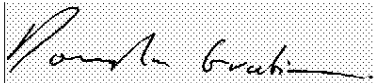
ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra CEO reappointed until December 2007

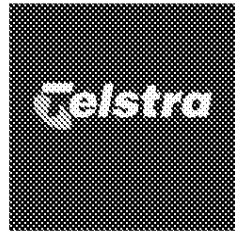
In accordance with the listing rules, I attach an announcement for release to the market.

Yours sincerely



**Douglas Gration
Company Secretary**

**Telstra Corporation Limited
ACN 051 775 556
ABN 33 051 775 556**



27/8/03

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Telstra CEO reappointed until December 2007

Telstra Corporation Chairman Bob Mansfield announced today that the Telstra Board of Directors had reappointed Telstra Chief Executive Officer Ziggy Switkowski for a further term until December 31, 2007.

Mr Mansfield said Dr Switkowski's current five year contract as CEO and Managing Director ends in March 2004, so the Board considered it was appropriate to determine the future leadership of Telstra at this time to provide continuing certainty about the direction of the Company.

"As a result, the Board has decided to reappoint Dr Switkowski now and we are pleased to be able to count upon his continued leadership of the company," he said.

"Dr Switkowski has successfully led our company since March 1999 throughout a particularly complex and demanding period in the telecommunications industry worldwide.

"He has developed an outstanding executive team, made great strides in the transformation of the company into an organisation dedicated to high level customer service and he has Telstra well positioned for future success as a full service, integrated telecommunication company.

"The Board is confident that Dr Switkowski and his team will continue to build on our achievements for customers and shareholders, and we look forward to working together on the next stage of Telstra's development."

Dr Switkowski said he was delighted to accept the Board's offer of an extension of his term and looked forward to maximising the opportunities and tackling the challenges ahead in the competitive telecommunications environment.

"It is a great privilege to lead this extraordinary company and its staff and I thank the Chairman and Telstra Directors for their continuing support," he said.

The terms of Dr Switkowski's new employment contract relating to remuneration can be found at www.telstra.com.au/newsroom/photo.htm#switkowski

Telstra Media Contact:

Michael Grealy Tel: 02 9298 4621 Mobile: 0419 217 343

Telstra's national media inquiry line is 131639 and the Telstra Newsroom is located at: www.telstra.com.au/newsroom

Summary of Telstra CEO Ziggy Switkowski's employment contract

The terms of Dr Switkowski's renewed employment contract, to apply from 1 September 2003, are substantially similar to his existing contract. The material terms may be summarised as follows.

1. Fixed remuneration

Dr Switkowski will be paid fixed remuneration which includes salary, superannuation, benefits and any fringe benefit tax incurred by Telstra in providing Dr Switkowski's remuneration package. From 1 September 2003 this will be \$1,455,000 per annum.

2. Annual Manager Incentive Plan Payment

This is an "at risk" element of Dr Switkowski's remuneration and will be paid through participation in Telstra's Manager Incentive Plan. The annual payment will be 75% of Dr Switkowski's fixed remuneration if performance targets set by the Board are achieved. The actual payment Dr Switkowski will receive will vary depending on his performance and that of the Company. Dr Switkowski can achieve up to 2 times the "on target" payment (ie, 150% of fixed remuneration) if pre-defined stretch objectives are achieved. This would require significant over performance by the Company and Dr Switkowski personally.

3. Deferred Remuneration

Deferred remuneration will be paid to Dr Switkowski in the form of "deferred shares" which are held in trust for a period of three years, or until Dr Switkowski ceases employment (other than for summary dismissal), whichever is the earlier. On allocation these shares will have a value equal to 50% of Dr Switkowski's total remuneration (being the sum of his fixed remuneration and his "on target" management incentive plan amount). If Dr Switkowski ceases employment on the completion of his contract, these deferred shares will vest without any adjustment to the numbers allocated. If the Board terminates Dr Switkowski's employment with Telstra prior to the completion of his contract, his allocations will be adjusted in accordance with Telstra policy.

4. Long Term Incentive Plan

This will be delivered in the form of "performance share rights". These performance share rights will be allocated to the value of 50% of Dr Switkowski's total remuneration (being the sum of his fixed remuneration and his "on target" management incentive plan amount) but they will not vest unless certain targets are met. For 50% of this maximum allocation to vest, the target is to achieve the 50th percentile or greater ranking of the Telstra Total Shareholder Return (TSR) against the Total Shareholder Returns of the companies comprising the S&P ASX 200 (Industrial) index at the date of allocation. This target must be achieved between the 3rd and 5th anniversary of allocation. Up to an additional 50% of the allocation of performance share rights may vest for superior performance above the target. If Dr Switkowski ceases employment on completion of his contract, he will have the opportunity to retain the full allocations of the performance share rights made prior to him ceasing employment subject to the achievement of the target during the relevant performance window, or alternatively, he may elect to have them lapse. If the Board terminates Dr Switkowski's employment with Telstra prior to the completion of his contract, his allocations will be adjusted in accordance with Telstra policy.

5. Other Benefits

Dr Switkowski will be provided with telecommunications and related products and service for business and personal use. Products and services for personal will be identified and, where applicable, fringe benefit tax paid. These values will be reported as part of Dr Switkowski's remuneration in the annual report.

6. Annual Review of Remuneration

Telstra reviews the remuneration arrangements each year and will take into account relevant factors including performance and prevailing market conditions in establishing Dr Switkowski's remuneration level. This review will be effective from 1 October each year.

7. Term and termination

Dr Switkowski's contract will commence on 1 September 2003, and continue until 31 December 2007 unless terminated earlier.

Both Telstra and Dr Switkowski are entitled to terminate Dr Switkowski's contract early by giving not less than six months' notice.

If the Board terminates Dr Switkowski's employment on notice, Dr Switkowski may be required to remain in Telstra's service for all or part of the notice period; be paid at his fixed remuneration rate in lieu of notice; or be paid at his fixed remuneration rate for the notice period but not required to attend for work during the notice period.

The Board may also immediately terminate Dr Switkowski's employment if he commits any act of serious misconduct, which includes breach of Telstra Policy. In the event of such termination Dr Switkowski would be entitled only to fixed remuneration to the date of termination.

If the Board terminates Dr Switkowski's employment for any reason other than serious misconduct, he will receive, in addition to any payment in lieu of notice, a termination payment which is the lesser of: (i) his fixed remuneration for the period through to completion of his contract; and (ii) twelve months fixed remuneration.

These termination arrangements are consistent with and no more favourable than those currently in place for other members of Telstra's senior leadership team.

8. Future employment

If Dr Switkowski's employment with Telstra ceases for any reason he must not (without the prior written consent of Telstra) be employed by, or provide services as an agent, independent contractor or in any other capacity to, any telecommunications business or any business of a like or similar nature to that conducted by Telstra, whether in Australia or overseas, for six months. If Dr Switkowski's employment is terminated with notice the six month period will commence from the date his notice period commences or a payment in lieu of notice is made.