

25 September 2006

Office of the Company Secretary

The Manager

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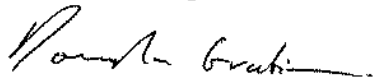
ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra Corporation Limited 2006 - Notice of Annual General Meeting

In accordance with the listing rules, I attach for release to the market a copy of the Notice of Meeting for Telstra's Annual General Meeting which is to be held on 14 November 2006 in Melbourne.

Yours sincerely

A handwritten signature in black ink, appearing to read "Douglas Gration", with a long horizontal flourish extending to the right.

Douglas Gration
Company Secretary

Telstra Notice of Annual General Meeting 2006

25 September 2006

Dear Shareholder

It is my pleasure to invite you to the 2006 Annual General Meeting of Telstra Corporation Limited on **Tuesday 14 November 2006**.

The AGM will be held at the **Melbourne Exhibition and Convention Centre, Halls 1 to 6, Clarendon Street, Melbourne** commencing at **9.30am (local time)**. Registration will commence at 8.30am and shareholders are invited to join with the Telstra Board and senior executives for refreshments prior to the meeting. A light lunch will be served during the course of the meeting.

The AGM will also be webcast. Shareholders should log in to **www.telstra.com/agm** before the meeting to download any software needed to view the event.

Shareholders can submit questions that they would like raised at the AGM using the form contained in the notice of meeting or via the internet at **www.linkmarketservices.com.au/telstra/agm**. We will respond to the more frequently asked questions at the AGM but as you would appreciate, with Australia's largest shareholder base of over 1.5 million, we will not be able to respond personally to all questions.

I enclose your notice of meeting together with the following documents:

- A personalised proxy form. You can lodge your proxy on-line at the Telstra Share Registry website **www.linkmarketservices.com.au/telstra**. Alternatively, you can complete and return the hard copy proxy form in the reply paid envelope enclosed, or fax it to the fax number on your form.
- An Annual Review or Annual Report (if you asked to receive these documents). Electronic copies of the Annual Review and Annual Report are available from the website **www.telstra.com.au/abouttelstra/investor**. Alternatively if you would like a hard copy please call 1300 88 66 77.

This year, four of your serving directors – Charles Macek, John Stocker, Peter Willcox and John Zeglis – are standing for re-election. The Telstra Board recommends the re-election of your serving directors.

Telstra has received nominations for election as a director from five external candidates. The Commonwealth Government has indicated that it intends to vote its shares in favour of the election of one of the external candidates, Mr Geoffrey Cousins. At the time of the AGM the Commonwealth is expected to continue to hold 51.8% of the Company's shares. The Board does not recommend voting in favour of Mr Cousins because the Board has not had the opportunity to assess Mr Cousins' candidacy through the Board's established processes, which include assessing a proposed director having regard to the independence requirements of the Board's Charter and the ASX Principles of Good Corporate Governance. The Board does not consider that the other external candidates have the necessary qualifications or experience for election to the Board and does not recommend election of these candidates.

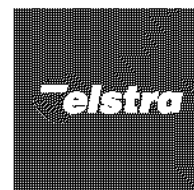
If you are unable to attend the meeting, please remember to lodge your proxy either on-line at **www.linkmarketservices.com.au/telstra** or complete and then return the proxy form enclosed with this notice.

I look forward to welcoming you to the meeting.

Yours sincerely



Donald G McGauchie AO
Chairman



ITEMS OF BUSINESS

1. CHAIRMAN AND CEO PRESENTATIONS

2. REMUNERATION REPORT

To adopt the remuneration report for the financial year ended 30 June 2006.

3. DISCUSSION OF FINANCIAL STATEMENTS AND REPORTS

To discuss the Company's financial statements and reports for the year ended 30 June 2006.

4. ELECTION AND RE-ELECTION OF DIRECTORS

In accordance with the Company's constitution:

- (a) Mr Mervyn Vogt offers himself for election;
- (b) Mr Charles Macek retires by rotation and, being eligible, offers himself for re-election;
- (c) Dr John Stocker retires by rotation and, being eligible, offers himself for re-election;
- (d) Mr Leonard Cooper offers himself for election;
- (e) Mr Ange Kenos offers himself for election;
- (f) Mr Geoffrey Cousins offers himself for election;
- (g) Mr Peter Willcox who was appointed since the last AGM, being eligible, offers himself for election;
- (h) Mr John Zeglis who was appointed since the last AGM, being eligible, offers himself for election; and
- (i) Mr Stephen Mayne offers himself for election.

5. NEW CONSTITUTION

To consider and if thought fit pass the following resolution as a **special** resolution:

'THAT the constitution tabled at the meeting, and signed by the Chairman of the meeting for the purposes of identification, be adopted as the constitution of the Company, in place of the present constitution, with effect from the close of the meeting.'

NOTES:

Item 2: The vote on this item is advisory only and does not bind the directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company. **The Chairman of the meeting intends to vote undirected proxies in favour of the adoption of the remuneration report.**

Item 4: The order in which candidates appear in this notice of meeting has been independently determined by Ernst & Young. To be successfully elected or re-elected as a director, a candidate must receive more votes 'for' than 'against'. **The Chairman of the meeting intends to vote undirected proxies in favour of the election of Charles Macek, John Stocker, Peter Willcox and John Zeglis and against the election of the other candidates.**

Item 5: An explanation of the proposed changes to the constitution are contained in the explanatory notes to this notice of meeting on pages 6 and 7. This resolution is a special resolution and in order to be successful must be passed by at least 75% of the votes cast. **The Chairman of the meeting intends to vote undirected proxies in favour of the adoption of the new constitution.**

In the interests of representing the views of as many shareholders as possible, the Chairman of the meeting intends to call a poll in relation to items 2, 4 and 5.

More details for items 2, 4 and 5 are contained in the explanatory notes on pages 5 to 7.

CONDUCTING TELSTRA'S ANNUAL GENERAL MEETING

Telstra's Annual General Meeting is intended to give shareholders the opportunity to:

- Hear presentations by the Chairman and CEO about the operations and performance of the Company and the outlook for the year ahead.
- Consider and vote on the resolutions before the meeting including a non-binding resolution on the adoption of the remuneration report.
- Ask questions of the Board, management and the auditor. The Chairman and CEO will generally answer questions on behalf of the Board and management.

To help achieve these objectives Telstra will:

- Webcast the meeting for the benefit of those shareholders unable to attend in person. Shareholders can view the meeting at www.telstra.com/agm.
- Allow shareholders to raise questions in writing before the meeting by either completing the attached form or via the internet at www.linkmarketservices.com.au/telstra/agm.
- Allow a reasonable opportunity for shareholders as a whole at the meeting to ask questions of the Board, management or the auditor about the operations, performance and management of the Company.
- Provide sign language and hearing loop facilities for shareholders with hearing difficulties.
- Answer shareholders' questions honestly and fairly. If we can't answer a question at the meeting we will seek to provide a response to the shareholder asking the question after the meeting.
- Inform shareholders as to the proxy position with respect to the resolutions to be considered by the meeting and the manner in which the Chairman intends to vote undirected proxies.

To help achieve these objectives we ask that shareholders:

- Are courteous and respectful to all shareholders and others attending the meeting.
- Keep their questions and comments to a reasonable length of time to allow as many shareholders as possible who wish to speak at the meeting an opportunity to do so. Generally a maximum of three minutes each time a shareholder addresses the meeting will be appropriate.
- Confine their questions to matters before the meeting and matters relevant to shareholders as a whole. If a shareholder's question appears to be more relevant to the shareholder's own circumstances than to shareholders as a whole, we will ask that the shareholder raise the matter with management outside the meeting.
- Respect the privacy of individual shareholders attending the meeting and assist in the orderly conduct of the meeting by not photographing, video taping or recording the proceedings of the meeting. A webcast of the entire meeting will be available live on the Telstra investor relations website www.telstra.com/agm and also archived after the meeting for replay.

PROXIES

You are able to appoint a proxy or nominee to act generally at the meeting on your behalf and to vote in accordance with your instructions on the proxy or nominee form or, if no directions have been given on the form, as the proxy or nominee sees fit. A proxy need not be a shareholder of the Company.

If you hold Telstra shares in more than one capacity you need to use the forms that are relevant to your holdings. For example, if you are an ordinary shareholder and ESOP participant and you wish to appoint a proxy for your entire holding, you must complete the orange proxy form for your ordinary shares and the blue nominee form for your ESOP holding.

A shareholder, ESOP 97 or 99 participant, OwnShare participant or DirectShare participant entitled to attend and vote can appoint up to two proxies or nominees as appropriate, and may specify the proportion or number of votes each proxy or nominee is appointed to exercise. If no proportion or number is specified each proxy or nominee may exercise half of the shareholder's votes. If you wish to appoint two proxies or nominees, please call 1300 88 66 77 and request an additional form.

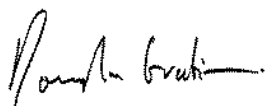
For further information on proxies generally, including the appointment of proxies, the proportion of votes per proxy, voting by proxy and lodgement of proxies, please refer to the back of the relevant proxy or appointment of nominee form enclosed with this notice of meeting.

QUESTIONS

If you have any questions about this notice or the accompanying documents, please contact:

Telstra Share Registry
Link Market Services
Level 4, 333 Collins Street, Melbourne Victoria 3000
Telephone: 1800 66 77 88
Overseas: 612 8280 7756
Facsimile: 612 9287 0303

By order of the Board



Douglas Gratton
Company Secretary

25 September 2006

Right to attend and vote at the meeting

Investor	Right to vote and attend the meeting	Which proxy form?	Deadline for the lodgement of proxies
Shareholders	Shareholders registered as at 9.30am on 12 November 2006	Use the orange form	9.30am Sunday 12 November 2006
Telstra ESOP 97 and ESOP 99 participants	Telstra ESOP 97 and ESOP 99 participants registered at 5.00 pm on 8 November 2006	Use the blue appointment of nominee form	5.00 pm Wednesday 8 November 2006
Telstra OwnShare and DirectShare participants	Telstra OwnShare and DirectShare participants registered at 5.00 pm on 8 November 2006	Use the green appointment of nominee form	5.00 pm Wednesday 8 November 2006

EXPLANATORY NOTES

ITEM 2 – ADOPTION OF THE REMUNERATION REPORT

During this item there will be opportunity for shareholders at the meeting to comment on and ask questions about the Telstra remuneration report. The remuneration report is available in the Annual Review and also in the Annual Report. It can also be accessed electronically on the Telstra web site at www.telstra.com.au/abouttelstra/investor.

The vote on the proposed resolution in item 2 is advisory only and will not bind the directors or the Company. However the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

The Chairman of the meeting intends to vote undirected proxies in favour of the adoption of the remuneration report.

Board Recommendation: The Board recommends that shareholders vote in favour of item 2.

ITEM 4 – ELECTION AND RE-ELECTION OF DIRECTORS

Mervyn Vogt – BCom, BEd, ACTT Grad Dip E & IR Age 74

Past MACE and AIMM, Lecturer in Education, Educational Technology, Perception & Communication, Foundation Director Victorian Teachers Union (VTU) Credit Union, Vice-President VTU, Member Victorian Curriculum Advisory Board, Member Victorian Universities and Schools Examination Board (VUSEB), State Executive Member Victorian Council of School Organisations (VICSSO), Convenor of Expert Committee on Educational Technology Planning. Employee of Telstra Corporation Ltd since 1994. Elected occupational health and safety representative.*

Charles Macek – BEc, MAdmin, FAICD, FCPA, FAIM, SF Fin, FCA Age 59

Mr Macek has a strong background in economics and has had a long association with the finance and investment industry. His former roles include 16 years as founding Managing Director, Chief Investment Officer and subsequently Chairman of County Investment Management Ltd.

Chairman, Sustainable Investment Research Institute Pty Ltd and Financial Reporting Council (FRC); Director, Wesfarmers Ltd, Living Cell Technologies Limited and Williamson Community Leadership Program Limited; Victorian Councillor, Australian Institute of Company Directors and Member, New Zealand Accounting Standards Review Board and Investment Committee of Unisuper Ltd.

John W Stocker – AO, MB, BSc, BMedSc, PhD, FRACP, FTSE Age 61

Dr Stocker has had a distinguished career in pharmaceutical research and extensive experience in management of research and development, and its commercialisation including in his roles as Chief Executive Officer of CSIRO (1990 – 1995) and subsequently as Chief Scientist for the Commonwealth of Australia (1996 – 1999).

Chairman, Sigma Pharmaceuticals Ltd; Director, Circadian Technologies Ltd and Nufarm Limited; and Principal, Foursight Associates Pty Ltd.

Leonard Cooper Age 65

Victorian Secretary, CEPU – Communications Division (Telecommunications and Service Branch); Member, Victorian Electrical, Printing, Information and Communications (EPIC) State Training Advisory Board. Mr Cooper has trained in Telstra and worked as a Technician, Technical Officer, and Technical Instructor and has been associated with Telstra and telecommunications for his entire working life. Mr Cooper was formerly director of a job placement agency and was formerly director of a training company specialising in the telecommunications and information industries.*

Ange T Kenos – MACE, MAITD, CMC, JP Age 50

Former Director, RACV. Former Director Royal Victorian Eye & Ear Hospital. Former Deputy Chair SIO Consumer Appeals Council. Former Executive Director of a bilateral chamber of commerce and industry. Former Australian Naval officer. Currently Vice President and Public Officer, Australian Federation of Civil Celebrants. Mr Kenos also has a long history of community involvement including over 30 years as a Blood Donor, has received the highest awards possible from the police regarding crime prevention and has taught business management and economics to VCE students.*

Geoffrey Cousins – Age 63

Mr Cousins has more than 26 years experience as a company director and is currently a director of Insurance Australia Group Limited. Mr Cousins was previously the Chairman of George Patterson Australia and is a former Director of Publishing and Broadcasting Limited, the Seven Network, Hoyts Cinemas group and NM Rothschild & Sons Limited. He was the first Chief Executive of Optus Vision and before that held a number of executive positions at George Patterson, including Chief Executive of George Patterson Australia. Mr Cousins was previously a consultant to the Prime Minister and is a director of the Cure Cancer Australia Foundation.*

Peter J Willcox – MA, FAICD Age 61

Mr Willcox holds a Masters degree in physics from Cambridge University and following a 28 year career in the international petroleum industry was appointed as Chief Executive Officer of BHP Petroleum Limited from 1986 to 1994. He has wide and diverse experience as a director and Chairman of Australian and American listed companies. He sits on the advisory board of CVC Asia Pacific (Australia) Limited.

Chairman, Mayne Pharma and Director, CSIRO.

ITEM 4 – ELECTION AND RE-ELECTION OF DIRECTORS (CONTINUED)

John D Zeglis – BSc Finance, JD Law Age 59

Mr Zeglis has a legal background, and became partner with the law firm Sidley & Austin in 1978. His qualifications include a BSc in Finance from the University of Illinois, and a JD in Law from Harvard. Mr Zeglis has had a long and distinguished career in the US telecommunications sector. He joined AT&T in 1984, and was elected as President of AT&T in 1998 and Chairman and Chief Executive Officer of the AT&T Wireless Group in 1999. He continued as CEO of AT&T Wireless until retiring in November 2004 following the company's sale to Cingular Wireless.

Director, Helmerich & Payne Corporation, AMX Corporation, and State Farm Automobile Insurance.

Stephen Mayne – BCom (Melb) Age 37

Stephen Mayne is a Walkley Award-winning business journalist and Australia's leading retail corporate governance campaigner. He founded www.crikey.com.au, Australia's best known independent ezine, and is also a co-founder of People Power, a new political party which campaigns for greater accountability in public life.*

Board Recommendation: The Board (other than the relevant director in relation to his own re-election) recommends the re-election of each of Charles Macek, John Stocker, Peter Willcox and John Zeglis. The Board does not recommend the election of the other candidates.

* Biographical details provided by the candidate and not independently verified by Telstra.

ITEM 5 – NEW CONSTITUTION

The Australian Government has decided to undertake a public Telstra share offer in October and November this year. The Government intends to offer in the order of \$8 billion of securities to retail and institutional investors, in Australia and overseas. The Government's remaining Telstra shares will be transferred to the Future Fund for the Fund to sell down over time.

The Company's constitution currently confers specific rights on the Commonwealth of Australia and the Minister reflecting the Commonwealth's position as majority owner of the Company and the requirements of the Telstra Corporation Act 1991 (Cth) (**Telstra Act**). The Company's constitution needs to be amended to remove these Commonwealth specific provisions with effect from when the Commonwealth ceases to hold at least 50% of the Company's shares.

The Board also wishes to take this opportunity to update the Company's constitution to reflect a number of relevant changes to the Corporations Act 2001 (Cth) and the ASX Listing Rules, as well as developments in best practice corporate governance practices.

A copy of the Company's existing constitution and the proposed constitution are available on the Company's website at www.telstra.com.au/agm. You can also obtain a copy by contacting the Telstra Share Registry on 1300 88 66 77. A copy of the proposed constitution will also be available at the Annual General Meeting.

The principal proposed amendments to the constitution are summarised below:

Commonwealth Specific Provisions

The Company's existing constitution contains provisions specific to its current ownership structure. These include provisions:

- requiring the Commonwealth to be present as a member of quorum in order for a meeting to be valid (see existing articles 10.2 and 13.1);
- regarding Commonwealth representation (see existing article 13.21); and
- requiring the Board to consult the relevant Commonwealth Minister before appointing a casual vacancy or an additional director to the Board (see existing article 15.6).

These provisions reflect the Commonwealth's current majority ownership in the Company and certain requirements in the Telstra Act. These requirements will not apply once the Commonwealth ceases to hold at least 50% of the Company's shares.

Accordingly, the proposed constitution has been structured so that the Commonwealth related provisions have been removed from the main body of the constitution. These provisions have been grouped in a schedule which will cease to have effect when the Commonwealth ceases to hold at least 50% of the Company's shares.

Foreign Ownership Provisions

The Telstra Act restricts the holding of particular foreign ownership stakes in the Company so that foreign persons collectively cannot control more than 35% of non-Commonwealth owned Telstra shares and no individual foreign person can control more than 5%. These restrictions haven't changed. However the provisions from Telstra's existing constitution regarding limitations on foreign ownership have been simplified in the main body of the proposed constitution. These provisions apply independently of the Commonwealth's shareholding in the Company. The detail of the foreign ownership rules will be set out in a separate document.

Direct Crediting of Dividends

The proposed constitution outlines the policy on payment of dividends to shareholders by electronic transfer into a nominated account. This is in line with the current practice of many listed companies. The provisions of the proposed constitution give the Company flexibility regarding payment methods of dividends and other amounts (see proposed rules 12.7(a) to (e)). In addition, the proposed rules provide that any amounts unclaimed for 11 calendar months can, in certain circumstances, be re-invested in shares of the Company (see proposed rule 12.8).

Direct Voting

Rule 20.4(j) of the proposed constitution has been inserted to permit the Company to enable shareholders in the future to vote directly on resolutions considered at a general meeting by mailing their votes to the Company prior to the meeting. This means members' votes can still be counted even where they cannot attend personally and do not appoint a proxy. Shareholders will continue to be entitled to appoint proxies if they so desire even if the Company decides to introduce direct voting at future meetings.

Director Election and Retirement

The director retirement provisions of the existing constitution have been amended to remove the rotation provisions. Currently, existing article 19 stipulates that one-third of directors (other than the managing director, and those appointed to fill casual vacancies) are required to retire by rotation each year. The effect of this is that directors may be required in some circumstances to retire more frequently than is required under the ASX Listing Rules (ie, once every 3 years).

The proposed constitution reflects the requirements of the ASX Listing Rules to have an election of directors each year, and to require all directors to retire at the third annual general meeting after the director was elected or last re-elected. Directors appointed to fill casual vacancies are required to stand for election at the first Annual General Meeting after they are appointed.

The proposed constitution now also requires the Company to receive nominations for the position of director 45 business days before the meeting, rather than 40 business days as currently stipulated (see proposed rule 23.4). This allows the Company greater time to compile information for the notice of meeting which is required to be sent to our approximately 1.5 million shareholders.

Deeds of Indemnity

The proposed constitution simplifies the director and officer indemnity and insurance provisions, by leaving out detail set out in the current constitution. Instead, the proposed constitution sets out the general power of the Company to indemnify and insure officers.

The existing Deed of indemnity in favour of directors and officers, details of which are contained in the Annual Review and Annual Report, will remain in place.

Directors' Retirement Benefit Scheme

It is now widely accepted that payment of retirement benefits over and above directors fees for non-executive directors is not in line with current best practice corporate governance. Telstra has acted over recent years to remove non-executive director retirement benefits. The ability to pay future retirement benefits has been removed from the proposed constitution, subject to the Company meeting its obligations with respect to previously accrued retirement benefits.

Board Recommendation: The Board considers that the new constitution is appropriate and in the interests of shareholders. Accordingly, the Board recommends that shareholders vote in favour of item 5.



QUESTIONS FROM SHAREHOLDERS

Your questions are important to us. Please use this form to submit any questions concerning Telstra that you would like us to respond to at the Annual General Meeting and return it in the reply paid envelope provided or fax it to 612 9287 0303. Shareholders can also lodge questions on-line at **www.linkmarketservices.com.au/telstra/agm**.

We will respond to as many of the more frequently asked questions as possible at the AGM.

Please note that we will not be able to reply individually. You will be able to view the AGM live by webcast and after the meeting at **www.telstra.com/agm**.

Shareholder's name:

Address:

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Securityholder Reference Number (SRN) or Holder Identification Number (HIN):

Question(s):

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