



Introduction

The Optus Mobile dual-band network provides 3G services to over 96 per cent of the Australian population. Over the past three years, an average of two new base stations has been rolled out every working day. This represents a significant investment in both metropolitan and regional Australia and is providing greater access and choice for more Australians. That's why we have named this report Connecting Australia.

Our approach

To be a valued and trusted contributor to the society in which we operate by delivering products and services that enable sustainable economic growth and by looking after our customers, people, communities and the environment.

How we will achieve this

Corporate responsibility is an integral part of how we do business every day and we have established objectives, targets and key performance indicators to track our progress.

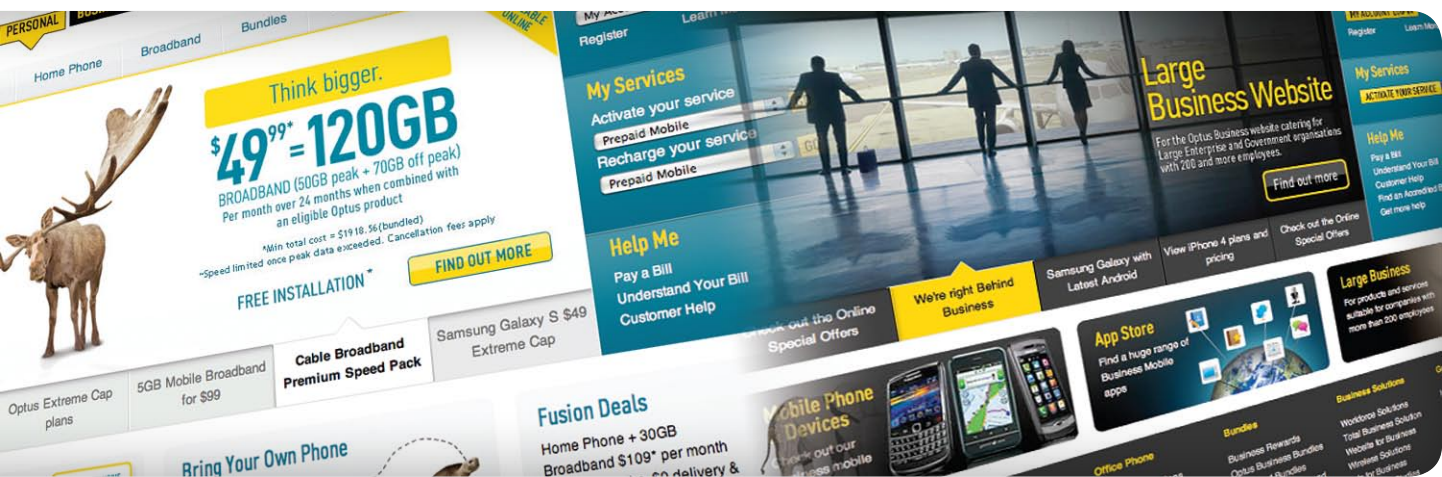
This report is our annual assessment of how we are progressing against our corporate responsibility objectives. Together, anything is possible.





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Who we are

Optus is a leader in integrated telecommunications, serving more than eight million customers every day. We are a champion of competition and have been instrumental in providing choice and value for money in Australian telecommunications since 1992.

We provide a broad range of telecommunications services including mobile, national, local and international telephony, business networking, voice over IP, broadband, internet and subscription television. To provide these services we own and operate our own network infrastructure including the largest domestic fleet of satellites in Australia, as well as using the services of other providers. These give us an advanced technology platform that delivers sophisticated communications, information and entertainment services.

As a leading provider of telecommunications services we are directly contributing to the Australian economy through the revenue we generate, the employment of over 10,000 people, our community investment programs and as a major investor in Australia. Indirectly we contribute by the tens of thousands jobs we support through our suppliers and business partnerships, by facilitating the streamlining of business processes, and by facilitating people's connections with family, friends, work and the community.

Workforce

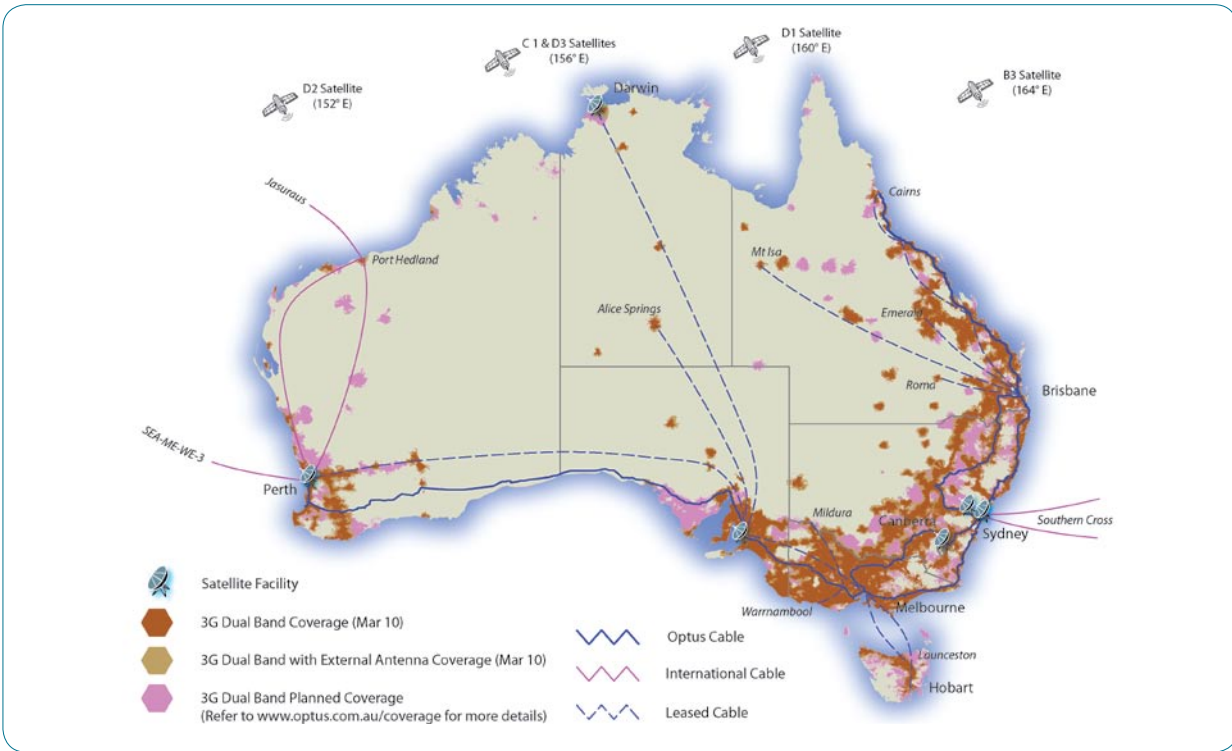
Employees	10,394 full time equivalent
Head office	Macquarie Park North Ryde, Sydney NSW

Retail

Stores owned	6
Stores franchised	224
Franchise employees	1,725 full time equivalent

Network

3G mobile base stations	4,500
3G dual-band mobile network coverage	700,000 km ² or 96 per cent of Australia's population
Satellites	5
Unbundled Local Loop (ULL) network	418 exchanges around the country



Customers

Mobile	7.79 million
Mobile broadband	907,000
Fixed line	980,000

Markets

- Australia
- New Zealand

Major subsidiaries

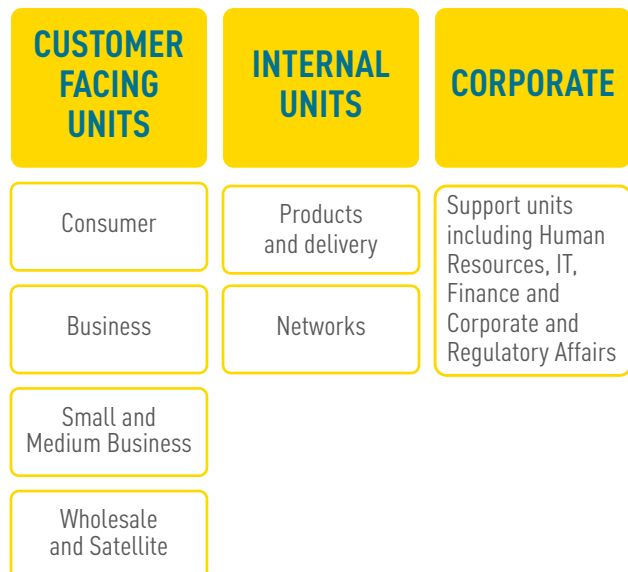
- Virgin Mobile Australia
- Ucomm
- Alphawest

Financial performance

Operating Revenue	\$8.95 billion (up 5 per cent from last year)
Operational EBITDA	\$2.15 billion (up 4.2 per cent from last year)
Underlying net profit	\$676 million (up 16 per cent from last year)

For further information see [SingTel Annual Report here](#).

Business structure





I am strongly of the view that our corporate responsibility is to create a positive impact in every aspect of our business

Message from Paul O'Sullivan, Chief Executive

When I reflect on our business I am proud of the role Optus is playing as a leading telecommunications provider to contribute to a sustainable Australian society and economy.

Advances in internet and mobile technology are seeing telecommunications become an indispensable part of everyday life, and connecting people is what we do best. By fostering these connections for business and between family, friends and broader society, we are promoting productivity and economic growth, social inclusion and technologies that promote Australia's transition to a low carbon economy.

We made great strides this year in making telecommunications services accessible to more people around Australia, adding 600 new mobile sites to improve coverage, predominantly in regional Australia. We stepped up our network advancements to enhance mobile data capacity and our distribution footprint, investing \$1.05 billion. We were also leaders in smartphones, bringing this exciting new technology to Australia. Our strength in championing the needs of our customers lies in our ability to innovate and to keep their needs at the centre of everything that we do.

In the community, we are partnering with organisations to address some of today's most pressing social issues. Over the past year we have invested over \$8.2 million in community programs and activities with a focus on supporting those that build social inclusion and help to reconnect disadvantaged youth.

The launch of our partnership with Starlight Children's Foundation in 2009 to deliver the Livewire Hospital program in more regional and metro hospitals across Australia is an excellent example of this. By providing portable laptops and 3G mobile broadband to access the online Livewire community, we make it possible for young people to stay connected during

long periods of separation caused by ongoing medical treatment, and for them to get the support that they need from other young people facing similar challenges.

I am strongly of the view that our corporate responsibility is to create a positive impact in every aspect of our business – how we operate as a business on a daily basis as well as how we interact with our customers and the broader community. We are committed to reducing the environmental footprint of our operations, over the past year we have transitioned more customers to online billing, reduced our carbon footprint by focusing on energy efficiency and reductions in travel, and developed a Supplier Code of Practice to positively influence the environmental and social performance of companies within our supply chain.

Our people are important to us. We focussed on protecting their jobs through careful headcount management in the tough economic conditions of the past years and continued to invest in their training and development.

I would like to take this opportunity to invite you to find out more about these activities in this report, which details how we connect with our customers, our people, communities and the environment.

Finally, I'd like to thank all our people for a fantastic year – one in which we have achieved some outstanding things together. I look forward to another exciting year ahead.

Paul O'Sullivan, Chief Executive



This report

This is our eleventh report on our social and environmental performance and covers the period of the financial year ending 31 March 2010.

Scope

This report encompasses the performance of Optus' Australian operations¹, including where possible our subsidiaries, wholly owned retail stores – Optus 'yes' stores – and franchised retail stores. As part of our reporting journey we will continue to progressively expand this scope.

Global Reporting Initiative



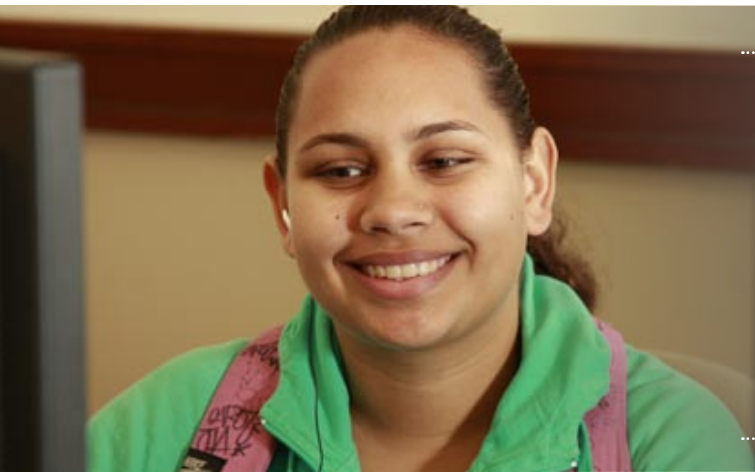
The Global Reporting Initiative (GRI) G3 Guidelines have been used to guide the content of this report. Our reporting meets the requirements of the 'A' application level. While our reporting has been informed by this global standard, we have focused the report on our key issues and those of our stakeholders. For more information on how these issues were selected [see page 11](#).

Your feedback

We value your feedback and any questions you may have; please contact sustainability@optus.com.au



1. Offshore ventures have not been included in this report except in financial disclosures and community partnerships.



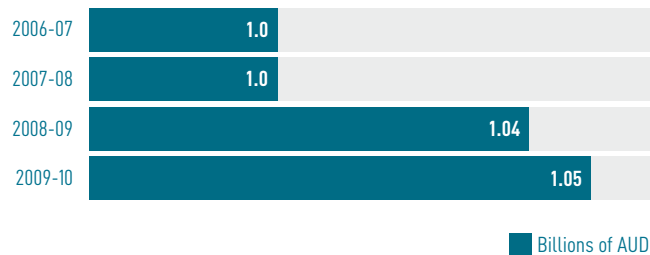
We donated close to 6,000 pieces of computer equipment to the not-for-profit organisation WorkVentures Connect IT

The year at a glance

'yes', we are connecting Australia

- \$1.05 billion invested in expanding our networks, up one per cent from last year.
- Mobile dual-band network now provides 3G services to over 96% of Australia's population.
- Launched on social media platforms such as Twitter and Facebook to connect with more of our customers.
- Net profit \$676 million, up 16 per cent from last year.

Investment in network



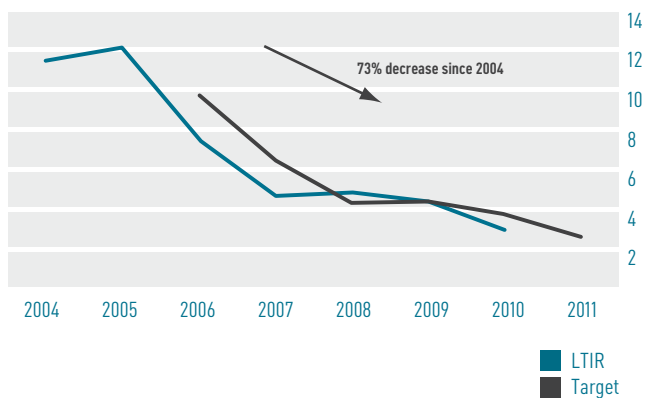
'yes', we care about our customers

- Received the Consumers Telecommunications Network (CTN) 2009 award for 'Supporting Grassroots Consumer Consultation'.
- Launched the 'Voice of the Customer' to better measure customer experience.
- Devised customer protection initiatives in partnership with industry and government.

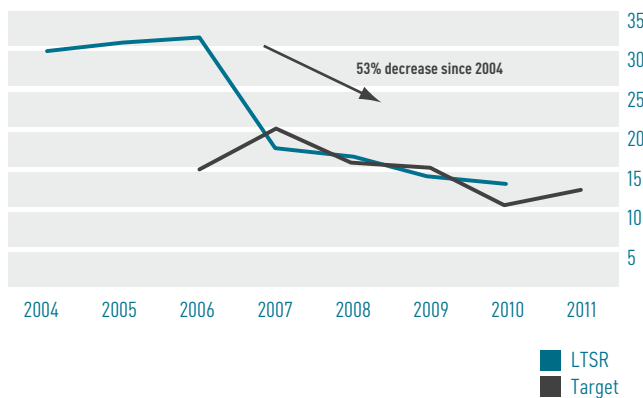
'yes', we care about our people

- Contributed over \$58,000 to support our people working at our outsourced call centre and their communities who were hit by Manila typhoons in the Philippines September 2009.
- The number of our people who are using flexible work practices increased by 20 per cent from last year.
- Received the SAI Global Business Excellence Award for Occupational Health and Safety Management Systems.
- Reduced Lost Time Injury Rate by 31.7 per cent.
- Reduced Lost Time Severity Rate by 7.6 per cent.

Lost Time Injury Rate – Progress against target



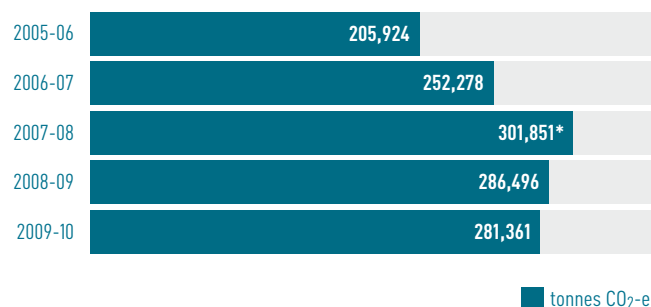
Lost Time Severity Rate – Progress against target



'yes', we care about the environment

- Reduced greenhouse gas emissions by 1.8 per cent from 2008/09.
- Purchased 19,000 carbon dioxide equivalent tonnes (CO₂-e) – equivalent to 50 per cent of the CO₂-e emitted as a result of our corporate operations.
- We were the first company in Australia to trial new thermal solar-powered air conditioning. The trial took place in our Woolloongabba office communications room, resulting in a 35 per cent reduction in power use by the unit.
- Moved more customers to online billing resulting in savings of 6,400 reams of paper a month.
- Introduced more onsite recycling facilities, which collectively diverted an additional 19 tonnes of recyclable material from landfill.

Greenhouse gas emissions profile (tonnes CO₂-e)

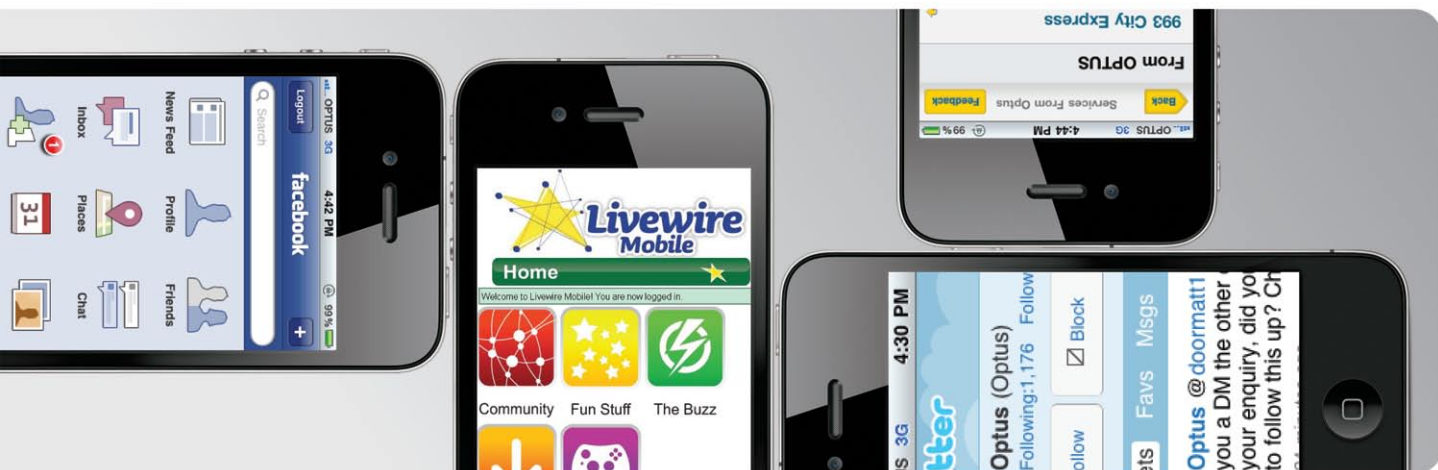


'yes', we care about the community

- Increased the participation in our workplace volunteering program with over 20 per cent of our people contributing 18,000 volunteering hours to community initiatives.
- Invested a total of \$8.24 million in community contributions.
- Donated close to 6,000 pieces of computer equipment to the not-for-profit organisation WorkVentures Connect IT.
- Extended our long running partnership with the Starlight Children's Foundation to support the Livewire Hospital program, an online community for young people living with a serious illness, chronic health condition or disability. As part of this program we provided portable laptops with 3G mobile broadband to young people in 15 wards at Westmead Children's hospital, to give them access to the Livewire service.
- Committed to implement Livewire to an additional 25 metropolitan and regional hospitals across Australia enabling more young people to connect and gain the support that they need.

Volunteer hours





Telecommunications – the key issues and opportunities in 2010

The telecommunications industry is undergoing a major revolution that will radically change how we communicate with one another. Mobile phone networks have increased their bandwidth and speed exponentially in the past five years.

There has been a dramatic shift in how information is presented on touch screens as a result of the increasing processing power of handheld or smart devices, and governments around the world are upgrading fixed line networks to create high speed broadband highways. These trends are driving a major shift in how telecommunications are currently being delivered and will be delivered in the future.

Economic and social development

Communications is a driver of economic and social development, for both businesses and individuals.

Shared access to centralised applications, updated in real time, with the ability to track local and global events will become the norm – helping us to become more connected in work and in play. As well as providing the technology to make this possible, we want to help ensure that everyone has access.

While the dynamic and exciting world of converged media and communications offers great opportunity, its inherently complex, interrelated and global character means we need to ensure that our customers are protected.

The environment

Telecommunications technology can also help enable a transition to a low-carbon economy. We are committed to playing our part in Australia's efforts to tackle climate change. As a telecommunications provider we foster and develop telecommunications products and services that can help individuals, businesses and communities to minimise their carbon footprint. For instance, modern efficient telecommunications can provide alternatives to physical travelling for business meetings by using videoconferencing. The growth of broadband communications and internet services also enable remote working and teleworking. The provision of these solutions will be facilitated by the availability of high speed data systems by either wireless or cable delivery. We already have systems in place, and will continue to investigate opportunities for cost efficient delivery platforms.

Our key issues

Members of our Corporate Responsibility Steering Group and Corporate Responsibility Taskforce took part in a workshop in 2009 to discuss the key corporate responsibility issues for Optus. AccountAbility's AA1000 principles of inclusiveness, materiality and stakeholder responsiveness provided the filter for which we selected our priority areas for action and reporting. These principles provide an internationally accepted framework for understanding, governing, evaluating and communicating our accountability to our stakeholders.

This diagram highlights the issues identified as a high priority for us and how they fit within our Corporate Responsibility Strategy.





Governance

We aspire to the highest standards of corporate governance. Optus, as a wholly owned subsidiary of the SingTel Group, is listed on the Singapore Exchange (SGX) and the Australian Stock Exchange (ASX).

We are guided by the SGX Code of Corporate Governance 2005 and the ASX Good Corporate Governance Principles and Recommendations 2007. Where one exchange has more stringent requirements, these are observed.

We see good corporate governance as central to being a responsible corporate citizen. It ensures our long-term success, enhances our performance, and is consistent with our stance that an open, transparent and performance orientated industry is integral for the future development of the Australian telecommunications industry.

Governance is undertaken at a number of levels as part of an integrated process. This covers financial activities, legal compliance, risk management, environmental management and occupational health and safety among others.

Key elements of our governance process include:

- Our Internal Audit Group that investigates and reports compliance across all policy areas.
- Our Internal Fraud Group that investigates potential internal and external cases of fraud. This process is based on the Australian Risk Management Standard AS/NZS 4360/2004 and AS 8001 Fraud Control and Corruption Standard and is supported by an independent whistle-blower hot line for anonymous reporting of suspicious behaviour.
- Environmental audits of construction activities to ensure compliance with our Environmental Management System and environmental legislation.

- Enterprise Risk Reviews to investigate and assess physical risks to major facilities.
- Occupational health and safety audits as a condition of our Self Insurance Licence.
- Mandatory training for all staff on an annual basis for compliance in relation to the Trade Practices Act, fraud awareness, and equal opportunity issues.
- Policies in relation to ethics, financial management, occupational health and safety, energy, procurement and environmental management.
- An Employee Code of Conduct.

For further information on our corporate governance, including a list of all our committees, see SingTel's Full Financial Report for 2009/10 including its Corporate Governance Report, [click here](#).

Corporate Responsibility Steering Group

The Optus Corporate Responsibility Steering Group, chaired by our Chief Executive, Paul O'Sullivan, provides leadership and strategic input to our Corporate Responsibility Strategy and ensures it continues to be integrated across the business. This Group aims to meet twice a year and includes members of the Senior Leadership Team as well as key senior managers.

The Corporate Responsibility Steering Group is supported by a Corporate Responsibility Taskforce made up of senior managers from our key business units.



OUR GUIDING PRINCIPLE AND VALUES

Being 'yes' is the guiding principle for what it means to work at Optus.

It's a small word but a big promise and we think it speaks volumes about our core values and behaviours. Whether we are creating a rewarding and exciting work environment for our people, finding solutions to mitigate our impact on the environment, or providing products and services that add value to our customers and the community – 'yes' it is possible.

Core values:

- Customer focus
- Integrity
- Challenger spirit
- Personal excellence
- Teamwork

The Taskforce is responsible for implementing and advancing our Corporate Responsibility Strategy across the business and will develop informal working groups to discuss ideas as well as undertake a range of agreed activities. These working groups include the Green Working Group and Community Investment Working Group.

Key policies, codes and management systems

This section outlines our key policies, codes and management systems that govern our management of our key corporate responsibility issues.

Governance

SingTel Code of Conduct

The SingTel Code of Conduct sets out principles to guide our people in carrying out their duties and responsibilities with the highest standards of personal and corporate integrity, [click here](#).

Ethics Policy

The SingTel Ethics Policy is an internal document that covers conduct in the workplace, business conduct, protection of SingTel's assets, confidentiality, non-solicitation of customers and employees, conflicts of interest and corporate opportunities. At induction, all employees are expected to complete a module on the Ethics Policy, ensuring consistent awareness and understanding of expected conduct throughout the business.

People

Occupational Health and Safety Strategy

The Optus Occupational Health and Safety (OH&S) Strategy is an internal document that sets the direction and targets for all OH&S activities, outlines key objectives, training matrices, prevention programs and lead/lag performance targets for each business unit. These objectives are reviewed on a regular basis by both the business and the Safety Leadership Council.

Employee Relations Policy

Optus' Employee Relations Policy documents our commitment to developing and maintaining an employee relations climate which encourages and promotes open communication between employees and management. This accountability is an integral part of the leadership obligations for all managers and supervisory staff. This is an internal document.

Anti-Discrimination/Harassment Policy

Our Anti-Discrimination/Harassment Policy is an internal document that outlines our expectation for all workplace participants to treat each other with respect, courtesy and dignity. We are committed to providing a workplace that is free of all forms of:

- Unlawful discrimination and harassment, for all existing and prospective employees, agents, contract workers, customers, suppliers and visitors at Optus workplaces.
- Bullying of any workplace participants including employees, contract workers and other people at Optus workplaces.

Flexible Working Arrangements Policy

Our Flexible Working Arrangements Policy is an internal document that demonstrates our commitment to developing and maintaining a workplace and culture that encourages and supports the diverse nature of our people. As a leading employer, we understand the importance of attracting and retaining the best people.

We also recognise our people have a range of priorities both within and outside the workplace, and that achieving a healthy balance is important.

Electromagnetic Fields (EMF) Policy

The Optus EMF Policy is the guiding document that ensures the provision of a safe and healthy work environment and work practices for all Optus employees and contractors in regards to EMF. This internal document complies with the national standard of the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) and the international standard of the International Commission on Non-Ionising Radiation Protection (ICNIRP).

Customers

Disability Action Plan

Optus' Disability Action Plan (DAP), which was launched in 1999, outlines the themes and objectives of our approach to disability issues. The DAP continues to be instrumental in improving the way we meet the needs of consumers in Australia. For further information, including copies of the DAP, please see optus.com.au/disability

Cultural and Linguistic Diversity Policy

We launched our Cultural and Linguistic Diversity Policy in 2002 to help meet the company's obligations under anti-discrimination legislation. The Diversity Policy focuses on removing barriers to access to our goods and services for customers, potential customers and staff, regardless of their race, colour, language or national and ethnic origins. See optus.com.au/diversity

Financial Hardship Policy

The Optus Financial Hardship Policy was developed to assist those customers experiencing difficulty in paying their bill under their contract with Optus. For further information see optus.com.au/financialhardship

Supply Chain Strategy

The Optus Supply Chain Strategy is an internal document that defines our approach to the ethical procurement of goods and/or services.

Supplier Code of Practice

The Optus Supplier Code of Practice details the requirements we have of our suppliers to improve the environmental and social performance of our procurement activities.

Environment

Environment Policy

The Optus Environment Policy is an internal document that outlines our commitment to and strategy for minimising our impact on the environment, and identifies key environmental issues for our organisation.

Sustainable Transport Strategy

The Optus Sustainable Transport Strategy is an internal document that was developed to promote increased travel choices for our people, with an emphasis on sustainable modes of transport.

Climate Change Strategy

The Optus Climate Change Strategy is an internal document that outlines our approach to climate change that includes staying informed of the scientific debate, monitoring the impacts of weather events on our network operations, and decreasing our carbon footprint. Our strategy is reviewed every two years at a minimum (it was last reviewed in early 2009), or more frequently if particular information or field experience indicates.

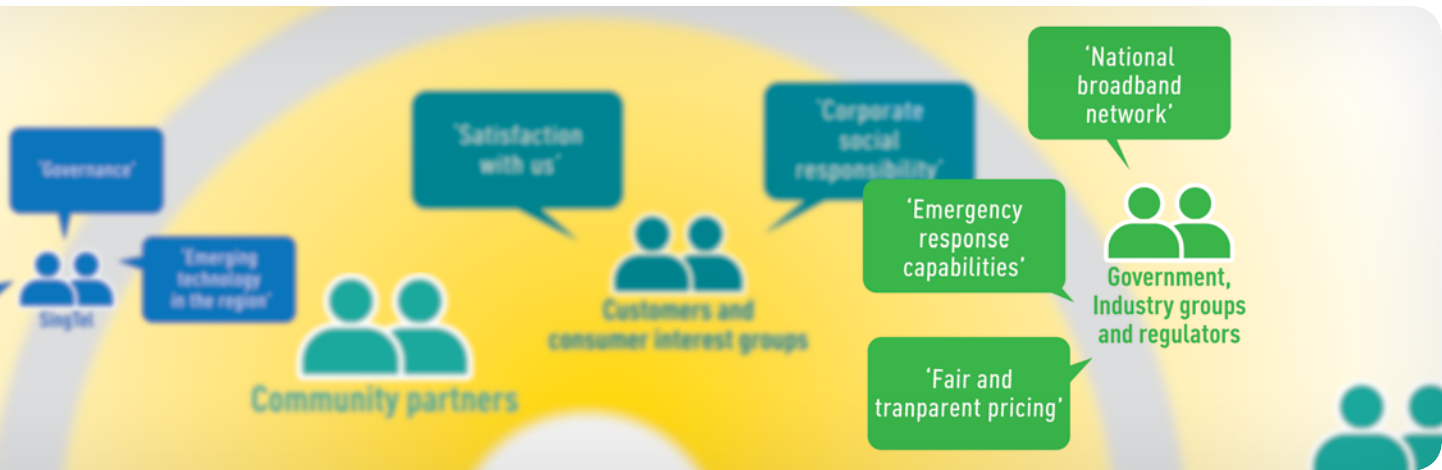
Energy Policy

The Optus Energy Policy outlines our vision and commitments in achieving best practice for energy efficient consumption and in providing telecommunications services. This is an internal document prepared by the Energy Efficiency Steering Group. This Group meets monthly and has the responsibility of developing a broader integrated energy efficiency approach across all Optus activities.

Community

Charitable Donations Policy

To be introduced in June 2010, the Optus Charitable Donations Policy will be an internal document that aims to provide guidance for our people on what is acceptable in relation to a charitable donation by ensuring alignment to our community investment focus areas. This policy will also help to ensure transparency and accountability in our giving practices and that our reporting is accurate.



Engaging our stakeholders

In our many roles – employer, partner, supporter, service provider, producer, seller, re-seller and purchaser, we engage our stakeholders in the key issues to help inform our business decisions and future directions.

We consider our core values and behaviours of continuous and open dialogue, treating everyone with dignity and respect, and the ability to listen and anticipate needs, as key ingredients of successful stakeholder engagement.

Below are our main stakeholder groups and examples of key interest areas that we engaged with them on during the year. Further information on our stakeholder engagement activities are described throughout this report.

Stakeholder engagement is considered integral to our approach to managing our corporate responsibility impacts.

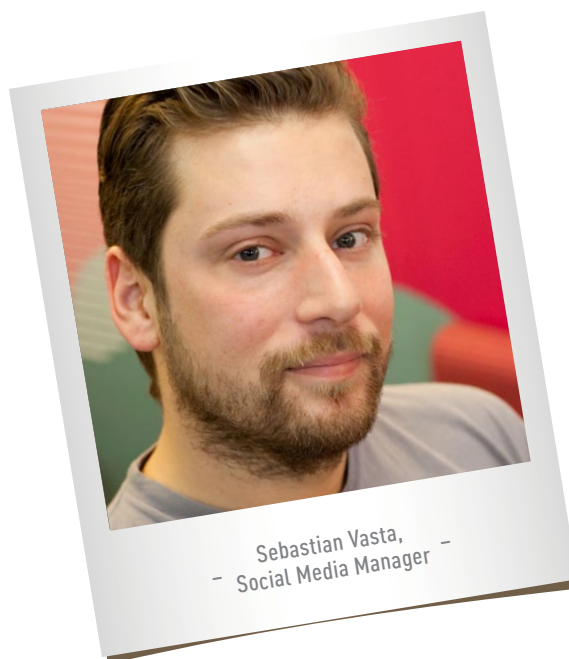


Using social media to connect

Social media applications, such as Twitter and Facebook, are becoming increasingly popular in Australia, with close to 680,000 Australian Twitter users and close to eight million Australian users of Facebook recorded in early 2010. Joining Twitter and Facebook provides another avenue to connect with our customers.

On Facebook we post messages and chat about our promotions, events and our corporate responsibility initiatives. We also provide advice on how customers can better manage their accounts. In the first five weeks of establishing our Facebook page we had 13,000 fans.

On Twitter we report on customer sentiment every week. Since we joined Twitter we have engaged with close to 3,000 unique users.



SUPPORTING GRASS ROOTS CONSULTATION – CONSUMER LIAISON FORUM

We obtain consumer input into the development of policies and practices to overcome barriers for access and use of telecommunications products and services through our Consumer Liaison Forum (CLF). Established in 1995, the CLF is made up of people from peak consumer groups representing a range of interests from around Australia.

CLF members, who represent people with disabilities, helped us develop our Disability Action Plan, and contribute to the Plan's ongoing implementation. Similarly, CLF members assisted in the development of our Cultural and

Linguistic Diversity Policy. One of the members is a representative of the Australian Financial Counselling and Credit Reform Association (AFCCRA) and provides input into our hardship program and associated policies.

The CLF also considers rural and remote access issues with one of the member organisations specifically representing people from these areas. Of particular interest are telecommunications infrastructure and the ability of telecommunications and technology to bring a wide range of benefits to isolated communities, such as improved educational opportunities.

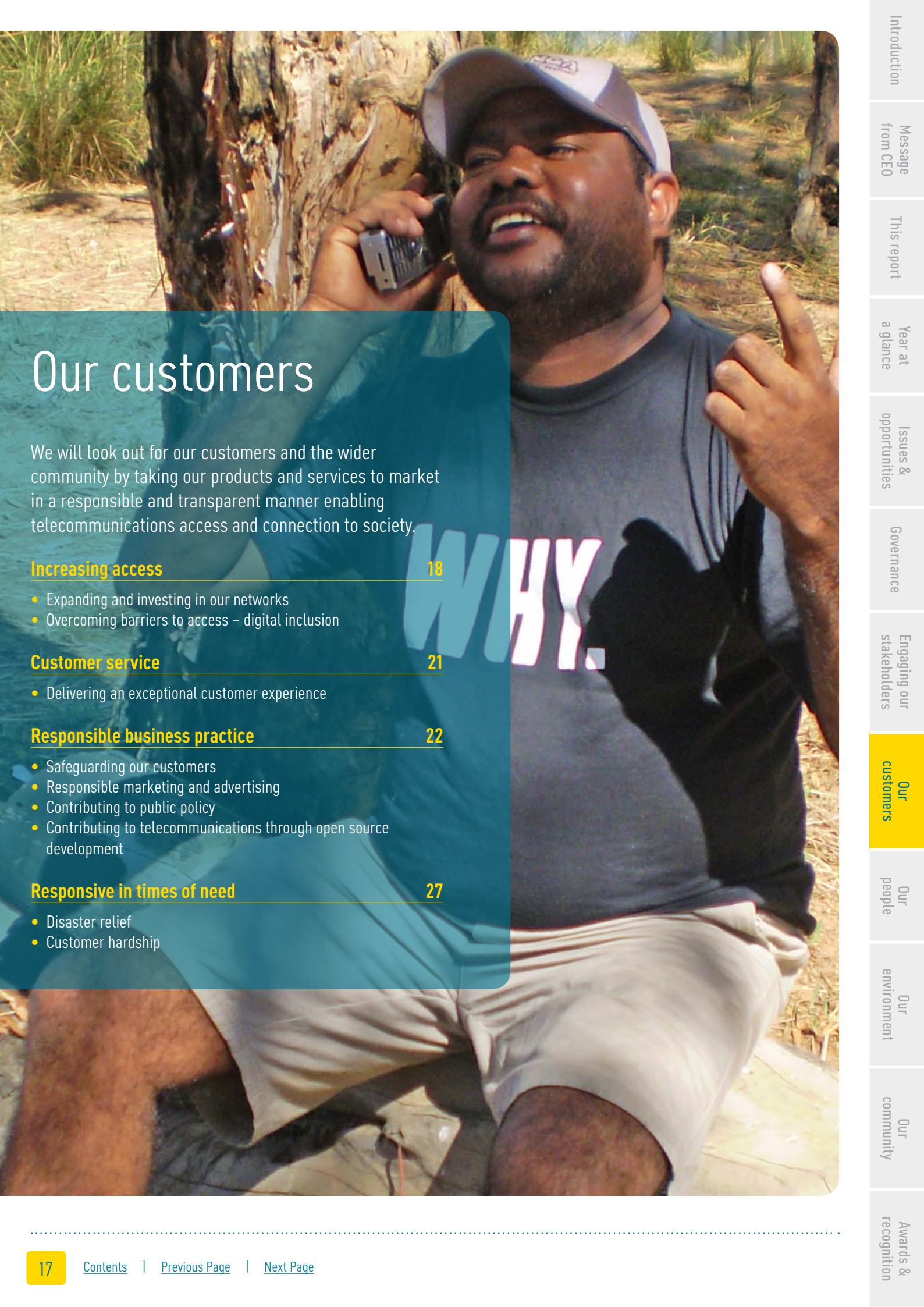
In 2009/10 we engaged with our CLF on a number of issues including:

- our Corporate Social Responsibility program
- the National Broadband Network

- our response to a number of Government discussion papers, such as the new Australian Consumer Law and the review of Telecommunications Code development processes
- internet security initiatives

In recognition of the work we do with our CLF we received the Australian telecommunications consumer body, the Consumers' Telecommunications Network (CTN) 2009 award for Supporting Grassroots Consumer Consultation. The CTN Awards give recognition to those in and around the telecommunications industry who work towards achieving better accessibility, affordability and quality of telecommunications services for Australia consumers.

For more information, [click here](#).



Our customers

We will look out for our customers and the wider community by taking our products and services to market in a responsible and transparent manner enabling telecommunications access and connection to society.

Increasing access 18

- Expanding and investing in our networks
- Overcoming barriers to access – digital inclusion

Customer service 21

- Delivering an exceptional customer experience

Responsible business practice 22

- Safeguarding our customers
- Responsible marketing and advertising
- Contributing to public policy
- Contributing to telecommunications through open source development

Responsive in times of need 27

- Disaster relief
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Network update: We're now reaching 700,000 square kilometres

Increasing access

Expanding and investing in our networks

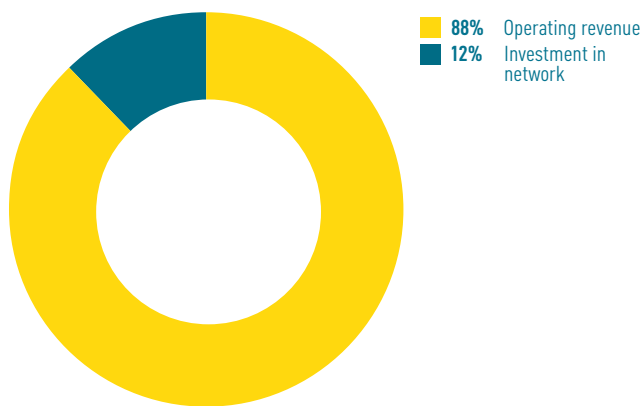
Since 1992 we have invested more than \$15 billion in Australian telecommunications infrastructure by expanding mobile, internet and fixed line telephony networks, deploying satellites, and building more exchanges to improve internet speed, especially in regional areas. This investment continued in 2009/10 despite the turbulent global economy with \$1.05 billion being invested. This equates to 12 per cent of our revenue, and is an increase of one per cent from 2008/09. Next year we plan to increase this investment, with a target of around \$1.2 billion to be invested.

Our dual-band mobile 3G network now provides services to over 96 per cent of the Australian population³. Over the past three years, an average of two new base stations have been rolled out every working day. In 2010, we focused on rural and regional Australia to provide real choice for businesses and consumers in these parts of Australia who have been typically served by one provider. For these consumers we also initiated Optus Country, a team fully dedicated to servicing their needs and expanded our retail Optus 'yes' shops and 'yes' kiosks into these areas, with an average of one new outlet opened each week. In internet service provision, we received approximately 1.3 million in funding from the Australian Government through the Australian Broadband Guarantee (ABG), to provide the best available broadband services to rural and remote areas of Australia. These rural and remote areas would otherwise be commercially prohibitive and uneconomical due to the low population densities and the significant distances involved.

The expansion of our dual-band 3G mobile network was a key focus for Optus during the year. With the explosion of mobile broadband, Optus focused on increasing the depth and breadth

of existing mobile coverage especially in metropolitan areas to ensure a positive customer experience. The objective is to extend mobile coverage to 98 per cent of the population.

Capital expenditure in 2009/10 as a proportion of operating revenue



Investment in network \$1.05 billion or 12 per cent of operating revenue

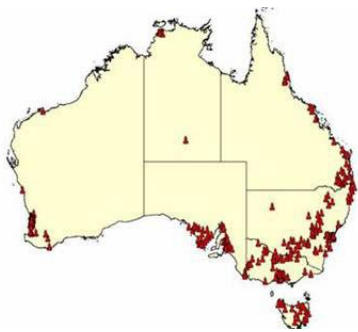
Key investments:

- Expansion of our 3G mobile and HSPA network
- Launch of the Optus D3 satellite
- Upgrading HFC cable network to speeds of up to 100 Mbps

Network update – we're now reaching 700,000 square kilometres

The Optus dual band network that provides 3G service, now reaches 700,000 square kilometres – reaching more and more people across Australia in cities, regional towns and along important highway connections.

³ Use of an external antenna will provide coverage to 97 per cent. Dual-band network refers to our 2100MHz/900 MHz network. A number of factors may affect coverage including location, demand on the network and use of external antenna.



As part of this network expansion we undertook 753 community consultations in 2009/10 to ensure mutually beneficial outcomes for the location of network infrastructure. Where possible we seek to co-locate mobile phone base stations on existing infrastructure to minimise visual impact.

Community consultation activities often involves letterbox drops, public notices, formal notifications, submissions, drop-in information sessions, local meetings and advertorials. Common issues raised in the reporting period included visual amenity and impacts on existing infrastructure and vegetation.

One example was our engagement with the Orange Local Aboriginal Council and the New South Wales Department of Environment, Climate Change and Water (DECCW) to determine the route of a fibre optic cable that will be constructed to connect the Orange Township in New South Wales with an existing Optus mobile tower located at the summit of Mount Canobolas. The key reasons for this engagement were to ensure no traditional ceremonial sites or sensitive ecological areas were impacted by the cable's construction.

Based on the outcome of this engagement an indigenous heritage and flora and fauna assessment was submitted to the DECCW for determination.

Locations of all our mobile base stations are added to the National Site Archive which is hosted by the Mobile Carriers Forum (MCF). This is a publicly accessible archive of mobile telephone base stations and radio communication facilities in Australia to help keep the community informed.

See www.rfnsa.com.au/nsa/index.cgi

Universal Service Obligation

The purpose of the Universal Service Obligation (USO) is to ensure that standard telephone services, payphones and other services are reasonably accessible to all Australians on an equitable basis, wherever they reside or conduct business. We contributed \$29 million towards the costs of extending services to rural Australia in 2009/10 under the USO arrangements.

Overcoming barriers to access – digital inclusion

Effective access to telecommunications technology is an important part of participation in society. Internet and mobile phones are now part of everyday life for many Australians. Barriers to accessing telecommunications can include physical, financial, geographic or cognitive barriers. We have a number of programs and initiatives in place to help overcome these barriers to promote effective access to telecommunications technology.

KEY ISSUE DISCUSSION: Our approach to digital inclusion

Q&A with David Woodbridge, General Manager Devices



Telecommunications are becoming an increasingly important part of our lives. As a leading provider of telecommunications products and services, what role do you think Optus can play to benefit disadvantaged

members of the Australian community in the uptake of this technology?

As a telecommunications provider we have the unique opportunity to assist people with special needs, such as people who are blind or have low vision. We also recognise that choice, when it comes to telecommunications products and services, is just as important for these members of the community who often have to pay a premium for the specialised products and services that they need.

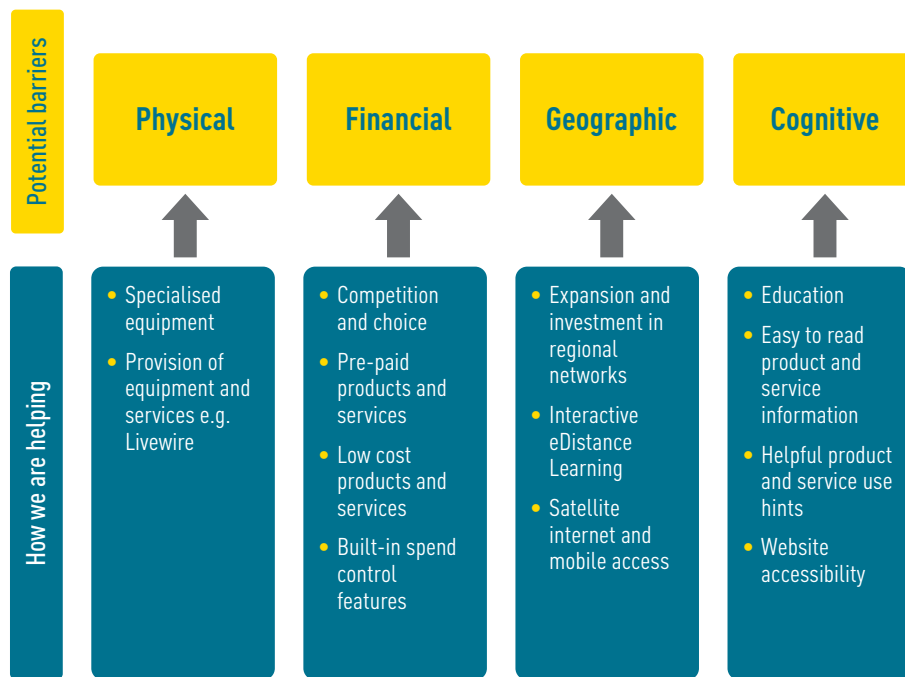
Our objective is to remove barriers to access by providing cost effective yet

specialised products and services. Currently we have a range of voicemail and billing methods and products to help the visually impaired or disabled including:

- Voice to text
- Voice to mms
- Bills in large print and in braille (at no additional charge)

We are also trialling and developing new technology such as a real time text conversation service over the internet, called 'text-over-IP', visual voicemail and voice to email.

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We have a Disability Action Plan and a Cultural and Linguistic Diversity Policy to guide our approach to developing products and services that meet a range of physical and cultural requirements for effective access. For more information see optus.com.au/disability and optus.com.au/diversity

We also promote accessibility by getting involved in the development of, and compliance with, industry codes of practice. Consumer protection codes of practice are developed through the Communications Alliance, the peak body for the Australian communications industry, and also by the Internet Industry Association (IIA). We are members of both these industry bodies.

Competition and choice – overcoming the cost barrier

Today the telecommunications industry in Australia is highly competitive. This was not always the case – up until the early nineties, there was a monopoly provider of telecommunications in Australia. While the incumbent effectively remains the monopoly provider of fixed line services, it now faces competition from mobile networks, from cable networks operating in high density areas in most Australian capital cities and from broadband markets that have been opened up to competition. For the customer, a competitive market means decreasing prices and access to more services.

As the leading competitor in Australian telecommunications we will continue to offer a range of cost-effective products, to drive competition and choice.

Livewire and Optus – helping sick kids connect

In partnership with the Starlight Children’s Foundation we are helping connect young people who have been isolated from friends and family due to long periods of separation caused by surgery or ongoing medical treatment, with other young people facing similar challenges. For further information [see page 58](#).

Website accessibility

We are continuing to review our website’s compliance to international Website Accessibility Guidelines and recently launched optus.com.au/accessibility with a link from the footer of each web page of optus.com.au. The site will be used to provide accessibility updates, for example on how best to view our website in large font view.

Mobile accessibility

To help customers more adequately assess the accessibility features of handsets, the Australian Mobile Telephone Association (AMTA) – of which we are a member – in conjunction with the Mobile Manufacturers Forum, supported the launch of www.mobileaccessibility.info in June 2009 by the Minister for Broadband, Communications and the Digital Economy.

The site enables users to easily review and compare accessibility features on mobile phone handsets.

Customer service

Delivering an exceptional customer experience

We also know that customer experience is about more than queues. It's the sum of every touch point we have with every customer every day.

We have set an objective to be the best in Australia at delivering an exceptional customer experience. To assess our customers' experience we closely monitor a number of measures. Network reliability statistics, call resolution times and field callouts to name just a few. These give us a clear picture of what we need to focus on.

This year we introduced a number of initiatives to improve and drive customer satisfaction throughout the business including:

- Investing significantly in our network to support mobile and data growth.
- Adding 600 new mobile sites to improve coverage, particularly in regional Australia.
- Introduced Voice of the Customer – a real-time customer feedback survey.

- A blog and contact point for our people to share information, insights and ideas that will improve our customers' experience.
- Expanding and simplifying our customer interactions on the web and in printed bills to provide our customers with more information to manage their account more effectively.
- Providing increased communication during service outages.

Through a persistent focus on customer experience at all levels of our business we achieved some great outcomes this year including:

- Our contact centre average queue wait time decreased by 11 seconds from the previous year. Additionally, we decreased the time to get to a contact centre and reduced internal transfers by over 20,000 calls per week by migrating 50 per cent of our calls to new touch-tone interactive voice response (IVR) systems.
- Overall satisfaction with our Customer Care representatives was 87 per cent – a year-on-year improvement of over two per cent.
- We saw complaints to the Telecommunications Industry Ombudsman decline by 14 per cent year-on-year, placing Optus in an industry-leading position.

We will continue to have a persistent focus on customer satisfaction in 2010/11 through network improvements, responding to customer needs and streamlining the customer experience.

VOICE OF THE CUSTOMER – WE HEAR YOU

The Optus Voice of the Customer (VOC) program is an industry leading solution where customers are able to rate and drive the experience they have had with an Optus employee in real-time. Our customers are invited to participate in a three-minute survey to provide feedback on their Contact Centre experience. Optus employees receive the feedback on the spot from the customer and use this to develop and improve our service experience as part of our performance improvement and management process.

As part of this program Optus Consumer Customer Care spoke to over 202,000 customers in 2009/10, an average of 4,000 surveys per week. All surveys were one-on-one with an Optus employee, enabling a rich and meaningful dialogue between us and our customers.

Voice of the Customer has fundamentally altered how we understand our customers' needs. This understanding has allowed us to re-align how we interact, engage and communicate with our customers.



OPTUS SERVICE UPDATES IMPROVE CUSTOMER EXPERIENCE DURING MAJOR OUTAGES

The rollout of Optus Service Updates (OSU), which provides our business customers with SMS, email and/or online updates during major outages, is delivering a dramatically improved customer experience. The rating from customers on our communication during major outages has risen from 4.0 to 7.5 out of 10.

Responsible business practice

Safeguarding our customers

While the dynamic and exciting world of telecommunications offers great opportunity, its complex and global nature means we need to ensure that our customers are protected. Emerging issues associated with social networking sites, online security and inappropriate web content were some of the areas we worked closely on with the government, industry and the community this year. We also must raise awareness of such issues with our customers so they can protect themselves and feel confident and safe in using the technologies and services we provide, whether for communication, education, business or fun.

Protecting customer human rights

The telecommunications sector responds to a range of legislation and regulation through industry codes of practice. This co-regulatory approach allows the flexibility needed to keep pace with this dynamic and rapidly evolving market.

There are a range of legislative requirements, policies, codes and practices which support and protect human rights in the telecommunications industry in areas such as:

- An individual's right to privacy and the protection of their personal information.
- The requirement for law enforcement and government agencies to provide us with warrants before interception of an individual's communications can be undertaken.
- Agreements with law enforcement agencies to notify them of any internet content that we become aware of that contains child pornography or child abuse material.

- Legislated agreements with regulatory agencies to remove any illegal internet content the regulator becomes aware of.

Our approach to regulatory compliance is aligned to the Best Practice principles embodied in the Australian Standard on Compliance Programs (AS 3806-2006). To ensure regulatory compliance across the business there is a focus on increasing awareness of compliance requirements and educating the business on specific compliance matters. Customer feedback is also monitored to identify potential compliance risks.

For more information, [click here](#).

Customer protection initiatives in partnership with industry and government

We work on an ongoing basis with industry organisations and government agencies on consumer protection initiatives. In 2009/10 we:

- Contributed to the development of the Australian Mobile Telecommunications Association (AMTA) consumer tip sheets, which cover topics such as mobile phone bullying, camera phone etiquette, mobile phone spam and scams, the use of mobile phones while driving and managing your mobile spend.
- Contributed to the development of the 19sms.com.au website (hosted by Communications Alliance) which provides advice to consumers on mobile premium services.
- Participated in the Australasian Consumer Fraud Taskforce's annual fraud awareness initiative.
- Participated in code development activities and worked with consumer organisations to ensure consumer rights are protected.

Premium SMS monitoring

In September 2009, we appointed WMC Global to proactively monitor Premium SMS (PSMS) services that are offered by PSMS providers over our mobile network. WMC intercepts the PSMS's (exactly as the consumer experiences them), audits, and reports on TV, print, and web-based advertisements for PSMS services and tests the services themselves to ensure they are operating according to our code of conduct and the Mobile Premium Services (MPS) Code.

PSMS services include tele-voting, information services (such as public transport timetables and school results), text alerts and premium content downloadable to mobile devices, such as ringtones, wallpapers and games. Breaches result in PSMS providers being notified in the first instance and advised of a short timeframe to resolve the breach. WMC escalates uncorrected, egregious, and repeated breaches directly to us,

WORKING TOGETHER WITH KIDS HELPLINE TO OFFER ADVICE TO PARENTS AND CARERS ON YOUTH ISSUES

Since 1999, Optus and Kids Helpline have been creating exciting and innovative ways to help kids stay connected and access help when they need it the most.

We were instrumental in establishing Kids Helpline's online real-time counselling service – a world first. Globally, demand for online services continues to grow as more young people use web-based services as a key way of accessing information and being socially connected. The Kids Helpline online services now account for almost a quarter of all counselling sessions.

For parents 'Talk to your kids' www.talktoyourkids.com.au is another joint initiative between Optus and Kids Helpline. This website has proven to be a valuable resource for parents and carers, covering a number of issues and solutions which children may face. Depression, bullying, abuse and mental illness are all covered and the site has now been updated to include advice about how parents/carers can protect their children from sending inappropriate images by mobile phone, or posting images on social networking sites like Facebook or MySpace which can lead to harassment and cyber stalking.



following which we may take action under our commercial contracts by, for example, imposing financial penalties or shutting down the service.

Cyber safety

In 2008 the Australian Government committed \$125.8 million over four years to support a comprehensive range of cyber-safety measures, including law enforcement, education and an informed and considered approach to ISP level filtering.

We participated in the Australian Government's ISP filtering Live Pilot in late 2009. We took part in order to accurately gauge the impact this type of technology will have on our customers and our network.

Under current legislation, Optus and other Australian ISPs and Content Hosts are required to remove any illegal content they are hosting when notified of its existence by the Australian Communications and Media Authority (ACMA).

If ACMA becomes aware of illegal content that is hosted overseas, they add the URL to their blacklist, and this blacklist is provided to content filter providers, so that access to the content can be blocked for people using filter software on their home/office computers.

In the trial, Optus (and other participating ISPs) used this same ACMA blacklist but blocked access to this content at the network level. Optus will continue to work with Government, policy and industry to support initiatives aimed at limiting access to illegal content particularly child abuse material.

We have always encouraged customers to be security conscious and are a participant in the IIA's Family Friendly ISP program. As a Family Friendly ISP, we have for many years informed customers of how they can obtain a content filter which they can download onto their home computer, if they wish to do so. We offer our customers access to an all-in-one security suite, which includes a parental control/content filtering option. In addition, we have a dedicated security area on our website to educate customers about online safety matters.

For more information see optuszoo.com.au/onlinesafety

Family Friendly ISPs



To help our customers protect themselves and their families from inappropriate content, we provide a range of internet and mobile security software packages.

We are a participant in the Internet Industry Association’s ‘Family Friendly’ ISP program. Australian ISPs who bear the Family Friendly ISP ladybird seal have agreed to comply with the IIA Content Codes of Practice. These Codes are registered with and monitored by the Australian Communications and Media Authority (ACMA).

Family Friendly ISPs are required to meet certain requirements under the Codes, such as restricting internet access to minors, educating customers about internet safety matters and ensuring that customers can access internet content filters.

We also have products and services that provide online and mobile security including:

- Optus Internet Security Suite (OISS) – an internet protection package that contains anti-spam, anti-virus, anti-spyware, firewall and parental control protections.
- Mozone – a mobile phone management and protection service that enables users to block inappropriate or adult website content, premium SMS services in the 19 phone range and the use of the camera.

PROMOTING SAFE MOBILE USE

As a member of the AMTA we help develop advice for consumers on managing the use of their mobile. Tips include information on how to manage mobile spend, how to protect against mobile phone viruses, scams and spams, and mobile etiquette. This information can be found on the AMTA’s website www.amta.org.au

Privacy and complaints handling

We are committed to protecting the privacy of our customers and those individuals that deal with us. Optus, as an Australian telecommunications carrier, is bound by the Privacy Act 1988 (Cth) and the privacy provisions contained in the Telecommunications Act 1997 (Cth). Notwithstanding our legislative responsibilities, we understand that a respect for consumer privacy is good business.

We have a range of measures in place to ensure we meet our responsibilities to protect personal information. These include ensuring all our people are regularly trained on privacy, active information security protections and monitoring, and internal codes of conduct. We also accept and respect requests from individuals (including, but not limited to, our customers) not to have their personal information used for direct marketing purposes.

Our Customer Service representatives are trained and actively encouraged to resolve a customer’s concerns at the first point of contact. When a complaint is unable to be resolved at first contact, it can be escalated to a Team Leader or to a specialised complaint handling group that manages escalated complaints, including those referred directly from the Telecommunications Industry Ombudsman (TIO).

Our complaints handling policy exceeds the standards set out in the AS/ISO 10002 Complaints Handling standard and is in line with our Customer Experience vision. Our complaints handling policy and practice is designed to distinguish us as the market leader for excellence in customer service.

Our website contains further information about our complaints handling and privacy policies. See optus.com.au

Wireless technology and health

Radio communications technologies, such as mobile phones and wireless broadband, have become an integral part of our everyday lives. Radio communications systems utilise electromagnetic energy (EME) in the radio frequency part of the spectrum. There has been extensive research conducted worldwide to investigate possible health effects of EME including that of radio communications and wireless technology. This research has enabled national and international health authorities to establish safety limits for exposure to electromagnetic fields. Exposure limits vary depending on the type of EME and incorporate large safety margins for added protection.

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Australia has adopted the internationally-recognised safety guidelines developed by the International Commission for Non-Ionising Radiation Protection (ICNIRP) and the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) has undertaken its own risk evaluation.

The mobile base stations that we build are designed to comply with the strict safety standards established by Australian law. Similarly, while we are often not the manufacturer of the consumer equipment such as the mobile phones we sell, we ensure all of the products and infrastructure we deploy comply with the relevant health and safety regulations and standards set by Australian law.

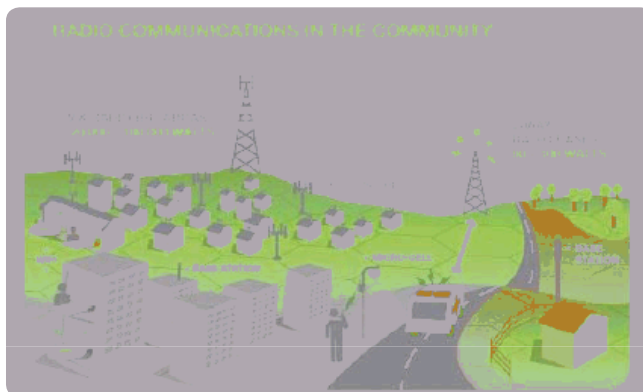
We also help raise awareness of EME by developing and dispersing educational materials through the Mobile Carriers Forum (MCF), the Australian Mobile Telecommunications Association (AMTA) through the EMF Explained Series, and through the community consultation process we undertake during the development and deployment of mobile base stations.

A key aspect of the telecommunications industry’s contribution to the EME debate is through support for research conducted by independent research bodies. We believe it is vital for Australia to retain its expert capacity to contribute to the global research effort. This funding is ongoing and is administered by the Australian Government with key research funding allocations made by the National Health and Medical Research Council (NHMRC). As an industry we have provided approximately \$9 million over 10 years for research into the impacts of electromagnetic fields, with Optus contributing approximately 20 per cent of this amount.

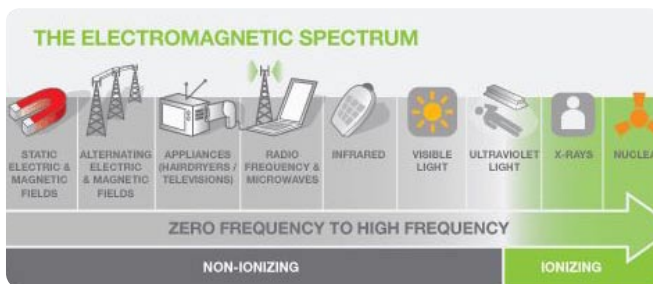
What is EME?

EME is short for electromagnetic energy. Electromagnetic energy is present everywhere in our environment – the earth, sun and ionosphere are all natural sources of EME.

EME is also created whenever an electrical appliance is connected to the mains supply, including in daily use such as refrigerators, hairdryers and computers.



Many electrical appliances don’t just create EME – they rely on them to work. Television and radio, mobile and cordless phones, remote control handsets, baby monitors and the communication systems used by emergency services all communicate using Radio Frequency EMF. So do wireless technologies such as WiFi, which is increasingly used by computer networks to connect to the internet.



The above diagram shows the electromagnetic spectrum, ionising and non-ionising sections, and typical sources of electromagnetic fields. Technologies such as wireless internet and mobile phones use the radio frequency part of the spectrum.

Source: EMF Explained Series website see www.emfexplained.info/

EMF EXPLAINED SERIES

The EMF Explained Series is an information resource for people interested in understanding radio frequency EME, electromagnetic fields (EMF) and wireless issues.

It references national, international and government sources to provide extensive information on the health impacts of EME and EMF. The web portal is designed to provide simple and easy to find information.

The EMF Explained Series was developed by the Australian Mobile Telecommunications Association (AMTA) in conjunction with the GSM Association (GSMA) and Mobile Manufacturers Forum (MMF).

For more information see www.emfexplained.info/

Responsible marketing and advertising

We provide our customers with advice to assist them in choosing products and services that suit their particular needs and budgets.

All of our mass market products and services are made available to customers through Standard Forms of Agreement (SFOAs). Our SFOAs are publicly available documents, and can be accessed on our website at optus.com.au/standardagreements

To ensure the responsible advertising of our services and products, all our people are required to annually undertake an online training module on consumer protection obligations to promote fair, competitive and informed consumer choices. Employees who might deal with competitors have an additional training module requirement relating to anti-competitive conduct that must also be completed annually.

We are subject to a self-regulatory regime, co-ordinated by the industry association, the Communications Alliance and are a member of the Australian Direct Marketing Association (ADMA). ADMA members are required to comply with the ADMA Direct Marketing Code that governs all aspects of direct and data-driven marketing. As part of this Code, we do not sell or disclose customer information to third parties for use in marketing lists, and we abide by the commitments in the 'Do Not Call Register', which aims to protect consumers from unsolicited marketing calls.

Contributing to public policy

Optus takes an active role in helping to shape public policy issues that affect the telecommunications industry. Our objective is to create an open and competitive telecommunications market and we will advocate for this position in the development of relevant policy and legislation in government.

Key issues we have been advocating for include a pro-competitive broadband environment and pro-competition reform. We have called for a level playing field in fixed line services with the Government and Opposition stakeholders. Our backing of the Government's planned National Broadband Network and parallel regulatory reform package, has given the Government confidence in seeking to have passed by the Parliament its bold reform measures such as voluntary structural separation of Telstra or imposed strict functional separation. These pro-competitive reforms are focused on

ensuring genuine open access arrangements which provide equivalent access both on price and non-price terms and conditions.

We participate in public policy development and lobbying by engaging with industry stakeholders and participating in industry forums, such as through the Communications Alliance, the Australian Mobile Telecommunications Association and the Internet Industry Association.

In 2009/10 we liaised with Government and industry stakeholders on a range of public policy matters, including:

- The Government's development of a national Australian Consumer Law
- Regulations regarding the provision of internet and mobile content
- Changes to employee shares and options packages
- Draft legislation covering unfair terms in standard form contracts
- The Government's introduction of new obligations regarding (component) price advertising
- Spectrum policy issues
- Review of satellite and space policy issues
- Regulatory issues associated with the deployment of mobile base stations
- Effective use of taxpayer funding and design of rural and regional telecommunication programs
- Policy for the development of a National Broadband Network and the Government's parallel regulatory reform review
- Use of Government procurement practices to support development of a competitive telecommunications environment
- Review of mobile roaming pricing
- Regulatory issues around the Australian Broadband Guarantee
- Internet content filtering
- Requirements for identity checking of purchasers of pre-paid mobile products
- A review of emergency call service arrangements
- eSecurity (online security) issues
- Development and review of industry codes of practice.

We, in line with many other organisations, make donations to political parties. Equal donations are made to each of the two main political parties. Donations over \$10,500 are disclosed to the Australian Electoral Commission on an annual basis, and details of these donations are made available to the public at www.aec.gov.au

For further information, [click here](#).

Memberships

We are a member of the following industry groups, associations and corporate responsibility initiatives:

- American Chamber of Commerce
- Australia Israel Chamber of Commerce
- Australian Business Arts Foundation
- Australian Business Community Network
- Australian Charities Foundation
- Australian Direct Marketing Association
- Australian Human Resources Institute
- Australian Information Industry Association
- Australian Institute of Management
- Australian Mobile Telecommunications Association
- Australian Subscription Television and Radio Association
- Australian Investor Relations Association
- Business Council of Australia
- Committee for Economic Development of Australia
- Communications and Media Law Association
- Communications Alliance Ltd
- Corporate Tax Association of Australia
- Earth Hour
- International Telecommunications Union
- Internet Industry Association
- Internet Society of Australia
- London Benchmarking Group Australia and New Zealand
- Mobile Carriers Forum
- National Packaging Covenant
- Sponsorship Australia
- The Centre for Corporate Public Affairs
- The Sydney Institute.

Contributing to telecommunications through open source development

The telecommunications technology landscape is evolving rapidly. We take a flexible and innovative approach to how we deliver our products and services to take advantage of technology transformations and provide an exceptional customer experience.

This approach applies to the development of software that supports our business systems. One way in which we achieve this is through the use of open source software. The main principle and practice of open source software development is peer production by collaboration with the end-product, source-material and documentation publicly available at no cost. The benefit to our business from open source software development includes longevity of software, greater flexibility

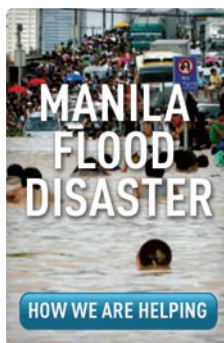
with the ability to tailor it to our needs and reduced costs to the business. We also get to contribute back to the open source community to promote the development of telecommunications technology and services.

Responsive in times of need

Disaster relief

Natural disasters are a sad reality. Their occurrence is unpredictable and their impacts can be devastating to individuals and communities. Responding appropriately to our customers and communities that have been directly affected by a disaster is important to us.

The ability to respond innovatively and quickly to assist the community is a key part of our disaster response approach. We strive to meet our customers' needs and where possible, ensure that we support communities in which we live and work with relief and rebuilding efforts. To support this we have developed a Disaster Response Policy, to be introduced in 2010, that provides guidance on the types of support we can provide in a timely and efficient manner and the types of humanitarian relief and development organisations we will partner with to ensure our support is appropriate and needed on the ground.



In September 2009 typhoons hit the Philippines causing huge devastation and affecting many people working at our outsourced partner call centre, 24/7, in Manila. In Australia, we rallied to support our people from 24/7 who lost their homes with immediate support and assistance to help with basic essentials such as food, clothing

and temporary shelter. Fundraising by our people was matched dollar for dollar to provide additional assistance in the weeks that followed.

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Another aspect of our approach to disaster response concerns the technology and services we can provide. As we experienced in the Victorian bushfires in early 2009, where many of our base stations in the fire-affected area were destroyed, the use of complementary and developing technologies such as transportable base stations, and satellite technology, have increasing operational importance.

Notwithstanding the design criteria for our facilities provide for significant safety buffers to withstand extremes in weather events, and in addition, assessments are undertaken to determine whether rebuild or redesign of network elements is required in high-risk areas.

Customer hardship

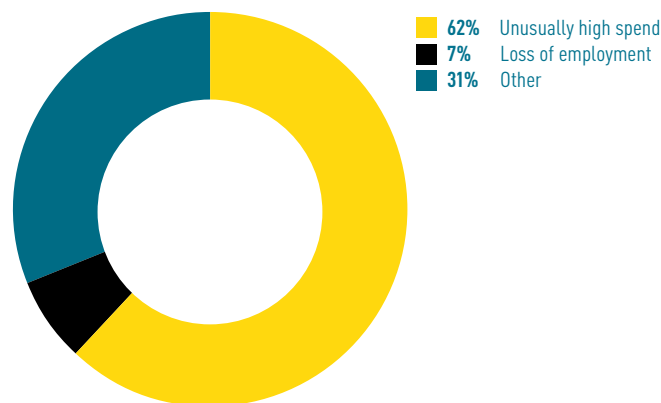
We provide detailed information, in print and online, to help our customers and prospective customers understand the costs associated with our products and services. We have a financial hardship program to help customers who are experiencing difficulties paying their bills.

We work with customers on a case by case basis to determine their eligibility for the hardship program. Eligible customers have access to a range of measures to assist them in managing their debts, such as extended payment timeframes or switching to lower cost or pre-paid plans that suit their usage patterns.

The predominant reason for hardship in 2010 was an unusually high spend. The proportion of cases referred to our Financial Hardship team for this reason rose 20 per cent in the past year. The unusually high spend was often the result of international roaming. It was also due to the greater use of data on mobiles coinciding with the release of smartphones. While we offer a number of tools to help our customers manage their spend, such as SMS and email alerts and barring restrictions, in 2009/10 we introduced an additional application called My Account. My Account enables users to monitor call and data usage in real-time, view and pay bills or recharge their accounts in one spot. For more information, [click here](#).

Loss of employment was another reason for financial hardship in 2010. To help our customers through the tough economic conditions of 2009/10, we established longer hardship arrangements and payment plans to give those in need of financial assistance more time to get back on their feet.

Reasons for hardship referral in 2009/10










For more information, [click here](#).

Performance summary

Key statistics

Trend key

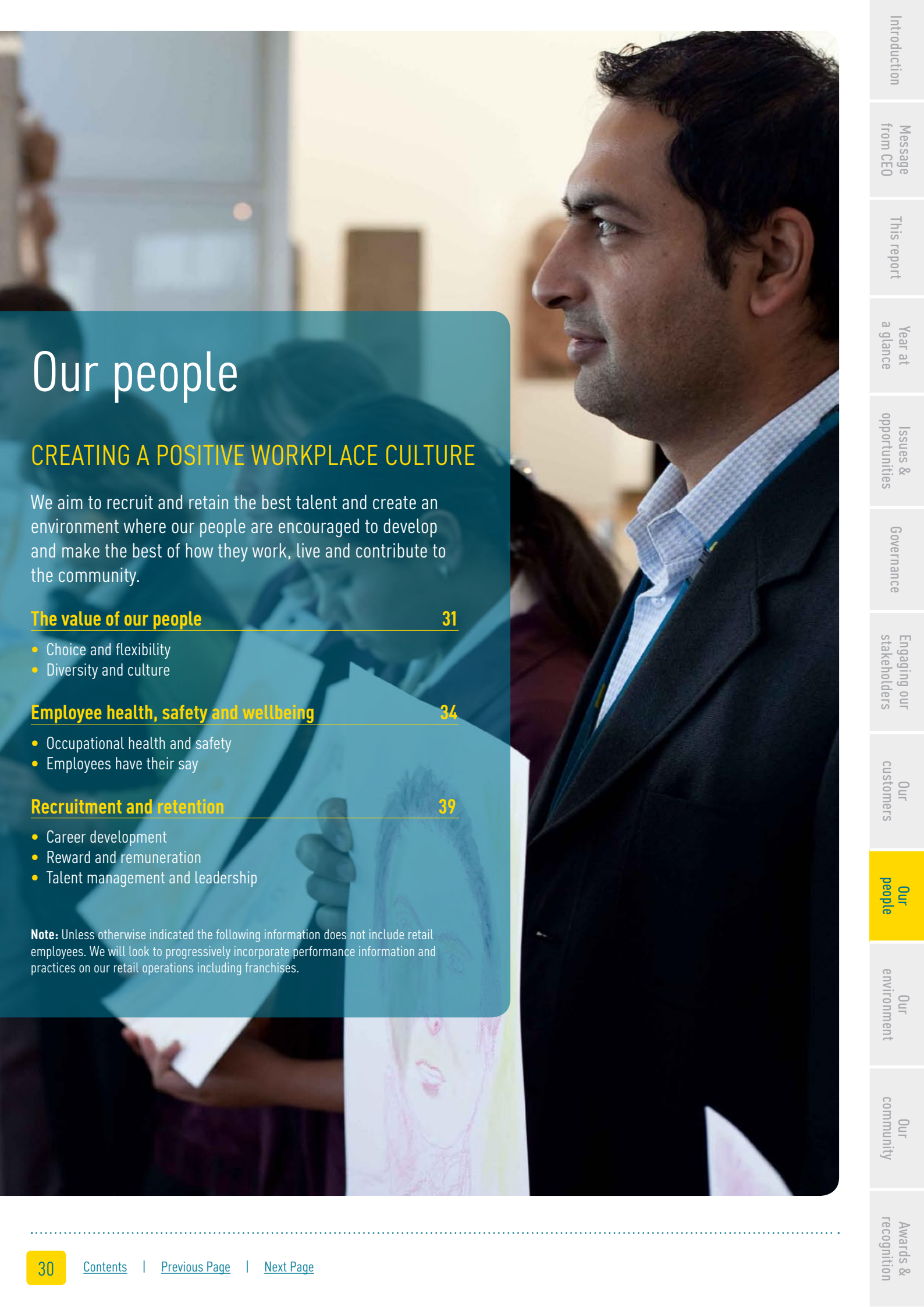
	Increasing positive trend
	Increasing negative trend
	Decreasing positive trend
	Decreasing negative trend
	No significant change

Priority	Indicator	Unit	2007/08	2008/09	2009/10	Trend
Investment and development of networks	Amount invested in capital expenditure	Billions	1.00	1.04	1.05	
Network reach	Australia's population covered by Optus dual band mobile 3G network	Percentage	96%	96%	>96%	

How we are tracking

Priority	2009/10 commitment	Did we achieve it?	2010/11 commitment
Customer safety	Completion of 10 desktop audits and 3 site inspections to ensure compliance with EMF codes of practice.	Yes	Completion of 10 desktop audits and 3 site inspections to ensure compliance with EMF codes of practice.
Investment and development of networks	Roll out our 3G dual-band mobile network to reach 98 per cent of the Australian population.	Reached more than 96 per cent*	Roll out our 3G dual-band mobile network to reach 98 per cent of the Australian population.
	Invest approximately A\$1 billion in the development of our telecommunications infrastructure.	Yes	Invest approximately \$1.2 billion in the development of our telecommunications infrastructure.
Disaster response	Develop an organisation-wide policy for our disaster response to communities in need.	Yes	Implement disaster response policy to assist local communities affected by major humanitarian disasters.
Customer Satisfaction	Meet Voice of the Customer experience targets.	Yes	Achieve an 86 per cent Voice of the Customer score.
	Focus on ways to simplify and streamline the customer experience.	Yes	Be a leader in customer experience in the telecommunications industry by 2011.

*Use of an external antenna will provide coverage to 97 per cent. Dual-band network refers to our 2100MHz/900 MHz network. A number of factors may affect coverage including location, demand on the network and use of external antenna.



Our people

CREATING A POSITIVE WORKPLACE CULTURE

We aim to recruit and retain the best talent and create an environment where our people are encouraged to develop and make the best of how they work, live and contribute to the community.

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- Choice and flexibility
- Diversity and culture

Employee health, safety and wellbeing 34

- Occupational health and safety
- Employees have their say

Recruitment and retention 39

- Career development
- Reward and remuneration
- Talent management and leadership

Note: Unless otherwise indicated the following information does not include retail employees. We will look to progressively incorporate performance information and practices on our retail operations including franchises.

KEY ISSUE DISCUSSION: Impacts of the global financial crisis on the workplace

Q&A with Vaughan Paul, Director Human Resources and Corporate Responsibility Steering Group Member



Vaughan Paul talks about the impacts of the global financial crisis on Optus' workforce and the Australian labour market more generally.

What were the impacts of the global financial crisis on the Australian labour market?

There was a significant tightening of the labour market across many sectors.

Companies restricted growth in labour costs and headcount while

many undertook staff downsizing programs. Discretionary cost areas like travel and training were tightly managed. The recruitment market saw a general tightening – both in roles and candidates looking for new opportunities.

How did Optus respond?

Optus put in place tight management conditions on staff numbers and labour costs. This saw restricted recruitment activity and limited wages growth over 2009. However we continued to invest in training and development across our staff base to support productivity improvements and capability development. Our priority was to protect the jobs of our employees and this was achieved through careful headcount management. We also continued to focus on staff wellbeing and engagement activities and we were

pleased to see an increase in staff engagement in our December 2009 staff survey.

What are Optus' key future priorities for recruiting and retaining a skilled and engaged workforce?

We continue to manage our workforce costs and headcount tightly. We are recruiting for key skills and new capabilities to support our business and we will continue to focus on training and development.

Our remuneration practices have been applied to ensure we remain competitive with the market and reward our employees. Our programs to drive staff wellbeing and engagement will continue in 2010/11.

The value of our people

We know that our people are at the heart of what makes us different from our competitors. We aim to create a working environment that attracts and retains the best people who can live our values of customer focus, challenger spirit, teamwork, integrity and personal excellence.

A new generation of employees is prompting us to look at:

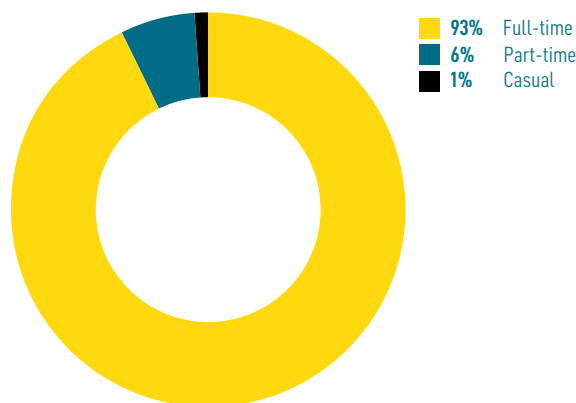
- More flexible working arrangements
- More active means of participation in the growth of the business
- The types of reward and recognition that will motivate our people to reach their full potential.

Choice and flexibility

Our workforce of more than 10,300 employees spans all major capitals of Australia. A large percentage of our workforce is employed on a full-time basis however employees are increasingly looking for greater flexibility in their employment to allow them to balance the demands of work with other interests and life choices.

Workforce arrangements

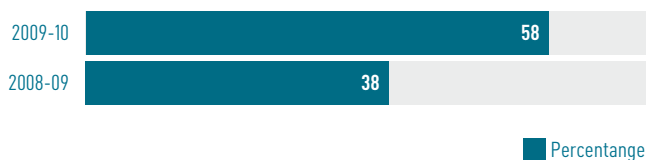
Workforce total = 10,394 FTE



We encourage the use of flexible working arrangements and these are detailed in our collective bargaining agreement. Arrangements address hours of work, job sharing, working from home, family friendly provisions and leave. We also provide services such as on-site child care, as well as fixed or mobile broadband, to assist our people to access more flexible work arrangements. Approximately 70 per cent of our employees were covered in our collective bargaining agreement, the Employee Partnership Agreement (EPA), in 2009/10.

Over the past three years the number of staff using flexible work practices has increased. In 2009/10 58 per cent of our people were utilising flexible working practices, as measured in our employee satisfaction survey, an increase of 20 per cent from the previous year.

Staff utilising flexible working practices



Headcount



In 2009/10 we employed 10,394 full-time equivalent employees in our corporate sites, divisions, subsidiaries and Optus-owned 'yes' stores. Despite the pressures of the turbulent economy we made a commitment to retain our workforce.

Note: 08/09 headcount figures only include Optus employees and not Optus subsidiaries or Optus-owned 'yes' stores.

Franchise employee profile

Total employees	1,725
Male	51 per cent
Female	49 per cent
Average tenure	7.4 years
Average age	47 years

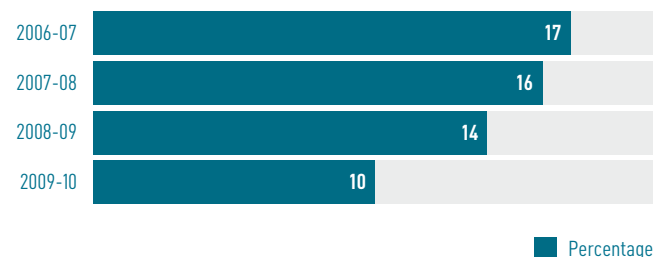
Voluntary Attrition

Voluntary attrition is when employees choose to leave the company and is an important indicator of whether people are satisfied in their jobs. The average voluntary attrition rate decreased in 2009/10 to 10 per cent from 14 per cent in the previous year. This continues the downward trend that we have seen in the past three years.

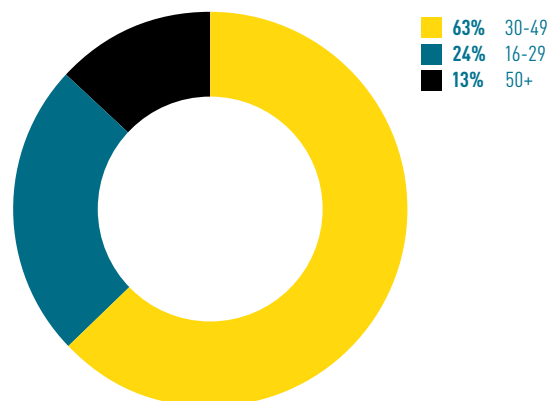
The highest rates of voluntary turnover were experienced in the 16-29 age range and more females were likely to leave than males. We have developed a range of initiatives to target the possible reasons for higher levels of turnover in these groups such as professional development networks specifically for women and leadership, reward and recognition programs.

We recognise that in addition to our programs aimed at retaining highly skilled and committed people, the decrease in voluntary attrition is partly attributable to the current insecurity in the job market as a result of the global financial crisis. We will continue to track voluntary attrition as a key measure of the success of our workplace initiatives.

Voluntary attrition (percentage)



Workforce by age group in 2009/10 (percentage)



Diversity

We recognise that a talented and diverse workforce is a key competitive advantage and that each employee brings their own unique capabilities, experiences and characteristics to their work. We value this diversity at all levels of the company.

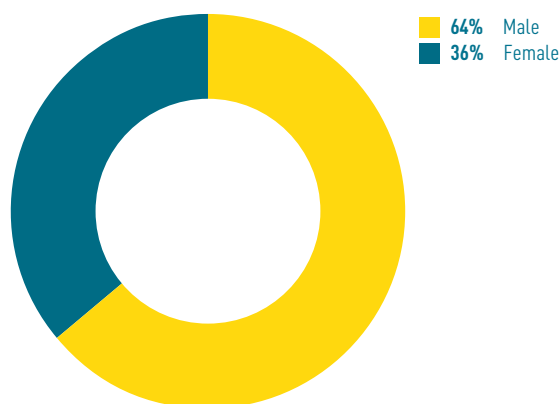
We are committed to ensuring equitable access to employment by prospective and existing staff members regardless of age, gender, race, national or ethnic origin, or whether English is their first language. We aim to eliminate discrimination within our corporate culture. Our Cultural and Linguistic Diversity Policy has been developed to be consistent with our vision and mission as well as corporate policies such as equal opportunities and anti-discrimination laws.

In 2009/10, more than half of our workforce was within the 30-49 age range and 36 per cent of our workforce was female, a two per cent increase from the previous year. In executive positions females represented 16 per cent and received approximately equivalent pay to males at the same level. Overall our gender balance and age profile has been relatively consistent for the past four years. Pay ratio by gender has also remained relatively consistent at close to pay parity, with males being paid slightly more than females (male to female ratio 1:0.96)

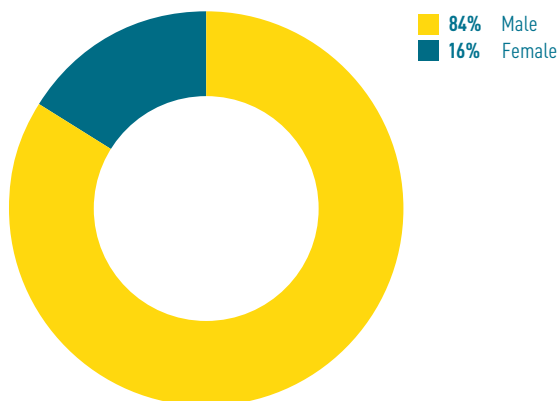
To reinforce our approach to equal opportunity in the workplace, all employees are required to complete an equal opportunity module as part of their induction and refresh this training every two years. Additionally, recruitment skills workshops are held with all hiring managers so that they are aware of their

responsibility to ensure that all of our hiring decisions are made on a merit basis and have no aspects of direct or indirect discrimination.

Workforce by gender in 2009/10 (percentage)



Executive Team by gender in 2009/10 (percentage)



WOMEN IN NETWORKS AND INFORMATION TECHNOLOGY

We have developed a network for women in our workplace, called 'Women in Networks and IT (WIN IT),' to attract, develop and retain female talent in our Networks and IT business units.

The WIN IT group arranges regular forums and workshops for females the Networks and IT business units.

The purpose of the forums and workshops are to:

- Provide professional and personal skill development
- Create opportunities for networking and sharing of ideas.

The forums feature internal and external keynote speakers who discuss topics of interest that were raised in feedback sessions (e.g. communication and networking).

The workshops involve smaller groups of people and to cover in-depth topics raised by the WIN IT group.

In 2010/11 we are looking to expand the WIN IT concept to cater for all Optus female employees.

HARMONY DAY

In recognition and celebration of the diverse nature of our workforce, we participated in Harmony Day on 21 March. Harmony Day celebrates the cohesive and inclusive nature of Australia and promotes the benefits of cultural diversity.

Nothing is more important than the safety of our people.

HEALTH & SAFETY

OUR FOCUS. YOUR WELLBEING

Employee health, safety and wellbeing

Healthy people make great things happen

Occupational health and safety

Nothing is more important than the safety of our people. We believe all work-related injuries and illnesses are preventable. As such we set an objective to achieve zero workplace injuries and have interim reduction targets that are revised annually to make sure we are on track.

Our OH&S management system is based on a process of continuous improvement. A program of prevention and health and wellbeing initiatives, strong governance and leadership by our Safety and Environment Leadership Council, certification to the Australian and New Zealand OH&S Management Standard AS/NZ 4801:2001 and internal and external audits are key elements of our OH&S management system. All these elements help us to provide a safe working environment for our people, achieve reductions in workplace injuries and incidents, and meet the self-insurer licensing requirements set by Comcare, the Federal Australian Government Agency responsible for workplace safety, rehabilitation and compensation. In recognition of our approach to OH&S, we were awarded the SAI Global Business Excellence Award for Occupational Health and Safety Management Systems in 2009.



Our health and wellbeing initiatives include health expos, flu vaccinations, our Employee Assistance Program (EAP), our executive medical program, corporate sporting programs, and our onsite gym. In 2009/10 we introduced a number of additional activities including a program to promote safe driving, Butt out at Work (a program to help smokers quit), and the Year of the Blood Donor program.

Health and Benefits Expos

An annual expo to promote health management and provide our people with a range of benefits through a series of talks, health screenings and programs. Expos are held at each of our major corporate sites around Australia.

Flu Vaccination Program

Free flu vaccinations are available to our people each year.

Global Corporate Challenge and Corporate Games

Participation in corporate sporting programs such as the Global Corporate Challenge and Corporate Games, as well as on site sporting competitions.

Employee Assistance Program

This counselling and advisory service provides professional assistance to our people and their immediate families for any personal or work-related problems. The service, run by external consultants, is confidential and aims to improve employee wellbeing.

Onsite gymnasium and fitness programs

Our corporate headquarters in North Ryde, Sydney has an on-site gymnasium and fitness programs and classes are held on tai chi, yoga and pilates.

Fleet safety

Incidents when driving have been identified as a key occupational health and safety risk, particularly for field and sales staff. A Fleet Safety Program was rolled out in 2009 to increase the training and guidance available to field and sales staff, improve incident reporting procedures and increase

visibility of regular performance reporting. Encouragingly, actions to date have resulted in a 10 per cent reduction in vehicle accidents.

Year of the Blood Donor

In support of year of the Blood Donor we rolled out a blood donation program in 2009, in collaboration with the Australian Red Cross. As part of this program the blood bus visited our Macquarie Park site to enable both

our staff and the local community to donate blood on-site three times during the year.

The Blood Service has collected 802 blood donations from Optus Macquarie Park since the introduction of the blood bus in June 2009 which has the potential to assist an estimated 2,400 people.

Health and wellbeing initiatives – My Wellbeing

OPTUS WINS SYSTEM EXCELLENCE AWARD

In 2009 we were named the winner of the SAI Global Award for OH&S Safety Management Systems. The System Award recognises excellence in management systems for SAI Global-certified companies. This follows our achievement in obtaining AS4801:2001 OH&S Management System certification in 2008 for our Corporate,

Networks and Customer Field Services units. Earning the award is a great honour for us and reflects the work and commitment we have made to implement and drive our OH&S management systems towards best practice.

We use two key measures to track workplace injuries: Lost Time Injury Rate and Lost Time Severity Rate.

In 2009/10 we reduced our Lost Time Injury Rate by 31.7 per cent to achieve a rate of 3.1 and we reduced our Lost Time Severity Rate by 7.6 per cent to achieve a rate of 13.2. This performance surpassed the target we set for our Lost Time Injury Rate and was close to meeting the target we set for our Lost Time Severity Rate. Targets are set by the relevant business unit and are rolled into the company-wide targets, which are approved each year by the Health, Safety and Environment Leadership Council. We have set targets for a 10.3 per cent reduction in our Lost Time Injury Rate and a 7.1 per cent reduction in our Lost Time Severity Rate in 2011.

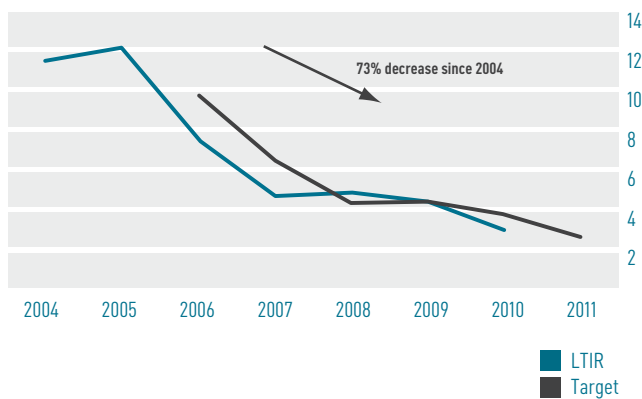
In 2009/10 we also met and improved all the Safety Rehabilitation and Compensation Commission Indicator targets for our Self Insurance Licence, achieving star ratings.

Our strategy for driving performance in occupational health, safety and wellbeing in 2010/11 will include:

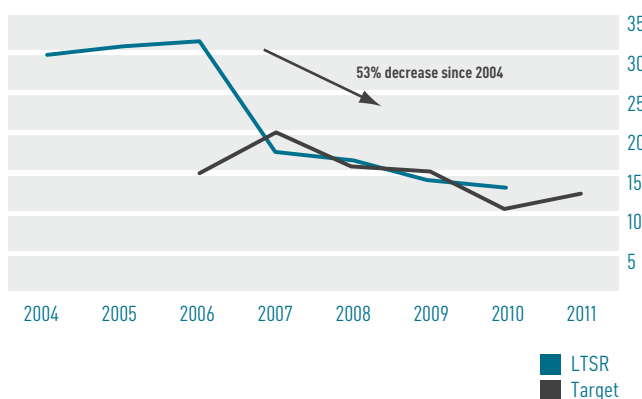
- Providing visible leadership through our Safety and Environment Leadership Council.
- Partnering more closely with business units and Optus subsidiaries.
- Providing additional tools and programs to encourage the health and wellbeing of our people.

- Continuing to drive our self-insurance licence and meet all conditions and targets.
- Reviewing and implementing the Model OH&S Act and preparing for legislative changes.

Lost Time Injury Rate – Progress against target



Lost Time Severity Rate – Progress against target



Employee engagement and cultural change

Our staff engagement -program, 'Your Say,' and our reward and recognition system, 'Reward Yes,' help ensure our values of teamwork, integrity, challenger spirit, personal excellence and customer focus remain central to how we operate.

This year we continued to work on embedding our cultural change program, which aims to strengthen the customer-focused culture at Optus. The program focuses on six key behaviours: Accountability, Empowerment, Collaboration, Flawless Execution, People Development and Customer Champion to drive change in customer experience performance, such as first call resolution, reliability and problem resolution.

To help communicate the cultural transformation program and clarify the linkages to the external brand, we launched an internal brand: 'ME WE "yes" together anything is possible'. Other initiatives to support the transformation include:

Optus Jams

Interactive dialogue sessions held weekly across the organisation to provide greater engagement with our executive and leadership teams. These include the use of web-casts and video for large audiences and face-to face meetings for smaller groups of people to interact directly with the executive and senior management team.

Hub sessions

Collaborative decision-making sessions typically held twice a week at our Macquarie Park campus. Used for events, to help employees solve a problem, develop a strategy or brainstorm an idea.

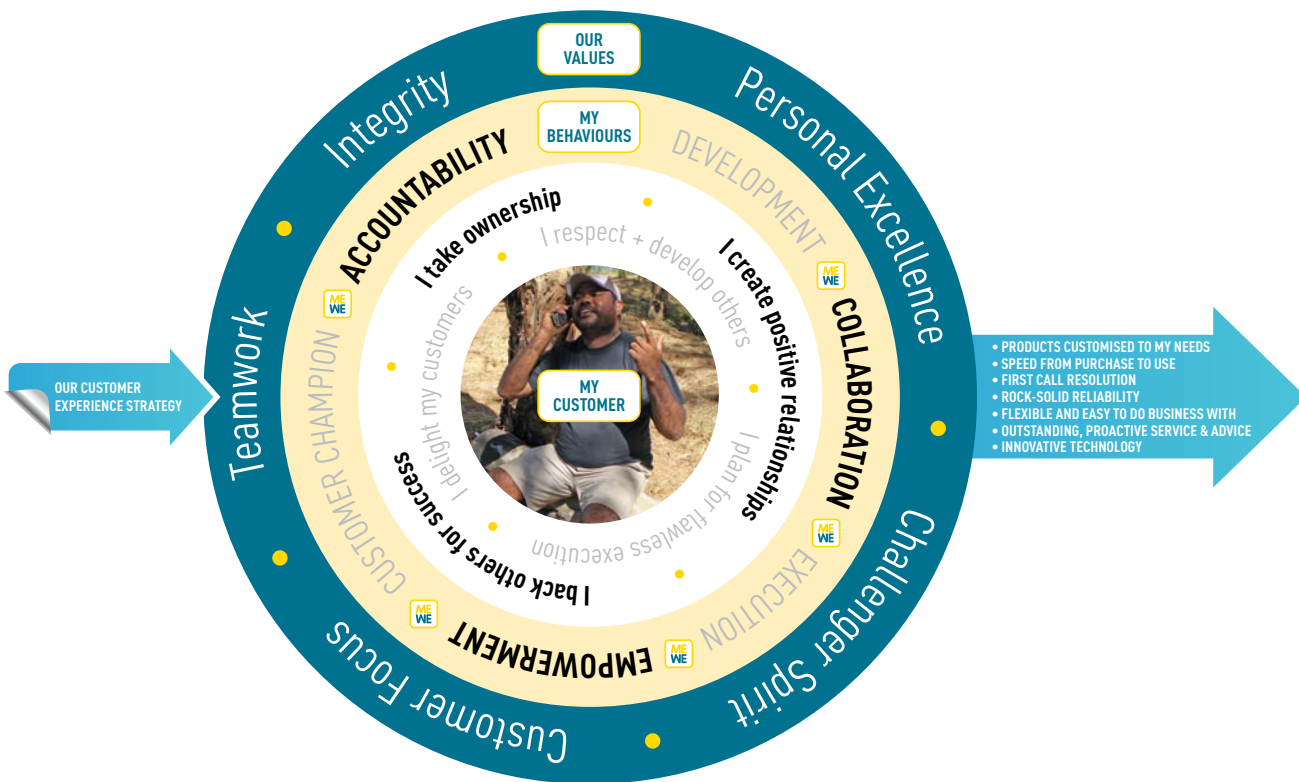
'Live @The Cooler'

An internal social collaboration tool to share best practice throughout the organisation and stimulate discussion.



A range of initiatives to drive behaviours that will help ensure an exceptional customer experience.

The 'ME' in the ME WE program focuses on recognising everyone's individual contribution and development. The 'WE' is about how we collaborate and work together to achieve our collective goals.



Employees have their say

Since 2005, we have conducted an annual employee satisfaction survey called 'Your Say' to help us understand how we can improve as an employer. The results of the survey are also used to benchmark our performance against other Australian and global telecommunication companies and other global high performing companies.

In 2009/10, the survey included for the first time our subsidiaries Alphawest, Uecomm and Virgin Mobile.

Many of our people took the opportunity to provide feedback with an 87 per cent participation rate, an increase of two per cent from the previous year, and a clear indication that Optus people are committed to working together to shape our future. Our engagement score increased two per cent from the previous year to 75 per cent and was in line with the Australian National Norm.

In my experience, all employees are held to the same standards of ethical behaviour



Optus leaders support diversity (recognising and respecting the value of individual differences such as culture and lifestyle) in the workplace



Employees are treated with respect here, regardless of their role



I am proud of Optus' contribution to the community and society



Corporate social responsibility was again identified this year as a key driver of engagement across Optus – and an area where we ranked favourably in comparison to external norms. Further strengths identified in the survey include values and objectives, work environment and immediate manager. Overall, in comparison to both the Australian National Norm and Global Telecommunication Companies Norm, the Optus overall Corporate Social Responsibility score of 78 per cent was above the norms by two per cent and six per cent respectively. However, this result is below the Global High Performing Companies norm by four per cent.

Results from the survey were given to our Leadership Team, who discuss the results and areas that require attention with managers. Customer focus, working relationships, learning and career development were identified as the key areas for attention and action plans that have been developed across the business have identified over 600 initiatives. Initiatives in leadership, reward and recognition and corporate social responsibility will also remain a focus in 2010/11. Quarterly forums will provide an opportunity to review our progress against identified actions.

Recruitment and retention

Career development

Career advancement opportunities are available to all our people, including opportunities to move from the retail to the corporate area of our business. We have a large number of career development initiatives that we run as part of our 'My Career Choices' program. These are targeted at different levels of professional development, to enable our people to achieve their personal and professional career goals.

Decisions on learning and development are discussed formally twice a year with our people as part of our professional development review process. This process provides our people with feedback on their achievements against their objectives and seeks to measure individual performance, both at a behavioural and job requirement level. It also allows employees and managers to identify strengths and areas for development. The goal is for 100 per cent of our employees to have a professional development review twice a year.

All leaders are encouraged to attend workshops on building individual development plans as part of the professional development review process to set new objectives for the next 6-12 months. Individual development plans are used to discuss and set career and personal goals, and discussions on individual development plans are intended to be held on a regular basis.

In 2009/10, almost 100 career development programs were made available and included training courses in presentation and communication skills, leading change, and communication skills, leading change, and achieving career goals. Career development expos and the training courses held through the Optus College also support formal and on-the-job learning. Career development expos were held in all states in the reporting period and the events featured:

- Career coaching clinics
- Interview skills workshops
- Representatives from higher education institutions
- 'Area of interest' – chat rooms where people could find out about roles in different functional areas
- Learning and development booths.

Our corporate-run career development programs had a 35 per cent participation rate in 2009/10. This equates to our people receiving an average of six hours of classroom-based training and 17 hours of online training on a range of topics. In addition, our retail employees received an average of 2.5 hours* of classroom-based training and undertook 6.75 hours of online training.

*Metropolitan retail stores only

REWARD AND EMPLOYEE BENEFITS

We provide competitive salary packages and innovative benefits that demonstrate our pay-for-performance value proposition and our emphasis on work-life balance. We offer a incentives for our people that are designed to recognise and reward high performance and work-life choices, these include:

- Parental and flexible leave programs
- Optus product discounts
- Life insurance, financial/taxation advice via Optus Superannuation plan
- Workplace giving/matching of donations
- Novated car leases
- Employee share offer
- Reward 'yes' Reward and Recognition Program – our internal recognition process that allows our people to recognise the great efforts made by others.

One of the most popular employee benefits provided is free broadband for all employees. The free broadband plans are 21GB Fixed line broadband, or 5GB Wireless broadband. Free broadband also allows employees the flexibility to work from home if their roles allow.

REWARD 'yes'

NEW STAFF BROADBAND PLANS

Think Bigger.

120GB[^] for FREE
(5GB Peak + 70GB Off Peak) when you bundle with a home phone plan.

EMPLOYEE BENEFITS

For full plan details, visit home.optus.com.au/benefits






'yes'












*Speed limited if peak data allowance exceeded. Online sign up only with charge to staff plan via Employee Connect.

Performance summary

Key statistics

Trend key

	Increasing positive trend
	Increasing negative trend
	Decreasing positive trend
	Decreasing negative trend
	No significant change

Priority	Indicator	Unit	2007/08	2008/09	2009/10	Trend
Workforce	Headcount	People	10,679	9,525	10,394	
	By gender	Percentage	66	66	64	
	Male		34	34	36	
	By employment type	Percentage	93	93	93	
Full-time	5		5	6		
Part-time	2		2	1		
	By age group	Percentage	39	16	24	
	16-29		44	63	63	
	30-49		17	21	13	
50+						
Turnover	Voluntary attrition	Percentage	16	14	10	
Equality	Ratio of basic salary men to women	Ratio	1.0 : 9.6	1.0 : 9.6	1.0 : 9.6	
	Females in executive positions	Per cent	15	16	16	
	Claims for discrimination	Number	3	1	0	
Flexible working	Employees utilising flexible working arrangements	Percentage	-	38	58	
Employee satisfaction and participation	Participation in employee satisfaction survey	Percentage	84	85	87	

Key statistics (con't)

Priority	Indicator	Unit	2007/08	2008/09	2009/10	Trend
Collective bargaining agreement	Coverage of the Employee Partnership Agreement (EPA).	Percentage	75	70	70	↔
Workplace injuries	Lost Time Severity Rate	Rate	16.5	14.3	13.2	↓
	Lost Time Injury Rate	Rate	4.9	4.5	3.1	↓
OHS Consultative process	Coverage of OH&S consultative framework through our HSMA	Percentage	100	100	100	↔

How we are tracking

Priority	2009/10 commitment	Did we achieve it?	2010/11 commitment
OH&S	Reduce Lost Time Injury Rate (LTIR) by 14 per cent to achieve a rate of 3.8. Reduce Lost Time Severity Rate (LTSR) by 27 per cent LTSR to achieve a rate of 10.4.	Yes	10.3 per cent reduction in Lost Time Injury Rate. 7.1 per cent reduction in Lost Time Severity Rate in 2011.
	Achieve OH&S accreditation under the Office Federal Safety Commission for building and construction works.	Yes	Maintaining AS4801 certification and OHS accreditation through our OH&S auditing programs.
	Achieve and better Comcare Commission Indicator (CI) targets for 2009/10.	Yes	Achieve and better CI targets for 2010/11.
	Implement Fleet Safety Program.	Yes	Ensure OH&S Act Planning and Self Insurance Licence renewal.
Health and wellbeing	Maintain 1,000 membership for our onsite gym and increase offerings across our major campus.	Yes	Expand gym offerings to include a range of health seminars and programs for our employees.
	Pilot Quit program and Butt out at work.	Yes	Enrol in Club Red and expand blood donations program nationally.
	Continue to run health and benefits expos and sporting programs nationally.	Yes	Continue to run health and benefits expos and sporting programs nationally. Reintroduce the Optus Family Day.
Employee engagement	Achieve a two per cent increase in employee engagement.	Yes	Achieve a two per cent increase in employee engagement.
Employee-Management Relations	Renew Employment Partnership Agreement (EPA).	Yes	Throughout the life of the agreement we will continue to look at opportunities to increase or enhance our employee offerings.
Training and Development	Roll-out a national career expo to focus on individual development planning.	Yes	We will refresh this concept to create individual sessions called 'Career & Me.'



Our Environment

REDUCING OUR FOOTPRINT

We are committed to reducing our environmental footprint and to implementing best practice in the management of our operations, processes, products, services and suppliers.

Environmental Management 44

- Policies, management systems and reporting

A changing climate 45

- Energy consumption and climate change

Minimising the impacts of our products and services 47

- Paper, packaging and recycling
- Working together in the supply chain
- Our operations
- Managing the impacts of network expansion

KEY ISSUE DISCUSSION: A changing climate

Q&A with Brent Gerstle, Environment Manager and Corporate Responsibility Task Force Member



What role does Optus see itself playing in reducing global climate change?

Optus, and the telecommunications industry more generally, will be a key facilitator in helping businesses grow and become more efficient, while reducing their carbon footprint. This will take the form of efficient telecommuting and reduced travel as telecommunications services replace physical movement of people.

Teleconferencing is working now but with improvements to technology, and increased availability of high resolution video-conferencing, there will be less need for travel, resulting in better efficiencies for businesses.

What are the key areas of focus for mitigating Optus' operational impacts on climate change?

At Optus we are looking across the whole business for areas where efficiencies can be achieved. In lighting and air-conditioning for the offices and network facilities we have implemented a wide range of actions. We are working towards implementing other fundamental changes. For example, we are assessing the purchase of

equipment on a Total Cost of Ownership basis to include the energy costs of operation rather than just the capital cost of purchase.

How is Optus helping to reduce global climate change?

Internally, we can ensure our systems are effective to manage energy efficiency in the best possible way. We are investigating methods of using on-site renewable energy to power our facilities. Concurrently we want to do the best we can for our customers by supplying services and systems that reduce their energy use while enhancing their customer experience.

Environmental Management

We are committed to reducing our environmental footprint and to implementing best practice in the management of our operations, processes, products, services and suppliers.

Policies, management systems and reporting

Our Environmental Policy outlines our commitment to minimising the impact of our operations:

- Establish and maintain processes and practices to comply with applicable environmental laws.
- Minimise pollution of the environment from our operations.
- Minimise waste generation by adopting the philosophy of reduce, reuse and recycle.
- Seek to achieve best practice environmental management in all aspects of our operations.
- Establish a framework to pursue environmental management on an ongoing basis with provisions for continuous performance improvement.
- Encourage and assist contractors to pursue environmentally sound practices.
- Ensure the community are involved and kept aware of construction and operational activities and that any of their questions or concerns are considered and answered promptly.

This policy is supported by our Environmental Management System (EMS) which provides a framework for managing our environmental impacts. Based on the international standard ISO 14001:2004, our EMS enables us to monitor, control, report and improve our environmental performance.

We provide training to all relevant employees to ensure they have knowledge of current regulatory requirements and our internal standards and policies.

Our organisation-wide Green Taskforce oversees the implementation of our Environmental Policy and EMS. The Green Taskforce is supported by teams, such as our Energy Efficiency Team, which investigate and implement special environmental issues.

We have been publicly reporting our environmental performance in our annual Corporate Responsibility Report, and prior to this, in our Community and Environment Report since 2000. We also provided a response to the Carbon Disclosure Project as part of the SingTel Group and report our carbon and energy profile as part of the requirements of the Australian Government's National Greenhouse and Energy Reporting (NGER) Act and the Energy Efficiency Opportunities Act.

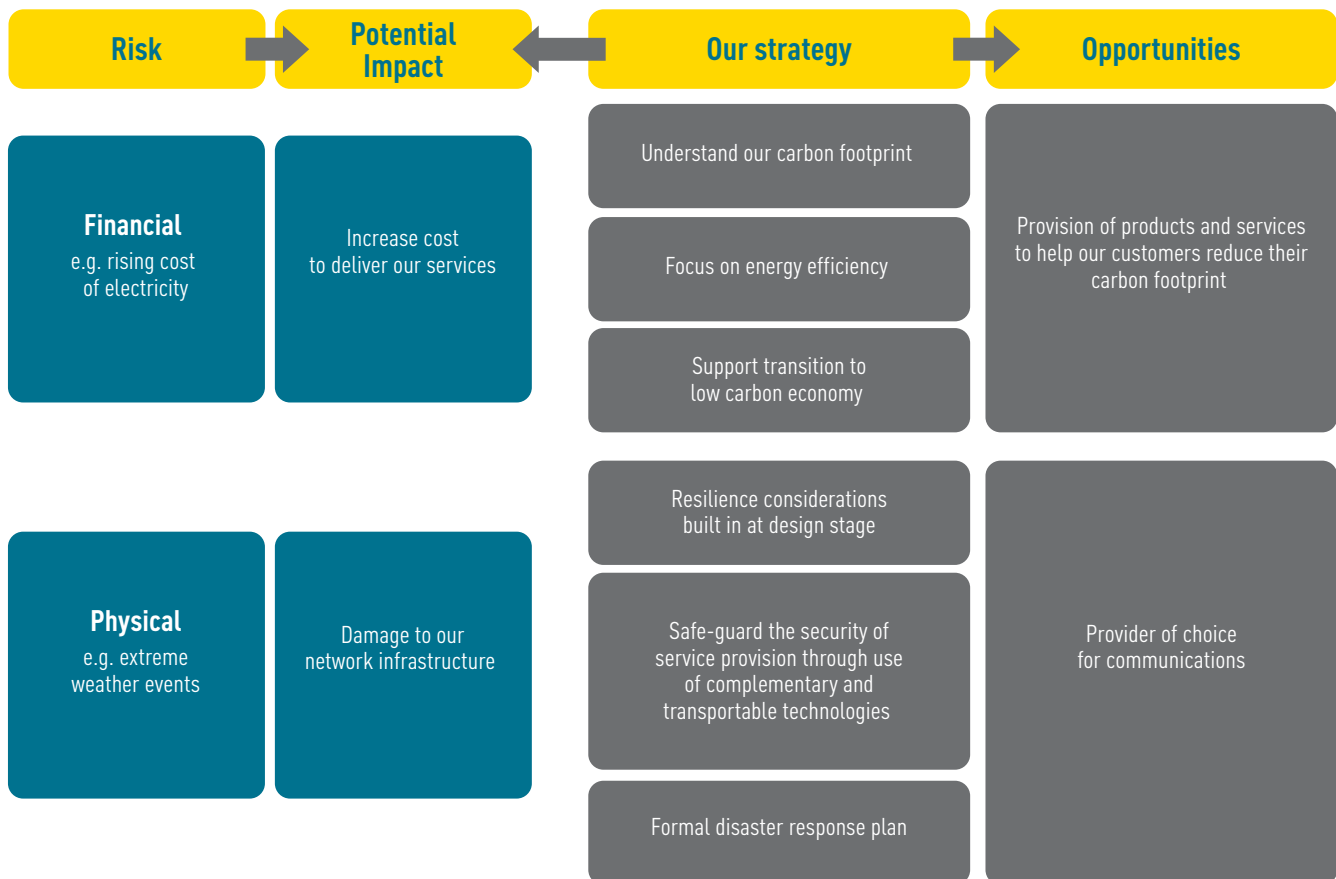
A changing climate

Globally, our climate is changing and these changes are expected to continue resulting in a significant period of transition for individuals, communities and economies.

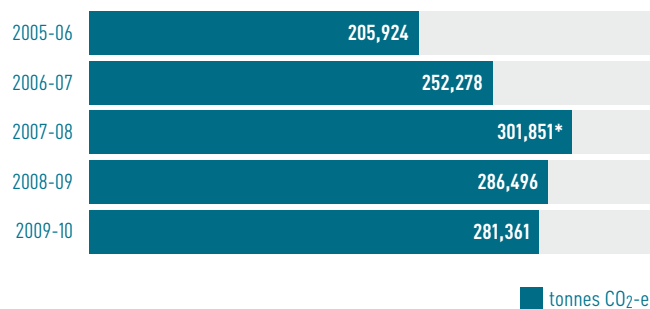
There are risks and opportunities. How we manage the risk and capitalise on the new products, services and markets will help determine our future profitability.

Understanding our carbon footprint

In 2009/10, total greenhouse gas emissions arising from our activities and operations totalled 281,361 tonnes – measured in carbon dioxide equivalent (CO₂-e). In line with the methodology outlined by the NGER Act our carbon emissions profile was calculated based on our Scope 1 and Scope 2 greenhouse emissions. Scope 1 emissions are those generated directly by Optus and sources include petrol use in our vehicle fleet and diesel generators that are used in the field. Our Scope 2 emissions are those that occur indirectly as a consequence of the purchase and consumption of electricity. For the purpose of this report we have combined these to show the total greenhouse gas emissions arising from our operations.



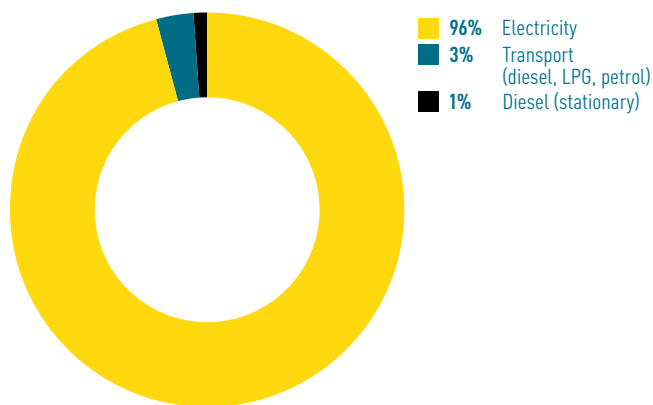
Greenhouse gas emissions profile (tonnes CO₂-e)



*The consumption data presented is for July 2007 to June 2008. This period includes a portion that is estimated due to data gaps and abnormalities in invoicing.

Our largest energy and greenhouse gas emissions impact is associated with the electricity required to run our Australia-wide network infrastructure and data centres. As our networks have grown so too have our energy and associated greenhouse gas emissions. Since 2005, our total greenhouse gas emissions have increased 36.6 per cent, however over the past year we have seen a slight decrease in total greenhouse gas emissions of 1.8 per cent despite continuing increases in network reach. Improvements in energy efficiency in our networks, base stations and corporate offices helped contribute to this decrease.

Energy consumption by type (percentage)



In 2009/10 we consumed approximately 292,468 MWH of electricity, a decrease of 1.3 per cent from 2008/09. This contains an estimated amount of un-metered consumption, representing the load consumed by our Hybrid Fibre Coaxial (HFC) network. Improving energy efficiency is part of our commitment to reduce our greenhouse gas impacts. It also helps us decrease the costs associated with energy consumption. We see a clear opportunity to implement energy-efficiency initiatives in our networks and corporate offices to lower the risk of these increasing costs.

Supporting the transition to a low-carbon economy

As a telecommunications provider we have an important role to play in fostering and developing telecommunications products and services that can help individuals, businesses and communities to minimise their carbon footprint.

Modern efficient telecommunications can provide alternatives to physical travelling for business meetings through the use of videoconferencing or general teleconferencing. The growth of broadband communications and internet services also enable remote working and teleworking. We are working with companies who are interested in reducing their travel-related greenhouse gas emissions to find telecommunications solutions.

The provision of these solutions will be facilitated by the availability of high speed data systems by either wireless or cable delivery, such as through the proposed NBN. We already have systems in place, and will continue to investigate opportunities for cost-efficient delivery platforms.

We also support Australia's transition to a low-carbon economy through the purchase of carbon offsets and GreenPower. We purchased approximately 19,000 CO₂-e tonnes in 2009/10 – equivalent to 50 per cent of the CO₂-e emitted as a result of our corporate operations.

Focusing on energy efficiency

We are continually investigating opportunities to become more energy efficient. Meeting best practice in energy use through technological improvements, employee awareness and in building design are some of the ways we have reduced on-site energy use in 2009/10.

Energy efficiency initiatives

<p>Lighting</p>	<p>The major component of our office tenancy energy use and greenhouse gas emissions comes from lighting. All our longer-term tenancies have energy efficient lighting, Envirolite E1 technology, in place and all new offices have this as a required standard. Envirolite E1 technology is an Australian innovation that halves the power consumption and improves the working environment. The use of Envirolite technology is a world first in energy efficiency and has resulted in a significant reduction in our greenhouse gas emissions.</p> <p>We have also installed movement sensors in all office meeting rooms and many other sites to ensure these lights are used only when needed.</p>
<p>Thermal solar-powered air conditioning</p>	<p>We continue to challenge existing technology and we are the first company in Australia to trial new thermal solar-powered air conditioning in our Woolloongabba (GABBA) office communications room. The initial test results showed a reduction of 35 per cent of power use by the unit.</p>
<p>Employee Awareness</p>	<p>We have been supporting Earth Hour since it launched in Sydney in 2007. Held annually in March in Australia, Earth Hour involves turning off all sources of power use in your home and workplace for one hour.</p> <p>We promoted Earth Hour to staff and customers and we switched off lighting at a number of our sites. To coincide with this campaign we also ran an employee awareness competition 'What is the one everyday habit you have changed to improve your environmental footprint?'</p>
<p>Design</p>	<p>Our headquarters, at North Ryde in Sydney, was designed to achieve a 4.5 Star National Australian Built Environment Rating System (NABERS) energy rating (out of 5).</p> <p>We have also commenced the process of improving the efficiency of our mobile phone base stations by removing one of the air conditioners and replacing it with a fan system that operates by temperature sensors that uses outside cool air rather than chilling internal warm air. This can improve the operation of a base station by up to 30 per cent.</p>

Minimising the impact of our products, services and operations

We take responsibility for our actions in the management of our operations, processes, products, services and dealings with our suppliers. We aim to continually improve our environmental performance by operating our business in a way that minimises environmental impacts.

Paper

An initiative to encourage customers to view their bill online rather than receiving a paper copy is saving 6,400 reams of paper a month, or 76,800 reams of paper a year.

Moving our customers to online billing involved considerable changes to systems. We introduced the initiative to our customers in July 2009. We did not reach the target we set in 2008 to achieve a 40 per cent uptake. However, from the 2.6 million customers that can presently access the online billing system, over 803,000 customers, or 31 per cent, have taken up the option. The average Optus bill is seven double-sided pages (four pieces of paper), so every month there is a reduction of

3.2 million pieces of paper, which also significantly reduces the resources that are required in processing and transport.

We also began providing customers with summary bills consisting of two pieces of paper with more detailed account information available online. There are presently 280,000 customers receiving a summary bill, and we are encouraging all our customers to move in this direction.

Packaging

Both Optus and Virgin Mobile, a wholly-owned Optus subsidiary, operate a chain of retail stores across Australia that act as the primary distribution channels for 're-branded' mobile phone handsets and a range of accessories. The primary packaging type used is cardboard, and shrink wrap plastic and blister packs for the accessories. Pre-paid kits also include a SIM card which is housed in a plastic credit card style card and sealed in a foil envelope.

The total tonnes of packaging material we sold into the Australian market more than doubled in the past twelve months. In part this reflects improved reporting and data capture for products that were not addressed last year.

The proportion of non-recyclable packaging as a percentage of total packaging sold increased from 22 per cent to 29 per cent in the reporting period. This was largely due to the increase in tonnes of 'other plastic' used in the packaging of wireless modems.

We are a signatory to the National Packaging Covenant (NPC), a collaborative agreement between Governments and industry which is designed to minimise the environmental impacts of the disposal of used packaging, conserve resources through better design and production processes and facilitate the re-use and recycling of used packaging materials. As part of the program we receive an annual independent assessment of our approach to minimising packaging. Our score of 4 out of 5 stars for 2009/10 is a significant improvement on 2.9 for 2008/09

and reflects our efforts in implementing a range of packaging initiatives.

Our operations

With more than 10,000 people working at Optus, we recognise that we can make a significant impact, individually and collectively, when we focus on our environmental responsibilities.

Our head office in Macquarie Park, Sydney is the largest corporate tenanted facility in Australia, and involved moving 6,000 staff from nine offices in three suburbs into one campus. The building was designed with environmental considerations including rainwater harvesting, energy and water-saving devices,

MOBILEMUSTER

Since 1997, we have been a member of MobileMuster – a recycling initiative entirely operated and funded by the mobile phone industry.

While we are not involved in the manufacture of telecommunication equipment we do act as a distribution channel for mobile phone handsets and a range of accessories. As a result, we play an important role in ensuring these items do not end up in landfill.

MobileMuster collects and recycles mobile phone handsets, batteries, chargers and accessories from a network of 3,000 collection points across Australia including Optus retail stores. MobileMuster aims to achieve a significant shift in consumer behaviour away from storing or disposing of old mobiles to recycling them. With more than 90 per cent of plastics and metals in mobile phones, batteries, chargers and accessories recovered during the recycling process there are many valuable uses for old mobile phones and accessories including jewellery, stainless steel items, batteries and plastic fence posts.

In 2009/10 we extensively promoted the MobileMuster initiative to our people nationally and distributed recycled envelopes to enable them to recycle mobile phones in the post. Through this initiative we raised awareness amongst our people on site locations of MobileMuster bins and encouraged them to share recycling envelopes with family and friends.

Over 146 tonnes of mobile phones were collected from MobileMuster in 2009/10 with the collections from Optus contributing approximately 4.4 tonnes. The participation rate of Optus stores collecting mobiles (stores registered verses stores sending in a collection) increased from 55 per cent to 75 per cent this year and the number of pick-ups across Optus stores has increased from 292 to 407.

Source: MobileMuster www.mobilemuster.com.au

Mobile recycling facts

- There are over 21.2 million mobile phone subscribers in Australia.
- Australians upgrade or exchange their mobiles every 18 to 24 months.
- 80 per cent of people choose to keep or give away their old mobile.
- Less than four per cent of Australians dispose of their mobile at the end of its use.
- An estimated 16 million old mobile phones are not in use – stored in homes and workplaces.
- One tonne of mobile phone circuits can yield the same amount of precious metals as 110 tonnes of gold ore, 123 tonnes of silver bearing ore and 11 tonnes of copper sulphide ore.



Packaging initiatives

Potential Reuse	Distribution packaging such as cardboard boxes is reused.
Recovery and recycling	Onsite recycling facilities have extended to a number of suburban satellite offices which have collectively diverted an additional 19 tonnes of recyclable material from landfill.
Ability to incorporate recycled content	Cardboard and paper packaging suppliers have been consulted to ensure the highest possible use of recycled content product is adopted as standard practice. We investigated SIM card-related packaging in an attempt to reduce the amount of non-recyclable plastic required.
Minimising impacts of packaging	Packaging choices for the majority of Optus branded products are predominately paper and cardboard, which are easy for consumers to recycle. Where product protection is required minimal amounts of plastic are used. For some plastic packaging e.g. DVD covers, we are considering the use of other more recyclable materials.
Consumer information	Marketing and packaging suppliers have been consulted, and recycled content and 'recyclable' artwork has been supplied. As the opportunity arises packaging sleeves will be redesigned to incorporate this information.
Impacts on the packaging supply and recovery chains	Our procurement team has engaged with our supply chain partners to improve management practices. In part this has involved development of a Supply Chain Code which has been trialed with a small number of key suppliers.

recycling facilities, video conferencing and CISCO Telepresence, and easy access to public transport.

We continue to manage and monitor waste generation and diversion from our corporate headquarters. In 2009/10, this site generated 445.62 tonnes of general waste. In addition, 56.38 tonnes of paper and cardboard was collected via on-site recycling facilities and close to 6,000 pieces of superseded computer equipment was donated to not-for-profit organisation WorkVentures. The Macquarie Park site also provides co-mingled recycling collection facilities on-site. Waste that is not diverted via source separation is treated through an Advanced Waste Treatment (AWT) facility. The combination of on-site recycling and the AWT process has achieved an overall waste diversion rate of approximately 88.75 per cent for the year.

In addition to the Macquarie Park site, in 2009/10 we were able to track for the first time waste data for a number of our satellite offices. A further 19 tonnes of recyclable paper, cardboard and plastic was diverted for recycling from our satellite offices located in suburban Sydney and Melbourne.

When it comes to water use, rainwater is harvested at our main site in a 1,600,000 litre tank. We do not meter this water use however we estimate that we recover about 7,000,000 litres annually. This water is used for toilets and landscaping.

Retail stores

Initiatives in 2009/10 to promote resource efficiency of retail stores and service centres included:

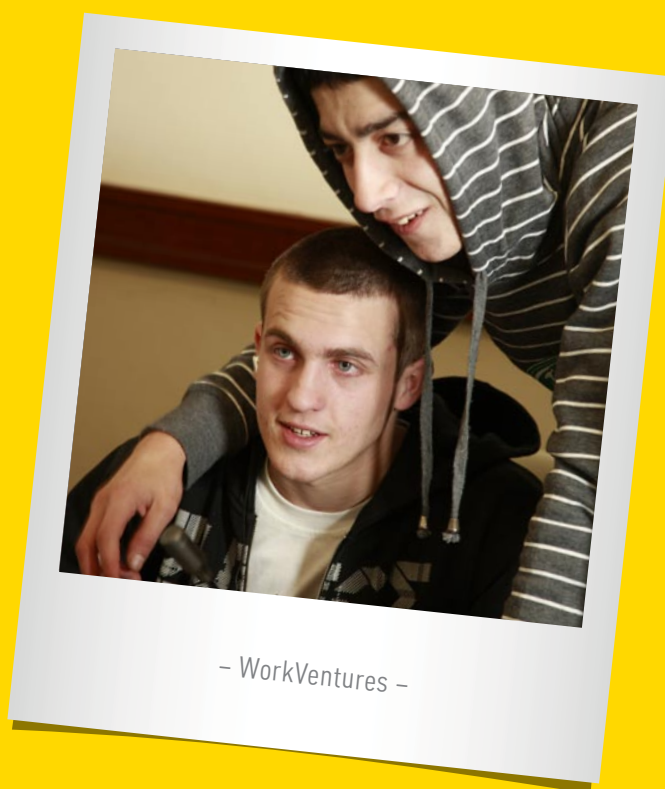
- Converting a further 30 Optus World stores from our old format to the new environmentally friendly Yes Optus format. This includes the use of in-store digital media for advertising and installation of smarter energy efficient lighting solutions.
- Introducing scanning of contracts. Prior to scanning, contracts were printed and paper copies were stored for legal reasons. Digital storage will enable the reduction in printing of approximately 400,000 contracts a year, this equates to a reduction of approximately two million pieces of paper.

WORK VENTURES – IT CONNECT

WorkVentures is a not-for-profit organisation that has developed a computer refurbishment and recycling program, Connect IT, to help narrow the digital divide that exists in disadvantaged and isolated communities. As part of this program WorkVentures partners with leading companies and government departments to provide quality affordable computer equipment to low-income households, carers, schools and non-profit organisations across Australia.

In 2009/10 we donated close to 6,000 pieces of superseded computer equipment, including desktop and laptop computers, displays and printers, for use in their refurbishment program. Additionally close to 1,000 other IT items (mainly CRTs and printers) were collected and provided to WorkVentures' recycling partners.

The items donated by us made an important contribution to what was a record year for WorkVentures Connect IT. Of the equipment provided, our donations made up approximately one quarter of the 8,382 pieces of computer equipment provided to the WorkVentures Connect IT program.



Sustainable transport

Operational transport

Optus runs a fleet of vehicles for operational purposes. Over the past three years we have decreased our fuel use by 21 per cent.

Fuel consumption

Year	2007/08	2008/09	2009/10
Fuel consumption (Litres)	1,669,658	1,555,681	1,319,618

In 2007/08 we overhauled our fleet to introduce more fuel efficient vehicles and saw an increase in fuel efficiency of 40 per cent in 2008/09 from 2006/07 levels. To continue to improve fuel efficiency in 2009/10 we conducted a review of our fleet to ensure we have the most suitable vehicles for the purpose for which they are used. The evaluation included an environmental component which assessed fuel consumption and resulting greenhouse gas emissions.

We are unable to report the fuel efficiency of our fleet in 2009/10 due to data abnormalities found when tracking distance travelled. We are working to rectify this issue to report on this next year.

Employee commuting

We have a vision to make our peoples' journey to work as simple as possible whilst reducing impacts on the environment and the local community. To achieve this, our Sustainable Transport Strategy focuses on increasing transport choices with an emphasis on accessing Optus by sustainable modes of transport, such as public transport and cycling. Initiatives include:

- Share car at our head office – enables those who do not drive to have access to a car while at work and for use to get home if working late.
- Car parking levy – charging mechanism to allocate parking according to needs, with priority given to ride sharers (car-pooling). All residual car park revenue (after car parking lease and management costs) is reinvested in the implementation of the Transport Strategy.
- Ride Share Scheme.
- Public Transport Reimbursement and TravelPass Loan Metcard Discount.
- Subsidised direct bus routes from Sydney City and Parramatta to our head office at Macquarie Park.

Business travel – flights

We track the kilometres travelled and resulting greenhouse gas emissions associated with our business flights. Following a significant increase in air travel from 2006/07 to 2007/08, we have worked to reduce our air travel through the use of telecommunications technology such as video-conferencing and general teleconferencing. Since 2007/08 we have seen a consistent decline in air travel. In 2009/10 6,971 tonnes of CO₂-e was emitted as a result of our air travel, a 15.5 per cent decrease since 2007/08.

Video-conferencing

In 2009/10 we expanded the number of videoconferencing facilities available to our staff by installing 32 additional videoconference rooms in 10 key Optus sites around Australia. Our major state-based offices now have a minimum of two videoconference rooms. Over the past year, these rooms have supported 3,308 videoconferences, 40 per cent of these were a multi-site conference with three or more sites. If you assume just one person per end, then a minimum of 7,900 people used videoconferencing during the year – helping us to significantly reduce the need for business travel and minimise our carbon footprint.

Working together with our supply chain

We are committed to doing business in a transparent, ethical and responsible manner. Our relationships and practices with our suppliers are an important part of this.

Last year we piloted a request for information process with our top six suppliers. The purpose of this was to understand our supplier risk profile. The results of the pilot provided a practical

framework for evaluating our suppliers’ practices and led to the development of our Supply Chain Strategy and Supplier Code of Practice.

The purpose of the Strategy and Code is to integrate the pillars of our Corporate Responsibility Strategy into our existing and future supply chain. These are:

- **Product Stewardship:** the process and activities of making health, safety and environmental protection an integral part of design, manufacture, marketing, distribution, use, recycling and disposal of products.
- **Labour Sourcing:** compliance to relevant and local laws, fair and ethical treatment of suppliers’ employees (including contractors and subcontractors) who deliver the procured goods and/or services, and due consideration to the benefit to the local community.
- **Environmental Management:** environmental regulatory compliance to minimise impacts to the environment.
- **Supplier partnerships:** understand and partner with our supply chain base to deliver innovation, capability and diversity opportunities to encourage sustainable economic growth and provide opportunities to reduce our environmental impact.

In 2010/11 all new business will incorporate our corporate responsibility considerations and minimum expectations set out in these documents. We will work closely with our suppliers to ensure that our minimum requirements are met and to help suppliers achieve this minimum standard. By working with our suppliers to better understand environment, social and governance risks and opportunities, we aim to build capacity across all of our supplier relationships.

SUPPLIER CODE OF CONDUCT

We recognise that the social and environmental performance of our business plays a significant role in our long-term success. This extends to the procurement of products and services.

We expect our suppliers to adhere to a minimum level of social and environmental standards set out in our Supplier Code of Practice (SCoP).

We have also specified leadership qualities for these areas. Suppliers that have adopted these leadership expectations will be considered favourably.

The six critical areas detailed in this code of practice are:

- Governance
- Performance reporting
- Environmental management
- Energy Efficiency
- Labour
- Supplier Management.

Managing the impacts of network expansion






In 2009/10 Optus Networks continued to improve mobile coverage across Australia particularly in regional areas. As part of this, fibre optic cables were connected to almost 700 mobile sites and equipment shelters. Activities included construction of underground conduits and fibre optic cables, installation of telecommunications pits and fibre splicing.










Fibre rollout in regional areas often required construction through private land and necessitated vegetation clearance. This greatly increased environmental risk and the potential for negative impacts on biodiversity. To help minimise this risk we conducted more environmental surveys during the planning and design stages to identify potential environmental concerns and opportunities prior to construction. We also engaged with a number of individual property owners, relevant authorities, and local Indigenous communities to determine the most appropriate cable route, taking into account social, environmental and economic issues. For more information on engagement activities [see page 20](#).

Performance summary

Key statistics

Trend key

	Increasing positive trend
	Increasing negative trend
	Decreasing positive trend
	Decreasing negative trend
	No significant change

Priority	Indicator	Unit	2007/08	2008/09	2009/10	Trend
Fleet	Vehicles	Number	544	501	534	
	Petrol use	Litres	1,502,483	1,187,476	982,239	
	Diesel use (mobile)	Litres	167,175	334,139	337,379	
	Total	Litres	1,669,658	1,555,681*	1,319,618*	
Energy efficiency	Electricity use	MWH	311,908	296,297	292,468	
Carbon footprint	Scope 1 and 2 emissions	Tonnes CO ₂ e	301,851	286,496	281,361	
	Carbon offsets	Tonnes CO ₂ e	7,200	18,600	19,000	n/a
		Percentage of corporate sites	50	50	50	
Air travel	Flights	Tonnes CO ₂ e	8,245	7,133	6,971	
Paper use	Applicable customers using online billing	Percentage	-	<20	31	
Waste and recycling	Recycling rate at head office	Percentage diversion	92	92	89	
	MobileMuster	Tonnes	3.9	4.9	4.4	

How we are tracking

Priority	2009/10 commitment	Did we achieve it?	2010/11 commitment
Carbon management	50% carbon neutrality of emissions produced by electricity consumption of Optus corporate offices.	Yes	Review current carbon offsetting program to identify better efficiency-focused strategy for future carbon emissions management.
Environmental management	Construction staff to complete training annually.	Yes	Construction staff to complete Environmental Awareness and Land Access training.
	Audit 10 contractor projects, to ensure compliance with our Environmental Management Plan.	Yes	Complete 10 environmental audits.
	Zero diesel spills or leaks.	Yes	Zero diesel spills or leaks.
Greenhouse gas emissions	Investigate the possibility of solar panel technology to power our retail site in North Ryde, Sydney.	Yes	Detailed designs to be prepared for solar installation and power feed.
Material use	Track and report paper used for marketing purposes.	No	Trial carbon neutral paper for collateral in Optus subsidiary.
	Report on waste audit results.	Yes	Engage with waste services provider for improved data reporting of sites apart from North Ryde.
Fuel efficiency			Reinstate kilometre recording of fleet vehicles.
Product responsibility	Achieve a 40 per cent uptake of eligible customers accessing their bills online.	No 31 per cent	Achieve a 45 per cent uptake of eligible customers accessing their bills online.
Supply chain	Develop and implement a supply chain code of conduct that includes corporate social responsibility criteria.	Development phase complete	Implement Supplier Code of Practice (SCoP)
	Review our existing supply chain partners against out supplier code of conduct.	Completed for sample size of strategic suppliers	Implement SCoP to identified existing supply base.
	Assess all new business against a supplier code of conduct.	No	Implement SCoP to identified new suppliers and/or recontracting parties.
	Review all existing construction contractors against our environmental pre-qualification criteria.	Yes	



Our Community

HELPING TO BUILD INCLUSIVE AND CONNECTED COMMUNITIES

We are committed to positively contributing to community development through our community investments which involve our financial giving, people, products and services. Our focus is on assisting disengaged young people and building social inclusion.

Community strategy and investment 56

Connecting people 59

- Using technology to help those in need to connect

Optus people get engaged 60

Community strategy and investment

At the heart of our business is communication. We provide technology and services that help keep people connected. It's for this reason we align our social community investments and partnerships with programs and organisations that:

- Connect disengaged youth to enable them to reach their full potential
- Enable access to communications to help reduce the barriers causing social isolation.

In 2009/10 our total community investment was \$8.24 million, or close to one per cent of our operating revenue.

Through our community investments and initiatives we provide financial and in-kind contributions, communications services, management expertise and staff involvement. Our retail stores are also involved in fundraising and facilitating customer donations to our major community partners.

Key community initiatives

Strategic community partnerships

Our strategic community investment partners align with our community focus areas of supporting disengaged youth and building social inclusion in order to enhance the communities we live and work in. Starlight Children's Foundation, Kids Helpline and Australian Wildlife Conservancy are our current major social and environmental community investment partners. These community partnerships are national and aim to achieve long-term positive social and environmental outcomes.

Answering the Call

Answering the Call is our employee workplace giving and volunteering programs. Our workplace giving program enables our people to make a charitable donation to 12 charities. This is matched by us, dollar for dollar. Charities are selected by our people every three years through a national survey ensuring that our community support reflects our people's views.

Our employee volunteering program provides opportunities for our people to donate their time to causes they feel passionate about. One day paid volunteering leave is available to all employees. We saw an increase in volunteering during this reporting period, with over 20 per cent of our staff donating 18,000 hours in volunteer time during company hours.

AUSTRALIAN WILDLIFE CONSERVANCY

We have been partnering with the Australian Wildlife Conservancy (AWC) since 2007 to help create better homes for Australian wildlife.

AWC is an independent, not-for-profit organisation dedicated to stemming the tide of extinctions and conserving all of Australia's precious animal species and the habitats in which they live. Through our partnership, we have helped AWC fund key projects and raise public awareness of Australian species that are under threat of extinction.

By leveraging our technology and market reach, we have taken AWC's conservation message to several million Optus customers around Australia, recruited hundreds of new donors for AWC and generated a significant level of donations. Most importantly, the partnership is demonstrating how we can make a real difference for Australian wildlife.

For further information, [click here](#).

22
native Australian mammals
have become extinct in the
last 200 years.

australian
wildlife
conservancy

yes

Australian Business Community Network (ABCN)

A staff and senior management mentoring program which aims to broaden the horizons of students from low socio-economic areas, support educators and engage business to build stronger communities right around Australia. We are a founding member of ABCN.

Connecting Communities Grants Program

Connecting Communities is a grants program for not-for-profit organisations. Grants of up to \$5,000 are awarded to community organisations that work to help reduce social isolation and reconnect disengaged youth. In 2009 we announced approximately \$150,000 worth of funding for 31 not-for-profit organisations in rural and regional Australia.

Optus World Community Fund

Together with our retail and franchisee stores, we contributed funds to local community events and activities that reflect our values and strengthen communities in regional areas. For example, we funded the purchase of a wheelchair accessible minibus for a community centre and the purchase of sonar equipment for the Townsville Sea Turtle Foundation to help them track the local turtle population.

Arts and sporting partnerships

In arts, culture and sports we support a number of programs that enable Australians to realise their full potential. The programs we sponsor are driven by common values of excellence and innovation, and represent dedication, focus and ultimately, success. These sponsorships include Make a Scene, Company B and Small Sided Football.

For more information see, [click here](#).



- St Anthony's, Rockhampton -

WHY IS OPTUS GETTING INVOLVED WITH OPTUS SMALL SIDED FOOTBALL?

Football has one of the highest participation rates amongst children in Australia. As an Official Partner of the Game Development Program, we are committed to supporting Small Sided Football and promoting even greater participation.

To help support this initiative in May 2010, together with the Football Federation Australia (FFA), we will again deliver special football kits to 38,000 under six's football players in regional and urban areas around Australia. The kit will include a t-shirt, football and backpack and for the first time, this year 38,000 under seven's football players will receive an additional special t-shirt.

Optus 'yes' Stores will be able to support this sponsorship by assisting in presenting these kits with their local Football Clubs to the young football players.

This is just a small part of our Game Development partnership and we will continue to work with FFA to further assist local clubs by providing much needed equipment and resource materials – helping to foster participation by young people in regional and rural areas of Australia.

For further information see www.smallsidedfootball.com.au

LIVEWIRE



Optus and Starlight Children's Foundation are making it possible for young people to stay connected during long periods of separation caused by ongoing medical treatment and get the support that they need from other young people facing similar challenges.

We have been proud supporters of Starlight for 16 years, raising more than two million over this period. In 2009/10

we extended this partnership to support Livewire, a free, safe and fun online community for young people, aged between 10 and 21, living with a serious illness, chronic health condition or disability.

Livewire provides a supportive place where they can connect with children their own age who have had similar experiences and they are able to receive messages from family and friends all over the country. Whether through creative expression, interactive games, chatting with friends, or just 'hanging out', Livewire aims to help reduce the isolation and loneliness these young people often experience.

We were able to support the initial rollout of Livewire 'On Wheels' in 15 wards at Westmead Children's Hospital, by providing portable laptops with 3G mobile broadband connection to access the Livewire service. We will continue to support the rollout of Livewire to a further 25 metro and regional hospitals across Australia by the end of 2010.

Young people will also be able to access, at no cost, a modified version of the Livewire site via their mobile phone to ensure they can continue to stay connected.



Why Livewire?

An estimated 450,000 children and young people aged between 10 and 21 are living with the impact of a serious illness, chronic health condition or a disability in Australia. Serious illness or disability can profoundly affect their everyday lives by increasing their risk of social isolation, disconnection, lower peer acceptance and lower emotional wellbeing. These problems are compounded by long hospital stays.

Livewire facilitates connection, empathy and understanding between people who are experiencing similar situations by offering three customised, safe online communities featuring social networking tools and entertaining content.

We are a proud partner of this important community initiative.

For more information see www.livewire.org.au

What we achieved in 2009/10

- Raised over \$20,000 for Daffodil Day, an initiative of the Cancer Council.
- Raised over \$18,000 for Movember in support of Beyondblue.
- Staff donated over \$175,000 through our workplace giving program, which Optus matched dollar for dollar.
- We contributed over \$58,000 to assist our Filipino Call Centre employees and their community who were affected by the Manila floods.
- Since the Connecting Communities Grants program started in 2008, we have made 54 grants to local community organisations.
- Close to 270,000 telephone, web and email contacts have been made by Kids Helpline with the support of our ongoing partnership.

- Over 250 Optus people have got involved in our ABCN mentoring programs to date, assisting over 900 students and teachers.
- We have 'turned off' for Earth Hour every year since the campaign started.
- We supported the Fred Hollows Foundation to train Indigenous youth in the Northern Territory and provided them with Thuraya Satellite handsets to stay connected.
- We supported Mission Australia through the Winter Appeal by providing hygiene and food packs to people in need.



MEASURING OUR COMMUNITY INVESTMENT

We measure our contributions using the London Benchmarking Group model. This model provides us with a standardised way of determining and valuing our community investments.

Connecting people – using our technology to help those in need

By using our technology, products and services, we are helping to connect those that have been socially isolated or disengaged due to disadvantaged circumstances.

Social isolation can be caused by a range of factors including physical, emotional and geographic. Disengaged youth are young people who, due to poverty, lack of education, homelessness and limited employment opportunities, have become disconnected from society. To help address these issues we facilitate the building of social networks, increase participation in community or family life and leverage our telecommunications capability to enable access to health and education services.

Connecting with communities in India and the Philippines

As part of our commitment to help build better and stronger communities, we have extended our community initiatives beyond the Australian shores and are now working with our call centre partners in Manila, Philippines and Mumbai, India to look at ways we can contribute to the communities in which we operate.

Mumbai Mobile Crèche – India

Optus and Convergys (our partner in Mumbai) are looking to support the Mumbai Mobile Crèche program to provide assistance for disadvantaged children of the builders working in Mumbai construction worksites.

The Mumbai Mobile Crèche offers day care and schooling to support the children of construction workers. A sad fact is that these workers are paid three dollars per day to work on building sites and many cannot afford to provide a proper education for their children. The Mobile Crèche supports the development and safety of these children.

Supporting remote communities: Thuraya Satellite Services and The Fred Hollows Foundation

In partnership with Thuraya and The Fred Hollows Foundation (FHF) we are supporting an exciting community project in the Northern Territory that gives young Indigenous people the chance to undertake leadership and event management training. The FHF Community Event Management training includes

COMMUNITY SCHOLARS PROGRAM – PHILIPPINES

With Globe, the Philippines-based member of the SingTel Group, and 24/7, our partner company in the Philippines, we are supporting the World Vision Community Scholars Program. Through this program, we're helping disadvantaged young people in the Philippines with their educational needs, providing access to the internet and other tools to give them the best chance at school.

In 2009/10 with 24/7 we have been jointly sponsoring 50 children in Cavite since 2008. In addition, 24/7 staff volunteer their own time to run educational workshops for the children. With Globe's support, we have been able to expand the program by equipping their local school with computers and free internet. Together we're making it possible for the students to access communications, technology and information on the spot.

This collaborative partnership is a great example of how we are using the collective resources of the SingTel Group to help disadvantaged Filipino children reach their full potential in life.



Helen Maisano, Corporate Social Responsibility Manager at Optus and Jeffrey Ochoa Tarayao, Head, Community Relations Corporate Social Responsibility at Globe Telecom with Filipino students

100 FACES 100 STORIES

Optus and Chester Hill High School, based in South West Sydney embarked on a mentoring program in 2009/10 called the 100 Faces program. As part of the program 20 students and 20 Optus mentors worked together to give a 'voice' to the student's life stories through literary development and artistic expression.

Chester Hill High School is known as a leader in teaching and learning programs, student welfare programs and its strong links to its diverse and multicultural community. Chester Hill High School features an Intensive English Centre (IEC) that has been cited by the advocacy group ChilOut as an example of a superior educational alternative for children living in Australian immigration detention centres. The IEC has educated several refugees and asylum-seekers since its inception in 1978.

At the completion of the 100 Faces program an art exhibition was held at the Optus Auditorium at our corporate headquarters. In addition one of the student's artwork was chosen as the 2009 Optus Corporate Christmas Card.

Mentoring by Optus employees will continue in 2010/11 at Chester Hill High School to students from diverse cultural backgrounds as part of a program called Interact. Discussions will centre on the educational and vocational pathways for these students.



both financial support and the provision of four Optus Thuraya satellite phones which enable communications access to this very remote part of Australia.

Optus people get engaged – volunteering in the community

Optus provides opportunities for our people to support, through paid volunteer time, causes they are passionate about. In 2009/10 over 20 per cent of staff contributed over 18,000 hours to undertake community volunteering (equivalent to over six working years for one person). Activities ranged from cleaning and painting a community centre, mentoring young people, running a training course or workshop, looking after animals, planting trees, or cooking a meal for people at homeless shelters.

Our national volunteering program enables our people to take one day paid volunteering leave a year, and since the launch of this program in 2007 over 32,000 hours have been donated.

Australian Business Community Network

As a founding member and long-term partner of the Australian Business Community Network (ABCN) we recognise the importance of mentoring, not only for young people, but also for the development of our employees. ABCN was formed to create positive social change through practical program that engage students, educators and business people.






In 2009 nearly 250 Optus people mentored disengaged students around Australia. Through our involvement over 900 students and teachers were positively impacted, with Optus people donating close to 1,900 hours across 40 different schools nationally.



For further information, [click here](#).

Performance summary

Key statistics

Trend key

	Increasing positive trend
	Increasing negative trend
	Decreasing positive trend
	Decreasing negative trend
	No significant change

Priority	Indicator	Unit	2007/08	2008/09	2009/10	Trend
Community investment	Monetary value of community investment	Millions	\$4.7	\$8.3	\$8.2	
Workplace volunteering	Volunteer hours in community activity	Hours	3,180	14,200	18,000	

How we are tracking

Priority	2009/10 commitment	Did we achieve it?	2010/11 commitment
Customer safety	Completion of 10 desktop audits and 3 site inspections to ensure compliance with EMF codes of practice.	Yes	Completion of 10 desktop audits and 3 site inspections to ensure compliance with EMF codes of practice.
Investment and development of networks	Roll out our 3G mobile network to reach 98 per cent of the Australian population.	Reached 97 per cent by March 2010	To reach 98 per cent of the population by mid-2010.
	Invest approximately A\$1 billion in the development of our telecommunications infrastructure	Yes	Invest approximately \$1.2 billion in the development of our telecommunications infrastructure
Disaster response	Develop an organisation-wide policy for our disaster response to communities in need.	Yes	Implement disaster response policy to assist local communities affected by major humanitarian disasters.
Customer Satisfaction	Meet Voice of the Customer experience targets	Yes	Achieve an 86 per cent Voice of the Customer score
	Focus on ways to simplify and streamline the customer experience	Yes	Be a leader in customer experience in the telecommunications industry by 2011
Community investment	Increase community investment activities to address disengaged youth and provide solutions for social isolation.	Yes	Increase funding for Connecting Communities Grants program enabling more local community organisations to receive support for their vital work.

How we are tracking (con't)

Priority	2009/10 commitment	Did we achieve it?	2010/11 commitment
Workplace giving	Increase Optus people engagement in community giving programs.	Yes	Develop solutions to support educational programs for disadvantaged youth using Optus technology, products and services.
Workplace volunteering	Achieve 20 per cent participation in volunteering programs.	Yes	
Community investment	Increase community investment activities to address disengaged youth and provide solutions for social isolation.	Yes	Increase funding for Connecting Communities Grants program enabling more local community organisations to receive support for their vital work.
Workplace giving	Increase Optus people engagement in community giving programs.	Yes	Develop solutions to support educational programs for disadvantaged youth using Optus technology, products and services.
Workplace volunteering	Achieve 20 per cent participation in volunteering programs.	Yes	



Awards and recognition

May

Consumers' Telecommunications Network (CTN) Award

- Recognition for Supporting Grassroots Consumer Consultation via the Optus Consumer Liaison Forum

Interactive Advertising Bureau Awards

- Optus Pre-Paid Recharge & Win program won the Brand Loyalty and Retention award

June

ACOMMS Award

- Premium Services & Applications team for Innovation in Content Delivery and Services through Partnership with partner Dialogue Communications

Cisco Global Service Provider of the Year

- Optus Business and Alphawest

July

Australian Business Award

- Best Value Product – Uecomm Ethernet VPN

Juniper Partner of the Year award for Australia and New Zealand

- 2009 Juniper Partner of the Year – Alphawest

Australian Teleservices Association (ATA) Awards

- Tele-Professional of the Year – Alex Mulconray

August

The Franchise Council of Australia

- NSW/ACT Multi-Unit Franchisee of the Year – 'yes' Optus North Sydney

October

Australian Service Excellence Awards

- Uecomm – Service excellence in a help desk (Victoria)

Australian Marketing Institute Awards

- Finalist for best sponsorship – Tennis Australia

Australian Business Arts Foundation Awards

- Optus & Company B for Bytecraft Entertainment Commitment Award

Annual Media, Entertainment and Telecommunications Awards 2009

- Category: Best Mobile Operator
Winner: Optus
- Category: Best International Service Provider
Winner: SingTel

November

Australian Direct Marketing Association

- Silver Effectiveness Award IT
- Bronze Creative Awards for Optus Business' Tape Recorder direct mail campaign
- Bronze award for Whale Song in the Creative – Website/Microsite category
- Bronze Award for Consumer's Timeless campaign in the Effectiveness – Telecommunications category
- Bronze Award for Consumer's Swoon in the Effectiveness – Data Driven Direct Marketing category
- Bronze in Business & Domestic Products & Services Effectiveness Award – SMB yes Coach
- Bronze for Cirque du Soleil website in the Creative – Art Direction category

Australian Institute of Management

- AIM Young Manager of the Year 2009 (NSW/ACT)
 - Uecomm Sales Manager Maja Paleka

Cisco Australia and New Zealand Partner Awards

- Cisco APAC Service Provider of the Year – Alphawest
- Unified Communications Partner of the Year – Alphawest
- Enterprise Partner of the Year – Alphawest

Frost & Sullivan 2009 Australia Best Practices Awards

- Unified Communications (UC) Systems Integrator of the Year – Alphawest

9th Annual HR Leadership Awards

- Best Talent Management Strategy – Optus

Australian Human Resources Institute Awards 2009

- The John Boudreau Award for Human Capital Management
 - Optus Upward Feedback Tool

Australian Business Excellence Awards

- OH&S Management – Optus

December

Smart Investor League of Exceptional Service (SMILE) Survey

- 'Best Mobile Phone Provider' conducted by the Australian Financial Review's Smart Investor magazine – Virgin Mobile
- Ranked Number 1 in 'overall satisfaction' and in 'customer satisfaction' in the Australian Interactive Media Industry Association's annual survey.

January

Hitachi Data Systems Partner of the Year Award

- Hitachi ANZ Partner Of The Year – Alphawest

February

Hewlett Packard 'Most Outstanding Information Management Partner of the Year' Award

- Hewlett Packard Most Outstanding Information Management Partner of the Year 2009 – Alphawest

March

BRW Client Choice Awards

- Finalist for Best IT Services Firm (Revenue under \$500m) – Alphawest

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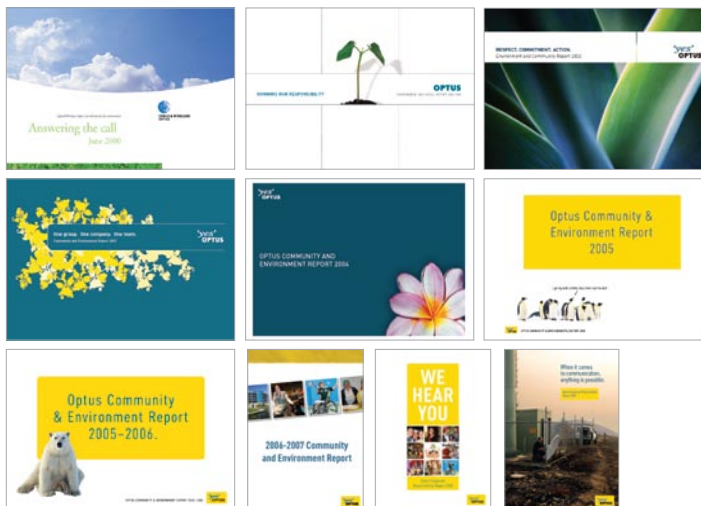
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