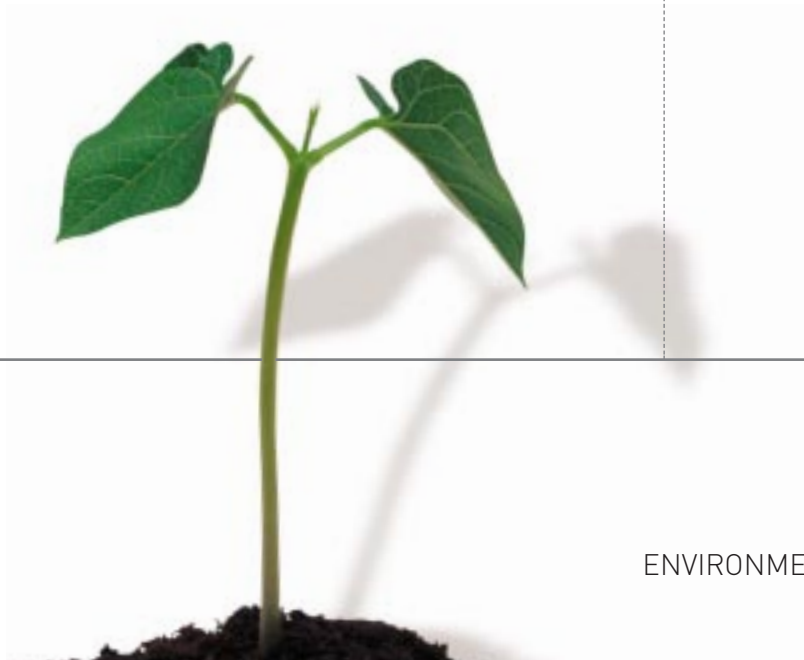


GROWING OUR RESPONSIBILITY



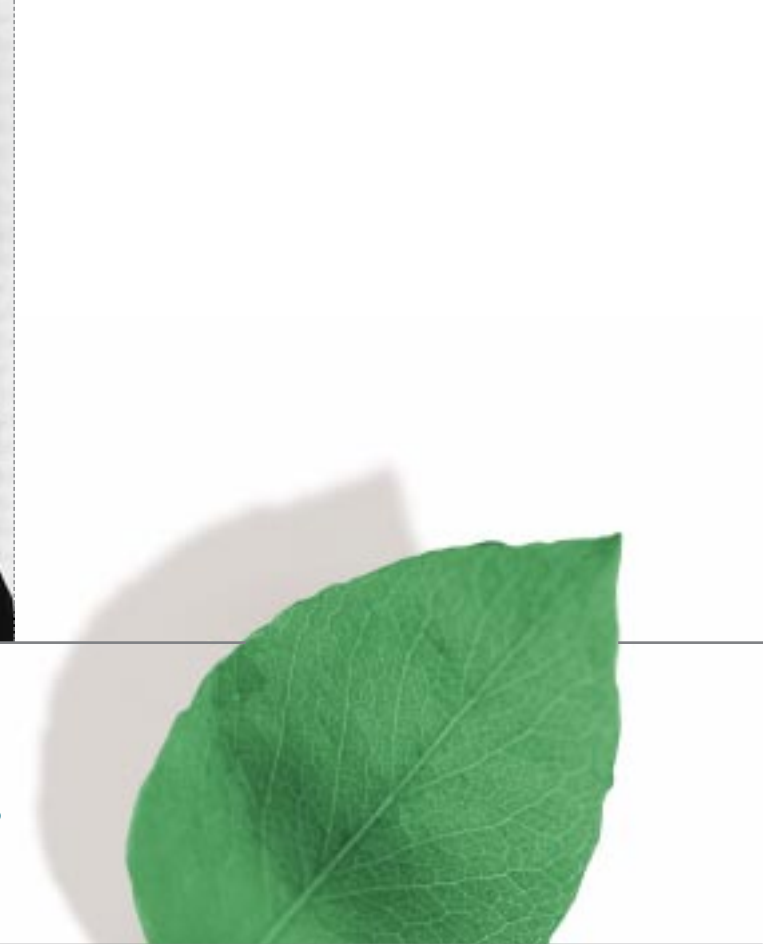
OPTUS

ENVIRONMENT AND SOCIAL REPORT JULY 2001

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MESSAGE FROM THE CHIEF EXECUTIVE

“OPTUS IS PASSIONATE ABOUT MEETING ITS ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND WE STRIVE TO SET INDUSTRY-LEADING STANDARDS.”

Twelve months ago, Optus communicated its Environmental Policy to the community in its first Environment Report. This was an important step for us, as we were eager to express our commitment to protecting the environment in our day-to-day activities.

I am proud to present to you our 2001 Environment and Social Report, which encompasses our achievements and goals not only in relation to environmental sustainability, but also across many important community issues.

The report sets out specific benchmarks, which determine Optus’s success and competency in these areas.

In the last year, we have recorded some significant achievements in responsible environmental and social practices. These include our work practices with mobile base stations, health, battery recycling, helping people with special needs and ensuring transparent reporting. Examples of our success include preserving the habitats of wombats and nesting ospreys while building new infrastructure.

Optus is passionate about meeting its environmental and social responsibilities and we strive to set industry-leading standards.

Chris Andersen, Chief Executive
Cable & Wireless Optus



OPTUS AND THE AUSTRALIAN COMMUNITY AND ENVIRONMENT

OPTUS AIMS TO OPERATE IN A MANNER THAT MEETS THE COMMUNITY'S VALUES, AND IN A WAY THAT IS ENVIRONMENTALLY AND SOCIALLY RESPONSIBLE.

Last year we published our first Environment Report. This year the scope of the report has been extended to include information about our wider commitments to meeting the community's expectations and to demonstrate our desire to be regarded as a responsible corporate citizen.

Optus was the first telecommunications company in Australia, and one of the few world-wide, to publicly report on its environmental performance. Information in this year's report builds on the start

made last year and continues our public commitment to protecting the environment and working towards the goal of an ecologically sustainable world.

Our commitment to the community and the environment does not end with the production of this report. Optus regards public reporting as one way of achieving a continuous improvement in its environmental performance and public accountability.

Environmental and corporate governance reporting also builds credibility and trust between the company, the community, governments and shareholders.

This year's report has built on the beginning made last year. It also includes additional information about our social responsibilities. In terms of our environmental reporting, some challenges remain although progress continues to be made in our ability to collect the data required for full environmental reporting.

As more comprehensive methods of assessing environmental performance are being developed, data collection and environmental reporting is likely to become more complex. For instance, Optus is investigating whether life-cycle analysis

OPTUS AND THE AUSTRALIAN COMMUNITY AND ENVIRONMENT (CONTINUED)

is an appropriate and helpful tool for the company to use to improve its environmental management and performance.

Achieving our aims of being a leader in the management of environmental issues and being a responsible corporate citizen in providing major communications network services are the responsibilities of all our employees.

Managers have wide-ranging responsibilities for ensuring environmental incidents are avoided. Office-based employees have a responsibility to minimise waste and energy use, and to meet the service standards our customers are entitled to expect.

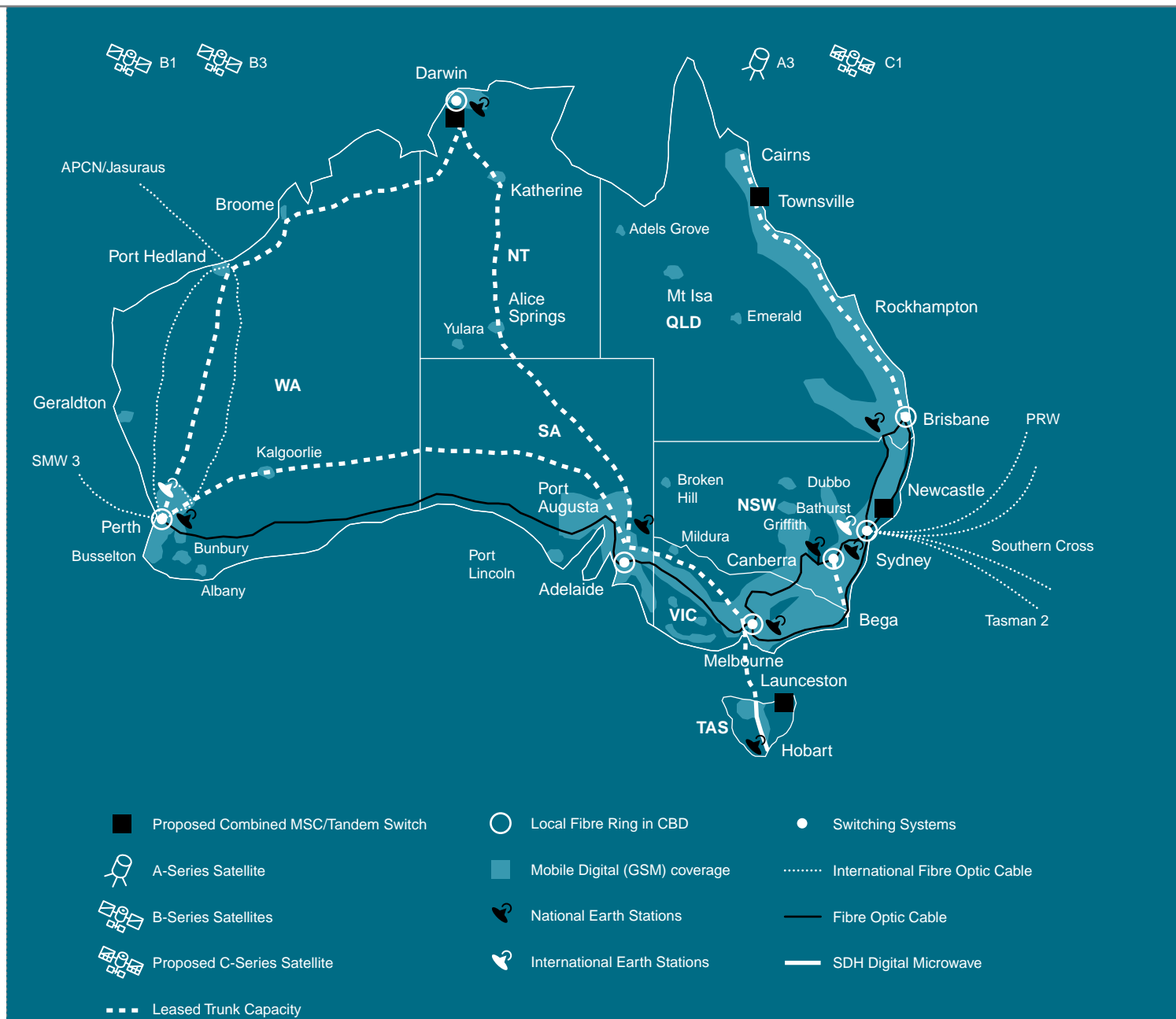
Operational staff have environmental responsibilities associated with the various duties they undertake. They are supported by the Manager, Environmental Affairs, who advises on appropriate strategy and direction.

Significant environmental issues associated with individual projects are reported to the Manager, Environmental Affairs, who reports directly to the Director, Corporate Financial Services.

At Board level, the Audit and Finance Committee is responsible for assessing total corporate risk management and advising the full Optus Board on environmental matters.



The Optus Network as at July 2001





Quarterly Consumer
Liaison Forum meeting



CONSUMER INITIATIVES



CONSUMER CONSULTATION

Optus is committed to consulting with consumer organisations and does this via its quarterly Consumer Liaison Forum (CLF). Comprising of representatives from peak national consumer organisations, the CLF has been a valuable avenue for two-way feedback on Optus policies and procedures.

Optus conducts additional consultation with key consumer representatives in the planning and

implementation of specific strategies, such as its Disability Action Plan.

After 5 years of operation, a review into the membership and operation of the CLF was conducted at the end of 2000. Feedback from members has ensured that the CLF continues to provide benefit to both Optus and the consumer organisations represented.

CONSUMER INITIATIVES (CONTINUED)

CONSUMER CODES

In May 2001, Optus reaffirmed its commitment to providing its customers with effective complaint handling and credit management practices by signing two important Australian Communication Industry Forum (ACIF) Consumer Codes.

Signing the Complaint Handling and Credit Management Codes of Practice demonstrates Optus's policy to keep its customers informed and to effectively respond to customer complaints. Optus is actively working towards compliance with other ACIF Consumer Codes to ensure customers benefit from advances, such as in the management of customer personal information and in the information provided to customers about prices, terms and conditions of Optus products.

Optus was one of the founding members of the industry forum and one of the first telecommunications companies to sign the voluntary consumer Codes.

OPTUS AND DIVERSITY

The Optus Disability Action Plan was launched in December 1999. The Plan aims to remove any barriers to access for customers, potential customers and staff who have a disability. In developing and implementing the Plan, Optus affirms its commitment to minimising and, where possible, eliminating discrimination. This commitment covers all areas of the company's operation including:

- the provision of products and services;
- employment practices; and
- community interaction

Since launching the Plan, Optus has progressed a number of important initiatives. They include the trial of TTY (TeleTYpe, a telephone typing system for hearing impaired people) and other equipment for directly connected customers with a disability; the enhancement of TTY customer service; the offering of a braille bill; community-wide awareness and training initiatives; additional forms of approved identification enabling customers with a disability to show proof of identity; and changes to workplace services for our own staff with disabilities.

Optus has recently commenced scoping work for the development of a strategy for customers and staff from non-English speaking backgrounds. This is being developed in consultation with a working group of the Optus Consumer Liaison Forum and will seek to remove any barriers to access for people from non-English speaking backgrounds.

MEETING CUSTOMER DEMAND

Mobile phone use has been growing in Australia at more than 15 per cent each year. It is estimated that more than 7.5 million Australians already own a mobile phone. Meeting the growing demand for mobile phone services, in urban and rural Australia, can only be achieved by increasing the number of mobile phone base stations. This is necessary because each base station can handle only a limited number of calls at any one time.

Optus's forward planning anticipates where new base stations are likely to be required. Early in the site-planning phase, local councils are consulted to ensure our new base stations are appropriately located and will provide the services that our customers require.





Fibre optic cable laying in rural areas



OPTUS'S ENVIRONMENT POLICY

OPTUS'S VISION IS TO BE A LEADER IN THE MANAGEMENT OF ENVIRONMENTAL ISSUES ASSOCIATED WITH THE DEVELOPMENT, INSTALLATION, AND OPERATION OF A MAJOR TELECOMMUNICATIONS NETWORK.

Our objective is to install, develop, operate and maintain a high quality communications network with minimal impact on the natural and built environment.

Optus recognises that it cannot construct and operate its communications network unless federal, state and local government authorities and the community have confidence in its environmental planning and management processes.

The company's Corporate Environment Plan establishes its approach to these processes and the company's Environmental Management Systems. The Corporate Environment Plan was originally accepted by the

Optus Board in 1992, and substantially revised in 1997. It is presently the subject of another substantive review which is planned for completion by end September 2001. The major reason for these reviews is to ensure that the Corporate Environmental Plan is relevant to the changing activities of the business, while being alert to national and international environmental best practice as part of our approach to continuous improvement. The Plan is available from Optus's Environmental Affairs Manager or it can be viewed and downloaded from our website at www.cwo.com.au

ENVIRONMENT POLICY – KEY ENVIRONMENTAL ISSUES (CONTINUED)

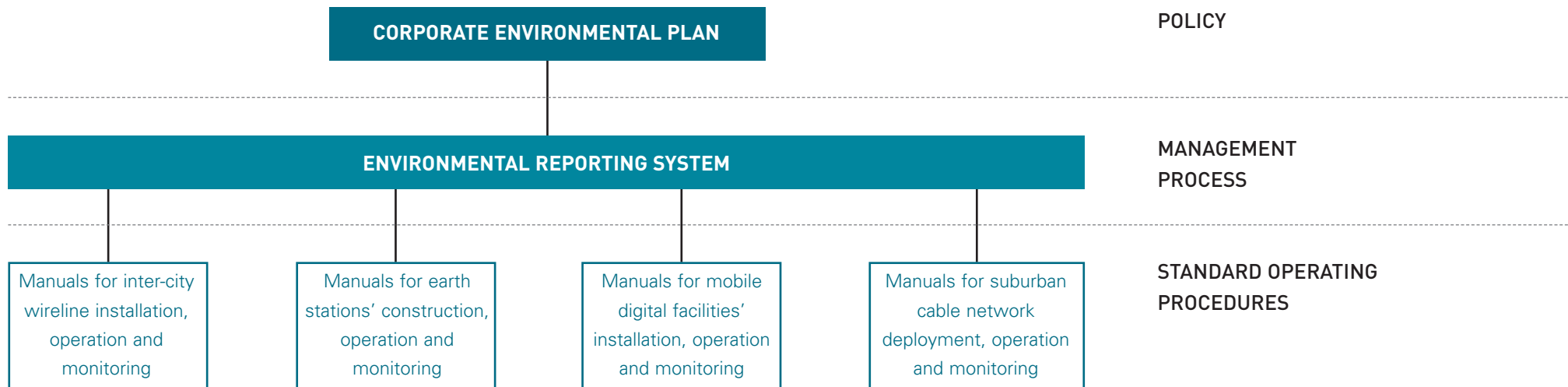
	ENERGY USE AND GREENHOUSE GAS EMISSIONS	VISUAL IMPACTS	FLORA AND FAUNA	CULTURAL HERITAGE	WASTE	FUEL STORAGE
INTER-CITY OPTIC FIBRE CABLES	B	A	A	A	C	C
SUBURBAN CABLES	B	A	A	A	C	C
MOBILE TELEPHONE NETWORK	A	A	B	B	B	C
SATELLITES	B	B	C	C	C	B
MICROWAVE LINKS	B	B	C	C	C	C
CORPORATE FACILITIES	A	N/A	N/A	N/A	A	B

A = KEY ISSUES

B = IMPORTANT ISSUES

C = MINOR ISSUES





ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

OUR ENVIRONMENTAL MANAGEMENT SYSTEM (EMS) PROVIDES THE COMPANY'S PRACTICAL APPROACH TO ITS DAY-TO-DAY CONSTRUCTION AND OPERATIONAL ACTIVITIES AND ENSURES THAT THE ENVIRONMENT IS **PROTECTED** AND THE OBJECTIVES OF THE ENVIRONMENTAL PLAN ARE MET.

The EMS is subject to ongoing review by internal and independent agencies to ensure its effectiveness in meeting our environmental objectives and improving our environmental performance. The present EMS was developed in 1996 and was substantially reviewed following modifications to the Corporate Environment Plan in 1997. After the completion of the present review of the Corporate Environment Plan, the EMS will be reconsidered and the revised EMS will be in place for the beginning of 2002.





Optus had not been subject to any environmental notices or prosecutions since it began operations in 1992 until an incident this year.

In this incident, a sub-contractor was found to have discharged turbid water, from where it had been deliberately captured in a bunded area, into a nearby stormwater drain. The incident in January 2001 occurred when fibre optic cable was being laid in Melbourne's CBD. The water from an under road boring operation should have been pumped into a tanker-truck for appropriate disposal. Following the incident, and investigation by the Environment Protection Agency (EPA) Victoria, the project manager from Optus's

contractor was fined and Optus was issued with an EPA Infringement Notice. The fines to Optus involved a personal fine of \$1,200 to the Project Manager, and a corporate fine of \$5,000. The Contractor, subcontractor and sub-subcontractor were fined in similar amounts resulting in total penalties of \$24,800.

Following the incident, an immediate review of Optus's contractual arrangements has been undertaken to ensure contractors' environmental management plans are provided prior to any construction activity being undertaken. In addition, Optus is in the process of more rigorous training

COMPLIANCE AND SIGNIFICANT INCIDENTS

OPTUS IS SUBJECT TO COMMONWEALTH AND STATE ENVIRONMENTAL LEGISLATION AND REGULATIONS. OPTUS MAINTAIN A REGISTER OF THE ENVIRONMENTAL REGULATIONS THAT APPLY TO ITS [ACTIVITIES](#). THIS IS REGULARLY REVIEWED AND UPDATED.



Fibre optic cable laying



of its own staff and will now also require its contractors to be able to demonstrate that their staff have received appropriate environmental training on a regular basis.

Comprehensive plans to handle emergency incidents are a standard requirement for any Optus operation. These were tested in 1999 with two spills of bentonite during drilling operations for new cables being installed for one of our subsidiary companies (Southern Cross Cables Limited – of which Optus has a 40% shareholding.

COMPLIANCE AND SIGNIFICANT INCIDENTS (CONTINUED)



Both incidents were immediately reported to the New South Wales EPA. No action was taken against Optus over either of these incidents as neither spill had a significant environmental impact. Bentonite is a non-toxic clay which, when mixed with water, acts as a drilling lubricant. After use bentonite is normally disposed of by reuse in other drilling projects or deposited as waste in landfill.

In the first incident, approximately 10,000 litres of bentonite escaped into the ocean at North Narrabeen Beach, New South Wales on August 12, 1999 before emergency procedures shut down the operation and remedial action was taken. A second spill of



approximately 500 litres occurred during drilling under Dee Why Creek, NSW also in August 1999. These incidents were not reported in the previous Public Environment Report.

Optus was concerned that these two events occurred, even though there was no significant risk. In order to ensure these incidents are less likely to occur, Optus took four direct actions. These included:

- Reviewing our contractual arrangements to ensure contractors were aware of, and able to manage their environmental responsibilities;
- Strengthening our emergency procedures to incorporate more rigorous control systems to provide earlier warnings of any problems;
- Requiring additional emergency response capabilities at drilling sites;
- Providing detailed training courses in emergency management for its contractors on a regular basis.



ENVIRONMENTAL AUDITS AND EXTERNAL REVIEWS

“OPTUS ROUTINELY AUDITS ITS OPERATIONAL SITES FOR THEIR ENVIRONMENTAL [PERFORMANCE](#)”

Optus routinely audits its operational sites for their environmental performance. Following these, action plans are developed to make sure that any issues are promptly and properly addressed. For major facilities, these audits have been undertaken at least on an annual basis. For other facilities, such as intercity fibre optic cables, apart from environmental quality control inspections during construction, a complete audit of the cables is undertaken within 12 months of their installation to identify where remedial action, if any, is required.

Reports from the environmental audits are key performance indicators for site managers. Since 1993, over 70 environmental audits of our operations have been completed, including 33 in the last year. The audits completed last year include audits of the terrestrial facilities of the sub-sea fibre-optic cable from Australia to the United States of America owned by Southern Cross Cables Limited. This required audits of facilities in Hawaii, Fiji, New Zealand and Australia.

Separately, underground fuel tanks are constantly monitored for any potential fuel leakage and are individually tested. The fuel tanks have been

progressively replaced with ‘double skin’ tanks to ensure that if the internal tank does leak then the fuel is captured in the outer skin and remedial action can be taken before fuel enters the external environment. Close monitoring and reconciliation of fuel storage levels, and six-monthly monitoring by external advisors, has resulted in no fuel escape from underground tanks in the last year.

These audits are undertaken by both internal and external experts not involved in the operation of these facilities to ensure independent assessment of potential environmental risks.



ENVIRONMENTAL TARGETS AND COMMITMENTS TO THE COMMUNITY

WE ARE COMMITTED TO IMPROVING OUR ENVIRONMENTAL PERFORMANCE AND HAVE SET NUMEROUS ENVIRONMENTAL TARGETS.

ISSUE	CURRENT STATUS	2002 TARGET	OFFICER RESPONSIBLE
Environmental management systems	A Corporate Environmental Plan and standard operating procedures form the basis of the Environmental Management System.	<p>Finalise review of Corporate Environmental Plan by end September 2001.</p> <p>Finalise review of Environmental Management System by end December 2001.</p> <p>Finalise and refine internal audit program.</p>	Manager, Environmental Affairs


continued over page →

ENVIRONMENTAL TARGETS AND COMMITMENTS TO THE COMMUNITY (CONTINUED)

ISSUE	CURRENT STATUS	2002 TARGET	OFFICER RESPONSIBLE
<p>Visual/landscape, ecology and heritage</p>	<p>Whenever possible, new projects use underground cabling in preference to aerial cabling to mitigate potential visual impacts.</p> <p>Last year our environmental assessment methods were assessed to ensure they provide appropriate management of potential ecological and heritage values.</p>	<p>Ongoing training of operational staff to ensure knowledge of their environmental responsibilities, and increase their awareness of methods to minimise environmental impact.</p>	<p>Environmental Officers</p>
<p>Energy use</p>	<p>Electronic data for the 30 main energy-consuming sites has been collated to enable energy reduction opportunities to be identified and implemented. Energy reduction measures such as modifications to lighting and computers are in place.</p> <p>Air-conditioning units that use passive cooling techniques have been installed at some sites.</p> <p>Solar power is used to power 18 optic fibre regeneration sites in remote locations.</p>	<p>Maintain our involvement with the Sustainable Energy Development Authority to investigate and implement opportunities for improved energy efficiency.</p> <p>Continue the progressive installation of energy efficient lighting systems in 6 floors of Optus Centre Sydney.</p> <p>Continue to seek opportunities for use of solar power for facilities in remote areas.</p>	<p>Facility Managers</p> 

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ENVIRONMENTAL TARGETS AND COMMITMENTS TO THE COMMUNITY (CONTINUED)

ISSUE	CURRENT STATUS	2002 TARGET	OFFICER RESPONSIBLE
Waste/chemicals/fuels	<p>All air-conditioning units, fridges and fire extinguishers containing CFCs will be phased out to meet the timelines of the Kyoto Protocol.</p> <p>A systematic monitoring and audit program is in place for all underground fuel storage tanks. These are replaced as required.</p>	<p>Clarify timetable for removal of ozone depleting substances and develop a management plan to meet those timelines.</p> <p>Continue to monitor fuel tanks with a target of zero fuel leakage or spills.</p>	Facility Managers
Electromagnetic Energy	<p>Optus is one of 450 companies world-wide supporting an industry association research program of 30 independent studies into issues relating to electromagnetic energy.</p>	<p>Continue to monitor and address safety issues in an open manner and in accordance with community concerns and advances in technology.</p> <p>Monitor international scientific and medical developments.</p> <p>Provide information to interested parties.</p>	Manager, Environmental Affairs
Communication	<p>Continue environmental training for employees and contractors.</p>		Environmental Officers



Solar panels for fibre optic cables on the Nullabor Plain



REDUCING GREENHOUSE GAS EMISSIONS, OZONE DEPLETING SUBSTANCES, ENERGY AND WATER USE

OPTUS HAS CONTINUED THE ENERGY SAVING INITIATIVES INTRODUCED LAST YEAR. ENERGY EFFICIENCIES REDUCE COSTS AND HAVE ENVIRONMENTAL BENEFITS INCLUDING REDUCING GREENHOUSE GAS EMISSIONS.

USING SOLAR ENERGY

Optus uses solar power at eight of its 18 optic fibre cable regenerator sites between Adelaide and Perth. The 768 solar panels at the sites provide over 49,000 kWh (kilowatt hours) annually. A system upgrade will double the power produced over the coming year as the cable's capacity, and energy requirements, is increased. The solar power system is low maintenance and only requires an annual check, increasing its

environmental benefits. Some problems have been experienced with the power storage batteries. These will be addressed during the system upgrade.

Sensitive electronic equipment at the sites must be maintained at a stable temperature. To increase energy efficiency at eight sites on the Nullabor Plain, passive cooling systems, that store lower night-time temperatures for use during the day, have been installed. This avoids the need for active air conditioning and considerably reduces power consumption at these sites.

A solar powered mobile phone base station was built in a remote location near Elphinstone, Victoria. The antennas are installed on a fire watchtower where the nearest power supply is many kilometres away. Research and development for this system took six months and the final design involves 55 square metres of panels. The site is now operational.

REDUCING GREENHOUSE GAS EMISSIONS, OZONE DEPLETING SUBSTANCES, ENERGY AND WATER USE (CONTINUED)



ENERGY EFFICIENT TELEPHONE EXCHANGES

Optus has energy efficient air-conditioning in 13 of its telephone exchanges. When the outside temperature is less than 17°C the system automatically turns off the air-conditioning and opens vents to the outside. This saves approximately 40 per cent of energy costs in Melbourne and 30 per cent in Queensland.

ENERGY EFFICIENT LIGHTING

Energy efficient lighting was introduced into one of our call centres last year. The program has continued this year and intelligent lighting systems are being introduced into the Sydney and Melbourne Optus Centres, the Sydney Technical Centre and the Belrose Satellite facility. Artificial lighting is automatically reduced when there is high sunlight.

To continue the momentum and generate further energy savings, high efficiency tri-phosphorous lighting is being used to replace the less efficient fluorescent tubes throughout the Optus Centre in Sydney. Light controllers are also being refurbished as part of this \$80,000 program.

The program has already reduced the Sydney Optus Centre's annual energy use by 451,226 kWh. This also represents a saving of 415 tonnes of carbon dioxide annually. Work has been completed on two floors that are occupied 24-hours a day and four other floors. Introducing light-sensitive control systems that reduce artificial light according to the amount of internal natural light, has resulted in an annual reduction of just over 376 kWh of electricity used. Artificial lighting also gives off heat. Reducing the need for artificial light also reduces the need for air conditioning giving a further energy reduction of over 75 kWh annually.

REDUCING WATER USE

Optus does not own any water-cooled condensers. The 26 buildings owned by the company have all been built with air cooled condensers. Water savings are estimated to be at least 1,000 megalitres a year.

Water saving systems by installing a new variety of tap heads have been trialed at Optus Centre Sydney. The results to date are encouraging and further trials are to be conducted to confirm the viability of the systems for wider applications. One benefit of the reduced water use is reduced energy consumption due to the lower volumes of hot water being used. Part of the trial is to attempt to quantify the benefits of these savings.

OZONE DEPLETING SUBSTANCES

Optus does not use any R12 refrigerant for air-conditioning. The R22 air-conditioning gas systems it does use will be converted to meet the requirements of the Montreal Protocol on Ozone Depleting Substances. They are not due for conversion until 2015, although the timing for this may change. In total, the company has approximately two tonnes of R22 refrigerant gases in its facilities.

MOBILE PHONES, BATTERIES AND ACCESSORIES RECYCLING

Optus is actively participating in Australia's Mobile Phone Industry Recycling Program. This program is managed by the Australian Mobile Telecommunications Association (AMTA). Originally launched as a trial in NSW in 1999, the program covered recycling of mobile phone batteries. The program was re-launched in 2000, and now is able to provide recycling of the

handset, batteries and accessories. The program is about to be extended nationally. More than 30 tonnes of mobile phones, batteries and accessories have been collected for recycling. The program is funded through a small levy on new mobile phone handsets applied by participating manufacturers and carriers. The materials collected are sorted and separated and then shipped to France where reusable components are recovered. Approximately 1,200 retail stores will be participating in the program throughout Australia.



REDUCING WASTE AND RECYCLING

"RECYCLING TO REDUCE WASTE AND CONSERVE RESOURCES IS INTEGRAL TO OPTUS'S OPERATIONS"



Mobile phones, batteries and accessories can be dropped off at any retail outlet displaying this symbol



We're talking recycling

The Mobile Phone Industry's Recycling Program

RECYCLING

Recycling to reduce waste and conserve resources is integral to Optus's operations. Last year the company recycled approximately:

- 300 tonnes of paper from its offices and major facilities
- 4,000 toner cartridge units
- 150 kilograms of aluminium cans
- 125 tonnes of industrial grade batteries
- 12 tonnes of car batteries



Our approach is to work closely with both communities and local councils to discuss potential impacts and ways in which they may be minimised. Effective community consultation can be achieved through a variety of activities depending on the nature and sensitivity of the proposed site. Some of the techniques we use include door knocking, letterbox drops, advertisements in local papers and public information sessions. Consultation is an integral part of the process used to define locations for new facilities.

Wherever possible, mobile phone base station antennas are integrated with the local surroundings and placed on rooftops, existing radio masts, freeway overpasses, shared with other telecommunications carriers or located with other suitable existing structures. If a new tower is required every effort is made to minimise the visual impact. Examples include providing a local church with a new cross that incorporates the telecommunications equipment. Other examples include placing antennas on towers used for advertising, incorporating equipment into road traffic signs and installing a tower that looks like a palm tree.

MINIMISING VISUAL IMPACTS

MOBILE PHONE BASE STATIONS AND TELECOMMUNICATIONS CABLES CAN HAVE VISUAL IMPACTS THAT ARE **SOMETIMES OF CONCERN** TO COMMUNITIES AND LOCAL COUNCILS.



The suburban HFC (Hybrid Fibre Coaxial) cable network traditionally used above ground aerial cabling. In some areas this was a source of considerable community concern and in 1997 the Commonwealth Government amended the Telecommunications Act and Code to require local government permission prior to the installation of aerial cables.

As a result, most new network cable installations are underground with aerial cables limited to providing the connection to customers' homes.



PROTECTING THE SOUTHERN HAIRY NOSED WOMBAT

The Southern Hairy Nosed Wombat lives only in the southern part of South Australia. As wombats live in burrows and are powerful diggers they could damage buried fibre-optic cabling.

Extensive wombat burrows were discovered along a six-kilometre stretch of the cable between Adelaide and Perth. To protect the cable, and the wombats, we asked Adelaide University for its assistance to determine the extent of the wombat's impact on our cables.

The University surveys the cable route every three months and has completed six surveys. Each survey takes three days. The study has revealed that the wombats are active along a 35-kilometre stretch of the cable.

If burrows are found within a metre of the cable and the burrow is heading towards the cable, action is taken to protect both the cable and the wombats. A solid barrier is placed in a trench to stop the burrow from getting any closer to the cable. The wombats are able to continue their burrowing and any potential damage to the cable is avoided.



PROTECTING LANDSCAPE, HERITAGE AND ECOLOGY



Investigation of wombat burrows



PROTECTING LANDSCAPE, HERITAGE AND ECOLOGY (CONTINUED)



OSPREYS

A pair of ospreys, large fish hawks with a wing span of 1.5 metres who build their nests from large sticks, constructed a nest in one of Optus's mobile phone towers in Mackay. A special new cradle was designed and built to enable the birds to have easier access to their nest and improve chances of breeding. With guidance from the Queensland Parks and Wildlife Service (QPWS), Optus relocated the birds to the new cradle, erected 1.5 metres on top of the existing base station. In addition, a second cradle was built and donated by Optus to the QPWS for future needs.

The ospreys have successfully adopted the re-located nest in the new cradle as their home.



Osprey nest in constructed cradle at North Mackay

BUTTERFLIES

Prior to the installation of a mobile phone base station near Mansfield in Victoria, we identified the potential for our proposal to affect the butterflies of the area. Optus funded the Museum of Victoria to undertake a detailed survey as part of the pre-installation site identification and assessment plan. The survey identified that the proposal would not have an effect on the habitat or lifestyle of the Southern Purple Azure butterfly. The survey was published in 'The Victorian Naturalist' October 2000 as 'A survey of the Butterfly Fauna of the Paps Scenic Reserve, Mansfield Victoria'. This is high quality original research that significantly adds to the detailed knowledge of the area.



To be a successful business we need to gain the community's trust and support. We aim to develop and maintain this by consulting local councils to discuss our network plans. We believe that the community has the right to expect us to work hard to address concerns that they may have about our business activities.

Communities have an interest in what is happening in their neighbourhood. We seek to engage local communities wherever appropriate when we are planning new facilities in their area. We understand that some members of the public are concerned about the possible future health

effects of using mobile phones and living near mobile phone base stations.

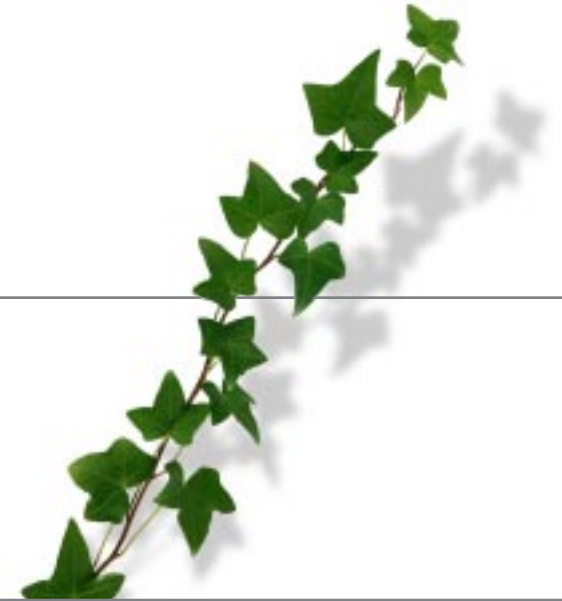
About 40 per cent of adult Australians own a mobile phone and the demand for mobile phone services continues to grow. To keep up with this demand Optus needs to build more mobile phone base stations. The company selects potential sites for base stations with care and, wherever possible, this is done with the local council and community.

In addition, Optus have worked with the Wesley Mission at Vision Valley, Arcadia in New South Wales providing services in the form of maintenance work

at the property. Vision Valley is a facility that provides holiday camps for disadvantaged children as well as families in need of shelter. Families from the Northern NSW floods resided there at Christmas.

WORKING WITH COMMUNITIES

"WE BELIEVE THAT THE COMMUNITY HAS THE RIGHT TO EXPECT US TO **WORK HARD** TO ADDRESS CONCERNS THAT THEY MAY HAVE ABOUT OUR BUSINESS ACTIVITIES."



Seventy Optus volunteers were split into nine teams providing the brawn for maintenance work at Vision Valley. The teams participated in activities such as landscaping, tree planting, clearing a bush walking trail for wheelchair access, clearing stones in the horse paddock, cleaning stables and much more.

The work completed by Optus put the Vision Valley crew six months ahead of their maintenance schedule.



Consumer Liaison Forum



SHARING INFORMATION

SHARING INFORMATION IS AN IMPORTANT PART OF ESTABLISHING A POSITION OF **RESPONSIBLE CORPORATE CITIZENSHIP**. THE REPORTING ON OUR ENVIRONMENTAL PERFORMANCE IS A GOOD EXAMPLE TO DEMONSTRATE OPTUS'S COMMITMENT TO SHARING INFORMATION.

One of the ACIF industry forums that Optus actively participates in, is the development of a code of practice for consultation and notification of mobile base station facilities. One of the objectives of this draft code is to specify standards for consultation and information availability and presentation, and to ensure that relevant stakeholders are informed and consulted before mobile base station facilities are constructed.

Sharing of information is also achieved through Optus's work with the Consumer Liaison Forum and the ACIF Consumer Codes.

In relation to electromagnetic energy, Optus is committed to make available all scientific studies we have relating to mobile networks and human health. When a requested item is not available, we will try to obtain a copy at our cost.

Optus is also committed to improving best practice within the telecommunications industry, and is

represented on the Australian Mobile Telecommunications Association (AMTA), and also on the Mobile Carriers Forum (MCF). It is one of the stated objectives of the MCF to work together to ensure a coordinated approach to network deployment, to collectively undertake a communications and education campaign, to develop relationships with relevant stakeholders and to work towards understanding and implementing best practice in relation to the deployment of network infrastructure.



More than 150 internal staff completed environmental training courses during the year in each of the main centres. The courses cover legislative compliance, heritage, flora and fauna, erosion and sediment control, waste management and pollution of air, water and noise.

Environmental training is also provided for external contractors engaged to plan or construct the network. The training is designed to suit the particular work to cover all relevant issues as well as the environmental responsibilities of contractors when working on Optus projects.

ENVIRONMENTAL TRAINING

“MORE THAN 150 INTERNAL STAFF COMPLETED ENVIRONMENTAL TRAINING COURSES DURING THE YEAR IN EACH OF THE MAIN CENTRES.”





→ Optus understands that some people are concerned about the possible health effects associated with mobile phone base stations. While scientific research into the issue is continuing, we believe on the basis of national and international scientific expert panel reviews, that electromagnetic energy (EME) from mobile phone base stations does not have adverse effects on human health.

OPTUS'S POSITION ON EME

Clear national and international guidelines establish the safety limits for human exposure to EME. Mobile phone base stations operate at extremely low power levels and, operating correctly, the EME they produce falls well within the established guidelines.

Given the current medical and scientific research information available, Optus believes mobile phone networks are safe when they operate within the mandatory regulations. This view is based on the opinions of world-wide independent experts and organisations such as the World

THE CHALLENGE OF THE ELECTROMAGNETIC ENERGY (EME) DEBATE

"WE ENCOURAGE, AND WHERE APPROPRIATE, SUPPORT FURTHER STUDY TO ENSURE CONTINUED SAFETY OF THE PUBLIC, OUR CUSTOMERS AND STAFF."



Health Organisation (WHO), Independent Expert Group on Mobile Phones (IEGMP) and the Australian Department of Health.

We will continue to monitor the issue and to keep an open mind. We encourage, and where appropriate, support further study to ensure continued safety of the public, our customers and staff. We welcome public feedback into matters relating to the siting, construction and operation of our network equipment.

THE CHALLENGE OF THE ELECTROMAGNETIC ENERGY (EME) DEBATE (CONTINUED)

While definitions for 'prudent avoidance', 'the precautionary principle' and 'the precautionary approach' are varied, we agree with the overriding principle of being careful. We will build and operate our network in an environmentally responsible way, minimising emissions and visual impact. We endeavour to locate equipment appropriately and with regard for the community's expectations.

Optus only sells and endorses mobile phone handsets that meet Australian safety standards. We work with handset manufacturers to ensure appropriate, up-to-date safety information is included with their products and we encourage them to make information available about the latest research, and to explain how it relates to their products.

The government and independent organisations that establish the guidelines believe that the low levels of EME produced by the mobile phone network are harmless provided they are operating correctly.

OUR POSITION ON MOBILE PHONE SAFETY

- The health and safety of the public, customers and employees is a high priority.
- Having reviewed relevant research on EME to date, and information from independent organisations, we believe mobile phones and mobile phone networks are safe when operating within established safety guidelines.
- We support the call for more research to ensure continued safety, and where appropriate, support open, independent scientific research into health issues relating to mobile phone base stations.
- We recognise our ongoing ethical and legal obligations to ensure Optus facilities are safe. We strive to abide by the letter and spirit of the law.

- We cooperate with government and statutory bodies, community groups and organisations and individuals concerned about mobile phone base stations and human health by providing timely up-to-date, and accessible information. When requested, and where appropriate for effective consultation, we will cooperate and participate in open house or public meetings, seminars, presentations and lectures.
- Optus will make all scientific studies the company receives relating to mobile phone networks and human health available publicly. If we do not presently hold a requested item, we will try to obtain a copy at our cost.
- We will continually strive to improve our consultation processes and welcome feedback from the community and customers on our performance.





FEEDBACK AND CONTACTING OPTUS

IF YOU WANT MORE INFORMATION, OR WOULD LIKE TO DISCUSS ANY ASPECT OF OUR 2001 ENVIRONMENT AND SOCIAL REPORT, **WE WOULD APPRECIATE HEARING FROM YOU.**

- MAIL** Environmental Affairs Manager
PO Box 1
North Sydney NSW 2059
- PHONE** 02 9342 7800
- E-MAIL** community.relations@cwo.com.au
- WEB** www.cwo.com.au