



One group. One company. One team.

Community and Environment Report 2003

'yes'
OPTUS



'yes'

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This report has been prepared with reference to the Global Reporting Initiative's (GRI) 2002 Sustainability Reporting Guidelines, including the Telecommunications Supplement July 2003. GRI's mission is to promote international harmonisation in the reporting of relevant and credible corporate economic, environmental and social performance to enhance responsible decision making. Financial reporting is reported separately as part of the SingTel Full Financial Report 2002-03.



This was a successful year for Optus with improved revenues, cash flow, margins and profitability.

Message from the Chief Executive

This was a successful year for Optus with improved revenues, cash flow, margins and profitability. Perhaps of more importance our customer numbers increased consolidating Optus' role and presence in the community.

Over the year Optus Mobile concentrated on improving its services to customers, continuing to deliver operational improvements, winning and retaining high value business customers and capitalising on technology innovations. Optus is the second largest mobile phone provider in Australia with 34 per cent of the market and is committed to further expanding its mobile network.

When Optus became a wholly owned subsidiary of SingTel in 2001 its ability to become a leader in environmental management and performance as well as community engagement increased. The company is committed to doing more than

meeting the obligations of regulatory compliance and wants to meet the community's expectations for environmental performance. Achieving this requires clear thinking, innovative ideas and new approaches.

This commitment can be demonstrated by our efforts to minimise the visual impact of mobile phone base stations. These significantly reduce the visual impact that can be associated with mobile phone base stations.

We value the community that supports us and, just as we constantly seek ways to improve our environmental, operational and business performance, we look for ways to best support the community. Our community support and sponsorship program is diverse and effective and we actively assist the arts, sport, and education as well as doing what we can in emergency situations such as the summer bushfires. The breadth of our commitment

to the community is also demonstrated by our encouragement and support for staff to become involved in community fund raising activities.

Best practice environmental performance and meeting the community's expectations are important to us and these aspects of our business are reported here. This is the fourth year of the Optus Environment and Community Report and it transparently reports what we have achieved and what still needs to be done.

I look forward to the year ahead and the achievements that will be made by our people.

Chris Anderson – Chief Executive
SingTel Optus Pty Limited

Optus aims to be a world leader in managing the environmental issues raised by the development and operation of a major telecommunications network.

Optus in the Australian community and environment

Optus is one of Australia's major communications companies. With SingTel as its parent, Optus is part of a significant telecommunications company in the Asia Pacific region. Each day it provides more than five million customers in Australia with mobile phone, local and international phone and internet services, business networks, and satellite and pay television.

Environmental performance is important to Optus and the company aims to be a world leader in managing the environmental issues raised by the development and operation of a major telecommunications network. As in past years, this Environment and Community Report outlines Optus' environmental performance and targets and meets our commitment to public reporting and transparency.

Throughout the planning, designing, constructing and operating of the telecommunications network, Optus is mindful of potential environmental issues. The company's Environmental Policy, Environmental Management Systems, reporting and implementation procedures aim to minimise all environmental impacts.

Optus employs more than 9000 people throughout Australia. The company aims to provide a work environment that allows our people to perform to their full potential, is non-discriminatory and enjoyable. Optus is committed to offering its people choice, growth and flexibility through a range of employment offerings to suit their individual needs.

An employment partnership agreement has been in place since 1997. Under the agreement, the company and staff committed

to work together to form a flexible and highly skilled workforce that is focused on customer service, optimum productivity and a rewarding working environment for all employees. The agreement is due for renewal in October 2003.

Optus prides itself on its 'Challenger' culture. This requires Optus people to be creative thinkers, to be innovative and to challenge the status quo to identify new ideas and opportunities and to capitalise on the unexpected. By encouraging people to approach their work in this way means continually looking for alternative and better ways of doing things. Supporting people in their professional development is an integral part of the 'Challenger' environment. In line with this, a mentoring program has been introduced to help our people learn, grow and progress in their careers.

Optus in the Australian community and environment (continued)

During the year Optus conducted a survey of all staff to ask what the company was doing well and what needed focus. The survey results indicated that at a company level some of the positives included:

- Managers are strongly regarded
- The Optus values are in line with the future direction of the company
- Commitment to team performance
- Job satisfaction.

The opportunities for improvement included:

- Reward and recognition
- Career development
- Learning and development
- Visibility of managers across the organisation

Numerous initiatives have been introduced to address the concerns raised and to build on company strengths.

For the past two years, Optus has been recognised as an 'Employer of Choice for Women' by Equal Opportunity for Women in the Workplace Agency (EOWA), a Federal Government organisation in the Department of Employment and Workplace Relations. This year Optus established a 'Women in Networks Program' to promote the role of women in less traditional work areas such as engineering and construction.

During the year Optus has used the advantage of being owned by SingTel to facilitate transfers of people across the group to improve its business capabilities and to contribute to employees growth and learning.

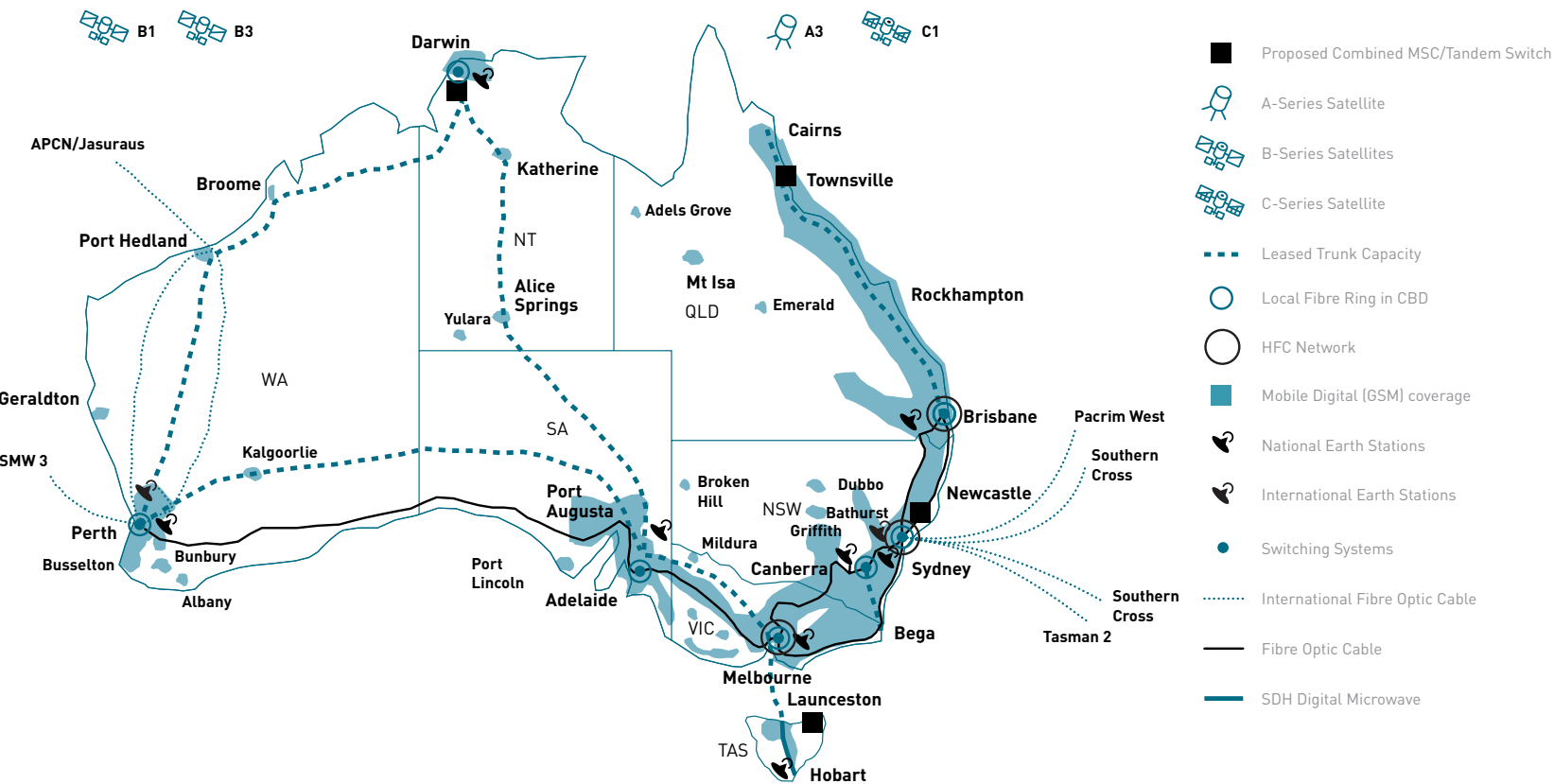
Over the past year Optus' customers increased by 13.5 per cent to 4.7 million and revenue grew by 20 per cent. Optus is the second largest provider of mobile phone services in Australia with 34 per cent of the market.

Since 1992 Optus has invested more than \$7 billion in fixed, mobile and satellite networks and this investment continues. The mobile network of approximately 3,500 base stations already provides coverage for 94 per cent of the Australian population. Another 400 base stations will be built in 2003/04 with a priority on improving services in rural and regional areas.

During the past year the number of customers on OptusNet Cable (the high-speed broadband internet service) increased by 69 per cent to 100,000 while more than half a million customers use OptusNet dial-up internet services. Local telephony customers grew to over 500,000.

Optus in the Australian community and environment (continued)

The Optus Network

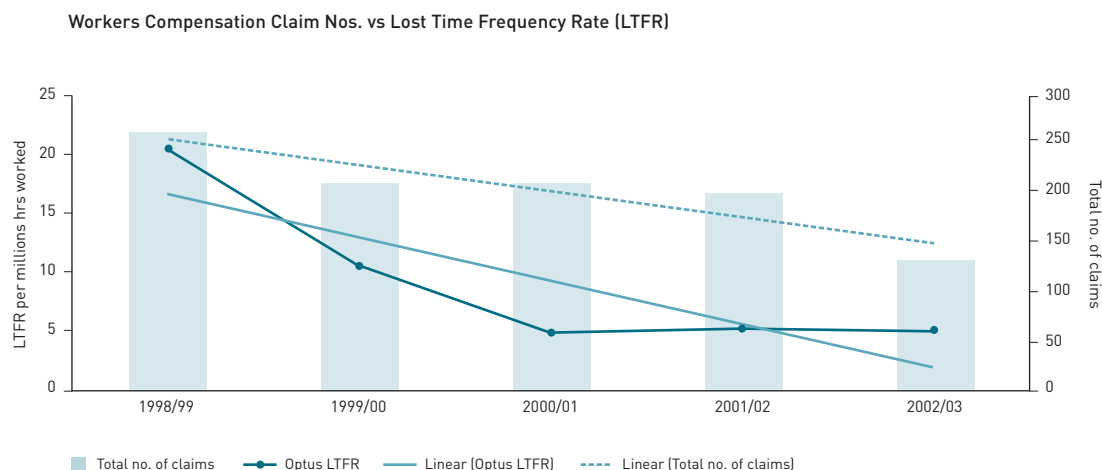


Optus is committed to improving the working environment for its people.

Optus people and values

Optus is committed to improving the working environment for its people. In 2002 a range of 'best practice' company wide Occupational Health and Safety (OH&S) initiatives were introduced. These initiatives are significantly improving the approach Optus people are taking towards OH&S issues. There was a significant drop in Workers Compensation Claims and the Lost Time Frequency Rate in health and safety performance for 2002/03. OH&S programs will continue to be developed to drive this company performance.

An OH&S Contractor Management system was uniformly introduced across the company in 2002. All suppliers of goods and services to Optus will have their OH&S systems reviewed before they are engaged to ensure compliance with Optus standards. Optus offers a number of health and wellbeing programs as part of its OH&S



strategic plan. These include a health insurance plan, medical assessments, support and subsidies to participate in Corporate Games, Winter Games and City to Surf Runs. Other health and fitness initiatives will be implemented over 2003 including development of health intranet site, employee gym discounts, health expos and family days.

Training is an important part of the company's OH&S management systems. Over the past 12 months several new on-line training programs have been introduced including Laser/Radio Frequency Awareness, Asbestos Awareness, OH&S Induction, Office Wellbeing/ Ergonomics and Contractor Induction. More than 4,000 staff completed on-line OH&S training over the past year.

Optus people and values (continued)

The staff survey in 2002 identified the need for more training and development opportunities and the need for a consistent approach across the company. Optus has responded to this and now has two induction training programs for its people. 'Begin the Journey', a web site for new people, was launched in 2002 and has all the information needed during the first months at Optus. 'Lead the Journey', a management induction program, was launched in 2003 and gives new and existing managers the tools they need to lead their teams.

Optus has a training program that keeps its people up-to-date in world wide telecommunications, information technology and cable television. It also has a range of business and learning training programs such as Employee Development, Sales Techniques for Achieving Results, Business Mobile Develop2Win, Optus Business Up to Date, Global Sales Management and Technical Training. These are widely available to help all staff continue to develop and grow in their roles.

Optus remains committed to installing, operating and maintaining a high quality telecommunications network with minimal impact on the natural and built environment.

Optus Environmental Policy and actions to protect the environment

Optus remains committed to installing, operating and maintaining a high quality telecommunications network with minimal impact on the natural and built environment.

The company's Corporate Environment Plan was introduced in 1992. It was revised in 1997 and again in 2001 after the Environmental Management System (EMS) was expanded to include a training program for operational staff and contractors. In 2001 guidelines for buying goods that use minimal packaging, are energy efficient and reduce raw material consumption were also included in the EMS.

The EMS will continue to be refined as necessary. It has been tested to make sure it complies with telecommunications and other relevant environmental legislation. The EMS is available from the Environmental Affairs Manager who can be contacted through the feedback options at the end of this report.

	Energy Use and Greenhouse Gas Emissions	Visual Impacts	Flora and Fauna	Cultural Heritage	Waste	Fuel Storage
Inter-city Fibre Optic Cables	B	A	A	A	C	C
Suburban Cables	B	A	A	A	C	C
Mobile Phone Networks	A	A	B	A	C	C
Major Technical Facilities	A	C	C	C	A	A
Corporate Facilities	A	C	C	C	A	B

A = Key issue B = Important issue C = Minor issue

As a fundamental assessment of the impact Optus may have on the environment the company has considered the key issues and the relative importance of them in operational management. The table above is a summary of those issues and was reviewed in 2003.

Optus Environmental Policy and actions to protect the environment (continued)

Protecting landscape heritage and ecology

Protecting the environment was an important consideration in the planning work done this year to upgrade and maintain the intercity fibre optic cable between Adelaide and Perth. A big challenge for the project was to protect a small area in an important wilderness reserve near the western boundary of the Dundas Nature Conservation Reserve in Western Australia.

The site originally identified for a Controlled Environmental Vault or CEV (a CEV contains electronic equipment for the Adelaide to Perth fibre optic cable) was within the reserve. The area is accessible only by several four-wheel drive tracks. There are no buildings in the reserve except for some ruins associated with an old telegraph track.

Optus recognised the importance of avoiding construction within the nature reserve and sought an alternative. Connecting the new CEV to the cable effectively involves cutting the cable, so there is potential to disrupt services to a large number of national and international customers. In 10 years Optus has only once carried out a splicing like this.

The exercise was successful and was also strongly supported by the WA Department of Conservation and Land Management.

In another example, the company modified its construction program to protect the small-leaved emubush *Eremophila parvifolia* listed as rare by the **South Australian National Parks and Wildlife Act 1972**.

The species is only found in the west of South Australia and when two plants were identified at the proposed CEV site near Yalata. Optus altered its plans to ensure the plants would not be disturbed during construction or future maintenance of the CEV. Ongoing protection of the plants is included in the site's Environmental Management Plan.

At the Brisbane suburb of Mt Ommaney, Optus faced a challenge this year when laying a new fibre optic cable across the Brisbane River. Due to the difficulties presented by an underground crossing, a suitable aerial site was found and the cable was co-located on an existing Energex high voltage electricity cable. Five separate planning approvals were needed and a Cultural Heritage and Environmental


Assessment of the site was done by the Native Title Claimants of that area.

Some underground work was also necessary. As the area is known to have Fire Ants all excess soil had to be removed for appropriate disposal. The whole project was completed without damage to the surrounding vegetation or pollution of the river.

Minimising visual impact

Daylesford in rural Victoria has been a challenging area in which to establish a mobile base station. Residents of the historic tourist town were concerned about the visual impact of a base station. A solution was to enclose the antennas in a fake chimney on top of the roof of the Daylesford Hotel.

The visual impact of mobile phone base stations is of concern to many in the community. Optus has responded to these concerns and, where possible, now uses a variety of techniques and installations that are less visually obtrusive than the traditional large, headframe.



There were no breaches of any environmental regulations during the 2002/03 year.

Environmental audits and compliance

Compliance

There were no breaches of any environmental regulations during the 2002/03 year. As for specific issues, there were no fuel leaks during the year.

Audits

During 2002/03, Optus completed 10 audits of contractors to investigate compliance procedures and documentation. The audits included review of corporate documents e.g. EMS, as well as inspection of site construction activities. The findings were consistently good in site management.

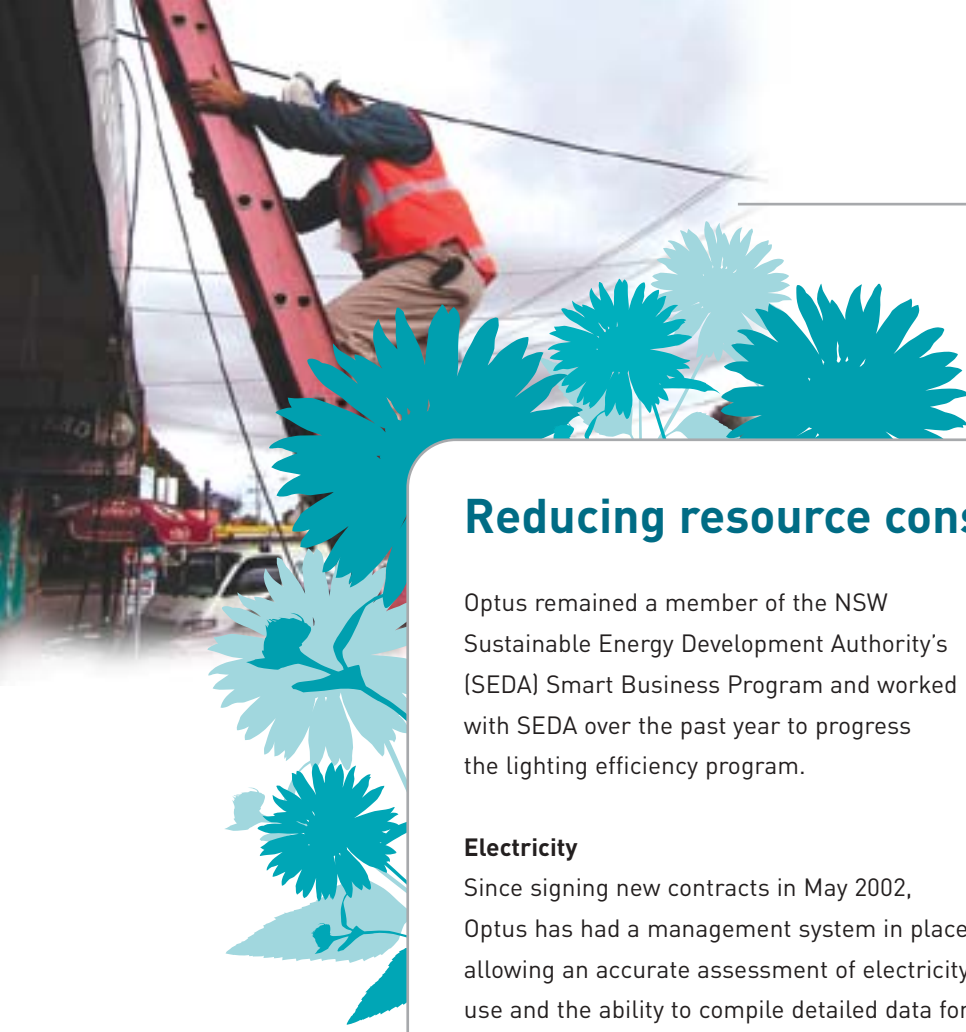
However, there were some gaps in development of site contingency plans and training to deal with environmental emergency situations. While there were no emergency events during the year this will be an area

of greater focus in future audits. The protocol for the audits is an appendix to the Optus Environmental Management System that all contractors are required to implement.

Risk inspections

Over the 2002/2003 year, there were 35 inspections to assess environmental risks particularly from hazardous chemicals and fuel storage at major Optus sites. There is very limited storage of hazardous chemicals, although fuel (mostly diesel) is stored at most major facilities. When tanks are replaced, double skin fibreglass tanks are installed to ensure capture of any leak should a breach of the inner tank occur. A rigorous six-monthly monitoring program of fuel tanks has been established.

An Operational Risk Review is undertaken for the whole of Optus approximately every 18-24 months as this is required by insurers. These inspections cover insurance related risk issues including an assessment of environmental matters, corporate policies and procedures as well as physical inspections of major facilities. In the last review in 2001, Optus achieved the highest score in environmental issues (85%) of the approximately 60 telecommunications companies around the world involved in this insurance program. The next Operational Risk Review is planned for Optus in October 2003.



Optus is getting better at implementing the approach of “Reduce, Reuse, Recycle.”

Reducing resource consumption

Optus remained a member of the NSW Sustainable Energy Development Authority's (SEDA) Smart Business Program and worked with SEDA over the past year to progress the lighting efficiency program.

Electricity

Since signing new contracts in May 2002, Optus has had a management system in place allowing an accurate assessment of electricity use and the ability to compile detailed data for each of Optus' sites. In the 2002/03 financial year Optus used approximately 157.5 gigawatt hours of electricity, down on the previous year's estimated 159 gigawatt hours.

Air conditioning efficiency

Since mid-1996 Optus has been actively reviewing its use of energy for after hours air conditioning. By continuing with this program, Optus has achieved a further reduction in air-conditioning running time of 4,857 hours at its North Sydney offices. Management controls have been put in place to monitor usage and review on a periodic basis.

The Victorian East Burwood and Northern Territory Palmerston satellite facilities' air conditioning control systems were upgraded to a Building Management System as reported last year, although quantification of the energy savings were not available. This year it is estimated to have provided a reduction of energy use in excess of 51 megawatt hours.

The introduction of outside air for free cooling in six major technical facilities has resulted in savings of one chiller per site equalling in excess of 100 kilowatt hours of energy.

In the New South Wales Gordon call centre, the building owner upgraded the air conditioning control system so it operates more effectively. The new system has been operating for fewer than 12 months so energy savings are not yet determined.

Lighting

A policy is in place that will see lighting control switches installed in all meeting rooms when they are upgraded. Last year lighting control systems were installed in the remaining three floors of the North Sydney office.

Reducing resource consumption (continued)

Fuel

Optus had a fleet of 1,760 vehicles. Of these, 64 run diesel and 445 run LPG with the remaining 1251 using petrol. LPG is the most inefficient fuel but the relatively lower price encourages Optus' preference to use LPG vehicles.

Water

Optus leases some of its buildings and the cost of water is included in the leases. Next year Optus will develop management systems so water and sewerage volumes can be monitored.

	Diesel	LPG	Petrol	Diesel (other)	Total
Number of vehicles	64	445	1251	N/A	1760
Distance travelled	1,021,900	8,804,750	19,752,900	N/A	28,859,950
Total litres	151,560	1,718,600	2,418,700	125,300	4,414,200
Km/litre	6.74	4.70	8.17	–	6.73

Optus continues to support the national industry-based program for mobile phone and battery recycling.

Recycling and reducing waste

White goods

Optus includes environmental considerations in its purchase of 'white goods' and company wide guidelines are in place for staff reference prior to buying. The guidelines have been developed to ensure the environmental impact during manufacture, use and eventual disposal of 'white goods' is minimised.

Plastic cups

Optus' use of disposable plastic cups increased last financial year with 64,000 purchased. The reason for this is greater availability in reception areas and in training locations where dish washing facilities are not available for glasses. The target next year is for a 40 per cent reduction in disposable plastic cups used and a 10 per cent reduction in the use of wooden stirrers by replacing these with metal spoons.

Paper towels

In 2000, Optus bought 20,608 packets of paper towels for kitchen facilities. This dropped to 12,032 packets in 2001. Last financial year a further reduction of 81 per cent was achieved with 2,240 packets purchased. This year kitchens and bathrooms will be consolidated in paper towel usage so it is expected the figures will increase, however this will provide a much more accurate view of usage.

Toner cartridges

This year 3,184 fax, printer and copier toner cartridges were recycled which is over 82 per cent of the 3,840 purchased. The target for next year is for 85 per cent of the cartridges to be recycled. A 100 per cent rate is not achievable as some toner cartridges are not recyclable.

Office paper

During this reporting year Optus bought more than 289 tonnes of A4 and A3 office paper and recycled 95.96 tonnes although this is known to be an incomplete figure. Action is being taken to ensure accurate recycling statistics are recorded in future.

Optus does not use paper with recycled content due to quality issues (dust generation in machinery) cost and availability. However the company will ensure paper from recycled sources is a component of tendering for total paper usage for this year. The company will continue to monitor quality issues to ensure machinery reliability is maintained.

Optus hoped to achieve a 10 per cent reduction in paper use through programming printers to default to double-sided printing in all Optus facilities.

Recycling and reducing waste (continued)

Lead acid batteries

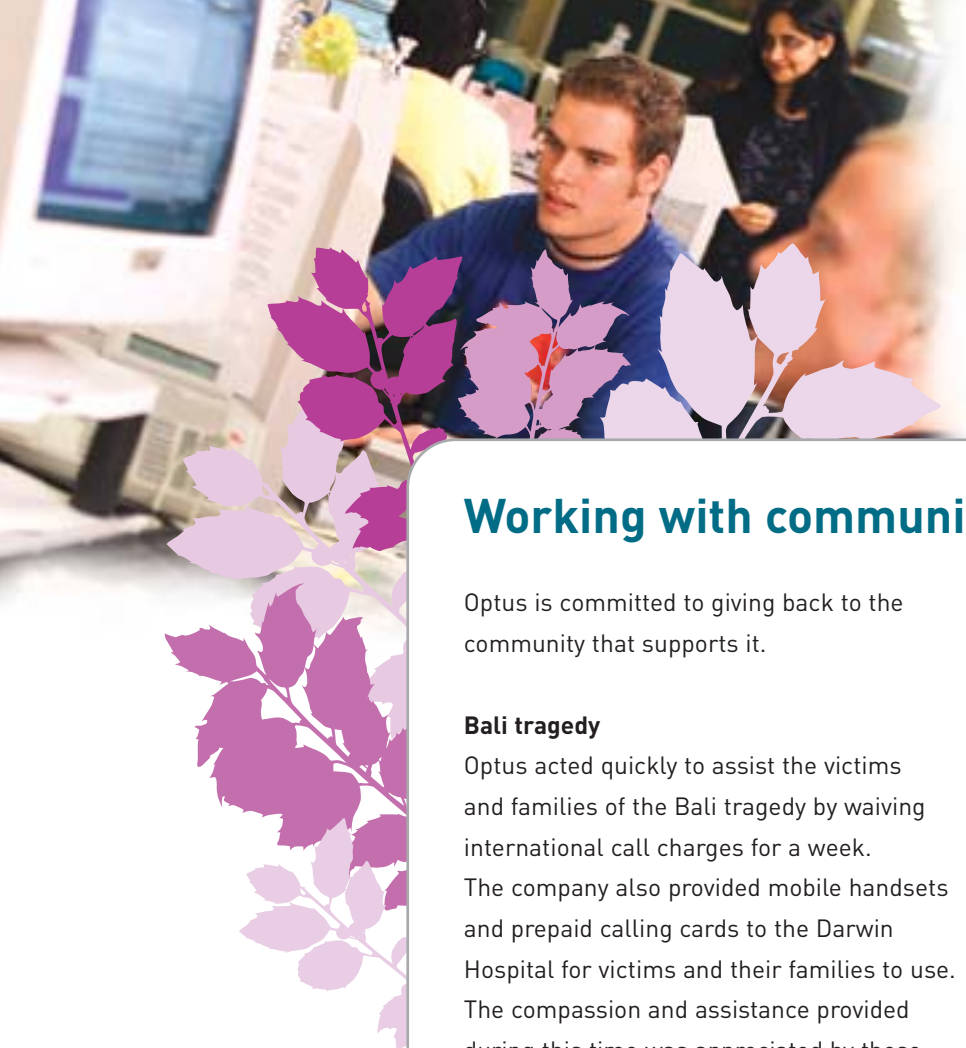
More than 63 tonnes of lead acid batteries were recycled during 2002/03. These 2,407 batteries were taken back by the supplier under a purchasing agreement.

Mobile phones and batteries

Optus continues to support the national industry-based program for mobile phone and battery recycling. To date more than 180 tonnes of phones, batteries and accessories have been collected for recycling from over 1600 collection locations in retail outlets. This is an industry funded and managed program that is by far World's best practice in mobiles recycling.

Diesel fuel spills

There were no diesel spills or leaks during the year.



Optus is committed to giving back to the community that supports it.

Working with communities

Optus is committed to giving back to the community that supports it.

Bali tragedy

Optus acted quickly to assist the victims and families of the Bali tragedy by waiving international call charges for a week. The company also provided mobile handsets and prepaid calling cards to the Darwin Hospital for victims and their families to use. The compassion and assistance provided during this time was appreciated by those directly affected by the bombing.

Kids Help Line

In 1999 Optus and Kids Help Line joined together in a world first to make real time online counselling services a reality for children and young people. Three years on, we are still working together to develop innovative online solutions for young people,

launching a range of world leading, interactive visual tools for the Kids Help Line web counselling service.

Kids Help Line is Australia's only free, national counselling service for young people. Kids can call the 24-hour phone line or turn to the internet to chat with a counsellor about whatever they want – mental health, relationships, suicide – and the demand has been growing.

To help expand the much needed telephone and web counselling service, Optus with the help of its customers raised half a million dollars for Kids Help Line during Child Protection Week 2002. Over the last five years (May 1999 – May 2003), Optus has raised over \$3 million for Kids Help Line. These funds have allowed the service to meet the cost of responding to over 370,000 contacts from young people.

Starlight Children's Foundation

Since 1992, the Starlight Foundation with the support of Optus has brightened the lives of many seriously ill children and their families by granting wishes and providing entertainment in and out of hospitals throughout metropolitan and regional Australia.

During 11 years of our partnership, Optus Staff have raised money for Starlight's wish granting, Starlight Express Rooms, fun centres and Starlight Express Outreach programs. This year over 300 Optus volunteers and Optus World Stores helped Starlight raise one million dollars on Star Day by selling merchandise throughout May 2003.

Working with communities (continued)

The Juvenile Diabetes Research Foundation

The Juvenile Diabetes Research Foundation offers hope to those living with diabetes. 'Walk to Cure' is an annual event that helps raise money to fund essential research.

Last year over 800 Optus volunteers and their families participated in the walk and associated fundraising activities raising in excess of \$52,000. Optus will be supporting the Juvenile Diabetes Research Foundation's (JDRF) National 'Walk to Cure' again this year in our role as a National Walk Leader.

Bushfires

Bushfires are an integral feature of the Australian landscape and volunteer fire fighters who work at Optus are eligible for paid emergency leave when they are absent from work fighting fires. Over the summer fire period, Optus acted to help its customers affected by the fires in Canberra. The company also provided prepaid mobile phones to the NSW Rural Fire Service for firefighters and families and loaned satellite phone to emergency crews travelling from interstate to Canberra.

Cultural and Linguistic Diversity Plan

To complement other activities which Optus undertakes to assist it in meeting its obligations under the federal **Racial Discrimination Act 1975**, Optus launched its Cultural and Linguistic Diversity Plan in July 2002. The Plan focuses on removing barriers to access to Optus' goods and services for customers, potential customers and staff regardless of their race, colour, descent or national or ethnic origin. Further information on the Cultural and Linguistic Diversity Plan can be obtained via Optus Customer Service, or on the website at www.optus.com.au/diversity

Disability Action Plan

The federal **Disability Discrimination Act 1992** provides for the preparation of Disability Action Plans to encourage organisations to eliminate, as far as possible, disability discrimination in a planned way. Optus developed its Disability Action Plan (DAP) in consultation with disability organisations and members of its Consumer Liaison Forum, and launched the DAP in December 1999. The DAP aims to remove barriers to access for customers, potential customers and staff. Several reviews of the DAP and progress against action items has occurred since the DAP was launched. Copies of the DAP and its reviews can be found at www.optus.com.au/disability or can be obtained from Optus Customer Service.



This year greater attention has been placed on reporting on the issues stakeholders have said they want to know.

Sharing information

Stakeholder engagement

Previously Optus has prepared its Community and Environment reports on its own assessment of the issues requiring reporting, with guidance from national and international frameworks. This year greater attention has been placed on reporting on the issues stakeholders have said they want to know about which is consistent with the company's commitment to closer alignment with the Global Reporting Initiative and other feedback. This has been challenging and the process is a journey not an event.

Key stakeholders include staff, senior management, investors, regulators, and most importantly customers. Discussions with staff, particularly in Human Resources and Occupational Health and Safety, resulted in a substantial shift in the nature of data gathering and reporting from previous years.

External input came from the Consumer Liaison Forum (CLF). This customer group embraced the opportunity and it raised a number of issues the group wanted addressed. Some issues could not be addressed because of limitations on available data or due to privacy implications particularly in relation to staff issues.

Sharing information (continued)

Issues raised by the CLF for reporting in the 2003 Optus Community and Environment Report

Issue	Response
Customer access to products and services; Customer service methods of dealing with hearing impaired customers, including in languages other than English.	These matters have been addressed under Optus' Disability Action Plan and Cultural and Linguistic Diversity Plan (see above). The Plans were developed by working groups that included members of the Consumer Liaison Forum. Please refer to the Plans for additional information.
Physical access to Optus customer contact points including disability access to Optus World stores.	All sites must comply with the Building Code of Australia and local council regulations. This matter has been investigated and addressed under Optus' Disability Action Plan. For details, please refer to the Disability Action Plan and its reviews.
How we are working with communities rather than previous reporting on working in communities.	Revised approach as demonstrated in 'Working with communities'.
Optus staff profile and how this compares with distribution of the broader Australian community.	Information was not readily available, but we have set this as one of the targets for reporting in our next report.
Visual impact of facilities and equipment should be reported on regularly, particularly with respect to methods of minimising visual impact.	Some examples are provided in the Section on Optus' Environmental Policy.
Resource reduction.	Reported in 'Reducing Resource Consumption' and 'Recycling and Reducing Waste'.
Sponsorship questions including our Policy, and the actual direction and amount of expenditure.	Reported in the 'Sponsorship' section.

Sharing information (continued)

Issue	Response
Advertising/Marketing to whole community including disabled persons.	One of the objectives of Optus' Disability Action Plan is accessible communications, that look at the accessibility of the information available to customers and other members of the public about Optus' products and services. The accessibility of information is also a requirement under the ACIF Customer Information on Prices, Terms and Conditions Code, to which Optus is a signatory. For further information, please refer to Optus' Disability Action Plan and its reviews.
Privacy processes and extent of use of customer information.	Optus has a detailed policy on privacy that is supported by staff training. This will be reported in more detail in the next report.
Consumer involvement in determining company direction.	There is no direct involvement, however Optus' whole approach is based on research and investigation of consumer needs. This will be addressed in more detail in the next report.
Examples where Optus has performed 'Above and Beyond the Call'.	Some examples are described in 'Working with Communities'

Stakeholder involvement in the Environment and Community Reporting will be improved. Both staff and customers have indicated the need for an increase in depth and breadth of input. The next steps will involve consolidating initial efforts, widening the breadth of stakeholders and more actively seeking feedback from a range of sources.

The Consumer Liaison Forum was established in 1995. It has nine members who represent peak national consumer organisations and meets three times a year. The forum offers a unique opportunity for providing presentations and updates to members about Optus' activities, services and products, as well as providing Optus with an opportunity to obtain feedback from peak consumer group representatives about our initiatives. Since its inception, the CLF has developed into an effective mechanism for Optus to gain a better understanding of key consumer issues. It has also been a valuable mechanism for consumer representatives, providing them with a direct mechanism for raising issues of concern as well as providing an opportunity to learn more about Optus products, policies and procedures. The CLF aims to offer a flexible and non-bureaucratic avenue for Optus and members to explore areas of interest to all Australian consumers.

Targets provide us with a focus for future actions.

Commitments to the community and environmental targets

Issue	2003 target	2003 outcome	2004 target	Officer responsible
Community and Environment report	<p>Develop some appropriate benchmarks and targets for community issues.</p> <p>Benchmark the 2002 report against United Nations Environment Program sustainability ingredients.</p>	<p>Improved reporting, however meaningful targets for community issues have not been determined.</p> <p>Report assessed by Sustainable Investment Research Institute and placed the 2002 Report 16th out of the Top 50 International reporters, although this was 14th of the 14 reports benchmarked in Australia/ New Zealand. The Optus 2002 report did not focus on 'sustainability' issues but was a Community and Environment Report which reduced the score.</p>	Improve community reporting to develop consistent measures.	<p>Manager Environmental Affairs and Manager Corporate Affairs</p>

Commitments to the community and environmental targets (continued)

Issue	2003 target	2003 outcome	2004 target	Officer responsible
Community and Environment report	<p>Consider closer alignment with Global Reporting Initiative framework.</p> <p>Increase stakeholder engagement in report preparation.</p>	<p>This report closer reflects GRI framework.</p> <p>Improved for this report.</p>	<p>Further alignment with GRI framework.</p> <p>Increased stakeholder engagement in breadth and depth.</p> <p>Improved description of the staff as a reflection of the broader Australian community.</p>	<p>Manager Environmental Affairs and Manager Corporate Affairs</p>
Occupational Health and Safety	<p>Report on company OH&S in 2003 report.</p> <p>External audit of OH&S Management System for at least one division of the company.</p>	<p>OH&S report included.</p> <p>National audit completed for Customer Field Services resulting in Advanced Level Safety MAP accreditation.</p> <p>Implementation of the Contractor Management System.</p>	<p>Enhance reporting OH&S.</p> <p>Seeking Level 2 Safety Achievement Business System (SABS) in South Australia.</p> <p>Review effectiveness of implementation of Contractor Management System.</p> <p>Implementation of the Optus health and wellbeing program.</p>	<p>Corporate OH&S</p>

Commitments to the community and environmental targets (continued)

Issue	2003 target	2003 outcome	2004 target	Officer responsible
Environmental Management System	Provide short summary of Environmental Policy for display at all major operational sites.	Environmental Policy summary now available at most major sites.	Summary document to be provided to all sites.	Manager Environmental Affairs
	Seek feedback from stakeholders as to applicability and implementation of the EMS.	Contractors and staff have reported the EMS useful in guidance, processes and identification of responsibilities.	Review content and implementation of the EMS.	
	Review audit checklist on basis of comments from completed audits.	Minor adjustments made to the audits checklist.		Environmental planner
	Undertake 10 audits of contractor projects covering EMPs and site activities.	Ten contractor audits undertaken. See section on Environmental Audits.	Undertake 10 audits of contractor projects covering EMP's and site activities.	

Commitments to the community and environmental targets (continued)

Issue	2003 target	2003 outcome	2004 target	Officer responsible
Visual/landscape, ecology and heritage	Ensure appropriate training of contractor staff including audits.	Separate training packages developed for contractors in wireline and wireless activities.	Develop tracking process to ensure contractor training undertaken.	Environmental Planner
	Improved records of training attendees.	Consolidated information of attendees.	Tracking process to be included in on-line training.	
	Investigate possible on-line training systems.	Process identified and discussions of content commenced.	Environmental Awareness training on-line by end March 2004.	
Energy use	Maintain involvement with SEDA and implement programs eg. triphosphorous lighting and lighting sensors in meeting rooms.	SEDA membership maintained and projects implemented.	Review SEDA agreement and future programs.	Facilities Managers/ Corporate Property
	Seek opportunities for further use of solar power in remote locations.	Significant increase of solar power facilities on Adelaide to Perth cable as part of a major capacity upgrade.		

Commitments to the community and environmental targets (continued)

Issue	2003 target	2003 outcome	2004 target	Officer responsible
Energy use	Review after hours air-conditioning schedules.	Review undertaken and results implemented. See section on Reducing Resource consumption.	Monitor results of air conditioning changes.	Facilities Managers/ Corporate Property
	Review purchasing criteria for whitegoods with a view to considerations of recyclability and energy efficiency.	Whitegoods purchasing policy introduced.	Assess effectiveness of whitegoods purchasing policy.	
Recycling, waste and resource reduction	Five further waste audits to be done.	Five audits complete. Identified source separation as requiring improvement.	Continue existing audit program. Staff awareness program to be revived.	Facilities Managers
	Greater than 75 per cent toner cartridge recycling.	82% cartridge recycling.	85% toner cartridge recycling. 10% reduction in office paper usage. 10% reduction in paper waste in high volume print room. Investigate viability of increased recycled paper content.	

Commitments to the community and environmental targets (continued)

Issue	2003 target	2003 outcome	2004 target	Officer responsible
Energy use			<p>40% reduction in plastic cup usage.</p> <p>10% reduction in wooden stirrers.</p> <p>Monitoring water and waste water volumes.</p>	Facilities Managers/ Corporate Property
Chemicals and fuels	<p>Detailed audit to determine specific type, quantity and location of all CFCs.</p> <p>Continue to monitor fuel tanks with a target of zero leaks or spills.</p>	<p>Detailed audit not done due to national coordination difficulties. Partially addressed in the Whitegoods purchasing policy. Hand held extinguishers no longer contain CFCs.</p> <p>Zero leaks or spills achieved.</p>	<p>Investigate presence of any remaining CFCs with a view to replacement or removal.</p> <p>Continue to monitor fuel tanks with a target of zero leaks or spills.</p>	Facilities Managers

Commitments to the community and environmental targets (continued)

Issue	2003 target	2003 outcome	2004 target	Officer responsible
Electromagnetic energy	Continue to monitor and address safety issues in an open manner and in accordance with community concerns and advances in technology.	Active involvement with individuals and communities at a number of mobile sites to openly address concerns.		Manager Environmental Affairs, Manager Community Relations
	Monitor international scientific and medical developments.	Continued representation on National and International Committees involved in monitoring research.	Review 'Fact Sheet' content on the basis of most recent science.	
	Provide information to interested parties as part of the broader implementation of the ACIF Deployment code.	ACIF deployment processes implemented and information readily available.	Zero non-compliance with ACIF Code. Enhance Risk Communication strategies. 300 sites added to the National Site Archive database providing EME information of our facilities to the public.	

Optus sponsors a range of arts, community, sporting and educational organisations to give back to the community.

Sponsorships

Optus sponsors a range of arts, community, sporting and educational organisations to give back to the community. Sponsorship is an important part of the company's overall marketing and business strategy.

Sports

Optus sponsors elite athletes to help them sustain their performance as well as helping tomorrow's up-and-coming champions. Specific sponsorships are:

- Optus Team Tennis Australia which is dedicated to developing Australia's representative tennis team as well as identifying junior talent and supporting wheelchair athletes.
- Melinda Gainsford-Taylor is one of Australia's great runners and Optus actively supports her efforts.

- Optus now supports three Australian Rules Football Teams. The company has sponsored Carlton since 1993 and the West Coast Eagles since 1994 while support for the Sydney Swans started in 2000.

Business

Optus has a number of relationships with a number of business interests including the State Library of Victoria, Western Sydney Awards, the Property Council, the Northern Territory Expo, the Chair of eCommerce at Curtin University as well as interests in the banking and finance industry.

Arts

Optus shares the community's aspiration for a diverse and exciting nation and supports a wide range of cultural activities and facilities.

- The Australian Brandenburg Orchestra, the country's finest early music orchestra, has been sponsored by Optus since 1999.
- The Canberra Theatre Centre has had support from Optus for 10 years.
- The Australian Business Arts Foundation aims to increase the level of private sector support for the arts. Optus has been a councillor company since 2000.
- Optus has been a major partner of the Belvoir, Company B theatre company in Sydney, since 1998.
- The Queensland Performing Arts Centre has been supported by Optus since 1998.
- Optus is Foundation Sponsor of one of the six main galleries in the Queensland University of Technology's Art Museum.



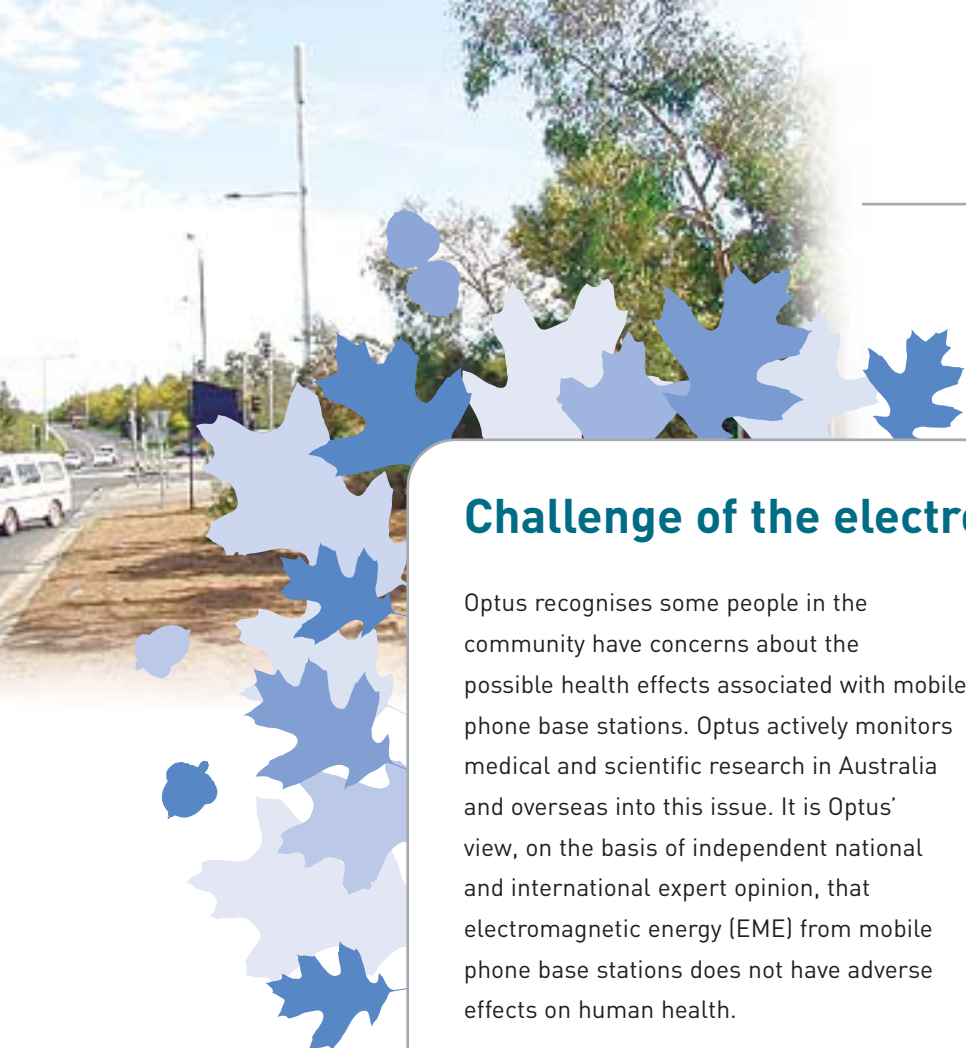
Sponsorships (continued)

Community and education

Optus uses its technology and people to support community and educational groups. The company provides significant support to the 'Kids Help Line' and the Starlight Foundation. Other groups supported by Optus include:

- Jack Newton Junior Golf Foundation that introduces young people to golf and develops their skills.
- A Walk for the Juvenile Diabetes Research Foundation (JDRF) is an annual event that helps raise money to fund research and last year 800 Optus staff supported this event and raised more than \$52,000. This year Optus has been nominated as a National Walk Leader.

- The Welcome Wall in Sydney is a tribute to millions of families who have migrated to Australia. Optus is the major sponsor to the Australian Maritime Museum Welcome Wall.
- CSIRO's Discovery Centre is sponsored by Optus and provides educational opportunities for families and school groups.



It is Optus' view that electromagnetic energy (EME) from mobile phone base stations does not have adverse effects on human health.

Challenge of the electro-magnetic energy debate

Optus recognises some people in the community have concerns about the possible health effects associated with mobile phone base stations. Optus actively monitors medical and scientific research in Australia and overseas into this issue. It is Optus' view, on the basis of independent national and international expert opinion, that electromagnetic energy (EME) from mobile phone base stations does not have adverse effects on human health.

To help address community concerns about EME Optus has worked with The Australian Communications Industry Forum (ACIF) and stakeholders from community groups, unions and local government in conjunction with other Australian telecommunications companies to develop a code of conduct to follow when planning new mobile phone base stations.


Since October 2002 all telecommunications companies in Australia have had to comply with the ACIF Code for Deployment of Radiocommunications Infrastructure.

The code requires all carriers to notify and consult more widely when planning to install new mobile phone base stations. The code aims to:

- Standardise the obligations on carriers by providing a set of guidelines to ensure carriers are made aware of their increased responsibilities.
- Encourage all participants in the industry to responsibly exercise the powers and immunities described in current telecommunications laws.
- Require carriers to notify Councils about proposals for installation of radiocommunications infrastructure prior to construction.

The code also outlines a complaint handling procedure.

Optus has developed an on-line interactive program for Radiofrequency Awareness Training for our people and contractors. This takes about 45 minutes to complete, and can be started and stopped by the user. It is comprised of four modules such as Basic Science; Biological Effects; Australian Standards and Optus Safe Work Practices, which each have a short test at the end. At the completion of all modules there is a larger test covering all issues, but focusing on OH&S aspects of electromagnetic energy. All test scores are automatically recorded and notified to the users' manager, so that they can be sure their staff are aware of appropriate management of EME in a practical sense. In the last year over 480 operational and mobile network staff have completed the training.



In 2003, Optus' priority will be to continue to challenge the way it does business.

Facing the future

In 2003, Optus' priority will be to continue to challenge the way it does business to ensure it achieves success in partnership with its people, stakeholders and the communities in which it operates.

The 2003 Employment Partnership Agreement (EPA) will be a key focus for the business as it seeks to ensure the benefits offered to its people remain best practice.

Optus is recognised for bringing innovative ideas, technologies and solutions to Australian consumers, business and Government. And always seeks to do so in a manner that minimises the impact of these new technologies on the environment and local communities.

As a leading company, Optus is committed to ensuring people in rural and regional Australia enjoy the benefits of new communications technology. In 2003/2004 Optus will increase its network of GSM base stations, further extending mobile phone coverage to regional centres. And, projects like School of the Air via satellite will continue to be a focus.

Throughout the next year, Optus will focus on engagement with stakeholders and improving reporting.

To continue to operate at world's best practice, the company has set itself aggressive targets for the 2003 Environment and Community Report and is committed to the goals and challenges identified.



Feedback and contacting Optus

For more information, or if you want to discuss our Public Community and Environment Report 2003, please contact us.

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