

Optus Community & Environment Report 2005

I get by with a little help from my friends!



TABLE OF CONTENTS

MESSAGE FROM THE CHIEF EXECUTIVE	4	The Cancer Council Australia Computer Donations	16	Protecting Flora, Fauna and Heritage	26
EXECUTIVE SUMMARY	5	Starlight Children's Foundation Optus Golf Challenge	16	Wombat Warrens and Fibre Optic Cable	26
ABOUT OPTUS	6	School of the Air Juvenile Diabetes Research Foundation	16	Bird Protection, Victoria	27
OPTUS WORKPLACE	8	The Balkanu Initiative	17	Fibre Optic Cable Installation in Queensland	27
ENTERPRISE PARTNERSHIP AGREEMENT	9	ARTS	17	Nuytsland Nature Reserve and the Eyre Bird Sanctuary	27
Policy Changes	9	Bell Shakespeare Company	17	ENVIRONMENTAL COMPLIANCE	27
Gender and Turnover	9	State Library of Victoria	17	Infringements	29
New Values	9	Australian Brandenburg Orchestra	18	REDUCING RESOURCE CONSUMPTION	29
OCCUPATIONAL HEALTH AND SAFETY	10	Cirque du Soleil	18	Fuel	29
Training	10	Company B Belvoir	19	A New Campus	29
Safety	10	SPORTS	19	Electricity	29
Self-Insurance	10	Jack Newton Golf Foundation	19	Solar Power	29
OH&S Risk Management Review	11	Tennis	19	Air Conditioning	29
Injury Management and Early Intervention	11	AFL	20	Lighting	30
Health and Wellbeing Program	11	CONSUMER LIAISON FORUM	20	Water	30
Corporate Games Participation	12	CULTURAL AND LINGUISTIC DIVERSITY PLAN	20	CFCs	30
SPONSORSHIP AND COMMUNITY SUPPORT	13	DISABILITY ACTION PLAN	21	RECYCLING AND REDUCING WASTE	30
COMMUNITY	14	CODE COMPLIANCE	21	Lead Acid Battery Recycling	30
Workplace Giving	14	ENVIRONMENT	22	Mobile Phones and Batteries	30
Kids Help Line	14	ENVIRONMENTAL POLICY AND	22	Toner Cartridges	30
NSW Summer Schools	15	ENVIRONMENTAL MANAGEMENT SYSTEM	22	Office Paper	30
The Shepherd Centre	15	ENVIRONMENTAL AUDITS	23	COMMITMENTS TO THE COMMUNITY	31
Tsunami Relief	15	ENVIRONMENTAL ACTIONS	23	AND ENVIRONMENTAL TARGETS	31
Sea World's Shark Bay	15	Optus Construction Works	24	THE ELECTROMAGNETIC ENERGY DEBATE	41
		Training and Learning	25	AND COMMUNITY HEALTH	41
			25	FACING THE FUTURE	42
			25	FEEDBACK AND CONTACT DETAILS	43

This report was 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 corporate reporting of relevant and credible economic, environmental and social performance indicators to enhance responsible decision-making. Financial data is reported separately as part of the SingTel Full Financial Report 2005.

MESSAGE FROM THE CHIEF EXECUTIVE

Optus is serious about corporate social responsibility, not as window dressing but as something which is essential to the image and financial success of the company.

In this report there are many examples of the good things which were achieved in 2004-05. Where we have made the lives of our people better, or helped our community or the environment, or done something for the planet on which we all depend, we are proud. But we see this as only the start of an exciting journey that will take us, by 2010, to becoming a recognised leader in social responsibility. To help us set off on this journey, we plan to appoint an environmental consultancy to examine every aspect of our business.

At Optus we hope our actions as a company speak loudly. Research across 20 countries shows that a company's social, environmental and workplace practices are viewed by the public as more important than its economic contribution.

One of the cornerstones of our efforts will be our new corporate headquarters in North Ryde. In 2007, more than 6,000 Optus employees will move to the new premises. The major part of our investment in reducing resource consumption in 2004-05 has been used to design and implement efficient operations in the facility. The campus will seek to achieve a four and a half star Australian Green Building Rating and significantly reduce Optus' future environmental footprint.

Meanwhile, we are not standing back and waiting for the groundwork of our CSR master plan to be completed. For instance, we are keeping a close watch on the debate about electromagnetic energy and are training employees and contractors on the latest research.

As this report shows, we have been active in all sorts of ways, from checking on the wellbeing of wombats near an underground fibre optic cable to announcing a joint venture with another mobile carrier to operate a 3G network, thus avoiding a great deal of invasive infrastructure development.

Paul O'Sullivan
Chief Executive
Optus



EXECUTIVE SUMMARY

How well Optus has done in 2004-05
at making the company a better citizen
of Australia.

In all three areas covered by the report – our workplace, community and environment – we took steps to increase our positive impact.

Nearly a thousand of our people were able to buy and sell annual leave. We gave interest-free commuter travel loans for yearly travel tickets on ferry, bus and rail. In November, we launched Spot Awards, so that managers could instantly recognise exceptional work.

We donated 50 reconfigured computers to villages in the Solomon Islands, 17 to remote Australian schools, and started providing 100 to Sri Lanka. We assisted 450 socio-economically disadvantaged children to get three weeks of job training at the NSW Summer Schools. Our support of junior tennis was stepped up, helping seven boys and two girls to make it into the top 100 of International Tennis Federation world juniors.

When the terrible Boxing Day tsunami struck, the Australian mobile phone operators announced the Australia

Unites initiative which raised \$1,923,678.00 all money raised was given to World Vision to assist in their relief efforts. This initiative was the first of its kind in Australia, it was the first time all mobile companies had come together on a single project and the first time SMS has been used for a charity donation collection on such a large scale. Mobile customers sent 251457 sms's to donate money.

Optus made a corporate donation of \$200,000. Optus employees worked hard to fundraise \$86,000 which was then matched by Optus for the final figure of \$372,000.

We began development of a comprehensive environmental training package that will be provided to all relevant employees in late 2005. And we started tracking and analysing all employee air travel to cut back on CO2 emissions. After reports that large birds from a fertile wetland in Victoria were colliding with overhead cables, we prevented further casualties by installing disks to make the wires more visible.

When in August 7,000 litres of diesel fuel escaped from an exchange in Victoria, we completed a clean-up by 4pm the same day and introduced an extensive range of changes to greatly reduce the likelihood of similar incidents.

We found a route for 85 kilometres of fibre optic cable in Queensland that would avoid all sensitive areas, and set up a network of Aboriginal monitors to ensure we did no cultural damage.

If you have any ideas as to how Optus can help to make the world a better place, just let us know via community.relations@optus.com.au.

“Optus and Bell Shakespeare’s partnership has grown and developed into what I believe to be one of the most exciting and dynamic sponsorships in the arts industry.”

Jill Berry, General Manager, Bell Shakespeare.

ABOUT OPTUS

WHO WE ARE AND WHAT WE DO

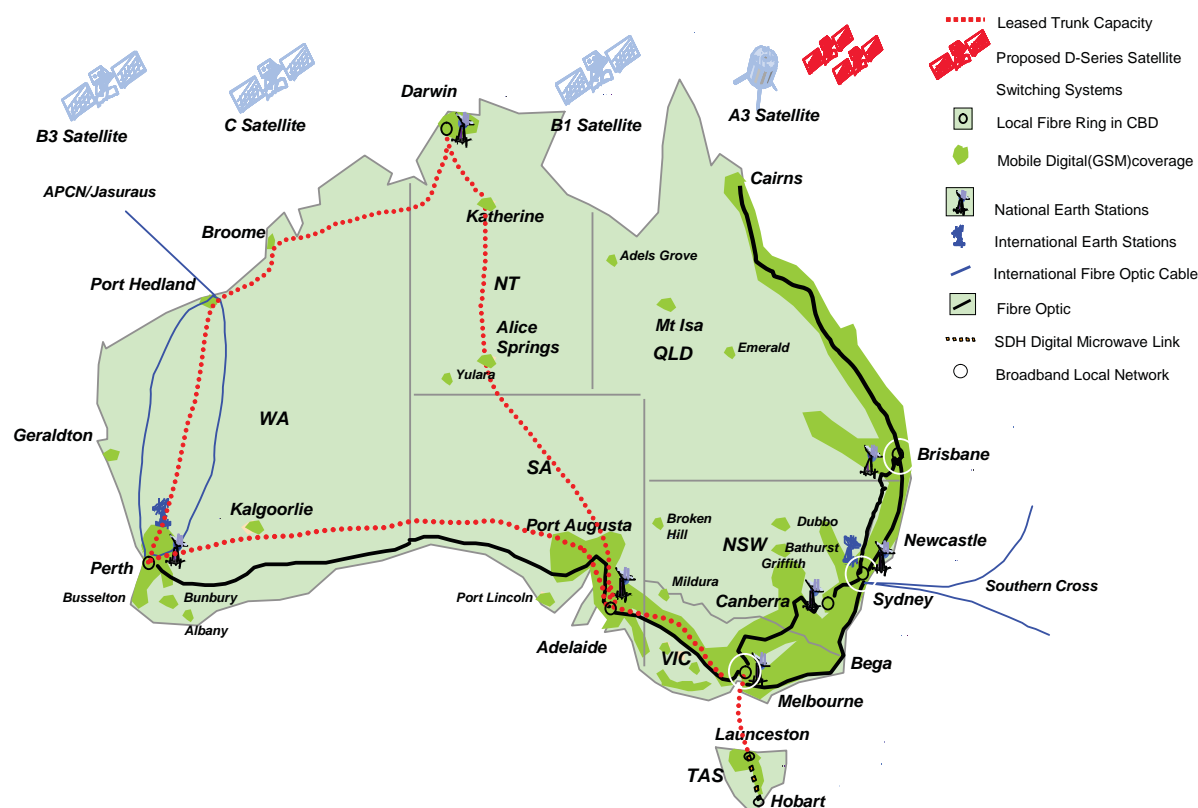
Optus is an Australian leader in integrated communications, serving close to 7 million customers daily. The company provides a broad range of communications services including mobile, national, local and international telephony, business networking, voice over IP, broadband, Internet, satellite and subscription television.

In 2001, SingTel became the parent company of Optus, paving the way for it to become a strong and strategic telecommunications player in the Asia Pacific region. Since it commenced operations in 1992, Optus has invested more than \$7 billion to construct its fixed, mobile and satellite networks, including central business district and suburban local access networks and fibre optics, national trunk, hybrid fibre coaxial and international undersea cables.

These networks provide the company with an advanced technology system that delivers sophisticated communications, information and entertainment services.

Optus Business and Optus Wholesale provide a range of services for the medium-to-large business, corporate and government sectors. Optus Wholesale provides services and capacity to other telecommunications companies. This

The Optus Network - Geographical Overview



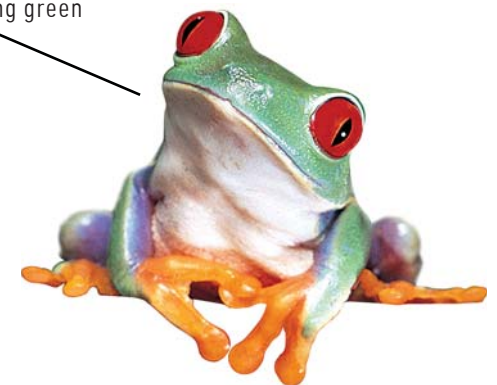
division integrates Optus' national and international operations, including satellite across the SingTel Group and the digital subscriber line (DSL) subsidiary. Optus Business is positioned for the future with almost half its revenue now coming from data services.

Optus SMB targets small-to-medium businesses in Australia and sells a range of products as packaged services. It is a leader in alternative access services, providing a new level of communications flexibility for businesses of all sizes.

The Consumer and Multimedia unit's key strength is its range of services and products. Australian consumers can choose from entertainment and communications services including Optus Television, local and long distance telephony and high-speed Internet access.

Optus Mobile has captured around one third of the total Australian global system for mobile communication (GSM) market and leads the market in mobile data take up. In 2005, Optus announced a joint venture with another mobile carrier for the delivery of 3G mobile data technology. Sharing the 3G network has commenced and resulted in less infrastructure development and fewer green field sites.

It's actually quite
easy being green



Optus Workplace



ENTERPRISE PARTNERSHIP AGREEMENT

People are at the heart of what makes Optus different from its competitors. During 2004-05 Optus honoured its commitment to employees by implementing the policies employees requested in the 2003 Enterprise Partnership Agreement.

Policy Changes

The policies implemented in the reporting period fortified Optus' human resources vision of choice, growth and flexibility for our people.

Policies such as being able to buy and sell annual leave were put in place, with nearly 1,000 people taking advantage of the benefit.

Travel loans also took effect, allowing people to purchase yearly travel tickets for ferry, bus or rail with an interest-free loan provided at the start of the calendar year.

Salary sacrifice options continue to grow with the addition of the Employee Contribution method for vehicle leases.

An Employee Opinion Survey was run in November 2004 to identify the areas our people felt still needed improvement.

Gender and Turnover

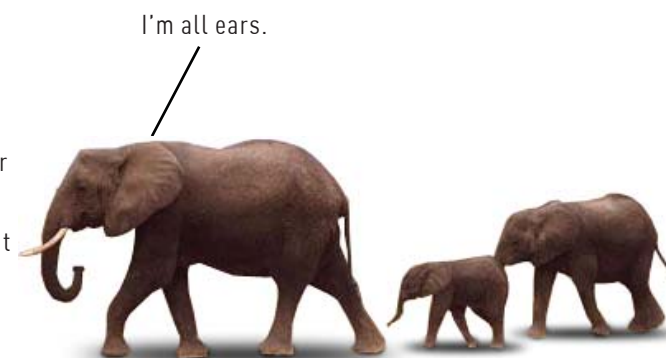
Optus' employment statistics for 2004-05 were as follows:

- The Optus workforce was 35 per cent female and 65 per cent male.
- Executive posts were 19 per cent female and 81 per cent male.
- The average age of Optus employees was 35.
- Annual employee turnover was 16 per cent.

New Values

In 2004-05, Optus introduced new values developed in conjunction with SingTel. The values have been adopted across the group and include: challenger spirit, teamwork, customer focus, personal excellence and integrity.

All Optus business units launched reward and recognition programs, and in November, Spot Awards were launched for corporate and support functions within Optus. A Spot Award can be given 'on the spot' by a manager to any individual on their team for displaying a group value.



OCCUPATIONAL HEALTH AND SAFETY

Optus' goal is to be a best practice employer in health and safety. To achieve this, Optus pursues active leadership in safety, creating a culture of health awareness at all levels of the organisation.

Training

Occupational health and safety (OH&S) training is an important aspect of the OH&S management system. Optus provides a wide range of training programs and puts great emphasis on our employees wellbeing and development.

In 2004-05, each business unit's management plan included OH&S training requirements that catered to individual needs. Ten core OH&S management, first aid and emergency training modules were combined with unit-specific segments that included working at heights, ladder handling, traffic control and confined-space training.

Web-based training programs for OH&S induction, office wellbeing and asbestos, laser and fibre safety awareness also commenced across the company.

Safety

In 2004-05, Optus reviewed its OH&S policy with the endorsement of the chief executive officer. In line with Optus' application for self-insurance through Comcare, workers' compensation and rehabilitation policies were also developed. The reviews resulted in the following 2005-06 initiatives:

- Reporting health and safety performance in all senior management meetings
- Score-carding OH&S targets in all reviews of company performance
- Developing unit-specific OH&S management plans approved by each managing director
- Implementing safety leadership training in alignment with the Leading to Yes program on all business levels
- Driving safety compliance training across all business units

Self-Insurance

After implementing national workers' compensation and injury management plans, Optus became the first private enterprise in Australia to self-insure under the Federal Commonwealth scheme Comcare. Optus' procedures, processes and training will be reviewed during the next 12 months to ensure the company upholds the standards of the licence.

Comcare will conduct audits of Optus' workers' compensation and rehabilitation, claims management and prevention programs in March 2006.



OH&S Training Session

OH&S Risk Management Review

In 2005, Optus successfully piloted a training program to enhance the ability of the Optus workforce to manage risk. To more effectively monitor workplace accidents, Optus moved incident report forms online using Employee Connect. Optus will continue to focus on effectively managing and monitoring workplace risk in 2005-06 through:

- Expanding the piloted risk management training program
- Implementing a consultation structure across all business units by March 2006
- Continuing to review and expand the contractor management system, including implementation of an online procurement system
- Developing a safety auditing program across key sites

Injury Management and Early Intervention

In 2005, Optus maintained the same lost time injury rate (LTIR) as 2004 and achieved a reduction in the lost time severity rate (LTSR). The company-wide LTIR was 10.62 and LTSR 17. In 2005-06 Optus will strive to improve safety performance across the company. Each business unit is

focusing on reducing the LTIR and LTSR, as well as developing additional preventative measures.

In addition to LTIR and LTSR reductions, the success of the new risk management programs will be monitored by the percentage of injury notifications and compliance training sessions completed in a timely manner. In line with self-insurance, Optus will also provide Comcare with workers' compensation and rehabilitation performance standards against Comcare Commission Indicators.

Health and Wellbeing Program

In 2004-05 Optus delivered a theme of healthy living and life balance through a range of national health initiatives.

The Health and Wellbeing website was launched in October 2003. The 2004-05 monthly articles on healthy living ranged from developing a personal fitness program to practical road safety.

In addition, annual Yes days ran nationally. These events were attended by almost 10,000 people, more than doubling the previous year's record. Yes days let Optus employees,

I've got you covered!



their partners and their children enjoy a day of fun, food and entertainment.

Optus Health Expos were run across 10 major sites. The expos offered blood pressure, glucose and cholesterol testing; body composition analysis; quit smoking sessions; low fat cooking demonstrations; and relaxation and de-stress sessions.

Optus' preferred gym and Employee Assistance Program (EAP) providers also attended the expos and offered employee gym discounts, EAP information, stress management advice and massages. Sites that did not have expos were given health information packs.

The EAP is a counselling and advisory service for employees and their immediate families, providing professional assistance for any personal or work-related problems. The service, provided by external consultants, is confidential and aims to enhance employee wellbeing, both personally and in the workplace.

A flu vaccination program was also offered to employees in 2004-05 with a significant response across the business. In 2005-06, Optus will support a range of innovative and



Optus 'yes' day

flexible Health and Wellbeing initiatives. The program will include ongoing website information and quarterly newsletters, flu vaccinations, Optus Health Expos, Yes days, Corporate Games and the Sydney City to Surf, in addition to new events such as the Adelaide City to Bay run.

Corporate Games Participation

In March, 660 employees competed in the New South Wales (NSW) Corporate Games. Optus once again had the largest team, thus winning the Sport for Life award for the 13th year. Teams also competed in the games in Victoria and Queensland, with Queensland attendance topping 150.

In NSW, 190 employees competed in the annual City to Surf run in August.

Sponsorship and Community Support



Give us a push!

COMMUNITY

Optus partners and gives back to the community by providing support to a broad range of arts, community and sporting organisations.

The organisations we partner with reflect our values and strengthen the communities we operate within. These organisations are driven by common values of excellence and innovation, exemplifying Optus' challenger spirit. We prefer to do fewer things better, and provide support to our community partners.

Our sponsorship and community initiatives consists of financial contributions, the provision of communications services, the contribution of management expertise and, most importantly, our employees' involvement.

Optus takes great pride in its community activity. The company's involvement ensures Australians, especially children, have the opportunity to realise their full potential.

Workplace Giving

Year after year, Optus people get involved with a variety of fundraising activities for causes that touch and inspire. This overwhelming desire to contribute prompted us to introduce a workplace giving program, providing Optus people with the opportunity to make a real difference in our community. This program allows our people to donate to a charity or charities direct from their pay.

Optus people were asked to vote for their favourite charity and Optus now proudly supports the following charities as part of our work place giving program: Salvation Army, Assistance Dogs, Kids Help Line, Youth off the Streets, RSPCA and the Cancer Council. We have also added our current charity partners JDRF, Starlight Foundation and Mission Australia, to the program.

Optus senior management are committed to supporting this initiative and match employee contribution dollar for dollar up to \$100,000.00.

Kids Help Line

Kids Help Line (KHL) provides a free, professional counselling service for the 3.8 million young Australians aged between five and 18 years. Optus has been working with KHL since 1999 and helped the organisation establish



Kids Help Line Community Service Announcement

the world's first free Internet counselling service in 2000. Optus' financial support in 2004-05 enabled KHL to:

- Receive 907,569 phone calls
- Improve response to rural and remote callers by 5 per cent
- Refer 12 per cent of calls to local support services
- Increase online counselling by 8,116 contacts
- Attract 174,473 first-time callers
- Respond to 21,578 online counselling inquiries

NSW Summer Schools

In its fourth year of participation and third year as premier sponsor, Optus assisted 450 socio-economically disadvantaged children to explore a brighter future with the 2005 NSW Summer Schools. Summer Schools is a joint initiative of the Department of Education and Training and TAFE NSW. The teenagers in years 9-11 spend three weeks receiving hands-on job training in an industry of their choice. Optus believes the initiative plays a valuable role in promoting education and fostering interest in the communications sector. Optus provides employees as ICT speakers throughout the state, company facilities as field trips and financial support to ensure the program's vitality.

The Shepherd Centre

In May 2004, Optus' Integrated Business Solutions team swapped pinstripes and white shirts for rainbow ties and Hawaiian shirts. Loud Shirt Day is designed to draw attention to the plight of deaf children throughout Australia. The department selected The Shepherd Centre as its beneficiary and collected donations at Optus facilities across the country. The Shepherd Centre is a 35-year-old charity that helps deaf and hearing-impaired children learn to communicate. Optus raised more than \$800 for 2004-05, which

helped the centre provide counselling services, speech therapy and corrective surgeries.

Tsunami Relief

Immediately following the Boxing Day disaster in Southeast Asia, Optus spearheaded a campaign to encourage Australian telecommunications companies to combine efforts in providing relief. 'Australia Unites' brought Optus, Telstra, Vodafone, 3, Orange, Virgin Mobile, AAPT, Primus Telecom, Austar, SimPlus, m8 Telecom, B Digital, DigiPlus and People Telecom together to support World Vision's work in the stricken area. The appeal marked the first collaboration of all mobile providers in Australia and the first use of short message service (SMS) in a large-scale charity donation.

'Australia Unites' also played an integral role in the Tsunami Appeal Concert at the Sydney Opera House and the Tsunami Appeal Cricket Test Match (World versus Asia) in Melbourne.

Optus provided extended support to its own customers with friends and relatives in Southeast Asia and Africa at the time of the disaster. In addition to establishing a special Optus Tsunami Disaster Customer Service Line, individual

and small business customers received rebates on the following expenses:

- Optus-related fixed line and mobile costs for calls to the disaster area
- Calls to immediate family members travelling or living in the area
- Mobile calls made to Australia by Australians in the affected regions

Sea World's Shark Bay

As a Major Sponsor of Sea World and the Presenting Sponsor of Shark Bay, Optus provides the community with the opportunity to learn more about the marine environment. Housed at the Gold Coast theme park, Shark Bay is the world's largest lagoon system specifically designed for sharks. The 5.4-million-litre exhibit enables visitors to touch and swim with less-dangerous marine species and view larger, more aggressive occupants through windows above and below the water. The encounter helps reduce misguided fear of sharks and provides scientists with an ideal environment for furthering research; Optus hopes the

Now you're a help lion!



combination will help perpetuate the survival of these amazing creatures.

The Cancer Council Australia

Optus was an active member in Australia's Biggest Morning Tea in May 2005, raising \$2,230 for the cause. The annual tea is held nationwide and enabled The Cancer Council to allocate more than \$6.8 million to cancer research in 2004. Optus employees involvement in 2005 included:

- Organising a raffle with prizes donated from five businesses
- Selling raffle tickets on nearly every floor of the North Sydney facility
- Holding a bake off and morning tea for employees in Business Operations and Delivery

Computer Donations

Optus continued its program to donate reconfigured computers to remote areas throughout Asia and the Pacific in 2004-05. Following the donation of 50 computers to villages in the Solomon Islands, Optus donated 17 computers to remote Australian schools and is currently fulfilling a

request for 100 PCs in Sri Lanka. The program reduces waste and supplements the education of isolated children.

Starlight Children's Foundation

The Starlight Children's Foundation is dedicated to brightening the lives of critically, chronically and terminally ill children aged from four to 18. Founded in 1988, Starlight's magic touches around 220,000 children and their families annually through its wish granting and entertainment programs for children in and out of hospital.

In 2004-05, Optus volunteers worked on Star Day, the



Starlight Children's Foundation day

organisation's largest fundraiser, to raise in excess of \$72,000 for the children. The event marked Optus' 12th year supporting Starlight.

Testimonial: Starlight

"Optus has been a supporter of Starlight since Optus launched in 1992. Optus has helped Starlight in a variety of ways – through Optus World's support of Star Day and through the hundreds of Optus employees who volunteer their time to Starlight. Optus employees donate their time in support of fundraising activities and events, as well as working directly with Starlight children.

"Each year around 600,000 children are admitted to hospital, and Starlight currently reaches around 200,000 of these children and their families. Optus' support ensures Starlight can continue and expand this commitment to children in communities across Australia.

"Starlight is considered by the medical profession to be an integral part of the care for a seriously or chronically ill child, and the challenge for the future is to reach and connect these children, who are often isolated by illness and by distance, with Starlight.

"Optus is now assisting us in reviewing leading technology options to meet this challenge."

Louise Baxter, Head of Partnerships
Starlight Children's Foundation

Optus Golf Challenge

In 2004, for the second time in its 13-year history, the Optus Golf Challenge supported the Starlight Foundation and Kids Help Line. Optus donated \$1,000 for each team entered in the event and, with 40 teams registered, each charity received \$20,000. Over the years Optus has used the event to donate close to \$480,000 to charity.

School of the Air

In July 2002, the Federal Government gave Optus an \$8 million National Communications Fund (NCF) grant to upgrade the telecommunications infrastructure of Australia's School of the Air. Optus has continued as an integral partner in the multi-stage expansion program, enabling rural children throughout NSW and the Northern Territory to enjoy interactive e-learning. Optus enables the students, formerly restricted to radio communications, to experience the following:

- Seeing their teacher
- Enjoying the educational benefits of the Internet



The School of the Air Team

- Sharing lessons with other students on the School of the Air network
- Accessing lessons they may have missed due to farm chores and home duties
- Enjoying special programs, such as the 2005 Bell Shakespeare's Actors at Work

Juvenile Diabetes Research Foundation

Walk to Cure Diabetes is an annual event that helps raise money to fund essential juvenile diabetes research. The October walk marked Optus' fourth year of participation. The company continued its commitment as a National Walk Leader and entered 576 of the 80,000 registered



Juvenile Diabetes fund raiser

walkers across the country. Optus and its people contributed \$60,000.

The Balkanu Initiative

In an effort to support indigenous Australians and improve conditions in regional Queensland, Optus committed \$2.1 million in the 2005 financial year to improving the quality of life in the Cape York region. The money will be provided over five years in the form of Optus services and cash contributions used to install and maintain modern telecommunications services in remote areas. These developments will increase the training and employment opportunities available to residents, while reducing the area's isolation.

ARTS

Optus values the development and perpetuation of Australia's artistic and cultural assets. The organisation's support showcases some of the country's finest artistic talent.

Bell Shakespeare Company

Optus was the Principal Education + Youth Sponsor of The Bell Shakespeare Company in 2004-05, completing a second year in the role.

Education and youth are critical to Bell's activities and this sponsorship encourages further development of its role as an educator, entertainer and community builder – especially in Australia's remote and rural communities.

For the second year, Optus broadcast Bell's Actors at Work performance from a Darwin studio to schools in the Northern Territory. The performance went to 87 isolated families and 92 remote schools using Optus' Interactive Distance Learning product.

Testimonial: Bell Shakespeare

"Optus and Bell Shakespeare's partnership has grown and developed into what I believe to be one of the most exciting and dynamic sponsorships in the arts industry.



The winning "Make a Scene" entry

"Bell Shakespeare's school programs are designed to inform and entertain young Australians and provide an insight into a students' own life and current times through Shakespeare's work.

"In 2004, our education audience increased by 31 per cent, reaching 82,400 students. Much of this success can be attributed to the adoption of Optus satellite technology and the Interactive Distance Learning (IDL) project – the next generation of School of the Air – in Darwin. In 2005 this program was extended to the IDL studio in central west NSW,

reaching schools west of Dubbo, such as Narromine and Trangie.

"With feedback such as 'Wow! You guys were amazing! That was the best play we have had at our school' and 'The program is very much an Australian treasure', we know we're on the right track.

"The other exciting initiative for 2005 was the inaugural Make A Scene competition, which received more than 1,000 entries from every state and territory. Students were asked to visually represent their favourite Shakespearean phrase such as 'One fell swoop', using a variety of creative mediums, including drawing, sculpture or flash animation.

"The entries, just like the competition itself, demonstrated incredible imagination and lateral thinking. This year promises to be even more successful, with Optus promoting the competition to more than 1 million customers.

"Bell Shakespeare thanks Optus for sharing our vision of uninhibited access to the greatest works in the English language and particularly for its support in the delivery of quality education programs in rural and regional Australia."

Jill Berry, General Manager
Bell Shakespeare

State Library of Victoria

Optus is committed to sustaining the business programs, activities and collections of the State Library of Victoria. This includes sponsoring business events and the biannual Keith Murdoch Oration – an event designed to spark public discussion and debate. In November 2004, the Keith Murdoch Oration was delivered by Professor Peter Doherty, Nobel Prize winner and acclaimed scientist in the field of immunology.

Australian Brandenburg Orchestra

Optus is the Australian Brandenburg Orchestra's Principal Sponsor and its support has enabled the orchestra to grow from a fledgling arts organisation to one of Australia's most widely recognised cultural icons. In 2004-05, Optus sponsored a special community concert, inviting 500 children and volunteers involved in The Juvenile Diabetes Research Foundation, Kids Help Line and Starlight Children's Foundation to watch the free show.

Cirque du Soleil

Optus served as the Presenting Sponsor for Cirque du Soleil's 2004-05 run of Quidam in Australia. The award-winning sponsorship enabled an unprecedented number of



Cirque du Soleil - Quidam

Australians to experience the troupes' unique artistry. Optus also provided complimentary tickets to more than 3,760 employees and customers.

Cirque du Soleil has more than 50 performers from 10 countries and its performance is a combination of acrobatic feats, technical expertise, extravagant design and exceptional music, all woven into a seamless performance by an emotional dramatic thread.

Company B Belvoir

Optus has been a Major Partner of the Belvoir St Theatre's Company B since 1998. In 2004-05, Optus was the most significant financial investor in the company.

Company B has helped build the careers of many of Australia's greatest actors, including Geoffrey Rush, Cate Blanchett, Jacqueline McKenzie and Richard Roxburgh. It has also produced some of the nation's most significant theatrical works of the last 20 years.

Nice penguin suits guys!



SPORTS

Optus takes the development of young Australian sporting talent seriously. The company's backing enables burgeoning athletes to find success in Australia and abroad.

Jack Newton Golf Foundation

Once again, the company supported the Jack Newton International Junior Classic in 2004, providing scholarships for two leading juniors to compete in the world junior golf championship in the United States.

The Optus Corporate Cup is held annually in each state capital and raises funds for junior golf and diabetes. The funds earned in each state remain in that state, guaranteeing financial support throughout the country. In 2005 the event raised more than \$220,000 for junior golf, bringing Optus' contributions to more than \$900,000 in four years

Tennis

Optus Team Tennis Australia aims to develop a team culture among players at every level, including juniors, the Davis Cup and Federation Cup teams and wheelchair players. Optus expanded its support of the sport through the Optus Junior Tour and Optus Achievers sponsorships in 2004-05.

A record number of juniors are now travelling under the Optus Team Tennis Australia banner and achieving excellent results. At present, Australia has seven boys and two girls in the top 100 International Tennis Federation world juniors. Fifty countries are represented in the top 100, making Australia's rankings impressive. The amount of travel required to become ranked on the list would not have been possible without Optus' support.

Optus also continues to support wheelchair tennis athletes with Wheelchair Scholarship Awards. These provide vital funding that keeps Australia competitive on the world stage, as the country's isolation makes it hard for athletes to get tough competition on a regular basis.

Testimonial: Tennis Australia

"Optus' support of junior tennis development significantly increased in 2005 with the introduction

of the new Optus Junior Tour and Optus Achievers sponsorships.

"The Optus Junior Tour runs nationally and enables junior players to compete on an elite platform throughout Australia, against fellow Australians and international players. Three times a year, Optus also holds player and parent evenings, which aim to educate in areas such as sports psychology, updated training methods and player development within Australia.

"Optus Achievers encompasses the cream of Australia's tennis talent.

"These athletes will also have the opportunity to be part of the Optus Junior Touring Teams travelling teams, enabling our top players in each age group to play in overseas tournaments including the Junior Davis Cup and Junior Federation Cup competitions. This support is vital in ensuring future Australian tennis champions receive the coaching, support and international competition required to be a top contender in the tennis world."

Craig Tiley, Director of Player Development
Tennis Australia

CONSUMER LIAISON FORUM

AFL

Optus continues to support the Sydney Swans, West Coast Eagles and Carlton football teams. In early 2005, the players and coaches participated in Train with the Team events where members of the public, Optus customers and employees were able to test their skills against their favourite AFL team members.



Sydney Swans training session

The Consumer Liaison Forum (CLF) celebrated its 10th anniversary this year. Established in 1995, the CLF provides Optus with a mechanism to better understand key consumer issues. Based on consultation with Optus' Community and Environment Manager, the key themes identified by the CLF in relation to Optus' community and environment initiatives are transparent decision-making, proactive engagement with a range of stakeholders and employing stronger messaging to explain the positive initiatives Optus undertakes.

The CLF has nine members who represent peak national consumer organisations. Consultations where CLF members provide advice and input on issues related to their areas of

expertise occur regularly, and the entire group meets formally once a year.

Since its inception, the CLF has helped Optus better understand the issues that matter to consumers. It also gives consumer representatives an opportunity to raise concerns and learn more about Optus products, policies and procedures. The CLF is a flexible and non-bureaucratic way for Optus to explore areas of interest to Australian telecommunications consumers.

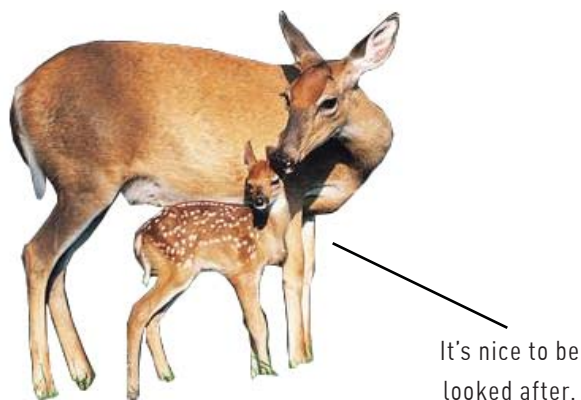


The Consumer Liaison Forum

CULTURAL AND LINGUISTIC DIVERSITY PLAN

Optus launched its Cultural and Linguistic Diversity Plan in 2002 to help meet the company's obligations under the Racial Discrimination Act 1975 and the Australian Communications Industry Forum Code on customer information on prices, terms and conditions, to which Optus is a signatory.

The plan focuses on removing barriers to accessing Optus' goods and services for customers, potential customers and employees, regardless of their race, colour, language or national and ethnic origins. Further information on the plan can be obtained from Optus Customer Service or on the website at www.optus.com.au/diversity.



DISABILITY ACTION PLAN

Optus launched its Disability Action Plan (DAP) in December 1999. The plan was developed through consultation with disability organisations and members of the CLF. The DAP aims to remove barriers to access for customers, potential customers and our people.

The DAP has been instrumental in improving the way Optus meets the needs of consumers in Australia. Disability equipment is now available to all fixed line residential customers. The Optus website also complies with Website Accessibility Guidelines. Billing options have been expanded to include large-format bills for customers on the Optus mobile and cable network, as well as our existing braille bills for post-paid mobile, local direct connect and long distance telephone customers.

Copies of the DAP and its reviews can be found at www.optus.com.au/disability or can be obtained from Customer Service.

CODE COMPLIANCE

Since 1997 Optus has been subject to a self-regulatory regime that fosters competition and is coordinated by the Australian Communications Industry Forum (ACIF).

As a founding member of ACIF, Optus actively participates in its processes and is strongly represented on its committees, reference panels and board. Optus is committed to complying with ACIF Codes of Practice and is a signatory to the following codes:

- Complaint handling
- Credit management
- Customer transfer
- Calling number display
- Call charging and billing accuracy

Another area which is important to the community is customer privacy. Optus upholds our customers' rights to have their information handled in accordance with relevant privacy legislation. As part of our commitment to privacy, Optus has developed and implemented the Optus Privacy Policy, which outlines how Optus handles customer information. Visit www.optus.com.au/privacy for more information.

Environment

Thank goodness someone
gives a damn!



ENVIRONMENTAL POLICY AND ENVIRONMENTAL MANAGEMENT SYSTEM

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

Our Environmental Management System (EMS) is periodically refined to ensure this commitment is met.

The EMS was developed to provide a clear and concise package of policies and procedures to identify, manage and mitigate environmental risks. In August 2004, the EMS was revised following the diesel incident at Campbellfield Exchange.

Optus will continue to review and alter the EMS as necessary to maintain legislative compliance and will include any advances in environmental best practice for the telecommunications industry. The EMS is available from the Manager of Environmental Affairs, whose contact details are at the end of this report.

Issues of Environmental Concern

Activity	Soil & Water Quality	Dust, Noise & Vibration	Flora & Fauna	Cultural Heritage	Visual Impacts	Waste	Energy Use & Greenhouse Gas Emissions
Inter-city Optic Fibre Cables	A	A	A	A	A	C	B
Suburban Cables	A	A	A	A	A	C	B
Mobile Telephone Network	A	B	B	B	A	B	A
Satellites	C	C	C	C	B	C	B
Microwave Links	C	C	C	C	A	C	B
Corporate Facilities	N/A	N/A	N/A	N/A	N/A	A	A

Key

A = KEY ISSUES B = IMPORTANT ISSUES C = MINOR ISSUES

Optus prioritises environmental risk management when considering its key operational activities. The table is a summary of those issues as reviewed in 2004-05.

ENVIRONMENTAL AUDITS



Cable installation

No audits were completed in 2004-05 due to employee changes, significant restructuring and a change in the company's insurance arrangements. The risk reports, which include consideration of environmental issues, have been reinstituted and 20 will be completed in the 2005-06 reporting period. In addition, 10 separate environmental audits will address construction planning and implementation, including site inspections and a review of the Environmental Management Plan.

ENVIRONMENTAL ACTIONS

Optus Construction Works

There were more than 180 mobile base stations constructed in 2005 expanding the existing mobile phone network. Next year should involve significant increases due to the establishment of the 3G network.

Optus undertook a significant number of national and mobile transmission projects meeting the strict environmental requirements and standards imposed by Optus Environment Management System. Just over 400 route kilometres of fibre optic cable were installed with 250 kilometres of this total being co-located in facilities leased from other carriers and utilities.

Training and Learning

Optus provided project-specific environmental and land access training throughout the 2005 financial year. Development commenced on a new and comprehensive environmental training package that will be provided to applicable our people throughout Australia in late 2005. These employees will include those in Customer Service Delivery/Field Operations; Customer Access Network (CAN) Planning; Transmission and Facilities Engineering; Customer Relations; and Facilities Access and Customer Field Services.

A new online eLearning package was commissioned and rolled out in September 2004 to meet the continuing demand for internal and external environmental training.

Protecting Flora, Fauna and Heritage

Optus knows part of serving the Australian people is protecting the nation's unique heritage and environment. In 2004-05, Optus took great effort to preserve flora, fauna and areas of cultural significance in all aspects of its construction activities.

Wombat Warrens and Fibre Optic Cable

At the end of May, 108 warrens were surveyed between Bookabie West and Redgate Tank in South Australia. The tunnels occur in the vicinity of underground fibre optic cable, and the research was commissioned by Optus to investigate the potential harm to the wombats and cables. The research found that no warrens were encroaching on the cables and that previous remedial work had successfully encouraged wombats to use warrens further away from the cables.

Bird Protection, Victoria

In March, it came to Optus' attention that large birds were colliding with overhead cables in Mooroolbark, Victoria. Investigation of the issue confirmed that the cables were close to a wetland used by numerous bird species.

Optus consulted the local wildlife expert who reported the collisions and a professional bird rescuer in Ballina, New South Wales. In response, Optus installed bird flight diverter discs to increase the visibility of the wires. A monitoring program was developed with the help of a local volunteer group, and no bird casualties had been reported as of the end of June.



Queensland Fibre Optic cable installation

Fibre Optic Cable Installation in Queensland

Optus conducted a comprehensive environmental and cultural heritage assessment for the site of a proposed 85-kilometre fibre optic cable installation from Brisbane to the Sunshine Coast. A route was designed that avoided all sensitive areas.

The proposed route will, for the most part, lie in previously disturbed land and along road reserves. In addition, Optus committed to several actions to reduce environmental impact. These include:

- Boring under all water bodies to avoid vegetation damage where the cable won't be attached to a bridge
- Avoiding any large-scale clearing of mature vegetation
- Requiring all construction contractors to implement appropriate acid sulphate soil management plans to prevent sulphide oxidation and acid drainage
- Ensuring land access and environmental training of all construction contractors
- Approving environmental management plans required from each contractor to address environmental and cultural concerns in their area of impact

The indigenous cultural heritage assessment was followed by consultation and a site visit with an Aboriginal

representative for the region. As a result, Optus and the Aboriginal community reached an agreement to ensure the impact on indigenous heritage would be minimised. As part of this agreement, Optus will tunnel under specific areas of concern and have Aboriginal monitors present during the excavation of three specific areas.

Nuytsland Nature Reserve and the Eyre Bird Sanctuary

After sponsoring conservation work on the southern coast of Western Australia (WA) in the last reporting period, Optus expanded this program in 2004-05 to fund aerial vegetation mapping of the Nuytsland Nature Reserve and Eyre Bird Sanctuary. The surveys are being used to identify and understand threats posed to the area's diverse plant community by salinity, feral animals, weeds, fire and ecosystem fragmentation.

The WA Department of Conservation and Land Management is currently using the aerial photos to structure field surveys for 2006 that will expand on information from the aerial research.

ENVIRONMENTAL COMPLIANCE

Infringements

On 4 August 2004, about 7,000 litres of diesel fuel escaped from the Optus Exchange at Campbellfield, Victoria, and flowed through drains to a stormwater detention basin about a kilometre from the site. The incident was caused by a pipe and pumping system that had been turned off for construction purposes and not restored to its proper position.

Immediately following the early-morning discovery of the spill, emergency services were contacted and disaster plans were activated to prevent further discharge and commence containment and clean up. The spill was quickly contained, as a period of dry weather had left low levels of water in the basin. No fuel infiltrated the creek system.

Emergency crews pumped the diesel and contaminated water into tankers for disposal at a licensed waste disposal depot. About 40,000 litres of diesel and water were collected. The clean up of the exchange, stormwater pipes and detention basin was completed by 4 p.m. on the same day.

The Victorian Environment Protection Agency (EPA) was notified and attended the site at about 7 a.m. on the morning of the spill to observe the impact of the pipe failure and inspect the detention basin. The EPA issued a Minor Works Pollution Abatement Notice and is continuing

discussions with our people.

The discharge has resulted in a number of process and training changes within Optus operations. Optus created a bund, or catchment lip, around the work areas at Campbellfield to catch any future spills; work practices have changed in terms of approval processes and response training; and a tag-and-lock procedure for all diesel lines is now in place, making it physically impossible to leave the site until the proper configuration is achieved. Optus hopes these developments will significantly reduce the likelihood of any similar incidents.

Fuel consumption through Optus vehicles

Unit	Diesel	LPG	Petrol	Total
Number of Vehicles	70	243	1,214	1,527
Distance Traveled (km)	1,661,900	3,774,700	24,383,800	29,820,000
Total Litres	193,700	812,500	2,999,000	4,005,200
km/Litre	8.58	4.65	8.13	

REDUCING RESOURCE CONSUMPTION

Fuel

After reviewing numbers from the 2004 reporting period, Optus decided to rapidly phase out its liquefied petroleum gas (LPG) vehicles due to high maintenance costs, low efficiency and the increasing cost of LPG. Optus' current fleet of 1,527 vehicles uses a variety of fuel types. Diesel is more efficient than petrol and is still the preferred engine fuel for heavy vehicles and those travelling long distances. Optus reduced its total number of vehicles by 220 in the 2004-05 reporting period.

In addition, generators used about 195,000 litres of diesel to provide power for remote areas and electricity failures. This is up by 56,000 litres from last year and

Fuel consumption through electricity generation

Fuel	Total consumed	Conversion factor*	Tonnes equivalent of CO2
Electricity (kilowatt hours)	185,736,000	1.012 kg CO2 / kWh	187,965
Diesel plant	195	3.0 kg CO2 / kL	0.65
Petrol (litres)	2,496,804 (2004)	2.7 kg CO2/kL	6.7
LPG (litres)	1,470,035	1.8 kg CO2/kL	2.65
Diesel (litres)	295,734 (2004)	3.0 kg CO2/kL	0.89
Total (rounded)			187,976

* Conversion factors from the Australian Greenhouse Office Factors and Methods Workbook, 2004.

Fuel consumption through air travel

Air Travel	Total kilometres	Conversion factor	Tonnes equivalent of CO2
Domestic	13,993,990	0.18 kg CO2 / kWh	2,519
International	10,095,600	0.11 kg CO2 / kWh	1,110
Total	24,089,590		3,629

reflects multiple main grid power failures in regional areas, more encompassing data collection and the addition of several new facilities. Emergency generators must be tested monthly, thus the minimum use of diesel fuel will increase as Optus' operations expand.

Optus recognises that air travel is a major source of CO2 emissions and has begun tracking and analysing domestic and international employee travel. The environmental impact of the company's air travel will be analysed and considered in the scope of ongoing environmental accountability.

Optus' 2005 energy use resulted in a 10 per cent increase in consumption and emissions of CO2 equivalent.

Greenhouse Gas emissions as a consequence of Optus' operations principally result from energy consumption. The entire SingTel Group implemented a number of energy efficiency measures in 2004-05. These included installing fluorescent tube lighting with motion detection systems; replacing some plant and equipment with more efficient models, such as generators designed to reduce emissions; and reviewing the timing of air-conditioning in offices on nights and weekends. The majority of Optus' energy initiatives focus on reducing future electricity use.

A New Campus

In line with Optus' goal of becoming a corporate model of environmental responsibility, construction began in 2004-05 on a new Optus campus in North Ryde. More than 6,000 Optus employees will relocate to the premises in 2007.

The majority of Optus' investments in reducing resource consumption in 2004-05 have been funnelled into the design and implementation of efficient operations at the North Ryde facility. The reasonably low rate of return for capital expenditure at Optus' current premises did not make further investments or amendments practical.

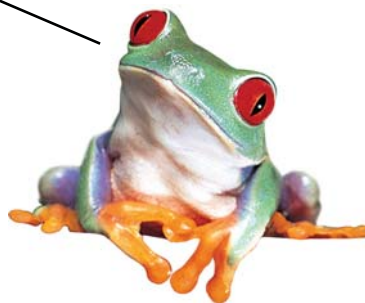
The North Ryde facility will seek to achieve a four and a half star Australian Green Building Rating (AGBR) rating and significantly reduce Optus' future environmental footprint.

Electricity

Optus continues to use the electricity management system it introduced in May 2002. In the 2004-05 period, Optus used 185.7 gigawatt hours of electricity, a 15 gigawatt increase on the previous period. This reflects an increase in the demand for our services resulting in an increased number of base stations and other equipment.

Optus is making electrical efficiency a priority at the North Ryde facility. Attention is focused on computer usage

Help me keep croaking!



and management, as well as the potential impact of low-energy and flat screen technologies.

Solar Power

Optus operates a number of remote sites with solar power. There are 16 regeneration sites on the Adelaide to Perth fibre optic cable with a total of 1,344 solar panels that collectively produce approximately 600,000 kilowatts of solar power annually. In addition, a mobile phone base station in Victoria houses 55 square metres of solar panels that produce a further 14,000 kilowatts of power each year.

Air Conditioning

During the 2004-05 period, Optus installed supplementary air conditioning at North Sydney and Silverwater, NSW, to reduce the size of temperature control zones.

Air conditioning for the North Ryde campus is a much discussed topic. Optus has targeted cooling systems as a

major source of power consumption. Mitigation strategies are being closely considered.

Lighting

Optus completed energy efficiency programs for all major facilities in 2005. Because Optus' operations will move to North Ryde in 2007, there is insufficient time for any reasonable rate of return on retrofitting many existing premises.

Water

Water consumption and sewage management are generally within the lease arrangements for each business site, and as such Optus does not have significant control over the data or management. Optus will change these arrangements at the North Ryde campus and is paying great attention to water conservation in the facility's infrastructure.

CFCs

Optus is reducing its use of the CFC gas R22 to ensure compliance with the national phase out of the gas. As such, the company has listed CFC minimisation as a priority in future operations at the North Ryde facility.

RECYCLING AND REDUCING WASTE

Lead Acid Battery Recycling

Optus recycled approximately 6,000 industrial batteries in 2004-05, totalling 126 tonnes. This number is lower than the 164 tonnes in 2003-04, though it still reflects a large



NSW suburban waterway

number of sites with batteries reaching the end of their life. The batteries provide backup power in exchanges, mobile sites and some customer premises.

Mobile Phones and Batteries

Optus actively supports the Australian Mobile Telecommunications Association's (AMTA) industry-based mobile phone recycling program. The program is world best practice for mobile telephone equipment recycling and

operates more than 1,600 collection outlets at retail and corporate locations. More information on this program is available on the AMTA website at www.amta.org.au.

To date, the program has collected more than 315 tonnes of phones, batteries and accessories. Community research was conducted in late 2004 to identify motivations and impediments to individuals recycling their mobile phones. The researchers found more than half of the 900 customers surveyed stored or gave a friend their old mobile phones. Optus hopes further findings from the research will help reinvigorate the program to increase the volume of Optus phones that are being recycled.

Toner Cartridges

Approximately 4,200 toner cartridges were recycled in 2004-05. More than 8,000 cartridges were purchased, suggesting 53 per cent of cartridges were recycled. This number is down from 84 per cent in 2003-04.

The decrease appears to be related to a revised purchasing agreement which enabled Optus to purchase a greater number of cartridges at a reduced price. Thus, many full toner cartridges have not yet been used and therefore have not been recycled. After a thorough review of the ordering process, Optus has implemented ordering, collecting and

data recording systems to reduce over-ordering and improve record keeping.

Optus is in the midst of an aggressive cartridge recycling initiative in partnership with Planet Ark. The target for 2005-06 is 90 per cent. All Optus work sites have been briefed on the program, which will be extended to employees to encourage the recycling of domestic toner cartridges as well.

Office Paper

In 2004-05, Optus witnessed a decrease in the amount of purchased paper. Office paper for printers, faxes and copiers combined with letterhead, envelopes and other corporate stationary totalled 221 tonnes. This figure is down from 223 tonnes in the 2004 reporting period and 289 tonnes in the 2003 reporting period. This displays the gains from continued implementation of multifunction devices and the switch to double-sided printing defaults.

Office paper recycling occurs at all Optus facilities with 2004-05 recycling totals around 95 tonnes.

COMMITMENTS TO THE COMMUNITY AND ENVIRONMENTAL TARGETS

Issue	2005 Target	2005 Outcome	2006 Target	Responsible Officer
Community and Environ- ment Report	Report in greater accordance with GRI in 2005	Reported with greater consideration of GRI criteria	Continue to broaden the reporting base, particularly in community areas	Manager, Environmental Affairs
	Investigate stakeholder engagement for 2005	Consultant appointed to conduct a Situation Review, including inter-views with internal and external stakeholders	Establish a strategic framework	Manager, Environmental Affairs and Manager, Sponsorship
	Investigate stakeholder engagement for 2005	Due to significant changes at Optus, the focus has been on internal stakeholder engagement. The need to involve external stakeholders was identified and specific targets set	Continue focus on internal stakeholder engagement and develop greater external input by 2007	Manager, Environmental Affairs and Manager, Corporate Affairs
OH&S	Develop criteria for reporting employee demographics	Included gender ratios and average age of employees	Report on age distribution and average age of employees	Corporate OH&S
	Restructure the Safety Leadership Council by 2004-05	Restructured council with input from senior management in each business unit	Report OH&S indicators in all senior management meetings	Corporate OH&S

COMMITMENTS TO THE COMMUNITY AND ENVIRONMENTAL TARGETS (CONTINUED)

Issue	2005 Target	2005 Outcome	2006 Target	Responsible Officer
OH&S	Agree on specific divisional management plans by 08/04	Finalised and implemented OH&S management plans and training analysis	Sign off business unit OH&S management plans for 2006 by 07/05 Develop key safety messages in management meetings and distribute via the company newsletter @ttitude	Corporate OH&S
	Monitor Safety Achievement Business System (SABS) compliance	Monitored SABS and completed certification audit level two in 03/05 Completed external certification for safety map version three in Customer Field Services (CFS)	Achieve external certification for advanced level safety map version four in CFS Further develop internal safety map audit program across key business units	Corporate OH&S
	Reduce lost time injury rate (LTIR) by 22per cent and the severity of injuries by 18%	LTIR stayed the same. Achieved injury severity target. OH&S safety targets score- carded in business process reviews by 03/05	Reduce LTIR by 10per cent and severity by 15per cent	Corporate OH&S

COMMITMENTS TO THE COMMUNITY AND ENVIRONMENTAL TARGETS (CONTINUED)

Issue	2005 Target	2005 Outcome	2006 Target	Responsible Officer
OH&S	Review and upgrade corporate OH&S policy by 12/04	Revised and placed the OH&S rehabilitation policy on noticeboards at all sites. Developed and implemented an anti-bullying and harassment policy	Implement consultation program across all business units by 03/06 Review and upgrade all remaining corporate OH&S policies	Corporate OH&S
	Roll out injury management training by 03/05	Rolled out training across all business units	Implement OH&S compliance training across the organisation	Corporate OH&S
	Implement training for Return to Work Co-ordinators 03/05	Completed training	Commence self-insurance licence for workers' compensation in 07/05 Implement training in accordance with Safety, Rehabilitation and Compensation (SRC) Act 1988 by 03/06 Audit Comcare claims management, prevention and rehabilitation in 03/06	Corporate OH&S

COMMITMENTS TO THE COMMUNITY AND ENVIRONMENTAL TARGETS (CONTINUED)

Issue	2005 Target	2005 Outcome	2006 Target	Responsible Officer
OH&S	Finalise review of contractor management system	Introduced accredited induction card and training for all site contractors	Continue to review and enhance the contractor management system	Corporate OH&S
	Further develop the Health and Wellbeing website	Provided a monthly health calendar that aligned with community health days and offered a range of health topics.	Participate in the Work Outcomes Research and Cost (WORC) benefit project.	Corporate OH&S
		Implemented national flu vaccination program	Expand Health and Wellbeing Expo program. Develop mental health program Plan for a North Ryde campus gym and health program	
Environment Management System	Audit the display of the environmental policy summary at sites	Found policy visible in most cases Issued new laminated copies to two sites	Ongoing audits as part of the Enterprise Risk Review process	Manager, Environmental Affairs

COMMITMENTS TO THE COMMUNITY AND ENVIRONMENTAL TARGETS (CONTINUED)

Issue	2005 Target	2005 Outcome	2006 Target	Responsible Officer
Environment Management System	Monitor effectiveness of revised Environment Management System	Review undertaken Adequate results	Ongoing monitoring	Manager, Environmental Affairs
	Audit 10 contractor projects, reviewing the Environment Management Plan and site activities	Undertook no audits due to internal employee changes and work demands	Audit 10 contractor projects, reviewing the Environment Management Plan and site activities	Environmental Planner
Visual/ Landscape Ecology and Heritage	Implement contractor training through online system	Delayed implementation due to programming difficulties now resolved	Operational by end 2005	Manager, Environmental Affairs
	Incorporate tracking systems for online training	Designed part of the program	Monitor training take-up	Manager, Environmental Affairs
Energy Use	Review remainder of sites across corporate portfolio regarding air-conditioning requirements	Monitored and observed at Adelaide call centre, Gordon and OCS	Focus on efficient design for North Ryde campus	Facilities Manager
	Conduct review of existing white-goods with a view to energy efficient replacements	Continued the process and made a priority for the move to North Ryde	Review purchasing policy	Facilities Manager

COMMITMENTS TO THE COMMUNITY AND ENVIRONMENTAL TARGETS (CONTINUED)

Issue	2005 Target	2005 Outcome	2006 Target	Responsible Officer
Energy Use	Audit present use of triphosphorus light tubes.	Made all replacement globes triphosphorus	Recycle globes in CBD offices in Melbourne and Sydney for mercury recovery	Facilities Manager
	Review opportunity of retrofitting energy efficient lighting for existing sites			
	Implement policy of energy efficient lighting at all new sites	Commenced policy	Focus on policy at campus in North Ryde	Facilities Manager
Recycling, Waste and Resource Reduction	Review arrangements with cleaning contractors to implement a more consistent waste audit practice	Undertook improved waste audits regionally	Specifically define waste audit responsibilities in contracts up for renewal	Administration Manager
	Recycle 90per cent of toner cartridges	53 per cent recycled Control systems inadequate to monitor effectively. Significant review undertaken.	Recycle 90 per cent of toner cartridges	Administration Manager
	Reduce office paper usage by 10 per cent	Reduced by 1 per cent, eliminating 2 tonnes of paper	Encourage employee behaviours to achieve further reductions beyond machine efficiency	Administration Manager

COMMITMENTS TO THE COMMUNITY AND ENVIRONMENTAL TARGETS (CONTINUED)

Issue	2005 Target	2005 Outcome	2006 Target	Responsible Officer
Recycling, Waste and Resource Reduction	Review efficiencies in high volume print room	Significantly reduced material waste and excess runs, though activity fluctuates greatly	Quantify productivity waste at facility	Administration Manager
	Investigate viability of increased recycled content for paper	Increased consideration of recycled paper for annual paper tender, though cost and quality still a detraction	Continue to consider recycled content for paper tenders	Administration Manager
	Reduce plastic cup usage by 15 per cent	Glasses have replaced plastic cups in Optus kitchens	N/A	Administration Manager
		Plastic cups only remain in public areas		
	Review contracts to increase visibility of water and waste water usage from building managers	Found water and waste water generally absorbed in lease costs. Building managers reluctant to engage in these types of projects	Focus on planning and implementation for improved efficiency at North Ryde	Administration Manager
Chemicals and Fuels	Continue to phase out equipment using CFCs	Ensured appropriate disposal of retired CFC equipment	Continue to phase out equipment using CFCs	Administration Manager

COMMITMENTS TO THE COMMUNITY AND ENVIRONMENTAL TARGETS (CONTINUED)

Issue	2005 Target	2005 Outcome	2006 Target	Responsible Officer
Chemicals and Fuels	Continue to monitor fuel tanks with a target of zero spills or leaks	Experienced a significant spill at Victoria's Campbellfield Exchange	Continue to monitor fuel tanks with a target of zero spills or leaks	Administration Manager
Electromagnetic Energy	Engage with government authorities to provide better educational tools for communities	Established association representations and contact with the industry minister and Australian Communications Authority (ACA)	Assist in development and dispersal of educational materials	Manager, Community Relations
	Achieve full compliance with Australian Communications Industry Forum (ACIF) Mobile Phone Deployment Code	Experienced no breach in code compliance	Continue to ensure compliance	National Site Acquisition and Environment Manager
	Increase community consultation in compliance with ACIF code	Undertook community consultation in accordance with code	Continue to monitor and ensure compliance with community consultation requirements	Manager, Community Relations
	Add 300 Optus sites to the industry's National Mobile Base Station Site Archive to provide EME data to the public	Added approximately 300 sites to the archive	Add a further 500 sites to the archive	Manager, Mobile Networks

COMMITMENTS TO THE COMMUNITY AND ENVIRONMENTAL TARGETS (CONTINUED)

Issue	2005 Target	2005 Outcome	2006 Target	Responsible Officer
Citizenship	N/A	N/A	Complete and endorse a new strategic review of citizenship. This will identify gaps and opportunities in Optus' approach	Sponsorship Manager
	N/A	N/A	Commence internal communications and education regarding Optus Citizenship	Sponsorship Manager
	N/A	N/A	Set benchmarks for staff understanding and involvement in citizenship activity. Conduct surveys to understand current environment	Sponsorship Manager
	N/A	N/A	Develop and implement an umbrella brand for Optus Citizenship activity	Sponsorship Manager
New Optus Headquarters		Development of North Ryde site	Maintain focus on water management, computer use and lighting	Major Projects Manager
	N/A	N/A	Achieve 4.5 star Australian Greenhouse Building Rating for building energy consumption	Major Projects Manager

COMMITMENTS TO THE COMMUNITY AND ENVIRONMENTAL TARGETS (CONTINUED)

Issue	2005 Target	2005 Outcome	2006 Target	Responsible Officer
New Optus Headquarters	N/A	N/A	Irrigate native plants on the campus with retained water from roof	Major Projects Manager
	N/A	N/A	Review operating and waste management procedures	Major Projects Manager

THE ELECTROMAGNETIC ENERGY DEBATE AND COMMUNITY HEALTH

Optus recognises that some people in the community have concerns about the possible health effects of mobile phone base stations. Optus actively monitors Australian and international medical and scientific research 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 implemented the ACIF Code for Deployment of Mobile Phone Infrastructure. The Code has been in operation since October 2002 and was reviewed in 2004 to improve its clarity and enforceability. It requires carriers take a precautionary approach to the deployment of mobile phone infrastructure and obligates them to consult with local government and the community regarding site proposals.

Optus has successfully implemented the revised code, resulting in more effective communication and consultation with communities. The code also outlines a complaint handling procedure, though Optus has not received any complaints regarding the processes it has followed under the code.

To ensure information about EME power output levels is available to the public, Optus has been actively involved in

developing a coordinated industry database that will provide web access to information on all mobile phone base stations in Australia. Over the last year records of 300 sites have been added.

Optus continues to ensure that our people and contractors undertake Optus Radiofrequency Awareness Training and are made aware of advances in research about EME. Awareness Training is an online, interactive program that takes about 45 minutes to complete. It contains four modules: Basic Science, Biological Effects, Australian Standards and Optus Safe Work Practices. There is a short test at the end of each module. All the test scores are automatically recorded and forwarded to the user's manager. This assures the managers that their people are aware of the practical management measures that need to be followed with regard to EME.

In addition to addressing community concern regarding EME, Optus has actively participated in research to identify other dangers associated with mobile devices. For example, Optus provided billing records that played a critical role in a study which confirmed that using hand held mobile phones increased the risk of being involved in an accident due to driver distraction. Optus also provided data for the 13-country investigation into the possible correlation between

brain cancer and mobile phone usage. The Australian study is due to be published in 2006. The overseas reports published to date have not reported any relationship.

Optus acknowledges that within the community there are a variety of views about the deployment of telecommunications infrastructure. We strive to improve the quality of our deployment processes to minimise the possibility of negative community response while ensuring the best quality of service for our mobile customers.



FACING THE FUTURE

Optus' vision is to be 'the outstanding provider of challenger telecommunications solutions in Australia and the region'. Optus will achieve this vision through a sustainable future of quality services, continued business growth and meaningful stakeholder engagement.

Optus' corporate values support this move towards sustainability. One of the company's key performance objectives over the next three years will be demonstrating corporate social responsibility.

We will do this by:

- Improving community and environment reporting so stakeholders can have a complete picture of Optus' activities
- Continuing to support charities and programs such as Kids Help Line.
- Increasing interaction with key stakeholders, including our people, customers, shareholders and regulators
- Minimising our environmental footprint and maximising the efficiency of our resource consumption
- Expanding the scope and quality of services, especially to rural and remote areas
- Setting and achieving aggressive community and environmental goals

Optus is dedicated to being a company Australia's future generations will respect and appreciate.



FEEDBACK AND CONTACT DETAILS

Please contact Optus for more information or to comment on this report.

Mail: Environment Affairs Manager
PO Box 1, North Sydney, NSW 2059

Phone: +61 2 9342 7800

Email: community.relations@optus.com.au

Web: www.optus.com.au

Privacy Policy

Optus collects and uses personal information about customers to supply Optus products and services. Optus has a detailed privacy policy that outlines how Optus handles the personal information of customers, prospective customers, employees and contractors. The Optus Privacy Policy is a public document and is available on our website www.optus.com.au.

