



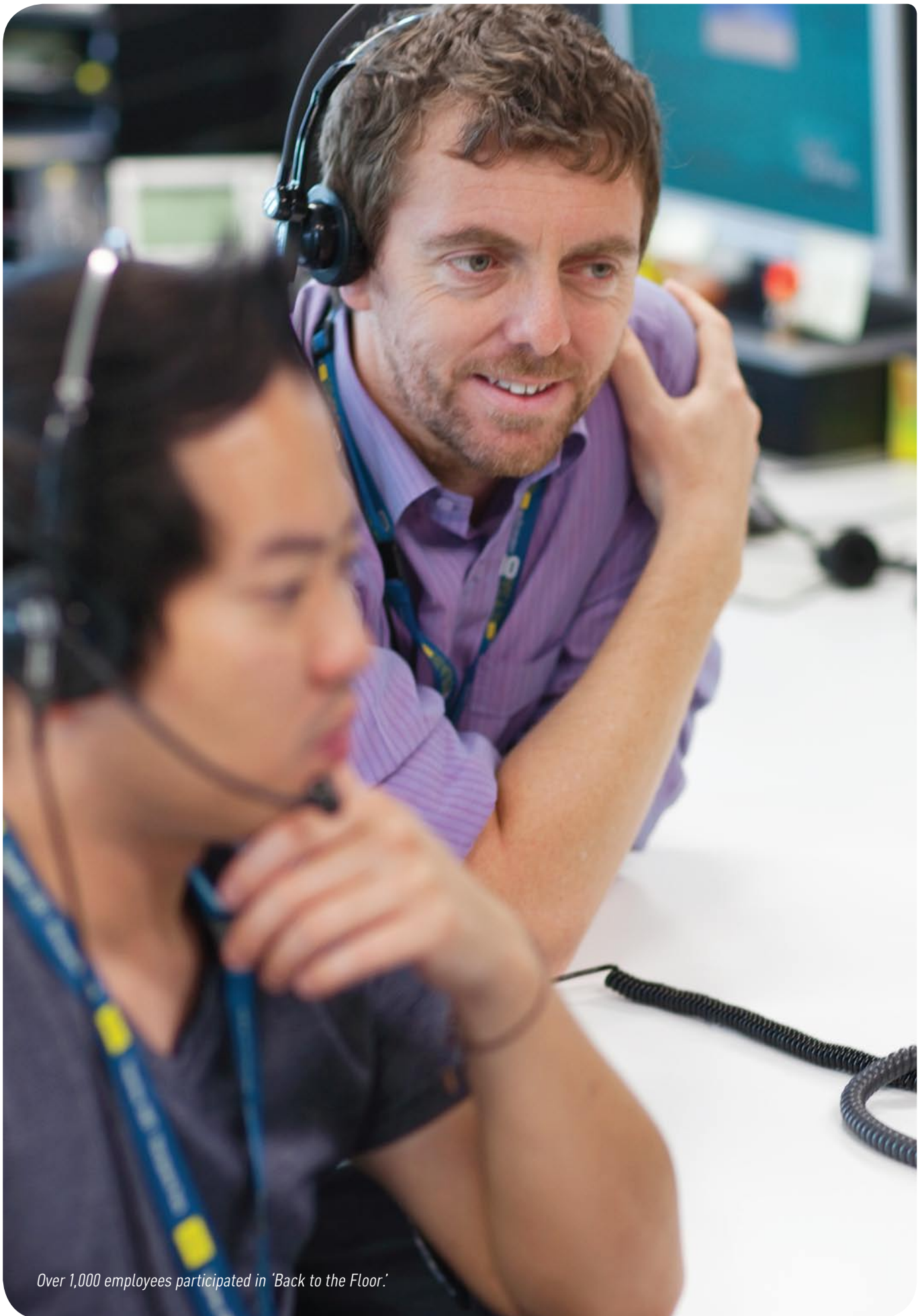
Connecting

Communities

Optus 2011 Corporate
Responsibility Report.

➤ INTRODUCTION

'yes'
OPTUS



Over 1,000 employees participated in 'Back to the Floor.'

Our approach

At Optus, we are committed to operating in a socially and environmentally sustainable way. We aim to embed corporate responsibility into our everyday business practices.

Our corporate responsibility framework guides our activities, community investments and supports the initiatives that we undertake with our customers, our people, the environment, our suppliers and the communities in which we operate.

OUR CORPORATE RESPONSIBILITY GOAL		To be a company that our customers, our people and the wider community can trust and to use our technology, products and services to make a positive social impact.		
OUR KEY PILLARS		Lead in customer experience	Great place to work	Responsible growth, society and environment
OUR MATERIAL ISSUES		<ul style="list-style-type: none"> > Responsible marketing > Customer service and safety > Ensuring access > Driving innovation and uptake of technology > Disaster response 	<ul style="list-style-type: none"> > Leadership and talent development > Engaging our people > Learning and development > Supporting diversity 	<ul style="list-style-type: none"> > Reconnecting disengaged youth > Build social inclusion > Minimising our environmental footprint > Influencing our supply chain

Cover: Young student participating in Schools of the Air program.



We connect more than 9 million individual and business customers every day.

Christopher Whybird – Snr Technical Specialist, Networks

Who we are and what we do

Optus delivers greater competition in the Australian telecommunications market. We have been giving Australian consumers greater choice and value since 1992.

Our services include mobile, national, fixed and international phone telephony, business network services, fixed and wireless broadband, satellite services, entertainment and subscription television and digital services.

Most of our services are offered under the Optus brand, although we also own Virgin Mobile Australia, Ucomm and Alphawest.

We employ 10,090 people directly and more than 2,000 people work across our 270 retail stores, most of which are franchised.

Our services depend on ongoing investment in our network. In the past five years, we have invested over \$AUD2.2 billion. Our 2G and 3G/HSPA mobile network covers over 700,000 square kilometres and up to 97 per cent of the Australian population.

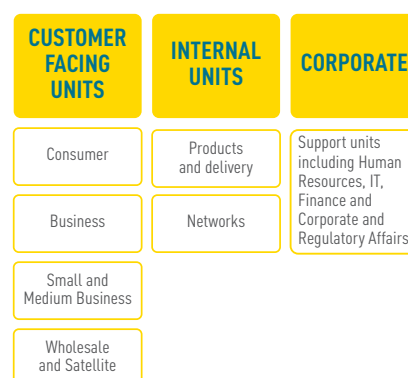
We operate over 5,000 mobile base stations, five satellites and 418 local telephone exchanges.

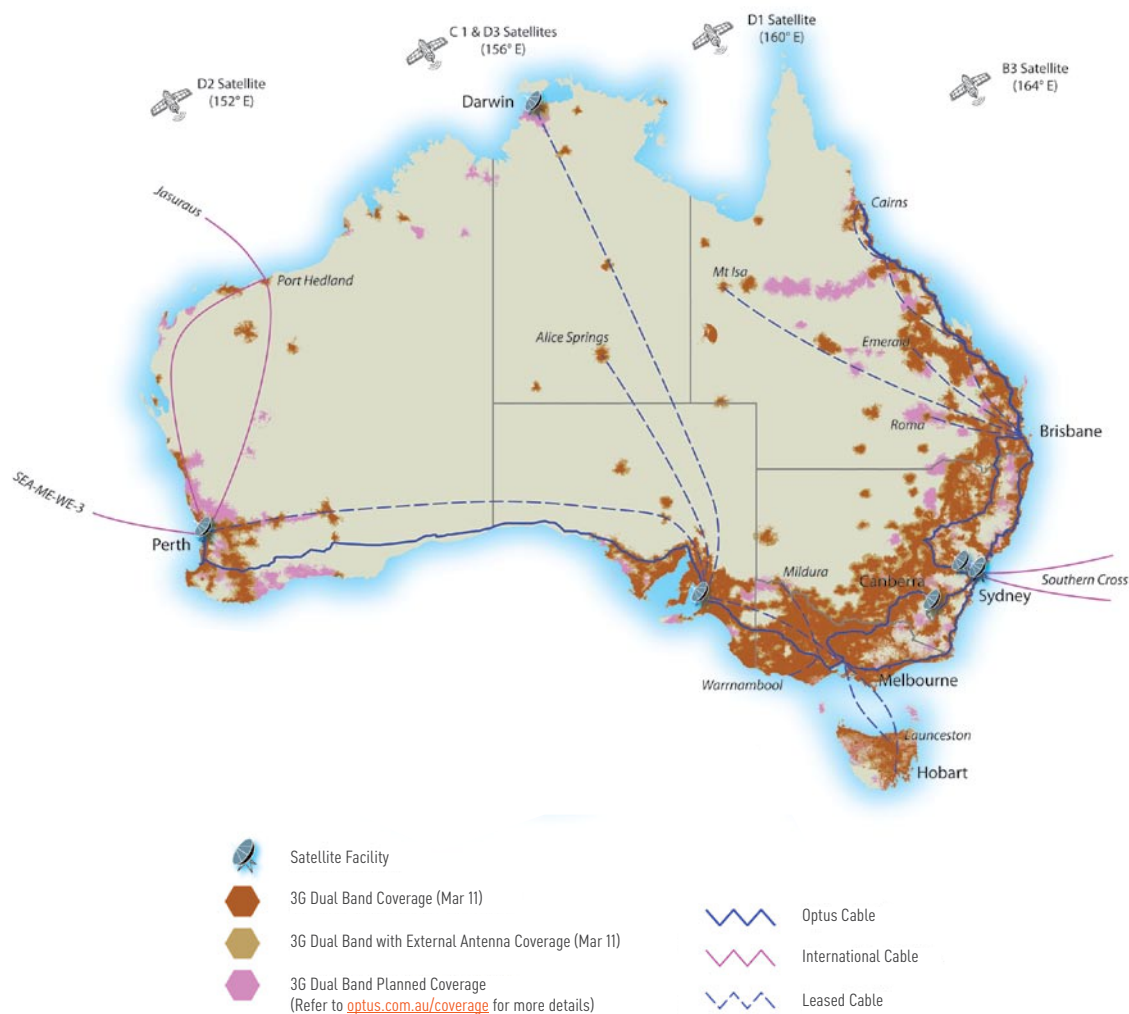
We deliver mobile services through more than 9,500 mobile base stations. We operate five satellites which deliver pay TV to over 2 million households. Our Hybrid Fibre Coaxial fixed-line network can service 1.4 million homes in Brisbane, Melbourne and Sydney. Our fixed-line network connects more than 18,000 corporate

premises. Our ULL and DSL footprint covers up to 2.9 million premises, with over 1,200 DSLAM racks in 418 exchanges

Optus is organised into four major business areas:

- **OPTUS CONSUMER**
Offers a range of services and products to Australian consumers including mobile voice, data and wi-fi services, Optus television, long distance and local telephony, high speed internet and dial-up access.
- **OPTUS BUSINESS**
Provides alternative access services and communications flexibility to corporate and government clients.
- **OPTUS SMB**
Meets the telecommunications needs of small and medium businesses in Australia.
- **OPTUS WHOLESALE & SATELLITE**
Provides services and capacity to other telecommunications companies.





Financial performance

(for the year ending 31 March 2011)

2010	
Operating Revenue	\$AUD9.284 billion (Up 4 per cent from 2010)
Operational EBITDA	\$AUD2.334 billion (Up 8 per cent from 2010)
Free cash flow	\$AUD1.206 billion (Up 19 per cent from 2010)

For more information:

<http://info.singtel.com/sites/default/files/stockexchange/2011-AnnualReport.pdf>

Capital expenditure

Year ending 31 March 2011	Year ending 31 March 2010
\$AUD1.02 billion	\$AUD1.05 billion

Customers

	Year ending 31 March 2011	Year ending 31 March 2010
Mobile	9.068 million	8.498 million
Fixed line telephony	1.080 million	1.096 million
Mobile broadband	1.28 million	907,000
Fixed broadband internet	996,000	980,000

About this report

This report is for the financial year ended 31 March 2011. It is our 12th annual report on the social and environmental performance of our wholly owned operations in Australia. Offshore ventures and subsidiaries not included in this report, unless otherwise specified.

In previous years, we published a printed report. This year, we are saving paper and making the full report available as a PDF.

In preparing this report, we have focused on key material issues identified by our Corporate Responsibility Taskforce and used the AccountAbility's AA1000 principles of inclusivity, materiality and responsiveness to stakeholders.

This report summarises the progress we have made against our corporate responsibility commitments.

We welcome your feedback. Please contact sustainability@optus.com.au with any questions you may have.



Global Reporting Initiative

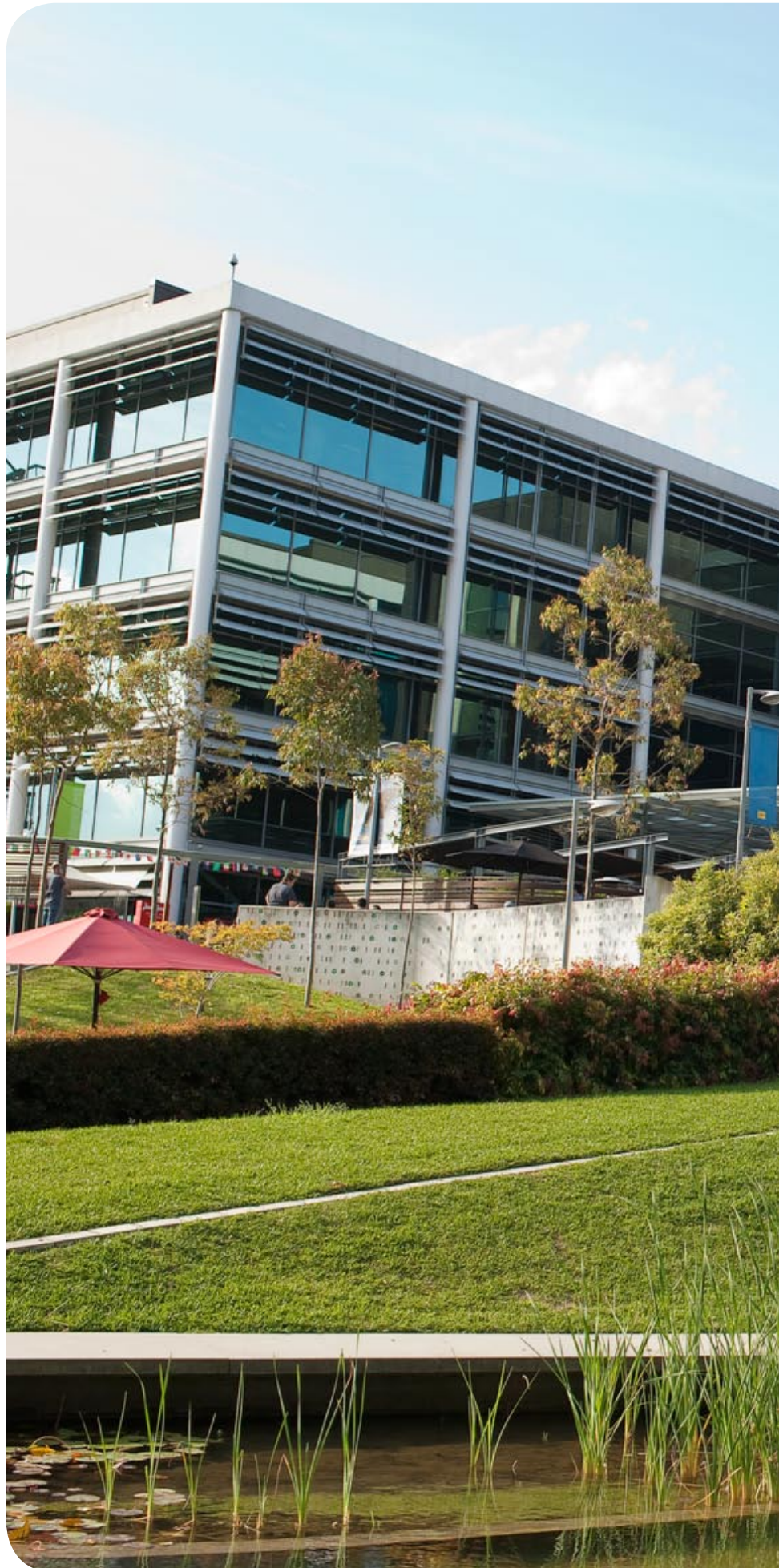
Global Reporting Initiative (GRI) The report applies the Global Reporting Initiative (GRI) G3 Guidelines. Our third party checked GRI application level is A. The GRI Index is on [page 50](#).

This report has not been externally assured. Optus will be moving towards external assurance in the future.



London Benchmarking Group (LBG)


Optus uses the LBG framework to measure and report on our voluntary contributions.





Optus is headquartered at Macquarie Park, New South Wales, Australia.

We are a wholly-owned subsidiary of the Singapore Telecommunications Limited ("SingTel"), which is listed on both the Singapore Exchange (SGX) and the Australian Securities Exchange (ASX).



Message from Paul O'Sullivan Chief Executive

Every day, we help businesses prosper, communities grow, friends catch up, and families stay in touch. What we do makes a difference – these connections promote economic growth, productivity and social inclusion, all vital elements for a sustainable Australia.

This year has brought some stark reminders of how intricately mobile technology has become woven into our lives, and how it's the ability to connect with people that matters most.



In true Optus spirit, we were there to support Queenslanders as they coped with the devastating disasters of Cyclone Yasi and unprecedented flooding. We supplied satellite phones to emergency services, while our people worked tirelessly to fix broken cables and set up portable base stations at relief centres. We distributed 2,000 handsets with mobile credit to enable people to contact their loved ones, and in the following months, we credited thousands of customers' bills as people struggled to rebuild their lives.

Optus people donated generously, with Optus matching donations dollar for dollar. Our contribution to disaster relief in 2010/11 was an outstanding \$1.9 million in cash, donations and in-kind support.

In total this year, we invested \$9.4 million in community programs and activities, with a focus on those that build social inclusion and help reconnect disadvantaged youth. Our partnership with The Smith Family on the mobile student2student pilot program is a great example of how we can use our technology to help in the community. We supplied mobile phones and prepaid credit to 100 students with reading challenges to connect them with other students to improve their literacy development.

We've made some giant leaps forward in our drive to provide telecommunications services to more Australians, investing \$1.1 billion to expand the reach and performance of our fixed, mobile and satellite networks. The Optus Open Network now reaches 97% of the population for both voice and data. This year saw 12 isolated communities gain access to 3G for the first time. We also celebrated 25 years of satellite services and announced plans to launch a tenth satellite in 2013 that will bring even more benefits to customers.

Our ability to innovate underpins our growth and position as a market leader. The launch of a business division dedicated to creating digital products and services is delivering exciting new experiences that we believe will change the way people integrate technology into their everyday lives.

Being a good corporate citizen goes beyond strong business performance. Reducing our environmental footprint is a priority. In the past year, we replaced more than 3,000 air conditioners with energy-efficient fans in mobile base stations nationwide, and moved more customers to online billing, saving 3.2 million sheets of paper.

Looking ahead, we expect to see more rapid but exciting change. We welcome the introduction of the National Broadband Network, provided it supports greater competition, innovation and choice.

The true heart of our business is our people. Our diverse workforce of 10,000 is drawn from more than 70 nationalities. This diversity translates to a more inclusive workplace and a better understanding of our markets and the customers we serve. My thanks go to the whole Optus team for a successful and fulfilling year – together, we've made some amazing things possible.

I invite you to review this report which outlines our activities in detail. I look forward to achieving even more together in the year ahead.

Paul O'Sullivan, Chief Executive



Governance

Optus aspires to the highest standards of corporate governance to ensure long-term success, and enhance corporate performance and accountability.

As the subsidiary of a public company listed on the Singapore and Australian exchanges, we are guided by the SGX Code of Corporate Governance 2005 and the ASX Good Corporate Governance Principles and Recommendations with 2010 amendments released 30 June 2010. Where one exchange has more stringent requirements, these are observed. For further information on our corporate governance, please see the [SingTel Investor Relations Annual Report](#). Our employees are expected to follow SingTel's Code of Conduct, internal corporate governance practices, policy statements and standards. The code provides guidance for employees on upholding the highest standards of integrity when dealing with competitors, customers, suppliers and the community.

It covers conduct in the workplace, business conduct, protection of SingTel's assets, confidentiality, non-solicitation of customers and employees, conflicts of interest and corporate opportunities.

Our Corporate Responsibility Steering Group, led by our CEO, and with representation from senior management, provides strategic guidance for our corporate social responsibility performance.

Engaging our stakeholders

Optus' approach to stakeholder engagement is based on open dialogue with the people and groups who are important to us – and those to whom we are important. We see our major stakeholder groups as customers, communities, employees, government and regulators. The way we engage with each of these stakeholder groups is outlined below.

We have determined our material priorities based on our understanding of our stakeholders' needs.

Some 40 per cent of our people have direct interaction with customers in their day-to-day work. This direct contact is supplemented by customer surveys and the 'We Hear You' website.

We also have a Consumer Liaison Forum (CLF), which meets annually. Members are consumer representatives, whose organisations have an interest in telecommunications issues.

We stay in touch with local communities through a range of channels, including letterbox drops, local newspaper articles and community consultative committees.

Within the business, we run employee roadshows, engagement surveys, workshops, newsletters, and health and wellbeing expos. We also run Optus family days.

We also meet regularly with government representatives and regulators and participate in industry forums.

We welcome your feedback on our Corporate Responsibility Report. Please contact us at sustainability@optus.com.au

Established in 1995, the Consumer Liaison Forum (CLF) provides consumer input into the development of policies and practices to overcome barriers for access and use of telecommunications products and services. Current member organisations are:

- Australian Communications Consumer Action Network
- Australian Financial Counselling and Credit Reform Association
- Blind Citizens Australia
- Deaf Australia
- Deafness Forum of Australia
- Federation of Ethnic Communities' Councils of Australia
- Isolated Children's Parents' Association of Australia
- National Council of Women of Australia.

CURIOUS

ABOUT CONSUMER

Issue 7 March-May 2011



Driving customer experience

Out in the field

[NEXT](#)

Inside



MESSAGE
FROM MIKE

PLUS MORE...

Our People
'yes' Champions
Club

Project Indigo
Improving the
online experience

MWC
First hand look at
Mobile World Congress

'yes'

'Curious' is a quarterly internal newsletter, keeping Optus people informed and engaged.



Our customers

Improving our customer experience

Five years ago, Optus was in the business of delivering a high performing voice service. We were a telephone service company. Today, our business is about providing people with useful, personalised content and services on a range of networks and devices. Optus is changing to connect people in new and dynamic ways.

We see there are five areas that now drive the customer experience as people use telecommunications:

1. The **devices** customers use to access services
2. The **applications** and content customers use
3. The quality of the **networks** that deliver the content and services
4. **Integration** of the customer experience across fixed and mobile networks and all the different devices they use
5. **Customer service** in how customers are billed and their interactions with call centres.

All five areas are changing very quickly, and the rate of change is accelerating. Whilst these changes bring many benefits there is also risk of misuse. This is why we have in place systems for cyber safety, privacy and continue to invest in customer experience systems to improve accessibility.

Devices

In the mid-1990s, the most fashionable mobile phone on the market could only make and receive calls. Two years after it was launched, the big innovation was the ability to send and receive SMS messages – but only to people with the same telecommunications carrier.

Today, a mobile handset also allows you to browse the internet, access applications, watch videos, access email and take high quality photographs. The average smartphone has the computing power of a PC from 2005.

The smartphone is just one device our customers use. They also use tablet computers, wireless game consoles and fixed phones that operate as IP based video conferencing centres. And as these devices become more sophisticated, people want to connect them to each other.

Increasingly, people who ring our call centres are not asking about their account. They are asking how to attach a device to their email, sync it to another device or link to a major content source such as iTunes.

We are the first point of contact for a problem that may relate to the content provider, rather than to Optus, but we usually resolve it anyway. The average mobile technical support call takes 40 per cent longer to resolve today than it did three years ago. We have also had to double the number of people in our mobile technical support teams to deal with more customers and more complex questions.

Applications

Less than four years after the iPhone was launched, it has revolutionised the way Australians use phones.

There are now 300,000 applications available through the Apple iTunes store and 200,000 through the Google Android Marketplace. Optus has 2,500 localised apps in our app store.

As well as consumer apps, we have worked with major business customers to develop apps that help them increase productivity.

Customers want to be able to access their applications and systems anywhere at any time from any device. To meet that need, Optus is developing 'Cloud Services' that host all applications centrally and allow access at any time, whether the customer is using a smartphone, PC or tablet.

Networks

Over the past five years, Optus has invested more than \$AUD2 billion to expand and improve the coverage it offers customers. In 2010, we increased the number of base stations on our 3G network by more than 15 per cent to both expand geographic coverage and to increase capacity to match the growth in data traffic

We are often the first telecommunications carrier to provide coverage in newly developed areas. The 3G dual band network covers up to 97 per cent of the Australian population.

On fixed networks, the major challenge for Australia is to ensure the new National Broadband Network supports full competition among telecommunication providers, rather than creates or perpetuates a monopoly.

Integration

Integration is based on the idea that customers should be able to look at a piece of content, change and store it on one device, say a smartphone, then be able to look at the changed content on their PC, tablet, laptop or television without having to physically move it there. In other words, a change in one device will automatically be replicated in all the others.

Optus has built a platform called 'N-screens' to support this integration and is rolling it out across Australia.

Customer service and billing

The last element of the customer experience is the one that attracts most of the media coverage – customer billing and complaint handling.

The total number of complaints about telecommunications services continues to be a concern. One of the big drivers for the increase in complaints is unexpectedly high bills for smartphone usage.

At Optus, we have invested time and money to bring the rate of complaints down. We:

- Spent over \$AUD250 million upgrading our IT systems to help us better understand our customers and their needs and provide them with high level online functionality
- Commissioned detailed customer research to identify what people like



Optus 'yes' Shops –providing customers with the latest devices .

about their telecommunications provider, what they don't like and what trade-offs they will accept between price and service

- Developed a series of apps which allow customers to look at how their cap allowance is going, how much data they have downloaded and what their latest charges are so they can better manage their accounts.

Key events and initiatives 2010/2011

Network coverage and performance

In the year to 31 March 2011, Optus invested a total of \$AUD1.02 billion in the telecommunications infrastructure that supports its networks.

Our 3G dual band mobile network now covers over 700,000 square kilometres of Australia reaching up to 97 per cent of the Australian population.

Over 500 new base stations were rolled out over the year, bringing dedicated mobile coverage for the first time to a further 14 remote towns.

We extended broadband further into remote and rural areas, receiving around \$AUD617,195 in subsidies from the Australian Government to do so.

We also contributed \$AUD29 million through the Universal Service Obligation arrangements towards the cost of providing standard telephone services, payphones and other services in rural areas.

Focus on digital media

Q&A Austin Bryan, DIRECTOR OPTUS DIGITAL MEDIA



What are the current trends in the telecommunications industry?

Technology step change in the telecommunications industry is driving greater network bandwidth and faster speeds, coupled with the proliferation of mobile devices. Customers are connecting over a wide range

of 'smart' devices such as smartphones and tablets, which is driving a strong take-up for digital services and a greater demand for data.

Increasingly, consumers are using these devices as their email browsers and their internet surfing devices. The use of the mobile phone is moving from the ear to the eye as more people take advantage of the exciting possibilities these powerful devices offer. Increasingly, the only difference between the computer, your mobile phone and your TV, is the size of the screen.

People will continue to be able to perform tasks they never thought they could, such as making mobile payments, checking their health and accessing education services from remote locations – all from their mobile device.

How has this changed the way Optus does business with its customers?

The digital environment is shifting the way our customers transact with us, with more and more consumers everyday choosing to shop, pay their bills and request customer service through digital channels.

Optus is also developing exciting new digital products and services in response to the new ways people want to communicate, collaborate, find information and be entertained. For example, things which we used to do physically are

increasingly being digitised. There are products and services that used to involve shops, DVDs, paper and now these are all being delivered electronically.

A good example is content. The content you once had to be at home or in front of a TV screen to watch, is now delivered to you on a mobile. During the World Cup last year in South Africa, we delivered nearly 400,000 streams of soccer games to Optus mobile phone customers.

This also means that we're focusing heavily on security and protection so that people feel safe in using these types of applications.

How has Optus responded?

As a carrier we can leverage our customer knowledge such as understanding their viewing habits and where they like to go, to create more meaningful and personalised relationships. This provides Optus with an opportunity to offer its 10 million customers access to relevant digital products and services that enable them to better manage their daily life, be entertained and interact with their social communities.

In order to achieve this, Optus is evolving as a digital services provider, which has led to the establishment of the Optus Digital Media division.

Optus Digital Media is a new business division dedicated to creating digital products and services through our internal capabilities as well as technology partnerships. We are developing digital products and services that leverage carriage services across fixed and mobile devices. Our digital portfolio now includes cloud-based services such as online storage and backup, IPTV services and digital content and applications for consumers and businesses.

Our digital services enable consumers to better communicate, find and share information, and be entertained. They offer highly personalised, relevant digital services on any device, giving customers a consistent experience wherever they are. They also enable small businesses to communicate, collaborate and market their business on the go.



New infrastructure installed at Kyalite.

CASE STUDY: WHEN KYALITE WENT MOBILE

In NSW, not far from the border with Victoria, is a small town called Kyalite. With a population of just over 100 people, it is predominantly a wheat farming community.

Until Optus arrived there in October 2010, Kyalite did not have a dedicated mobile service – landlines were the main form of communication.

Now that we have coverage it has made the day to day running of our business a lot easier.

Farmers are business people and without adequate mobile phone coverage they are at a competitive disadvantage, possibly missing out on information on contracts, or other commercial opportunities. By installing new infrastructure in Kyalite and surrounding towns, Optus filled a gap in its network and brought competitive coverage to the locality. It has, stated one local, made the day-to-day running of their business a lot easier.

Kyalite is just one of 12 isolated communities to benefit from our continued 3G network roll-out in 2010/2011.

Satellite

In March 2011, Optus announced it would deploy another satellite, Optus 10, in 2013. Optus 10 will deliver customers the flexibility to provide high quality broadcast services to households, and two-way voice and data communication services to areas in and around Australia.

Optus 10 will be built in Palo Alto, California by Space Systems/Loral, which delivers spacecraft for direct-to-home television, digital audio radio, broadband Internet, digital multimedia broadcasting and other services.

Access to communications

Optus has a Disability Action Plan and a Cultural and Linguistic Diversity Policy to guide our approach to ensuring as many people as possible can access our services and the employment opportunities we offer.

During 2010/11, Optus has been working with the Federal Government and other telecommunication service providers on plans to implement the Government's promise to enable hearing impaired people to contact emergency services using SMS to 106. Optus provides disability aids such as teletypewriters, large button and

volume control handsets. Information for customers who have speech and/or hearing impairments is readily available.

For customers with vision impairment, Optus also provides large font and Braille bills for a number of products, and is working to extend this service further.

Optus' Cultural and Linguistic Diversity Policy focuses on four areas:

- Corporate culture
- Marketing activities
- Employment practices, and
- Interaction with the community.

In removing communication barriers for people from diverse cultural and linguistic backgrounds, benefits for many others are also achieved. Providing written communications in plain and simple English, for example, will assist people with lower literacy levels or for whom English is not their first language.

Recruitment processes that take diverse cultural requirements into account ensure Optus benefits from the broad range of knowledge and experience that people from diverse cultures bring to the company.

For more information, please see optus.com.au/disability and optus.com.au/diversity

CASE STUDY:
**RECONNECTING
COMMUNITIES AFTER
NATURAL DISASTERS**

“Many of our people worked continuously over several days and nights, often in difficult and remote situations”

When floods hit Queensland in January 2011, the Lockyer Valley was one of the worst affected areas with the death toll rising as the waters surged.

Optus was the first telecommunications provider to restore services to the Lockyer Valley. Our people visited over 1,500 homes and businesses to restore services and handed out some 2,000 handsets and prepaid SIM cards, to ensure people could get in contact with their loved ones. In every area hit by the disasters, Optus responded quickly, providing customers extended payment periods, waiving fees and diverting calls from fixed line services to mobiles free of charge. We responded to around 2,300 requests for assistance with customers' bills.

The Lockyer Valley was just one of the tests Optus faced in restoring services as Australia suffered a series of summer floods in Queensland, northern NSW and Victoria, and Cyclone Yasi in northern Queensland.

The disasters happened in quick succession. We used trailer-based temporary mobile base stations, satellite transmission equipment and portable power generators to restore services as quickly as possible. The mobile base stations allowed residents with mobile phones to speak to emergency services. Residents were also able to speak to loved ones and update their status through social media. Many of our people worked continuously over several days and nights, often in difficult and remote situations.





Improving the customer experience

Customer experience is the number one pillar of the corporate strategy, and we are working to instil a customer-centric mindset across our entire organisation. More than 40 per cent of our people speak with our customers on a day-to-day basis but there are many non-customer facing people who support them. We have given all these people the opportunity to interact with our customers through the 'Back to the Floor' program. To date 2,200 of our people have participated.

In 2010/11 we continue to roll-out our rigorous customer experience transformation process consisting of three key steps:

- Customer research to identify what 'moves the needle' and current 'pain-points'
- Setting operational metrics and targets based on customer insight
- Launching SingTel Optus Lean projects to fix major performance issues.

We have defined and have rolled out a culture change program to reinforce the right behaviours of an organisation that puts the customer first, which we call 'ME WE'. Optus people are empowered to make decisions that help customers quickly – which has helped improve 'first call'

resolution of issues at our call centres. Our people have also moved out of call centres and into proactively surfing blogs and intervening in real time to resolve customer complaints.

Investments in technology at Optus also help us improve the customer experience. To date we have spent over \$AUD250 million upgrading our IT systems to help us better understand our customers and their needs and to provide them with high level online functionality. We have developed a series of apps which allow customers to look at how their cap allowance is going, how much data they have downloaded, and what their latest charges are, so they can better manage their accounts.

Optus conducts a number of different customer survey programs to gauge customer satisfaction (and dissatisfaction) as well as for product and market research purposes in the consumer market. The Optus 'Yes-Meter' customer survey is the overarching customer satisfaction research program across the organisation, with other complementary customer research studies conducted for more specific qualitative and/or quantitative purposes. These programs play a key role in ensuring customers guide and inform the Optus strategy, decisions and investments, ensuring customer satisfaction remains at the core of business and that a positive customer experience continues to be a differentiator for Optus in the market.

Whilst we strive to continually deliver a superior customer experience, across our industry the volume of customer complaints remains an issue. The Telecommunications Industry Ombudsman (TIO) records complaints against all telecommunications companies. In the four years to 2009 complaints about Optus to the TIO almost doubled, but the increase has flattened to 2 per cent from July 2009 to June 2010. This is a decline when measured on per 10,000 customer basis. Since peaking at a rate of almost four complaints per 10,000 subscribers in year to June 2009, 12 months later our complaints were tracking at less than three complaints per 10,000. Billing and payments continues to be the issue about which we receive the most complaints.

Complaints against Optus made to the Telecommunications Ombudsman

Year	Number*	% increase
2007	17,656	
2008	22,923	23
2009	31,210	27
2010	31,855	2

*Figures are for the twelve month period July to June.

Customer hardship

Optus runs a financial hardship program to support customers who are having trouble paying their bills. We work with eligible customers, offering a range of assistance including extended payment timeframes and appropriate access to ongoing services.

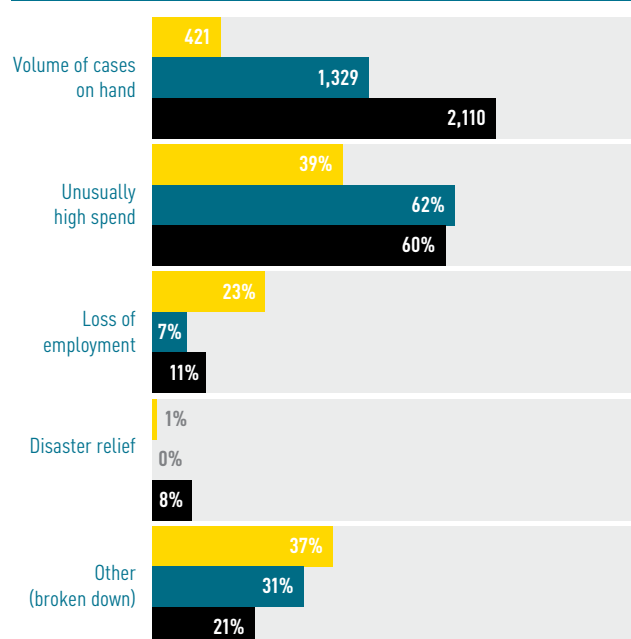
There was a 64 per cent jump in 2010/11 in the number of people making use of the hardship service. One reason for this was better training and systems that ensured Optus employees had a better understanding of who was eligible for assistance.

However, the biggest continuing driver for the increase was 'unusually high spend' – in particular by customers with smartphones exceeding the data allowances on their service plans. Other reasons were:

- The impact of natural disasters, including Cyclone Yasi and the floods in Queensland and Victoria
- Higher interest rates as a result of Reserve Bank decisions
- Loss of employment and reduced hours of work.

Reasons for hardship referral

March 09 March 10 March 11



Contributing to public policy

During the reporting period, Optus' liaised with Government and industry stakeholders on a range of public policy matters, including:

- The Government's development of a national Australian Consumer Law Regulations regarding the provision of internet and mobile content
- The Government's introduction of new obligations regarding (component) price advertising
- Spectrum policy issues
- Review of satellite and space policy issues
- Regulatory issues associated with the deployment of mobile base stations
- Effective use of taxpayer funding

and design of rural and regional telecommunication programs

- The role and potential of the National Broadband Network
- Use of Government procurement practices to support development of a competitive telecommunications environment
- Regulatory issues around the Australian Broadband Guarantee
- Internet content filtering
- Requirements for identity checking of purchasers of pre-paid mobile products
- A review of emergency call service arrangements
- eSecurity (online security) issues
- Development and review of industry codes of practice
- International mobile roaming (Trans-Tasman market)
- Review of the Privacy Act

- ACCC reviews of access pricing for regulated wholesale services
- ACMA enquiry into privacy protections amongst within the telco sector.
- ACMA public inquiry into customer service and complaints handling in the telco sector
- Universal Service Obligation policy.

Optus, in line with many other organisations, makes donations to political parties. In the interests of fairness, Optus makes every attempt to ensure equal donations are made to the two main political parties.

Donations which exceed the current threshold of \$AUD11,500, are on an annual basis disclosed to the Australian Electoral Commission through which they are available to the public.

Regulatory Compliance

Optus is regulated by a number of government agencies including the Australian Communications and Media Authority (ACMA). This agency works with the electronic media industry to respond to community standards and respond to audience and user needs.

The Australian Communications and Media Authority (ACMA) is the key telecommunications industry regulator.

In August, the ACMA issued Optus with a formal Direction to comply with the Mobile Premium Services (MPS) Code after finding that Optus had breached three advertising-related Code clauses in August 2009. The breaches related to an advertisement containing the Optus "store finder" service not providing pricing or customer care information in a clear and prominent manner as required under the MPS Code.

Receiving a Direction to Comply is a serious matter – non-compliance with a Direction can expose Optus to court action with potentially heavy financial penalties.

The ACMA undertook two compliance audits of Optus in 2010/11. The first was to ensure compliance with sections of the Telecommunications Consumer Protections (TCP) Code relating to the provision of information to customers about disability services and equipment. The second related to our compliance with the Integrated Public Number Database (IPND) data quality specifications. IPND is the national repository of telephone numbers and associated address data. It is primarily used for emergency services dispatch and public number directories.

The ACMA was satisfied with Optus' compliance with the Code rules audited.

Responsible advertising and marketing

As telecommunications becomes more complex, customers expect sound advice to help them choose the products and services that best meet their needs and budgets. Optus employees are required to undertake annual online training on consumer protection obligations to promote fair, competitive and informed consumer choices.

Optus takes its obligation not to mislead consumers seriously, and takes care to ensure all marketing and advertising campaigns are carried out in accordance with the law. However, during the year the Federal Court found that Optus engaged in misleading and deceptive conduct when it advertised broadband plans as 'unlimited' when the plans had usage limits.

Before the judgments, Optus had already amended its advertising to address the issues raised by the regulator. We were disappointed the court considered we had contravened the law, but we used the opportunity to undertake a thorough review of staff awareness, training and marketing sign-off processes and to implement process improvements where gaps were identified.

In 2010 Optus became a signatory to the Telecommunications Consumer Protections (TCP) Code, and is currently the only provider to be a signatory to this Code. The TCP Code includes obligations on sales and advertising, customer contracts, customer transfer, complaint handling, billing and credit management.

Optus is also subject to a self-regulatory regime, coordinated by the Communications Alliance, the telecommunications industry association. Furthermore, all mass market telecommunications services are made available through Standard Forms of Agreement to help ensure clarity of our product offer for our customers.

Advertising and Optus

Since 1999, we have featured animals in our advertising. Today our brand positioning is: Anything is Possible – and over time we have evolved the much loved and highly recognised animals to help build the Optus brand to the strength that it has today.

Optus often uses digital technology to portray animals used in our advertising and on occasions that we do use live animals, we adhere to the New South Wales Department of Primary Industry Code of Practice for the Welfare of Animals in Films and Theatrical performances. This Code is a standard which establishes guidelines for the use of animals. Where live animals have been used, we support the facilities and research bodies that are managing their care through financial contributions.

In addition, Optus also has a long history of supporting endangered animals and their natural habitats. Our long standing partnership with Australian Wildlife Conservancy (AWC) helps conserve and protect many endangered Australian species to ensure future generations can enjoy them. Our partnership helps fund key projects and raise public awareness of animals that are under threat of extinction. Together with AWC, we have made a real difference to the protection of these animals.

In early 2011 the Advertising Standards Board received complaints about an advertisement which aired during the Australian Open Tennis. The advertisement featured computer-generated crocodiles playing tennis using their tails as racquets and a sugar glider possum as a ball. The Board ruled that the television advertisement did not depict cruelty to animals and thus complied with Australian Association of National Advertisers Advertiser Code of Ethics.

Cyber safety

The internet brings with it many benefits to all Australians; their use of media permits them to gain and share knowledge in a variety of new and engaging ways. These advantages are accompanied by exposure to a range of potential dangers including cyber bullying, inappropriate social and health environments, identity theft and breaches of privacy. Optus is committed to ensuring the security cyber safety for all our customers. In 2010/2011 we worked with our community partner, Kids Helpline, to develop an educational campaign to address cyber bullying. The program will be rolled out in 2011.



Optus participates in the Internet Industry Association's Family Friendly ISP program and complies with the IIA Codes of Practice. The Internet Industry Association's Codes of Practice are registered with and monitored by the Australian Communications and Media Authority (ACMA). Our customers can access an IIA approved internet content filter.



We also comply with the IIA's iCode, a voluntary industry Code that deals with cyber-security matters. The Code requires Optus to take certain steps to protect its customers from cyber-security risks, and to provide information on how customers can protect themselves from such risks.

Customer privacy

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

We have a range of measures in place to ensure we meet our responsibilities to protect personal information. These include ensuring all people are regularly trained on privacy, active information security protection and monitoring, and internal

codes of conduct. We also accept and respect requests for individuals (including, but not limited to, our customers) not to have their personal information used for direct marketing purposes.

Health and safety of our customers

Electromagnetic radiation (EME) naturally occurs in the environment. It is also created whenever an electrical appliance is connected to the mains supply. Radio communications, such as mobile phone and wireless broadband utilise EME in the radio part of the spectrum. There has been extensive research into the potential health impacts of EME, and as an industry, we have collectively provided approximately \$AUD9 million over 10 years, for research into the health impacts of EME, with Optus contributing approximately 20 per cent of this amount. This funding is managed at arms-length from industry by the NHMRC (National Health and Medical Research Council). A key direction of the funding was to establish and maintain the Australian Centre for Radiofrequency Bioeffects Research (ACRBR), a Cooperative Research Centre (CRC) based at Swinburne University in Melbourne.

The Australian Government has adopted internationally-recognised safety guidelines developed by the International Commission for Non-Ionising Radiation Protection (ICNIRP). Optus complies with these health standards. Handsets released to the market must comply with government standards, and our mobile phone towers are built to comply with Australian law. In addition, we have developed educational materials to inform our customers about EME. We also comply with the industry code of practice for deployment of mobile phone transmitting facilities.

Many Optus services can facilitate improved health outcomes for customers. For example, SMS reminders can be sent to patients about upcoming doctors' appointments. Broadband access can provide alternative methods of diagnosis and suggestions for treatment, particularly in remote areas.

KEY PERFORMANCE INDICATORS

Priority	Indicator	Unit	07/08	08/09	09/10	10/11
Invest and develop networks	Investment and development of networks Amount invested in capital expenditure	Billions	1.00	1.04	1.05	1.02
Network reach	Australia's population covered by Optus dual band mobile 3G network	Percentage	96%	96%	96%	Percentage up to 97%

ACHIEVEMENTS IN 2010/11

CUSTOMER SAFETY

- Reviewed EME arrangements at 80 sites to ensure compliance with the code of practice and the safety of our customers. Three sites were independently measured for EME output levels.

INVESTMENT AND DEVELOPMENT OF NETWORKS

- Rolled out our 3G dual-band mobile network to reach 97 per cent of the Australian population.
- Invested approximately \$AUD1.102 billion in developing infrastructure.
- Assisted communities in Queensland Victoria affected by natural disasters. We supported fundraising initiatives to help those affected by the earthquakes in New Zealand and Japan.

CUSTOMER SATISFACTION

- Achieved an 87.7 per cent Voice of the Customer score

TARGETS FOR 2011/12

CUSTOMER SERVICE

- Achieve 'yes' Optus meter target of 7.7 per cent for customer experience.

CUSTOMER SAFETY

- Review EME arrangements at 20 sites to ensure compliance with the code of practice and the safety of our customers.



Our people

Our diverse workforce enables us to meet the demands of our diverse customer base. We work hard to recruit and retain the right people to help us keep pace with the changing needs of our business and our customers.

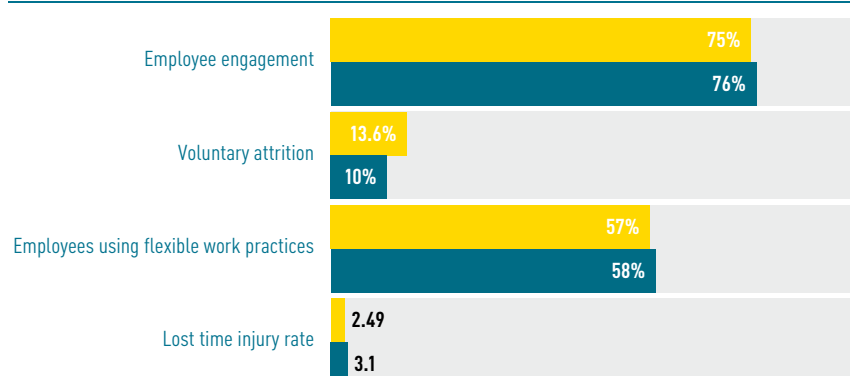
This involves ensuring we offer:

- A positive workplace culture based on our values
- Reward and recognition programs that motivate people to reach their full potential
- Career and individual development programs that nurture and grow our talent
- Flexible working options that appeal to a diverse range of talent
- Continuous improvement in occupational health and safety, and
- Health and wellbeing programs.

We measure our success through a number of key indicators, including employee engagement, turnover (voluntary attrition), proportion of employees taking advantage of flexible working practices, workplace diversity and workplace safety statistics.

In 2010/11, we employed 10,090 full-time equivalent employees at Optus, our subsidiaries and Optus-owned 'yes' stores. Our workforce is comprised of 91.5 per cent full time employees, 6.1 per cent part time and the small remainder were casuals. Sixty eight per cent of our employees are covered by our collective bargaining agreement, the Employee Partnership Agreement (EPA).

People Metrics





Our culture

Optus has five entrenched values that are the cornerstone of our company – Challenger Spirit, Personal Excellence, Teamwork, Customer Focus and Integrity.

To support our values, in 2010/11 we continued our journey to become a true customer-centric organisation by focusing our people on three key behaviours – Accountability, Empowerment and Collaboration. Known as 'ME WE', our cultural change program encourages individuals to be accountable for their actions, for teams to collaborate and for our people to be empowered to deliver outstanding customer experience.

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

In August 2010, more than 1,600 people leaders from across the company took part in our 'ME WE' training workshop to understand our culture, our customer experience strategy, and their role in cultural change. The day focused on understanding, our customer experience strategy, and their role as a leader in championing this cultural shift in behaviours and focus on excelling in customer experience. The day focused on the cultural change we are seeking to embed across the company, and engaging our leaders to champion this cultural shift.

Along with 'ME WE', a range of initiatives were launched including the Optus Online Jam, which provided Optus people with the opportunity to contribute ideas for improving the customer experience. Four hundred and forty suggestions were submitted, and all employees were invited to vote for their favourites. Around 2,500 employees – 1 in 4 – participated, casting 7,800 votes. As a result of the Online Jam, Optus is now developing 34 projects to improve the way we do business.

The 'ME WE' program also supported Back to the Floor, an initiative which links people who do not deal directly with external

customers in their day-to-day work with our customer-facing employees in call centres, retail stores and out at our customers' homes and businesses. In 2010/11, Back to the Floor consisted of 42 different activities, and over 1,000 employees took part. In a survey following this initiative, 82 per cent of participating employees agreed or strongly agreed they now had a better understanding of how their role influenced the customer experience.

'Your Say' – Employee survey



In 2010, 87 per cent of our employees took part in 'Your Say', our annual employee engagement survey. This participation

rate is considered best practice and is the same figure recorded in the previous year's survey.

The outcomes of the 2009 survey fed into our focus on five areas in 2010: Customer Focus & Competition, Working Relationships, Learning and Career Development, Reward and Recognition, and Leadership. Around 600 initiatives were identified in action plans across each business unit and examples of corporate level initiatives that were successfully rolled out include the creation of feedback channels such as the Optus Blog and the "live" Customer Experience Pulse, facilitating Lunch and Learn sessions for leaders and employees and enhancing our employee Reward and Recognition program 'Reward Yes'. Positive feedback was received in the 2010 survey in relation to these initiatives.

The 2010 survey produced an overall engagement score of 75 per cent, one percentage point down from the year before. Optus' result is slightly above the Global Telecommunication Norm of 74. The Australian National Norm is 76.

Notable results from the survey included:

- Increased score across three categories: Customer Focus and Competition (+2); Corporate Social Responsibility (+2); and Performance Management (+1)
- The scores remained neutral across four categories: Values and Objectives; Immediate Manager/Supervision;

Empowerment and Innovation; and Work Environment

- The scores for learning and career development and working relationships decreased by 1 point
- There was a decline of two points for leadership and reward and recognition.

Drawing on the results of our 2010 'Your Say' survey, Optus has developed targeted actions on customer focus, working relationships, reward and recognition, learning and career development. There are a number of initiatives within these four categories. These range from increasing the availability of Optus' online collaboration tools and launching Career Month across the company, to reviewing our employee benefits and improving access to our products, by making more discounts available to our people.

Flexible working arrangements

As a leading Australian employer, Optus understands the importance of attracting and retaining the best people. Optus recognises our people want to create a healthy balance between their work and external responsibilities.

We are committed to developing and maintaining a workplace and culture which encourages flexibility and supports the diverse nature of our people. Flexible working options at Optus include part-time hours, job sharing, telecommuting, family friendly provisions and flexible leave. In 2010/11, 57 per cent of our people were using a form of flexible work.

We also provide on-site child care at our Sydney site, along with free access to fixed or mobile broadband to help our people take advantage of more flexible work arrangements.

To add to our offering of flexible work initiatives, in 2011 we introduced Phased Retirement, an initiative that enables mature-aged employees to continue participating in the workforce and 'ease in' to retirement, by reducing the number of hours they work (part-time work), or adopting other flexible working arrangements, with the agreement of the employee's manager.



Internal poster, announcing Optus 'Back to the Floor'.

We also refreshed our Career Break Leave policy, another flexible work option that allows employees to take extended unpaid leave for the purposes of balancing their life and work needs, whether those needs are family related (e.g. caring for elderly family members, 'grandparents' leave), for travel, for study, or for other purposes.

Developing our people

Our career and development philosophy encourages individuals to drive and manage their own career and development, with Optus providing the necessary supporting tools and infrastructure.

Our Career Framework uses the 3P's of Career Management – 'Prepare, Plan and Perform', and our career coaches use this framework to help guide discussions with our people. In determining the best type of developmental activity, we encourage a holistic approach that ensures an individual's learning can be directly applied to their daily role. The most effective way to learn and develop new skills, knowledge or behaviour is to apply it on-the-job, with real time interactions and situations.

Our development philosophy is built upon the '70/20/10' formula. When selecting a development activity, individuals consider which element or combination (70/20/10)

will provide them with the best solution to meet their preferred learning style and provide an opportunity to apply learnings in their day-to-day role.

Seventy per cent of development planning should include activities that are 'Experience based' i.e. develop skills through day-to-day activities and special projects or assignments. Examples include job shadowing, job rotations or secondments, field visits, research projects, or participating in online discussion forums or wikis.

Twenty per cent of development planning should include activities that are 'Relationship based' i.e., that involve

building or establishing relationships with subject matter experts or leadership role models. Examples include mentoring or coaching relationships, industry network forums, volunteer work and setting up community of interests.

Ten per cent of development planning should consider 'Education based' activities that develop skills, knowledge or behaviour through formalised training or education.

Decisions on learning and development are discussed formally twice a year with our people, as part of our performance and development review process.

Optus also has a large number of career and development initiatives known as 'My Career Choices'. These are targeted at different levels of professional development, to enable our people to achieve their personal and professional career goals, and include:

- Career coaching clinics
- Interview skills workshops
- Twice yearly professional development reviews for all employees
- Cross-functional opportunities
- Formal online and classroom training initiatives.

On average, an Optus employee undertakes 7.31 hours of training per year. In 2010/11, we offered 88 separate training programs

for employees, with 15 specifically targeting leadership and development.

One hundred per cent of our business units are analysed for risks relating to corruption. We have in place a combination of tools to ensure our risks are managed, and to help raise awareness and prevent risks relating to fraud and corruption. These include online fraud awareness training for managers, requiring them to analyse their risks and controls, the whistleblower hotline, extensive internal audit controls, and internet and email risk scans.

Reward and recognition

At Optus, regular employee performance feedback is delivered through our Performance and Development Review process. This process provides our people with feedback on their achievements against objectives and seeks to measure individual performance, both at a behavioural and job requirement level. Reviews are held twice a year. Individuals are rewarded for their performance through annual salary reviews and an annual incentive scheme which is offered to all our people.

We also have a company-wide reward and recognition program known as 'Reward 'yes'. This program recognises great performances from our people. The program

culminates in an annual Gala Dinner for finalists.

In addition to our remuneration and reward programs, we provide a range of benefits to our permanent Optus employees, including free or discounted Optus products, Paid Parental Leave, Employee Assistance Programs, flexible leave, salary packaging options, salary continuance insurance and discounts from leading brands.

Valuing diversity

In 2010/11, we renewed our Diversity strategy and began investigating a range of initiatives in support.

The Optus Diversity program is committed to supporting the different cultures and lifestyles of our people by:

- Increasing the representation of females in senior roles at Optus
- Promoting opportunities and a work environment that meets the needs of people with a disability
- Exploring opportunities to make the Optus work environment more inclusive and representative of the broader community
- Recognising and promoting diversity activities in all aspects of the community to build an even more dynamic and diverse workforce.

Q&A Vaughan Paul, HR DIRECTOR



Why is diversity important to Optus?

The diversity of our people has always been our strength at Optus – it's one of the things that make this company such a great place to work, but it's also smart business. At Optus we're a great reflection of our community.

Our people come from a wide

variety of backgrounds. Each has their own unique skills and experiences that we can share and learn from. A diverse workforce not only opens up a much broader pool of potential employees, and drives innovative thinking – it also helps us reflect our customer base. If we don't look like the community around us then we have no chance of seizing the leadership position.

How diverse is the Optus workforce?

Our workplace is made up of over 70 different nationalities from countries right around the world. Optus people come from Zimbabwe, China, Sri Lanka, Britain, Lebanon and so on. Our average age is 38 years. One third of our workforce is female, however women currently account for only 16 per cent of our executive. We acknowledge that increasing female participation in senior roles at Optus is one of our key challenges.

What initiatives does Optus have in place to ensure workforce diversity continues to grow?

The Optus diversity strategy is about supporting the different cultures and lifestyles of our people and throughout 2010/11 we participated in a wide range of events. We also launched a phased retirement initiative, ran parental leave seminars and provided onsite childcare facilities at our head office in Macquarie Park. Throughout 2011/12, we will continue to implement initiatives to support our Diversity strategy and enhance and embrace the diversity of our workforce at Optus.

In 2010/11 we participated in diversity activities including the Mardi Gras, a Taste of Harmony Celebrations, International Women's Day lunches, and Women in Multinationals forums. In the coming year we will continue to build on these initiatives to deliver on our Diversity strategy commitments.

In addition to our Diversity strategy, our people, including senior management, participate in regular equal opportunity and anti-discrimination training. Through such activity, along with delivery of our new diversity strategy, we aim to promote an inclusive workplace culture that is supportive of all forms of diversity.

Health & Safety – Our focus your wellbeing

The Optus Occupational Health and Safety (OH&S) Management system adopts a continuous improvement philosophy for all key elements of the system.

We believe all work-related injuries and illnesses are preventable. As such, we set an objective to achieve zero workplace injuries and have interim reduction targets that are revised annually to make sure we are on track.

Our health and safety program is led by our Safety and Environment Leadership Council. Optus is certified to the Australian and New Zealand OH&S Management Standard AS/NZ 4801:2001 and regularly participates in internal and external audits. Through these activities Optus meets the self-insurer licensing requirements set by Comcare, the Federal Australian Government Agency responsible for workplace safety, rehabilitation and compensation.

Our health and wellbeing initiatives include family days, health expos, flu vaccinations, our Employee Assistance Program (EAP), our executive medical program, corporate sporting programs, our onsite gym, 'Taking care of me' seminars, Weight Watchers, and Blood donation program.

CASE STUDY: HARMONY DAY AND A TASTE OF HARMONY

To celebrate the diversity in our Optus community, Optus celebrated Harmony Day and A Taste of Harmony in March 2011 at our Macquarie Park campus with a host of activities including a cultural performance day, Chinese calligraphy workshops, cooking demonstrations and roving international musicians. Employees were also invited to create a world map depicting their country of origin while international flags adorned the campus throughout the week.

Retailers on campus also participated in the festivities, offering meals from different countries so that employees could enjoy the taste as well as the sights and sounds of diverse cultures.



Celebrating our success – Optus 2010 WINNER Martin Seligman Award for Health & Wellbeing

In 2010, we were named the winner of the Australian Human Resources Institute – Martin Seligman Award for Health & Wellbeing. The award recognises Optus' outstanding initiatives and strategies in promoting the health and wellbeing of employees in the workplace.



We use two key measures to track workplace injuries: Lost Time Injury Rate and Lost Time Severity Rate. In 2010/11 we reduced our Lost Time Injury Rate by 19 per cent to achieve a rate of 2.49 and we maintained our Lost Time Severity Rate of 13.2.

In 2010/11 we also met and improved all the Safety Rehabilitation and Compensation Commission Indicator targets for our Self Insurance Licence.

Our strategy for driving performance in occupational health, safety and wellbeing in 2011/12 will continue to include:

- Providing visible leadership through our Safety and Environment Leadership Council
- Partnering more closely with business units and Optus subsidiaries
- Providing more tools and programs to encourage the health and wellbeing of our people
- Continuing to drive our self-insurance licence and meet all conditions and targets
- Reviewing and implementing the Model OH&S Act and preparing for legislative changes.

KEY PERFORMANCE INDICATORS

Priority	Indicator	Unit	07/08	08/09	09/10	10/11
Workforce	Full Time Equivalent Heads	People	10,679	9,525	10,394	10,329
	By gender	Percentage (%)				
	Male		66	66	66	66
	Female		34	34	34	34
	By employment type	Percentage (%)				
	Full-time		93	93	93	91.5
	Part-time		5	5	6	6.1
	Casual		2	2	1	2.3
	By age group	Percentage (%)				
	16-29		39	16	24	24
	30-49		44	63	63	63
	50+		17	21	13	13
Turnover	Voluntary attrition	Percentage (%)	16	14	10	13.6
		Male	-	-	-	13.1
		Female	-	-	-	14.6
		<35	-	-	-	19%
		36-59	-	-	-	9%
		60+	-	-	-	9%
Equality	Ratio of basic salary men to women	Ratio	1.0 : 0.96	1.0 : 0.96	1.0 : 0.96	1.0 : 0.97
	Females in executive positions	Percentage (%)	15	16	16	17
	Claims for discrimination	Number	3	1	0	0
Flexible working	Employees utilising flexible working arrangements	Percentage (%)	-	38	58	57
Employee surveys	Participation in employee satisfaction survey	Percentage (%)	84	85	87	87
Collective bargaining agreement	Coverage of the Employee Partnership Agreement (EPA).	Percentage (%)	75	70	70	68
Workplace injuries	Lost Time Severity Rate	Rate	16.5	14.3	13.2	13.2
	Lost Time Injury Rate	Rate	4.9	4.5	3.1	2.49
OHS Consultative process	Coverage of OH&S consultative framework through our HSMA	Percentage (%)	100	100	100	100

ACHIEVEMENTS IN 2010/11

OCCUPATIONAL HEALTH AND SAFETY

- ✓ Our Lost Time Injury Rate for 2010/11 is 2.49 compared to 3.1 for 2009/10 achieving a 19per cent reduction
- ✓ Our Lost Time Severity Rate for 2010/11 is 13.2 2011 which is the same as for 2009/10
- ✓ Successfully received Occupational Health and Safety Management System (OHSMS) certification against AS/NZS4801
- ✓ Achieved and bettered Comcare (CI) targets for 2010/11.

HEALTH AND WELL BEING

- ✓ Under the banner of "Taking Care of Me", a range of health seminars were made available including topics such as: how to relax and stop stressing, sleep well, work/life balance, healthy eating on the run.
- ✓ Club Red registration completed in 2010 and blood donation centres in all states promoted on intranet. Mobile blood donation bus made available at Optus Centre Sydney.
- ✓ Our Health & Benefits Expos and sporting programs nationally continued in 2010/11. The Optus Family Day was reintroduced.

EMPLOYMENT MANAGEMENT ARRANGEMENTS

- ✓ We reviewed our employment offering with the aim to ensure our overall employee experience is comparable with best practice.

EMPLOYEE ENGAGEMENT

- ✓ Optus engagement score remained steady, at one percentage point below the 2010 score.

TARGETS FOR 2011/12

OCCUPATIONAL HEALTH AND SAFETY

- Continue to reduce our Lost Time Injury Rate for 2011-12
- Continue to reduce our Lost Time Severity Rate for 2011-12
- Maintain AS/NZS4801 certification and OHS Accreditation through our OHS auditing programs
- Model OHS Act Planning and Self Insurance Licence maintenance.

HEALTH AND WELL BEING

- Expand "Taking Care of Me" seminars across multiple sites.
- Continue Club Red and blood donations program nationally.
- Continue to run Health & Benefits Expos and sporting programs and Optus Family Day.

EMPLOYMENT MANAGEMENT ARRANGEMENTS

- Continue to review our employee experience offerings throughout 2011/12 and plan for Employee Partnership Agreement renewal in 2012.

EMPLOYEE ENGAGEMENT

- Achieve a 2 percentage point increase in employee engagement.



Our environment

We recognise the environmental impact we make due to the continued growth and expansion of our networks.

Our environmental policy and management systems ensure we control and manage these impacts with our key areas of focus including energy use and associated emissions, material use and waste, and supply chain management.

The Optus Environmental Policy commits us to:

- Establishing and maintaining the necessary processes and practices to comply with environmental laws
- Minimising pollution of the environment from our operations
- Minimising the waste we produce.

As a telecommunications company, we understand the environmental benefits that telecommunications technologies can deliver. All Optus staff are encouraged to use telepresence and videoconference facilities rather than travel to meetings and other work appointments.

Operating more efficiently

In 2010/11, we focused on developing systems and processes for improved data capture that will allow us to make future reductions in electricity consumption, a key aspect of our environmental footprint, and our largest source of greenhouse gas emissions.

There were some successful initiatives that reduced our energy use, but overall electricity consumption increased from 292,468 MWh in 2008/9 to 317,101MWh in 2009/10. Figures for both years include estimated amounts for some un-metered consumption.

We report energy consumption and greenhouse gas production under the Australia's National Energy and Greenhouse Reporting Act 2007 (Cth). The reporting period under the Act runs from July to June. At the time of writing, data collation for the period July 2010 to June 2011 had not yet been completed.

Electricity consumption at Optus increases as we expand our networks, and as traffic through our data centres grows. In recent years, we have developed systems that give us more accurate consumption figures on most elements of our network, however there are further improvements we need to undertake to gain improved management insight in our energy consumption.

In 2010/11 we began to focus on further refining these systems. For example, we can now track electricity use within telephone exchanges, but would like to be able to pinpoint use in individual areas and equipment within each exchange. This detailed data would, for example, enable us to target air conditioning at high heat generating locations within the exchange, reducing the need for general cooling. The 2010/11 year saw the continued rollout of two energy efficiency initiatives at a number of Optus exchanges around Australia:

- In 14 exchanges, changes in the way air conditioning units work has allowed us to increase the temperature setting from 21 to 23 degrees celsius. In these exchanges, we installed flexible piping to ensure chilled air from the air conditioning system was delivered directly to the equipment it was designed to keep cool. Previously, the chilled air was blown out at the top of the exchange building although the equipment was at the

Pictured above: Minimising impact on Littoral rainforest by co-locating Optus cable with existing services.

Q&A **Sam Buric,**
NATIONAL FACILITIES MANAGER



What are the challenges for Optus in its goal to reduce the environmental impact of its operations?

Although we have been managing energy usage in a variety of ways, this has not been coordinated across all services, nor across all locations we service. Because we

work in such diverse environments, often we need to develop local solutions to local issues.

What initiatives is Optus delivering to reduce its own footprint?

We are always looking for ways of reducing our footprint and reducing our exposure to climate change, from best practice waste management at our head office at Macquarie Park, to replacing over 3,000 air conditioners with energy efficient fans in mobile phone base stations. Recently, we brought all the energy using parts of the business together to develop a more coordinated and holistic strategy for energy savings. Our procurement, engineering design and construction, IT, and operations and maintenance teams have all been involved. With greater visibility of activities, we are in a better position to prioritise actions and implement improved standards that

will reduce long-term operational costs. For example, we now analyse our equipment purchases based on whole of life costs and not just the purchase price. This initiative has already delivered savings at Optus. The potential for further improvements is enormous.

We have considered the physical impact on our infrastructure in the event of rapid climate change and increased incidence of extreme weather events. We have also assessed the potential impact of a carbon price on our business, based on a number of pricing scenarios.

How is Optus encouraging others to improve their environmental performance?

Telecommunications can help individuals reduce their carbon footprint. Broadband teleconferencing provides a cheap effective alternative to travel by car or plane. Mobile communications can be used to track goods in stock. This means that delivery vehicles can be used more efficiently. There are many examples where the services we provide make it easier and more efficient for people to manage their lives.

Another way we encourage companies to improve their environmental performance is through development of our supply chain strategy. We expect good environmental standards to be maintained by the organisations which provide us with goods and services.

bottom. The flexible piping was trialled at an exchange in the Sydney suburb of Riverwood in 2009/10, resulting in an annual saving of \$AUD180,000. The rollout to other exchanges in 2010/11 delivered further savings. With more detailed metering data in these exchanges we will be able to determine how substantial the savings are likely to be. The level of savings will differ from one exchange to another, due to different physical and climatic conditions.

- In another initiative, 1 of the 2 air conditioning units in more than 3,000 mobile phone base stations has been replaced with an energy efficient fan. A trial in 2008/09 in Sydney demonstrated savings of 30 per cent in electricity consumption, with no negative impact on base station operations. Fans were installed in other base stations in 2009/10 and 2010/11.

In 2010/11, there were a number of energy efficiency initiatives at our corporate offices.

We increased temperature set points at our communications and uninterrupted power supply (UPS) rooms at our head office. Our UPS systems are continuously in use and as they generate much heat, constant air conditioning is required. The UPS rooms are not occupied by staff, which means the temperature can be higher than would be comfortable for human occupation.

We also rationalised and replaced the fleet of photocopiers and printers at our offices nationally. A reduced number of devices and

installation of new, more efficient copiers now consume 55% less energy, resulting in energy cost savings of \$AUD116,000 a year.

All of these and other projects together generated energy savings of 19,202GJ from July 2009 to June 2010.

Greenhouse gas emissions

Optus has made a commitment to improve energy efficiency by 20 per cent by 2015, compared to 2007/8 when measured on a tonnes of CO2 per million dollar revenue basis. This metric takes account of the fact our operations will continue to expand in the coming years.

Year	Scope 1&2 t/CO2 eq	\$AUDM Revenue	Metric
2007/08	301,850	7,475	40.38
2008/09	277,848	7,760	35.81
2009/10	310,130	8,949	34.66
2014/15 (target of 20% improvement in energy efficiency)			32.31

Our total greenhouse gas emissions for 2009/10 were 310,130 tonnes carbon dioxide equivalent (CO2-e), up from 277,848 tonnes the year



Optus Employee bus – part of our Sustainable Transport Strategy.

before. These figures combine Scope 1 and 2 emissions, as defined by Australia's National Energy and Greenhouse Reporting Act 2007 methodology. The only scope 3 emissions we measure are those associated with air travel. In 2009/10, 6,971 tonnes CO₂-e were generated by our air miles.

We also purchased offsets equivalent to 50 per cent of the greenhouse gas emissions produced at our corporate offices nationally, due to electricity use through the purchase of Green Power and validated offset certificates.

Doing more with less waste

As an employer of over 10,000 people nationally, the majority of materials used are within our corporate offices. This is where we can have the greatest control and impact by minimising materials used and maximising the amount of recycling.

Optus' corporate paper consumption continues to significantly decrease, and we are now working with our suppliers to accurately track the amount of paper we buy and recycle.

In the year to March 2011, we consumed 167.22 tonnes of paper and cardboard waste in our head office. We have recycling in place at all of our corporate offices. At our corporate headquarters, our overall

diversion rate for general waste, comingled waste and paper and cardboard was 92 per cent. As our other sites are leased, and waste is managed as part of the tenancy, we have not been able to monitor recycling rates.

We are involved in printer and toner recycling and provide cartridge recycling at all Optus sites. The total number of toner items returned for recycling in 2010/11 was 3,507, with a total weight of just over 3.4 tonnes. We have streamlined the supply chain management processes for printer and toner cartridges to eliminate double counting and unnecessary overstocking.

Office equipment is reused rather than sent to landfill. All e-waste, such as computers, monitors and printers, is collected and recycled. All unusable items are dismantled, the components separated and passed onto organisations who reuse or recycle them. Over the year, 1,623 items weighing 36.58 tonnes were diverted from landfill. Through major facility upgrades, almost 270 tonnes of industrial batteries have been recycled.

Integrated waste disposal systems are available in all office kitchen and common areas at our head office. These facilities provide separate bins for recyclables, paper and general waste which is diverted to an Advanced Waste Treatment Facility.

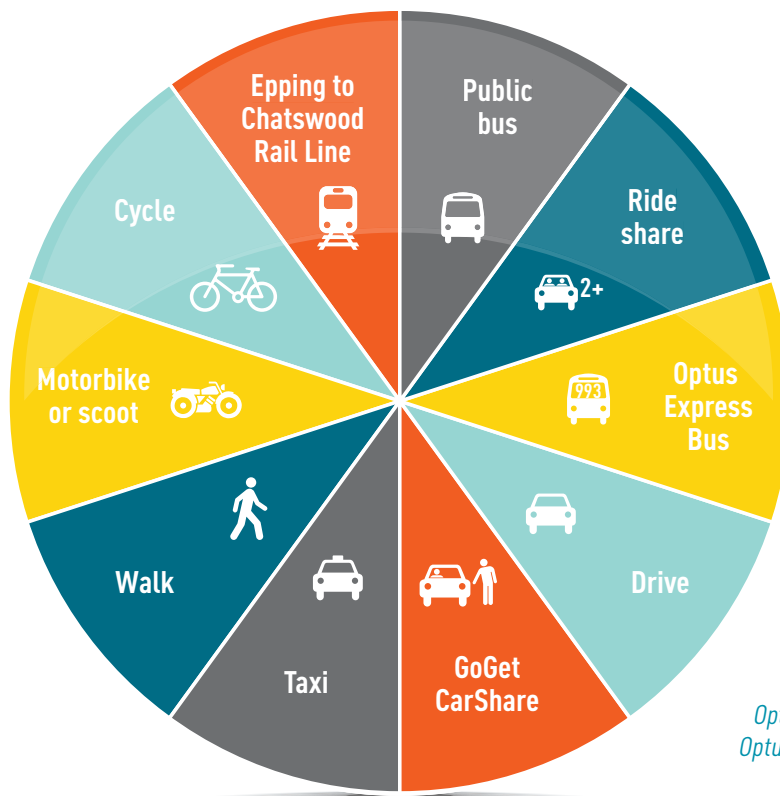
Saving water

Optus' head office in Macquarie Park, New South Wales where 6,000 staff are employed utilises harvested rainwater. From March 2010 to February 2011 we used a total of 142,732 kilolitres of water. Of this, 19,946 kilolitres of harvested rainwater (around 14%) was used for toilet flushing and landscape watering. Data gathering of our water use for all other Optus sites has not been possible as water use is paid for through the cost of renting the premises and is rarely separately metered.

Sustainable transport

The 2007 relocation of Optus staff in Sydney from nine sites across Sydney to the new campus at Macquarie Park saw the development of a Sustainable Transport Strategy for the company.

The strategy has been successful, with more than 37 per cent of employees at Macquarie Park getting to and from work by public transport, walking or cycling. According to figures from the 2006 Census, this compares with around 10 per cent of all other employees in the local area. Our ride-sharing program now has 700 users who commit to sharing their ride to work, reducing traffic congestion. Four per cent of our people now get to work by walking or riding their bikes.



Optus transport wheel – illustrating Optus Macquarie Park employees the travel options at their disposal.

In 2010/11, the strategy was updated following a major review of transport to and from Optus sites around the country. In Sydney, we:

- Launched a new free employee shuttle bus service to Epping from Macquarie Park at peak hours
- Introduced a new iPhone app listing train and bus timetables for Optus employee transport
- Built new custom designed terminus facilities for public transport users, and
- Introduced dedicated lanes for cyclists within the campus.

Elsewhere in Australia, transport information kiosks were installed at many of our sites.

Business transport

We operate 534 vehicles across Australia. The fleet is made up of 28 per cent diesel vehicles and 72 per cent petrol driven vehicles.

Upcoming initiatives under consideration include:

- Rewriting the vehicle purchase policy to require the use of diesel vehicles where practicable
- The use of hybrid and electric vehicles

- Introducing real-time web reporting to capture data including emissions and fuel efficiency.

Operations

Biodiversity and vegetation management

Our greatest impact on biodiversity and land is during the installation and maintenance of network facilities, such as fibre-optic cables, pits, manholes, and radio and satellite dishes. Each location is carefully assessed for network suitability and construction feasibility against potential environmental impacts before work starts.

When building new infrastructure, we avoid as far as practicable 'areas of environmental significance', as defined by legislation, as well as areas with a high biodiversity value. Optus typically selects sites which have been previously cleared or disturbed such as existing services corridors.

If a facility does have to be built in an environmentally significant area, we carry out detailed environmental assessments and obtain the relevant planning consents or permits before work begins. The proposal may be modified depending on the level of sensitivity and outcome from consultation

with the relevant authorities and land owners. In some cases, we use technologies such as directional drilling to minimise above ground impacts on vegetation and habitats.

Once installed, our facilities typically have a negligible ongoing impact on protected areas or areas of high biodiversity value. They do not significantly affect the biodiversity value of water bodies and related habitats as a result of disturbances of water and runoff.

The Optus Environmental Management System provides a series of Action Plans for managing stormwater, de-watering of work sites, soil erosion and sediment control.

CASE STUDY: CAPE BYRON CONSERVATION AREA NSW

Some Optus assets have been built in areas which were not environmentally protected at the time of construction but which were subsequently covered by protection orders.

In July to August 2010, Optus constructed 1 kilometre of underground fibre optic cable in the environmentally significant Cape Byron State Conservation Area in Byron Bay NSW. The new cable was needed to supply wireless broadband and enhanced 3G mobile services in Byron Bay, to meet local community needs.

Optus already had an existing mobile equipment shelter located on council land which was completely surrounded by the Cape Byron State Conservation Area. There were very limited options



Marking of individual protected plants to ensure they are not inadvertently disturbed during construction.

for Optus to connect fibre to the existing mobile equipment without traversing the protected region.

The proposed route crossed areas of littoral rainforest, which is recognised as an endangered ecological community at the national and state levels. The area also contains known habitats for several flora and fauna species listed as threatened under the Threatened Species Conservation Act 1995 (NSW).

Optus conducted several site meetings with the then Department

of Environment, Climate Change and Water to ensure selection of cable alignment with the least environmental impact. The Department approved plans with a number of conditions.

Construction was subject to rigorous environmental risk assessments and management plans overseen by Optus. Optus engaged a qualified ecologist to monitor the project during construction. The project was completed with minimal impact on biodiversity, despite its sensitive location.

CASE STUDY: AUSTRALIAN WILDLIFE CONSERVANCY (AWC)

Since 2007, Optus and AWC have joined forces to help save Australia's threatened wildlife. Together we are delivering practical conservation outcomes where they really count – in the field. Projects that have already benefited under our partnership include:

- Saving threatened Purple-crowned Fairy-wrens in the Kimberley
- Protecting endangered Yellow-footed Rock-wallabies in the Flinders Ranges
- Supporting AWC's acquisition and creation of the largest private reserve in Australia at Kalamurina Wildlife Sanctuary

- Helping AWC to save the threatened wildlife of Cape York at Piccaninny Plains.

Optus staff are also supporting the AWC partnership through workplace giving and peer-to-peer fundraising initiatives (see below) which are making a difference to the future of Australia's unique wildlife. In the past year alone, these staff initiatives have raised over \$AUD81,250 to help AWC save Australia's threatened wildlife and have generated significant community awareness about the need for conservation.

The attention of our partnership is now focused on addressing the rapid decline of small mammals in northern Australia and, specifically, on helping to protect the threatened wildlife of the Gulf of Carpentaria at AWC's Pungalina-Seven Emu Wildlife Sanctuary

Packaging snapshot

Consumer packaging sent for recycling:

57,900kg

Sent to landfill:

4,900kg

Non-recyclable packaging sold:

Plastic Type 4 (LDPE – plastic bags):

3,175kg

Plastic Type 6 (PS):

2,368kg

Plastic Type 7 (Other):

60,065kg

Total non-recyclable:

**65,608kg
{18.57%}**

of total packaging sold

Environmental impacts of products and services

National Packaging Covenant

Optus is a signatory to the National Packaging Covenant (NPC), a joint Government-industry initiative to reduce the environmental impact of packaging. This commits us to an annual independent assessment of our approach.

The key packaging materials used in Optus branded products are:

- Cardboard
- Cellophane wrap
- Styrofoam
- PET blister packs
- Polypropylene rigid plastic DVD style cases
- Rigid plastic to house SIM cards.

As a signatory to the covenant, Optus reports on its use of packaging each year and that of our subsidiaries. Statistics are collected for the year from July 1 to June 30.

Optus and Virgin branded products produced 353.24 tonnes of packaging material in the year to June 30 2010. This is a significant increase from 131.137 tonnes in 2009. The 2010 results however include data for a broader range of products previously excluded in NPC reporting. The additional data covered wholesale products and hardware such as modems and digital home phones.

The percentage of our packaging which was recyclable increased from 71 per cent to 81 per cent.

Over the next three years from 2011, Optus will progressively review the packaging of all its products, as laid out in the revised action plan under the new Australian Packaging Covenant.

We are also rolling out a series of interactive workshops on the NPC for relevant employees. The workshops provide detail on the four key principles of the NPC guidelines for reviewing packaging:

- Fit-for-purpose
- Resource efficiency
- Low-impact materials
- Resource recovery.

Online billing

Awareness amongst our customers on environmental issues is growing, and we encourage our customers to select online billing, as this helps us reduce costs and save paper. For customers who still prefer a printed account, they can now receive a summary bill of just three pages, or two pieces of paper printed on both sides. Customers can view more detailed account information online. Over one million customers (around 44 per cent of eligible customers) have taken up this option. Overall online billing is saving 4.8 million pieces of paper every month.

Mobile Muster

Optus continues to promote recycling of discarded mobile phones through MobileMuster, an industry-wide initiative.

Customers can recycle their phones at Optus retail stores. We insert reply-paid satchels into packaging of Optus prepaid phones, allowing customers to send old phones back to us for recycling. Phones are also collected at our corporate offices.

Since 2007, year on year collections from Optus have steadily increased. In 2010/11, we collected over 120,000 mobile phones weighing 4.5 tonnes.

Phones collected through MobileMuster are sent to licensed facilities for separation and resource recovery in Taiwan and Singapore. One tonne of mobile phone circuits can yield the same amount of precious metals as 110 tonnes of gold ore, 123 tonnes of silver bearing ore, and 11 tonnes of copper sulphide ore.

Recycled mobile phones go on to become new products such as batteries, stainless steel products, plastic fence posts, pallets and jewellery.

Supply chain

In 2010/11, we began developing a broader Supply Chain Strategy which will incorporate the Code of Practice and a Supply Chain Policy. It covers:

- Governance
- Performance reporting
- Environmental management
- Labour
- Supplier management.

The policy will specify steps the Procurement department, and any other Optus personnel involved in supplier selection, will follow. It will clearly set out company standards and expectations and provide Optus with visibility on supplier performance on:

- Product Stewardship: the process and activities of making health, safety and environmental protection an integral part of designing, manufacturing, marketing, distributing, using, recycling and disposing of products
- Labour Sourcing: compliance to local laws and fair and ethical treatment of supplier employees
- Environmental management: environmental regulatory compliance to minimise impacts on the environment.

The policy will also cover partnering with suppliers to deliver innovation, capability and diversity opportunities, encourage sustainable economic growth and provide opportunities to reduce our environmental impacts. Trials have been done with our six large key suppliers and we are evaluating the results in an endeavour to streamline processes. In 2011/12, all new suppliers will be required to adhere to the Code of Practice.



Optus continues to promote recycling through MobileMuster.

KEY PERFORMANCE INDICATORS

Priority	Indicator	Unit	07/08	08/09	09/10	10/11
Fleet	Vehicles	Number	544	501	534	534
	Petrol use	Litres	1,502,483	1,187,476	982,239	895,723
	Diesel use (mobile)	Litres	167,175	334,139	337,379	329,640
	Total	Litres	1,669,658	1,555,681*	1,319,618*	1225898.5
Energy use	Electricity use	MWH	311,908	296,297	292,468	
Carbon footprint	Scope 1 and 2 emissions	Tonnes CO2e	286,496	281,361	310,130	*
	Carbon offsets	Tonnes CO2e	18,600	19,000	15,884	*
		Percentage of corporate sites	50	50	50	*
Air travel	Flights	Tonnes CO2e	8,245	7,133	6,971	*
Paper use	Applicable customers using online billing	Percentage	-	<20	31	44%
Waste and recycling	Recycling rate at head office	Percentage diversion	92	92	89	92
	Mobile Muster (tonnes)	Tonnes	3.9	4.9	4.4	4.5

*Optus reports energy consumption and greenhouse gas production under the Australia's National Energy and Greenhouse Reporting Act 2007 (Cth). The reporting period under the Act runs from July to June. At the time of writing, data for the period July 2010 to June 2011 had not yet been calculated.

ACHIEVEMENTS IN 2010/11

CARBON MANAGEMENT

- ✓ We purchased offsets equivalent to 50 per cent of the greenhouse gas emissions produced at our corporate offices nationally due to electricity use.

ENVIRONMENTAL MANAGEMENT

- ✓ Land Access and Environmental Management Training was provided to the Construction and Field Operations teams. Over 70 employees attended 9 training sessions.
- ✓ Seven environmental site audits were conducted by qualified Environmental Auditors on Optus Networks installations.
- ✓ Zero spills or leaks.
- ✓ Zero incidents in breach of environmental legislation which results in a formal complaint, sanction or infringement.

FUEL EFFICIENCY

- ✓ We worked with our fuel provider to identify opportunities to reinstate vehicle kilometres recording of our fleet vehicles. Unfortunately there is no industry technology that enables us to mandate kilometre capturing. However we continue to communicate with our drivers on a quarterly basis and remind them to submit kilometre readings.

PRODUCT RESPONSIBILITY

- ✓ Achieved a 44 per cent uptake of eligible customers accessing their bills online.

SUPPLY CHAIN

- ✓ Drafted and trailed a Supplier Code of Practice (SCoP).
- ✓ Categorised our suppliers has been undertaken to assist with the delivery of the SCoP.
- ✓ Implemented our SCoP with our largest suppliers.

TARGETS FOR 2011/12

CARBON MANAGEMENT

- Review our carbon offset program to identify better efficient strategy for future carbon management.

ENVIRONMENTAL MANAGEMENT

- Construction and Field Operations staff to complete Land Access and Environmental Management Training as part our national training initiatives.
- Audit 10 contractor projects, to ensure compliance with our Environmental Management Plan.
- Zero spills or leaks.

GREENHOUSE GAS EMISSIONS

- Investigate solar reflective paint for applications in mobile phone base stations.

MATERIAL USE

- Change print room paper sourcing to Forest Stewardship Council (FSC) certified product.
- Monitor paper quality and cost in annual tenders for paper supply.
- New tenders for cleaning contracts allow the opportunity for much more specific requirements in future contracts. Strict reporting requirements to be included in all contracts in 2011/12.

FUEL EFFICIENCY

- Introduce exception reporting around non-conforming drivers who repeatedly fail to submit km readings. These reports will be forwarded to the hierarchy for further action.
- Implement a policy to increase the proportion of fleet cars powered by diesel rather than petrol.

PRODUCT RESPONSIBILITY

- Achieve a 50 per cent uptake of eligible customers accessing their bills online.

SUPPLY CHAIN

- Tailor our supply chain questionnaire for each category of suppliers.
- Expand the coverage of our Supplier Code of Practice to cover new suppliers.



Livewire launches at Northern Hospital in Victoria.

Our community

At Optus our support to communities goes beyond philanthropic giving. We see that we can play a key role in shaping society and improve the livelihood of disadvantaged young people and ensure everyone has access to communication.

Connecting in times of need

The early months of 2011 saw a string of natural disasters in Australia. The worst hit states were Queensland and Victoria. Floods hit both states and Cyclone Yasi swept through coastal area in North Queensland.

In the aftermath of these disasters, restoring telecommunication services was an urgent priority. Optus played a crucial role in getting services up and running again to ensure our customers remained connected. (See Reconnecting Communities after natural Disasters on [page 16](#)). Along with Optus corporate donations, our people donated over \$AUD150,000 to the Queensland Premier Appeal and organisations such as The Salvation Army and The Australian Red Cross. Optus matched employee donations dollar for dollar. SingTel also supported the Australian disaster relief efforts by launching a staff appeal in Singapore. In addition to funding, Optus also supported affected communities by donating handsets with preloaded credit. In total, Optus, our people and SingTel contributed over \$1.9 million to Queensland disaster relief.

We joined forces with The Australian Red Cross and Be.interactive and launched the Text to Donate initiative enabling Optus customers to donate \$AUD5.00 to either the New Zealand or the Japan earthquake by simply texting to 19RELIEF. This collaborative partnership, which is a first in Australia, will enable Optus customers to support other major relief appeals in a simple and easy way.

Access to communication

Connecting people is what Optus does best and we continue to provide our technology, products and services to help disadvantaged young people stay connected and access the services they need to improve their future opportunities.

In 2010/11, we worked with three strategic community investment partners:

- Starlight Children's Foundation Livewire program
- Kids Helpline, and
- The Smith Family mobile student2student program.

These national partnerships aim to achieve long-term positive social outcomes. We prefer to do fewer things better, providing deep and involved support to our community partners.

Reporting our community investments

Since 2007, Optus measures the values of our voluntary community investment through the London benchmarking Group (LBG) methodology.

In 2010/11, the value of our community investment totalled \$AUD6.18 million, as defined by the LBG methodology.

In addition to LBG assessed contributions, Optus and our people contributed over \$AUD3.3 million in workplace giving donations and fundraising events. This figure also includes management cost as



Optus Customer Field Services Team volunteering after the Nillumbik Bushfires in the Bushfire Recovery Boundary Fence Program, Victoria Aug 2010.

well as assistance packages and support to customers affected by the devastation of the 2011 Queensland floods and Cyclone Yasi.

Kids Helpline

Kids Helpline (KHL) is Australia's only free, confidential and anonymous telephone and online counselling service for young people across the country. The service connects over 10,000 calls each week.

Since 1999 we have contributed several million dollars to the partnership, which covers the cost of counsellors and infrastructure.

We also provide free calls from Optus mobile phones, supporting the online counselling service, and continuing to raise awareness of this invaluable service.

Both Optus and Kids Helpline acknowledge the growth in issues directly related to the misuse of technology and devices including cyber bullying, as well as issues around cyber safety. In 2011/2012 we will look to address these concerns through education lesson plans providing schools with the tools they need within a classroom environment.

In January 2011 the Kids Helpline offices suffered significant damage when the Brisbane River flooded. Optus provided Kids Helpline with suitable office space and telecommunications support so that the service could continue offering 24 hours counselling support for young people. Each day in January 2011, Kids Helpline spoke to more than 750 children and young people.

Starlight Children's Foundation Livewire Program

We have been supporting the Starlight Children's Foundation for over 16 years. During this time we have raised more than \$AUD2 million through workplace giving and activities such as Starlight Day, Connectember, the Optus Challenge Golf event and staff fundraising events.

For the past two years, Optus and Starlight have partnered on an initiative called 'Livewire', a safe and fun online community for young people living with a serious illness, chronic health condition or disability, where they can keep in touch, interact and have fun. 'Livewire' is an excellent way for young people who are isolated due to illness or treatment at hospital or at home to share their experiences with other young people going through similar challenges.



CASE STUDY: SCHOOLS OF THE AIR

Since 2002 the Western Australian Department of Education has been using Optus satellite network to run the Schools of the Air program.



Schools of the Air provides education for 150 students from years P to 7 located in remote areas such as isolated stations and mine sites, across Western Australia. Traditionally, lessons were delivered using hand-held battery driven radios. Expansion of the satellite network has facilitated the use of email and other technologies to improve interaction amongst students, supervisors, home tutors and teachers to enhance learning outcomes. As Graham Boyd, Principal of Yandeyarra Remote Community School notes, "The future of education is clearly going to be online and technology driven (in remote Australia). Providing Aboriginal kids in remote locations with access to technology has made the biggest difference I can think of to the education of these kids."

Thirty two remote school campuses in Western Australia also use the Optus satellite network to access educational materials.

In 2010/11 Optus installed and enhanced infrastructure in 25 hospitals around Australia to enable these young people to access this service through bedside PC trolleys and notepads, as well as through Optus mobile phones.



Optus grants program supporting local communities

Optus is committed to supporting local communities. Our two grants programs were established to make a difference in the local community and are focused on supporting programs that address social isolation and support disengaged youth by providing access to communications and improving educational outcomes.

The 'yes' Optus Shop Grants enabled our franchisees to support their local community in regional areas and in 2010-11, \$AUD80,000 was provided to regional community projects.

The Connecting Communities grants program was established to help community organisations with a grant of up to \$AUD5,000 for projects that aim to reconnect disengaged youth and build social inclusion.

In 2010/11, 31 grants were awarded to not-for-profit organisations across Australia totalling \$AUD150,000. Funding was used to provide young people with new skills, access to education, and strong support networks.

The Exodus Foundation received one such grant to support a year 10 tuition program

CASE STUDY: MOBILE STUDENT 2STUDENT

In May 2010, Optus launched a pilot program with The Smith Family, to help improve childhood literacy through mobile technology.

Children from disadvantaged backgrounds living mostly in regional Australia were given the opportunity to improve their reading and literacy skills.

Optus provided mobile handsets and prepaid credit to the young students so they could communicate with peer mentors identified by The Smith Family through its Student2Student (S2S) program.

The Smith Family matches young students who need to improve their reading with the peer mentors who are trained to help develop literacy skills in others. This program is underpinned by research which shows that one of the best ways to support young people who have reading difficulties is for the help to come from others near their own age.



The S2S mentoring program had previously been limited to students with access to a landline phone. The mobile pilot program enables a rapid expansion of the program so that students from disadvantaged backgrounds are able to participate in weekly reading sessions with their mentor, using Optus technology.

Students and their families can keep the mobile phone and are rewarded with additional credit once they successfully complete the program.

Fifty matched student pairs without access to a landline participated in the 2010 pilot. For 90 per cent of students, their reading age improved at the conclusion of the program. In 2011/12 Optus will roll this program out to 260 students.

for young people from disadvantaged backgrounds. The Exodus program helps young people transition into the workforce, ensuring they attain reading and numeracy skills and receive assistance with resume creation and presentation.

Optus sponsorships

Within Optus' sponsorship portfolio, we support programs designed to improve access to Australian arts and sport.

Bell Shakespeare Company

As Bell's Youth & Education partner, Optus supports the Bell Shakespeare Company's Actors at Work (AAW) programme which focuses on popular Shakespeare plays studied in Australian schools. Students watch 50-minute performances of selected

scenes which are accompanied with contemporary commentary designed to extend student understanding of the plays. In 2010-11 the AAW teams performed to a total of 59,439 students from 297 schools. Forty per cent of the 485 performances were delivered in regional areas.

Art Gallery of NSW

Through the Optus Open Gallery Program, priority-funded schools can access free excursions to the Art Gallery of New South Wales. Students who would otherwise not be able to visit the Gallery receive a tour of the Gallery's permanent collection including Aboriginal collections, a discussion tour and lunch. Transport to and from the school is also provided. By the end of 2010, over 1,800 Year 7 Visual Arts students attended the gallery as part of this program.



Belvoir Street Theatre

Optus is the exclusive partner to Belvoir's Community Access Program. This program gives Optus access to hundreds of tickets each year which are provided to Optus' nominated charitable organisations for use by persons who would not normally get access to, and would benefit socially, from attending theatre performances. In addition, a free mid-week matinee performance to each of the season's productions is made available to unwaged members of the community. In 2010/11 there were seven of these performances one of which was *The Diary of a Madman* starring Geoffrey Rush. Next year there will be nine of these performances.

Small Sided Football

Optus is a major sponsor of the Football Federation of Australia, and is the naming rights sponsor of Optus Small Sided Football (the version of the game played at a grassroots level by children aged 5-11). Football has one of the highest participation rates amongst children in Australia and as an Official Partner of the Game Development Program, we are committed to supporting Optus Small Sided Football and promoting even greater participation through programs such as the Optus Small Sided Football Awards which recognises and rewards young players.

Wheelchair tennis

For the past decade, Optus has supported the Optus Australian Wheelchair Tennis Team and the Australian Open Wheelchair Tennis Championships.

Former world No.1, David Hall, is The Optus National High Performance Wheelchair Tennis Advisor. He assists current players to improve their game and promotes the sport by participating in exhibition matches. David runs a weekly coaching class at Homebush and in early August organised a 'mini camp' in conjunction with Tennis NSW. Three coaches provided intensive training for the ten attendees. A similar event was held in December 2010 for junior players.

The Optus Australian Open Wheelchair Championships took place at Melbourne Park, during the annual Australian Open tournament. The Optus Australian Wheelchair Tennis Team will represent Australia in London at the 2012 Paralympics.

Engaging our people

Optus people are passionate about community and we provide a range of employee community initiatives that enable our people to lend their skills, knowledge and resources to Optus charity partners and community organisations with real need.

It's not only good for our people, but good for the communities – everyone benefits!

Corporate Volunteering

Our corporate volunteer program commenced in 2005 and offers our people one day of paid leave per year to volunteer for their preferred community organisation. In 2010/11, this equated to 12,694 volunteer hours.

Since our volunteer program's inception, we have developed relationships with many community organisations nationally. These relationships ensure we provide the necessary support to the community groups, as well as ensuring our people are effective in the help they give.

Volunteering activities included cleaning up a community centre, mentoring young people, providing advice to a community group, running a training course, looking after animals, helping the disadvantaged and planting trees.

CASE STUDY:
**OPTUS VOLUNTEERING
FOR INTERNATIONAL
DEVELOPMENT**



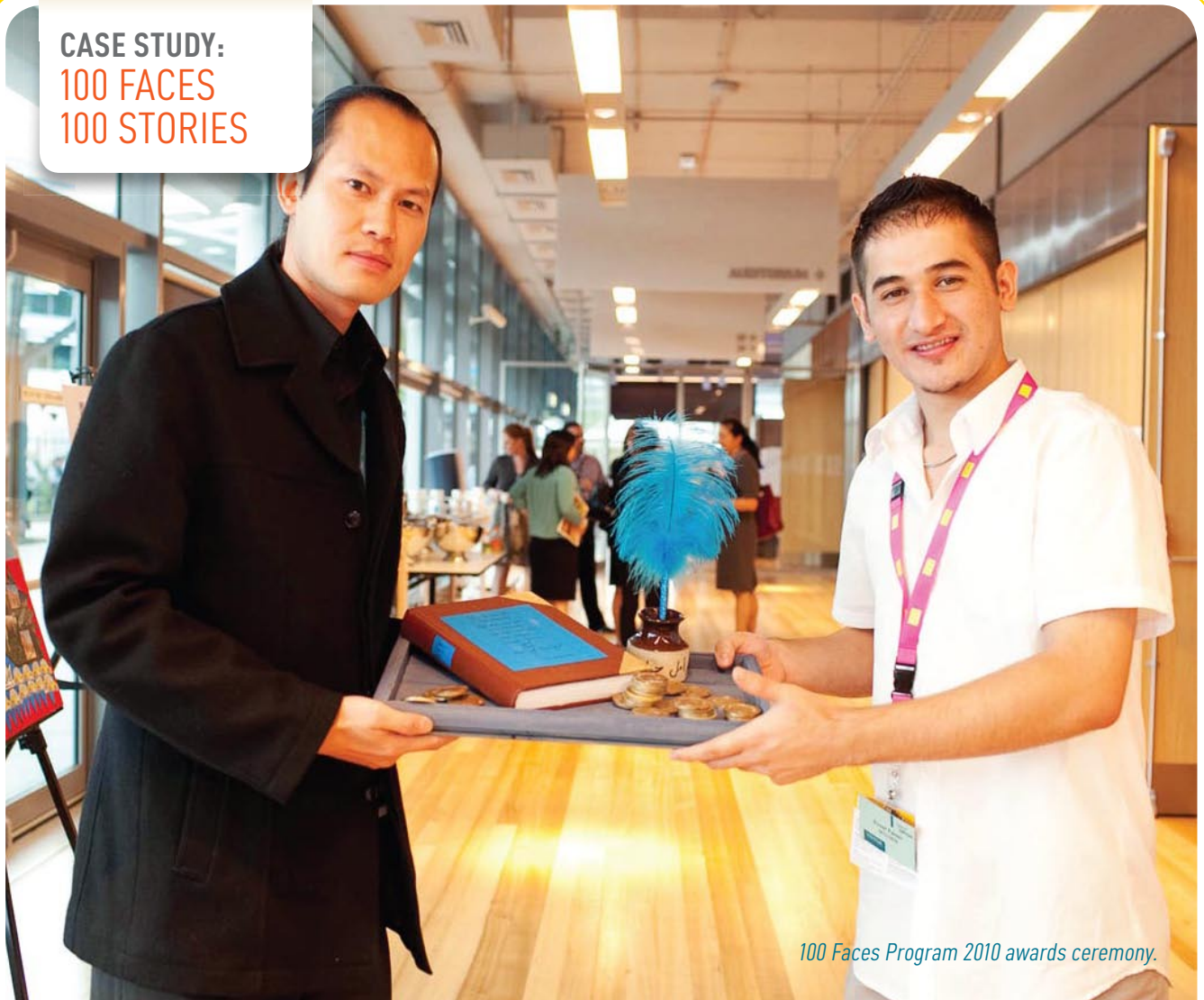
“I certainly gained more than I gave as a corporate volunteer. Working in a developing country in a non-government organisation taught me a lot about language and communication, working with a diverse group of people, and made me more creative and resourceful.” Jann Kohlman

Optus partners with Austraining International to provide senior leaders with an opportunity to share their skills and knowledge to help build community capacity in developing countries.

In 2011, Jann Kohlman, Group Manager Sponsorship & Community Programs, spent six weeks with CARE

Cambodia. Her role was to develop a communications strategy and plan that could be implemented by CARE staff after her departure. Whilst Jann used her skills and experience to make a difference in developing communities, time in Phnom Penh also provided her with the opportunity to build leadership skills and gain knowledge she can apply to her role with Optus.

CASE STUDY:
100 FACES
100 STORIES



100 Faces Program 2010 awards ceremony.

Optus' Chief Executive, Paul O'Sullivan, is a founding member of the Australian Business Community Network (ABCN) and its current chair. Paul and Optus were founding members of the ABCN, set up in 2005 by a group of five CEOs and chaired initially by Michael Hawker, then CEO of IAG. It is a non-profit organisation comprising 29 major national and global companies, representing over 500,000 corporate employees and working collaboratively to fund and participate in business and education programs in schools across Australia. Since 2005, 10,800 students and almost 36,000 volunteers from member companies have participated in programs.

In 2010 alone, the ABCN worked with more than 8,500 students and teachers from 188 schools, involving over 4,500 corporate volunteers.

Through the ABCN, our staff mentor 'high needs youth'; namely, students who are geographically, socially or financially disadvantaged, suffering from physical disability or social isolation. Many students are from non-English speaking or refugee backgrounds and lack the links or access to opportunities available to most urban students.

In 2010, 373 Optus staff participated in ABCN programs contributing a total of 3,275 volunteer hours. The '100 Faces' program pairs Optus mentors with students from Chester Hill High School in Sydney, with the aim of enabling students to share their stories with the broader community. The output of the program is a collection of artworks which tell the often challenging stories of those students. In 2010, 20 of our Optus mentors and their students brought their creative energies into the 100 Faces Program, for the third year running. As part of the program, students toured the Art Gallery of NSW, attended an Optus workshop to explore representing ideas visually, and were invited to the program completion ceremony in which their artworks were displayed. The program has been popular with students and Optus staff, and is a celebration of diversity, and unity, in the Australian community.

The program also clearly demonstrates the philosophy of using communications – in this case art – to connect young people to possibilities and a brighter future.



CASE STUDY: ANSWERING THE CALL

The Answering the Call program provides Optus employees with opportunities to support Optus charity partners, such as payroll giving.

Many of our people provide our charity partners with further support by participating in fundraising events and campaigns.

Optus employees can donate to any of our 13 charity partners through payroll giving, with Optus matching donations dollar for dollar up to \$AUD250,000 a year.

The supported charities are selected through a national employee survey held every three years. Charities supported in 2010/11 were:

- Wings of Hope
- Assistance Dogs Australia
- Australian Wildlife Conservancy
- Beyondblue
- Cancer Council Australia
- Kids Helpline
- Mission Australia
- NELUNE Foundation
- RSPCA
- The Salvation Army
- Starlight Children's Foundation
- Youth Off The Streets
- World Vision Australia.

CASE STUDY: WORKPLACE VOLUNTEERING



In 2010 /11 Optus' Consumer Leadership Team spent a day helping out at Streetlevel run by the Salvation Army in Surry Hills. Streetlevel is a community centre that provides programs and services to support some of the most disadvantaged and marginalised people of Sydney. Our staff helped cook lunch and dinner

for Streetlevel participants. Others worked in the Streetlevel shop and sewed pillows.

The laundry and the Streetlevel garden were painted. For Optus staff the day was rewarding and assisted with team building.

CASE STUDY:
**SHAPE OUR
WORLD
CALENDAR 2011**



During 2010/11, to support our charity partner The Australian Wildlife Conservancy (AWC) and inspire greater interest in the diversity and uniqueness of Australia's wildlife and their habitats, we launched a photography competition for our people.

Optus staff were invited to submit photos of native Australian flora and fauna, along with a donation to AWC. Twelve entries were selected by staff to appear in the official 2011 Optus calendar. Overall, it was a great

success with over 3,600 Optus staff participating, including 577 photographic competitors and over 3,000 voters. Fifty thousand calendars went on "sale" in Optus stores nationally for a gold coin donation to AWC.

AWC also experienced a 48 per cent spike in staff enrolling to support the organisation through workplace giving during the campaign, thereby providing an ongoing source of funding income for the organisation.

Mike Smith with Atticus Fleming, Chief Executive of the AWC.

KEY PERFORMANCE INDICATORS

Priority	Indicator	Unit	07/08	08/09	09/10	10/11
Community investment	Monetary value of community investment	Millions (\$AUD)	4.7	8.3	8.2	9.5
Workplace volunteering	Volunteer hours in community activity	Hours	3,180	14,200	18,000	12,694

ACHIEVEMENTS IN 2010/11

INVESTMENT IN LOCAL COMMUNITIES

- ✓ Increased funding for local communities by \$AUD230,000 through grants program enabling more local community organisations to receive support for their vital work.

GIVING TO COMMUNITIES IN TIME OF NATURAL DISASTER

- ✓ Optus, our people and SingTel contributed over \$AUD1.9 million to Queensland disaster relief.

TARGETS FOR 2011/12

INVESTMENT IN LOCAL COMMUNITIES

- Continue to invest in local community initiatives that help provide solutions for disadvantaged youth and build more connected communities.

INCREASE EDUCATION ON CYBER BULLYING

- Develop educational lesson plans to inform young people about cyber bullying.

ACCESS TO COMMUNICATIONS

- Increase the number of students in regional areas with access to mobile phone technology in order to improve literacy levels.



Optus people receiving award at AHRI

Awards

2010

April

NSW Corporate Games

- Sports for Life – Optus

May

Cisco Partner Summit Global Award

- APAC Theatre Partner of the Year – Alphawest

June

Cisco Insight 2010 Australia and New Zealand Partner Summit

- Outstanding Architecture Award – Alphawest

November

Customer Service Institute of Australia (CSIA) Australian Service Excellence Awards

- Premium Service Desk – Optus Business
- National Executive of the Year – Susan Sdregas – Optus
- Service Excellence in a Contact Centre – Optus Consumers CRG and iPhone Help Desk
- NSW Customer Service Contact Centre Manager of the Year – Barbara Campbell
- NSW Customer Service Professional of the Year – Ben Boyd
- Victorian Customer Service Manager of the Year – Nicole Bradshaw

Frost & Sullivan Australia Best Practices Awards

- 2010 Service Provider of the Year – Optus

Australian Human Resources Institute (AHRI) National Awards

- Martin Seligman Award for Health & Wellbeing – Optus

London International Awards 2010

- Gold – Television/Cinema/Online Film (Visual Effects) – Optus 'Secret Training Camp'

Australian Direct Marketing Association (ADMA) Awards

- Bronze – Art Direction – Optus 'Secret Training Camp'
- Silver – Art Direction – Optus 'Give Whales a Voice'
- Bronze – Out of Home – Optus 'Give Whales a Voice'

2011

February

Australian Centre of Corporate Social Responsibility – State of CSR in Australia Annual Review

- Top performance in CSR management for a foreign-owned company

2011 Cisco Global Partner Summit

- Marketing Excellence Partner of the Year 2011 Australia – Alphawest

Australian Telecommunications Users Group Excellence Awards

- Finalist in Best Communications Initiative – Large Business – Optus Business



With Optus behind football, anything's possible.



Australian Direct Marketing Association award winner.

GRI Index

KEY – DISCLOSURE LEVEL:

● = full ◐ = partial ○ = not reported

Indicator	Comment	Reference	Disclosure Level
Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organisation.	Message from Chief Executive – page 8	●
1.2	Description of key impacts, risks, and opportunities.	Message from Chief Executive – page 8 Our customers, Key Performance Indicators, achievements and targets – page 21 Our people, Key Performance Indicators, achievements and targets – page 29 Our environment, Key Performance Indicators, achievements and targets – page 36 Our community, Key Performance Indicators, achievements and targets – page 47 SingTel Annual Report 2010/11 – pages 74-79	●
Organisational Profile			
2.1	Name of the organisation.	Back cover	●
2.2	Primary brands, products, and/or services.	Who we are and what we do – page 4	●
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	Who we are and what we do – page 4	●
2.4	Location of organisation's headquarters.	Back cover	●
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Who we are and what we do – page 5	●
2.6	Nature of ownership and legal form.	Who we are and what we do – page 5	●
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Who we are and what we do – page 4-5 Optus provides services and products uniformly across Australia, subject to available coverage	●
2.8	Scale of the reporting organisation.	Who we are and what we do – pages 4-5 SingTel Annual Report 2010/11 – pages 1, 25-26	●
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	None	●
2.10	Awards received in the reporting period.	Awards – page 48	●

Indicator	Comment	Reference	Disclosure Level
Report Parameters			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	About this report – page 6	●
3.2	Date of most recent previous report (if any).	About this report – page 6 Our previous report can be found here	●
3.3	Reporting cycle (annual, biennial, etc.)	About this report – page 6	●
3.4	Contact point for questions regarding the report or its contents.	Engaging our stakeholders – page 10 About this report – page 6	●
3.5	Process for defining report content.	Engaging our stakeholders – page 10 About this report – page 6 A stakeholder materiality workshop was conducted in 2009 which included Executive level representatives from across the organisation. A CR Strategy was developed and reviewed in consultation with members of the Optus Corporate Responsibility Steering Group. Since 2009, Optus has built on this process through an annual review of the material issues in accordance with AA1000 principles. Refer to pages 18-20 of the Optus 2009 CR Report online here and pages 11, 15 of the Optus 2010 Corporate Responsibility report here . A stakeholder/materiality review is intended to be undertaken in accordance with AA1000 principles for defining content for the next report in 2012. More comprehensive details of the engagement process will be included in the next report.	●
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	A comprehensive materiality process was undertaken in Optus 2011 for details see About this report – page 6	●
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	About this report – page 6	●
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	About this report – page 6	●
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Where possible we have complied with the GRI indicator protocols. We report energy consumption and greenhouse gas production under the Australia's National Energy and Greenhouse Reporting Act 2007 (Cth).	●
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. mergers/acquisitions, change of base years/ periods, nature of business, measurement methods).	None	●
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Who we are and what we do (financial performance) – page 5 National Packaging Covenant – page 35	●

Indicator	Comment	Reference	Disclosure Level
3.12	Table identifying the location of the Standard Disclosures in the report.	This table	●
3.13	Policy and current practice with regard to seeking external assurance for the report.	About this report – page 6	●
Governance, Commitments and Engagement			
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	SingTel Annual Report 2010/11 – Corporate Governance – pages 54-66	●
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	The chair of our highest body is not an executive officer.	●
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	SingTel Annual Report 2010/11, Board Composition and Balance – page 58	●
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	SingTel Annual Report 2010/11 Corporate Governance – page 56, Board Performance – page 59, Communication with Shareholders – page 64, Investor Relations – page 72 'Your say' – employee survey – page 24 In accordance with the OHS Act employees are able to provide input to the Health and Safety Committee. No employee is represented in the highest governance body.	●
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	SingTel Annual Report 2010/11 Remuneration – pages 66-71	●
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	SingTel Annual Report 2010/11 Risk management Philosophy and Approach – pages 74-79	●
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	SingTel Annual Report 2010/11 Corporate Governance – pages 56-59	●
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	SingTel Annual Report 2010/11 Codes of Conduct and Practice – page 65 Our Culture – page 24 Our environmental policy includes a vision and mission statement and our Strategy of Corporate Responsibility includes a statement of mission for our workplace, marketplace, environment and community performance.	●
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	SingTel Annual Report 2010/11 Risk Management Philosophy and Approach – pages 74-79, Risk Management – page 64 and Codes of Conduct and Practice – page 65	●

Indicator	Comment	Reference	Disclosure Level
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	SingTel Annual Report 2010/11 Corporate Governance – pages 56-59	●
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	Focus on energy management – page 31 SingTel Annual Report, Risk Management Philosophy and Approach – pages 74-79	●
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	Cyber safety – page 20	●
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: Has positions in governance bodies; Participates in projects or committees; Provides substantive funding beyond routine membership dues; or Views membership as strategic.	None	●
4.14	List of stakeholder groups engaged by the organisation.	Engaging our stakeholders – page 10	●
4.15	Basis for identification and selection of stakeholders with whom to engage.	Engaging our stakeholders – page 10	●
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Engaging our stakeholders – page 10 Improving the customer experience – page 18 'Your Say' – employee survey – page 24	●
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	Improving the customer experience page 18 'Your Say' – employee survey – page 24 Engaging our stakeholders – page 10	●
Disclosures on Management Approach			
Economic	Economic Performance	Who we are and what we do – pages 4-5	●
	Market Presence	Who we are and what we do – pages 4-5	●
	Indirect Economic Aspects	Focus on Energy Management – page 31 and SingTel Annual Report 2010/11 – pages 36-41	●

Indicator	Comment	Reference	Disclosure Level
Environmental	Materials	Doing more with less waste – page 32 Saving water – page 32 Environmental impacts of products and services – page 35	●
	Energy	Operating more Efficiently – pages 30-31	●
	Water	Saving water – page 32	●
	Biodiversity	Biodiversity and vegetation management – page 33	●
	Emissions, Effluents and Waste	Greenhouse Gas Emissions – pages 31-32 Doing more with less waste – page 32	●
	Products and Services	Environmental impacts of products and services – page 35	●
	Compliance	Supply Chain – page 35	●
	Transport	Sustainable Transport – page 32-33 Business Transport – page 33	●
	Overall	Our environment – page 30	●
Labour	Employment	Our People – page 22	●
	Labour/Management Relations	'Your Say' – Employee Survey – page 24	●
	Occupational Health and Safety	Our focus your wellbeing – page 27	●
	Training and Education	Developing our People – page 25-26	●
	Diversity and Equal Opportunity	Valuing Diversity – pages 26-27	●
Human Rights	Investment and Procurement Practices	Environmental impacts of products and services – page 35	●
	Non-discrimination	Access to communications – page 15	●
	Freedom of Association and Collective Bargaining	Our People – page 22	●
	Child Labour	Optus is in compliance with Australian law which prohibits child labour.	●
	Forced and Compulsory Labour	Optus is in compliance with Australian law which prohibits forced or compulsory labour.	●
	Security Practices	Cyber Safety – page 20 Customer Privacy – page 20	●
	Indigenous Rights	In locations where this is a material issue, our corporate Code of Conduct guides decisions about indigenous rights. Our Code of Conduct is currently proprietary information but we will aim to make it publicly available from 2013.	●

Indicator	Comment	Reference	Disclosure Level
Society	Community	Our Community – pages 40-45	●
	Corruption	Developing our People – page 26	●
	Public Policy	Contributing to Public Policy – page 19	●
	Anti-competitive behaviour	Regulatory Compliance – page 19 Responsible Advertising – page 19	●
	Compliance	Regulatory Compliance – page 19 Responsible Advertising – page 19	●
Products and Services	Customer Health and Safety	Health and Safety of our Customers – page 20	●
	Product and Service Labelling	Regulatory Compliance – page 19	●
	Marketing Communications	Responsible Advertising and Marketing – page 19	●
	Customer Privacy	Customer Privacy – page 19	●
	Compliance	Regulatory Compliance – page 19	●
Economic			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Who we are and what we do – page 4 Financial Performance – page 5 Reporting our community investments – page 46 Donations to political parties are reported on an Australian financial year basis and have not yet been released for the 2010/11 financial year. For a record of donations made in 2009/10 please see the Australian Electoral Commission website Wages, benefits, interest payments are reported at a SingTel group level in the SingTel Annual Report 2010/11 – pages 26-29	●
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Focus on energy management – page 31 Message from the CEO – page 8	●
EC3	Coverage of the organisation's defined benefit plan obligations.	Optus makes Superannuation payments that comply with Australian law. These are based on defined benefit plans and the pensions liabilities are fully covered.	●
EC4	Significant financial assistance received from government.	Network coverage and performance – page 14 Aside from reported subsidies to extend broadband in remote areas, we received no financial assistance from Government.	●
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Optus complies with Australian law regarding local minimum wage.	●

Indicator	Comment	Reference	Disclosure Level
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Optus considers the definition of local to mean the immediate geographic region to which an operation is based. Optus does not have a procurement policy explicitly preferring local suppliers. Optus will select the supplier who is most appropriate for the job, which may include local suppliers. Optus intends to examine the proportion of locally based suppliers in its key locations by 2014.	●
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Optus does not have an employment practice that grants preference to those in the local community. All Optus personnel are selected based on their ability to perform the specific role for which they apply.	●
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Optus builds and maintains services and provides services for the company's commercial benefit.	●
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	When Kyalite went mobile – page 15 Focus on energy management – page 31 Other aspects of this indicator are commercial in confidence.	●
Environmental			
EN1	Materials used by weight or volume.	Doing more with less waste – page 32 Saving water – page 32 Environmental impacts of products and services – page 35	●
EN2	Percentage of materials used that are recycled input materials.	Doing more with less waste – page 32 National packaging covenant – page 34	●
EN3	Direct energy consumption by primary energy source.	Our Environment – Key Performance Indicators – page 36 Optus intends to disclose fuel use in joules in 2012.	●
EN4	Indirect energy consumption by primary source.	Our Environment – Key Performance Indicators – page 36 Optus to undertake further data analysis in 2012 including renewable energy content.	●
EN5	Energy saved due to conservation and efficiency improvements.	Operating more efficiently – pages 30-31	●
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Optus does not endeavour to provide energy efficient products	●
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Sustainable transport – page 32 Operating more efficiently – pages 30-31	●
EN8	Total water withdrawal by source.	Saving water – page 32	●
EN9	Water sources significantly affected by withdrawal of water.	Optus only uses water drawn from metropolitan potable sources.	●
EN10	Percentage and total volume of water recycled and reused.	Saving water – page 32	●

Indicator	Comment	Reference	Disclosure Level
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Our Environment – Operations – page 33	●
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Biodiversity and vegetation management – page 33 Cape Byron Conservation Area NSW – page 34	●
EN13	Habitats protected or restored.	Cape Byron Conservation Area NSW – page 34	●
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Biodiversity and vegetation management – page 33	●
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	The best of Optus' knowledge there are no IUCN Red List Species in the area of its operations	●
EN16	Total direct and indirect greenhouse gas emissions by weight.	Greenhouse gas emissions – pages 31-32	●
EN17	Other relevant indirect greenhouse gas emissions by weight.	Optus indirect GHG emissions (scope 3) are not separately captured or reported apart from airline miles. The majority of indirect emissions are from waste disposal. Optus have paper recycling at all large sites. Generally, over 90% of paper is recycled at our office sites.	●
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Optus reports energy savings from each initiative implemented in accordance with the Energy Efficiency Opportunities Act 2005 (Cth).	●
EN19	Emissions of ozone-depleting substances by weight.	Optus does not use ozone depleting substances except for applications in air conditioning, a small number of chillers and domestic refrigerators. No replenishment of refrigerators occurred during the year.	●
EN20	NOx, SOx, and other significant air emissions by type and weight.	Optus is not involved in manufacturing or industrial processes that result in significant emissions.	●
EN21	Total water discharge by quality and destination.	Optus operations and activities do not require extensive discharge of water. Main source for discharge is water used in bathrooms in our corporate offices. This water is discharges as part of the local sewage system.	●
EN22	Total weight of waste by type and disposal method.	Doing more with less waste – page 32 Environmental impacts of products and services – pages 34-35	●
EN23	Total number and volume of significant spills.	Nil	●
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	MobileMuster mobile phone collections are transported to licenced facilities for separation and resource recovery in Taiwan and Singapore. The only other Basel waste disposal were of industrial size batteries that were replaced and the failed batteries reprocessed in licenced facilities in Australia. We also reprocess our office electrical equipment.	●

Indicator	Comment	Reference	Disclosure Level
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	No water bodies are significantly affected by Optus operations	●
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Biodiversity and vegetation management – page 33 Environmental impacts of products and services – page 35	●
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Packaging snapshot – page 34 Mobile Muster – page 35	●
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Nil	●
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	There have been no material transport losses in the reporting year.	●
EN30	Total environmental protection expenditures and investments by type.	The cost of environmental protection and investment is not currently tracked separately from business as usual operations. Optus plan to report on these expenditures in 2014.	○
Social: Labour Practices and Decent Work			
LA1	Total workforce by employment type, employment contract, and region.	Our people – Key Performance Indicators – page 28 Who we are and what we do – page 5 Reporting by employment contract and region to be undertaken from 2012.	●
LA2	Total number and rate of employee turnover by age group, gender, and region.	Our people – Key Performance Indicators – page 28	●
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Benefits are made available to all Optus employees.	●
LA4	Percentage of employees covered by collective bargaining agreements.	Our people – Key Performance Indicators – page 28	●
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	This is defined in our Employment Partnership Agreement and meets the requirements of Australian Law	●
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Our people – Key Performance Indicators – page 28. OHS Committee members are appointed from all levels and functions within Optus and depending on specific functional operations, represent OHS issues across the entire Optus workforce. We will further review availability of this data for full reporting from 2012.	●
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Our people – Key Performance Indicators – page 28. Our focus your wellbeing – page 27 Minor injuries are included, lost days are working days. There were no fatalities during the reporting period. Optus plans to report injuries and lost days for contractors from 2012.	●

Indicator	Comment	Reference	Disclosure Level
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Health & Safety – Our focus your wellbeing – page 27 No workers are involved in occupational activities that have a high incidence of specific diseases	●
LA9	Health and safety topics covered in formal agreements with trade unions.	The Employment Partnership Agreement (EPA) is Optus' collective agreement. It is made directly between Optus and employees.	●
LA10	Average hours of training per year per employee by employee category.	Developing our people – pages 25-26 Optus does not currently record hours of training by employee category, but plans to report this in 2013.	◐
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Developing our people – pages 25-26	●
LA12	Percentage of employees receiving regular performance and career development reviews.	All employees receive regular performance and career development reviews	●
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	See SingTel Annual Report 2010/11 Board of Directors – pages 14-17 Our People – Key Performance Indicators – page 28 Data identifying employees in minority groups is partially available but proprietary information, as employees may elect not to disclose their minority group membership on the basis of personal privacy.	◐
LA14	Ratio of basic salary of men to women by employee category.	Our people – Key Performance Indicators – page 28	●
Social: Human Rights			
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Supply chain – page 35 No contracts with significant suppliers or contractors were subject to actions as a result of human rights screening.	●
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Supply chain – page 35 No contracts with significant suppliers or contractors were subject to actions as a result of human rights screening.	●
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	100% of employees have completed EEO@Optus as per our compliance requirements. Training around discrimination, harassment and other unlawful behaviour is compulsory for all employees. Optus does not record the total number of hours associated with this type of training, but plan to start reporting from 2013.	◐
HR4	Total number of incidents of discrimination and actions taken.	No findings of discrimination recorded in the reporting period	●
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	None of our Australian operations have been identified in which the right to exercise freedom of association and collective bargaining is at significant risk.	●
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	Optus is in compliance with Australian law which prohibits child labour.	●

Indicator	Comment	Reference	Disclosure Level
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	Optus is in compliance with Australian law which prohibits forced or compulsory labour.	●
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	All employees are required to undertake equal employment opportunity training every two years. All new employees are required to complete equal employment opportunity training as part of their induction.	●
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	None	●
Social: Society			
S01	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Biodiversity and vegetation management – page 33 Governance – page 10 Access to communications and case study – page 15 Case Study – page 34 Our community – page 38	●
S02	Percentage and total number of business units analyzed for risks related to corruption.	See SingTel Annual Report 2010/11 Corporate Governance – page 66 Developing our People – page 26	●
S03	Percentage of employees trained in organisation's anti-corruption policies and procedures.	All employees are required to complete this training as part of their induction	●
S04	Actions taken in response to incidents of corruption.	No incidences of corruption were recorded.	●
S05	Public policy positions and participation in public policy development and lobbying.	Contributing to public policy – page 19 Remaining aspects of this information are commercial in confidence.	◐
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Australian Electoral Commission website Donations are reported on an Australian financial year basis and have not yet been released for the 2010/11 financial year.	●
S07	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	Optus is a defendant in Federal Court proceedings bought against it by a provider of various telecommunication services including the transiting of two-stage international dialling services using mobile numbers. The provider alleges that Optus has misused its market power by blocking calls from the Optus network to its network. Optus is vigorously defending the claim.	●
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Optus did not incur fines during the reporting period	●
Social: Product Responsibility			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Health and safety of our customers – page 20	●

Indicator	Comment	Reference	Disclosure Level
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	There were no incidents of non-compliance	●
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Regulatory compliance – page 19 Optus intends to fully report against this indicator in 2014.	●
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	Regulatory compliance – page 19	●
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Our customers – Key Performance Indicators – page 21 Improving the customer service – page 18	●
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Regulatory compliance – page 19 Responsible advertising and marketing – page 19	●
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Regulatory compliance – page 19	●
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	There were no substantiated complaints regarding customer privacy or losses of customer data during the reporting period.	●
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Optus incurred no significant fines for non-compliance during the reporting period.	●

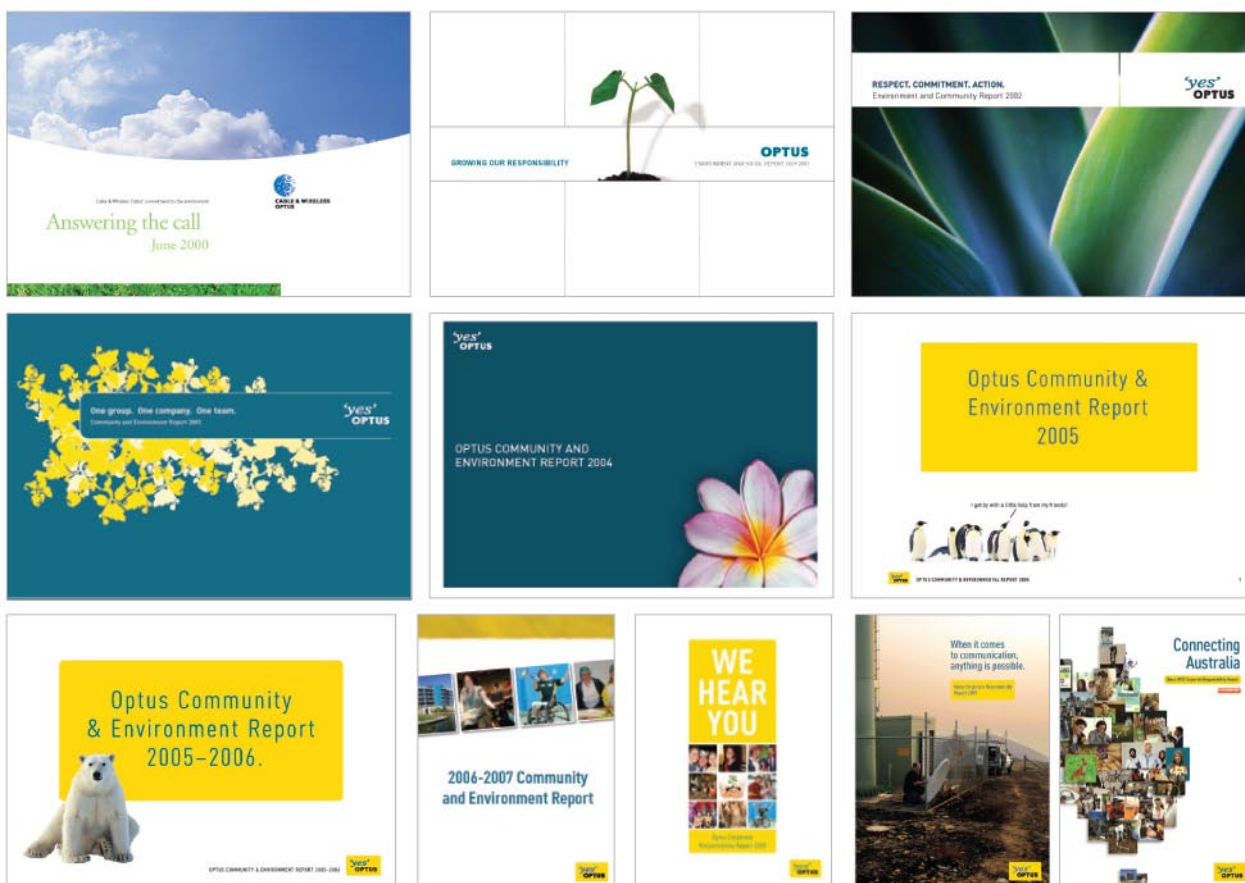
Telecommunications Sector Supplement

I01	Capital investment in telecommunication network infrastructure broken down by country/region.	Our customers – Key Performance Indicators – page 21	●
I02	Net costs for service providers under the Universal Service Obligation Describe relevant legislative and regulatory mechanisms.	Network coverage and performance – page 14	●
I03	Practices to ensure health and safety of field personnel involved in the installation, operation and maintenance of masts, base stations, laying cables and other outside plant. Related health and safety issues include working at heights, electric shock, exposure to EMF and radio frequency fields, and exposure to hazardous chemicals.	Health & Safety – Our focus your wellbeing – page 27	●
I04	Compliance with ICNIRP (International Commission on Non-Ionising Radiation Protection) standards on exposure to radiofrequency (RF) emissions from handsets	Health and safety of our customers – page 20	●
I05	Compliance with ICNIRP (International Commission on Non-Ionising Radiation Protection) guidelines on exposure to radiofrequency (RF) emissions from base stations.	Health and safety of our customers – page 20	●
I06	Policies and practices with respect to Specific Absorption Rate (SAR) of handsets.	Health and safety of our customers – page 20	●

Indicator	Comment	Reference	Disclosure Level
I07	Policies and practices on the siting of masts and transmission sites including stakeholder consultation, site sharing, and initiatives to reduce visual impacts. Describe approach to evaluate consultations and quantify where possible.	Biodiversity and vegetation management – page 33	●
I08	Number and percentage of stand-alone sites, shared sites, and sites on existing structures.	Who we are and what we do – page 4 We do not currently report the percentage of stand-alone, shared sites or those on existing structures, but plan to in 2014.	●
PA1	Policies and practices to enable the deployment of telecommunications infrastructure and access to telecommunications products and services in remote and low population density areas. Include an explanation of business models applied.	When Kyalite went mobile – page 15 Remaining aspects of this information are commercial in confidence.	●
PA2	Policies and practices to overcome barriers for access and use of telecommunication products and services including: language, culture, illiteracy, and lack of education, income, disabilities, and age. Include an explanation of business models applied.	Access to communications – page 15 Remaining aspects of this information are commercial in confidence.	●
PA3	Policies and practices to ensure availability and reliability of telecommunications products and services and quantify, where possible, for specified time periods and locations of down time.	Reconnecting communities after natural disasters – page 16	●
PA4	Quantify the level of availability of telecommunications products and services in areas where the organisation operates. Examples include: customer numbers/market share, addressable market, percentage of population covered, percentage of land covered.	Who we are and what we do – page 4	●
PA5	Number and types of telecommunication products and services provided to and used by low and no income sectors of the population. Provide definitions selected. Include explanation of approach to pricing, illustrated with examples such as price per minute of dialogue/bit of data transfer in various remote, poor or low population density areas.	Customer hardship – page 18 Optus' Financial Hardship Policy applies across all products tailoring payment arrangements to assist customers in difficult personal circumstances. Optus will explore telecommunication products to low and no income sectors by 2014.	●
PA6	Programmes to provide and maintain telecommunication products and services in emergency situations and for disaster relief.	Reconnecting communities after natural disasters – page 16	●
PA7	Policies and practices to manage human rights issues relating to access and use of telecommunications products and services.	Access to communications – page 15	●
PA8	Policies and practices to publicly communicate on EMF related issues. Include information provides at points of sales material.	Health and safety of our customers – page 20	●
PA9	Total amount invested in programmes and activities in electromagnetic field research. Include description of programmes currently contributed to and funded by the reporting organisation.	Health and safety of our customers – page 20	●
PA10	Initiatives to ensure clarity of charges and tariffs.	Responsible advertising and marketing – page 19	●

Indicator	Comment	Reference	Disclosure Level
PA11	Initiatives to inform customers about product features and applications that will promote responsible, efficient, cost effective, and environmentally preferable use.	Responsible advertising and marketing – page 19	●
TA1	Provide examples of the resource efficiency of telecommunication products and services delivered.	Focus on energy management – page 31	●
TA2	Provide examples of telecommunication products, services and applications that have the potential to replace physical objects (e.g. a telephone book by a database on the web or travel by videoconferencing)	Focus on energy management – page 31	●
TA3	Disclose any measures of transport and/or resource changes of customer use of the telecommunication products and services listed above. Provide some indication of scale, market size, or potential savings.	Focus on energy management – page 31 Optus does not quantify this information, but is tracking case studies and intends to report data by 2014.	◐
TA4	Disclose any estimates of the rebound effect (indirect consequences) of customer use of the products and services listed above, and lessons learned for future development. This may include social consequences as well as environmental.	No assessment undertaken although there is a general acknowledgement of videoconferencing and tele-presence increasingly being used as an alternative to travel.	●
TA5	Description of practices relating to intellectual property rights and open source technologies.	At Optus, the main principle and practice of open source software development is peer production by collaboration with the end-product, source material and documentation publicly available at no cost.	●





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