OUR PEOPLE
CREATING A GREAT PLACE TO WORK

BIGGER PICTURE
TELSTRA 2013 SUSTAINABILITY REPORTING SERIES

IT'S HOW
WE CONNECT

OUR PEOPLE
CONTENTS

RESPONSIBLE BUSINESS

CONDUCTING OUR BUSINESS ETHICALLY

Ethics, values & governance
Transparency & accountability
Stakeholder engagement
Sustainable procurement
Human rights

ENVIRONMENTAL IMPACT

REDUCING OUR ENVIRONMENTAL IMPACT

Carbon footprint
Energy efficiency
E-waste & resource use
Green products & services
Low carbon economy

CUSTOMER EXPERIENCE

PUTTING CUSTOMERS AT THE CENTRE

Access & digital inclusion
Customer experience
Privacy & data protection
Electromagnetic energy
Customer hardship

IT'S HOW WE CONNECT

COMMUNITY IMPACT

KEEPING OUR COMMUNITIES CONNECTED

Digital inclusion
Cyber safety
Disaster relief & recovery
Reconciliation action
Telstra Foundation

OUR PEOPLE

CREATING A GREAT PLACE TO WORK

Health, safety & wellbeing
Workplace relations
Culture & engagement
Diversity & inclusion
Volunteering & giving

OUR BUSINESS

Telstra is Australia's leading telecommunications and information services company, offering a full range of communications services and competing in all telecommunications markets. In Australia we provide 15.1 million mobile services, 7.8 million fixed voice services and 2.8 million retail fixed broadband services. Telstra's international businesses include Hong Kong's leading mobile operator CSL New World, Telstra Global's networks and managed services business and Telstra's China-based search and advertising businesses.

ABOUT OUR SUSTAINABILITY REPORTING

Our sustainability reporting comprises the *Bigger Picture Telstra 2013 Sustainability Reporting Series*, our sustainability website and a concise summary of our approach and performance in our 2013 Annual Report. Through our reporting we aim to provide information on sustainability issues relevant to our business and of importance to our stakeholders.

We develop our sustainability reporting with reference to industry and sustainability standards including the United Nations Global Compact Communication on Progress, the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines and Telecommunications Sector Supplement (pilot) and AccountAbility's AA1000 Principles Standard 2008. This financial year we apply the GRI framework to application level B+.

For more information visit
www.telstra.com.au/sustainability

SCOPE

Our sustainability reporting covers the 2012/13 financial year (1 July 2012 to 30 June 2013) for Telstra Corporation Limited and Sensis Pty Ltd (Telstra) unless otherwise stated. Aside from Sensis, all other controlled entities are excluded.

FEEDBACK

We welcome your feedback on our sustainability reporting, approach and performance. Please email us at
sustainability@team.telstra.com

OUR PEOPLE
HIGHLIGHTS

4,248 DAYS OF COMMUNITY VOLUNTEERING

LAUNCHED OUR **TELSTRA ALUMNI PROGRAM** FOR FORMER TELSTRA EMPLOYEES

EMPLOYEE ENGAGEMENT **79%** – UP BY 2 PERCENTAGE POINTS

WOMEN IN EXECUTIVE MANAGEMENT 25.4%

$1.3 MILLION CONTRIBUTED TO 285 CHARITIES VIA MATCHED PAYROLL GIVING

INVESTED **$1,116** PER EMPLOYEE ON LEARNING AND DEVELOPMENT

OUR PEOPLE
CONTEXT

Telstra is one of the largest employers in Australia, with a total workforce of more than 37,000 people and paying around four billion dollars in wages and salaries.

Technology is evolving rapidly, customer expectations are changing and by 2020, there will be five generations in the workforce. We're also facing a more competitive market. The way we adapt to change will define us and our ability to ensure long term business success. New working models that innovate in response to these changes will be critical.

We're looking to create future ways of working now by reaping the benefits of social media, embracing generational change and diversity, and offering flexibility. We're seeking to support this change with the right tools and technology, and the people and culture to enable it.

OUR PEOPLE
CULTURE AND ENGAGEMENT

The move to advocacy is the largest cultural change program ever undertaken at Telstra.

APPROACH

We're striving for a culture that is more responsive, reliable, innovative, collaborative and focused on excellence. Getting this right is vital to delivering on our business outcomes and creating customer advocates.

We know that when our people are engaged, they enjoy greater job satisfaction and are more able to deliver an outstanding customer experience.

PROGRESS

CREATING A CUSTOMER-CENTRIC CULTURE

This year, we introduced the Net Promoter System, which shifts our focus from customer satisfaction to customer advocacy.

The Net Promoter Score (NPS) is a simple metric that shows how well we're performing with our customers, based on their likelihood to recommend Telstra.

This move to advocacy is the largest cultural change program ever undertaken at Telstra. It has involved delivering a training program to our people leaders, called Our Customer Connection, to provide them with the tools, skills and mindset needed to create a culture of customer advocacy.

This year 7,283 people leaders from Telstra and partner organisations in Australia and the Philippines attended this interactive training. As a result, a survey revealed that 91 per cent of leaders either strongly agreed or agreed that they have the confidence and skills to coach their team members on the mindsets and behaviours required to create customer advocacy. We've also linked our employees' short term incentive to the NPS. For our executives, this constitutes 40 per cent of their short term incentive payment.

EMPLOYEE ENGAGEMENT

In April 2013, we conducted an employee engagement survey, with an 84 percent response rate.

We achieved an engagement score of 79 percent, a two percentage point increase on the previous year, putting us four percentage points above the Australian National Norm.
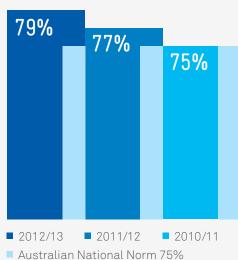
Results show that employees have clarity and confidence in Telstra's vision and future direction. The largest improvements were seen in the areas of culture, reward and recognition, and innovate and collaborate.

The results also tell us that we will further lift engagement levels over the next 12 months if we focus on:

- strategic leadership
- building a winning culture by highlighting the quality of our customer service
- developing our people
- health and wellbeing
- being customer driven by aligning our processes to the needs of our customers.

Company-wide and business unit actions will be put in place to ensure we address employee feedback.

EMPLOYEE ENGAGEMENT

79% 2012/13
77% 2011/12
75% 2010/11
Australian National Norm 75%

Telstra, Sensis and CSL employees

OUR PEOPLE
CULTURE AND ENGAGEMENT

LEARNING AND DEVELOPMENT

This year we introduced our next generation induction experience for new retail consultants, which includes real customer experiences through increased 'on the job' training and coaching. We also moved to a new provider for around half of Telstra's total training needs, giving us access to flexible, world-class training capability.

In 2012/13 we invested $48 million (not including labour costs) in learning and leadership development across the Telstra Group[1], which equates to $1,116 per employee (full time equivalent). This includes a $10 million investment in the Our Customer Connection program. Our previously disclosed 2011/12 investment figure included labour costs. Excluding labour costs the investment was $50.3 million, equating to $1,153 per employee (full time equivalent) in 2011/12.

Our 2012/13 investment has impacted employee engagement, with survey results indicating that 65 per cent of Telstra employees believe they were provided with sufficient learning and development opportunities to improve their skills in their current job. This is a two percentage point improvement on the 2012 results.

The Australian Government has committed to providing Telstra with $100 million in funding to help retrain our employees whose job or skills may be required to change because of the NBN rollout. This year, as part of the NBN retraining program, we retrained more than 1,000 employees to perform new functions.

TELSTRA ALUMNI PROGRAM

Our Alumni Program was launched in December 2012 to enable former employees to connect to each other and to Telstra. This was an important step in recognising the extended family of thousands of former Telstra Group1 employees (including Telecom, OTC and PMG) who have played an important role in getting us to where we are today. We've had a great response with 8,600 members as at 30 June, exceeding our target of 5,000.

To find out more visit
www.telstra.com/alumni

OUR PEOPLE
CULTURE AND ENGAGEMENT

VOLUNTEERING AND GIVING

This year we established the Community Connect portal to better support our employees' involvement in community activity. The portal centralises available volunteering opportunities and provides a forum for employees to share their experiences.

We provide paid volunteer leave for all employees and maintain a number of charity partnerships that enable individual and team volunteering opportunities, both skilled and unskilled. This year, our employees contributed 4,248 volunteer days, up from 1,375 days in 2011/12 but short of our target of 5,000 days.

This year we refreshed our approach to payroll giving, introducing dollar-for-dollar matching (up to $1,000 per employee per year) and flexibility that allows employees to give to any registered charity in Australia. This provided added incentive for our people to give, and 3.6 per cent of our employees made donations, up from 1.6 per cent the previous year. Including Telstra's matched contribution, we contributed $1.3 million to 285 charities.
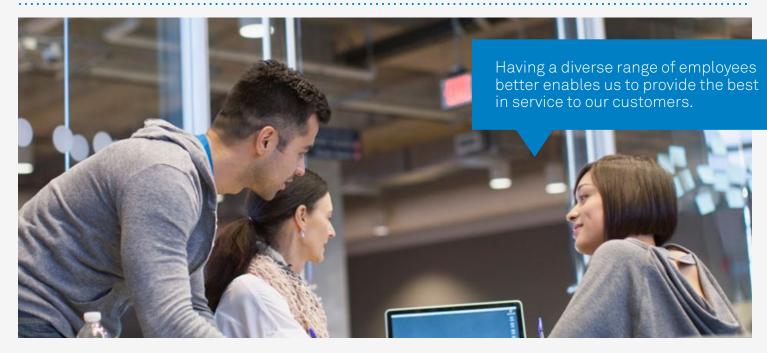

SKILLED VOLUNTEERING A WIN ALL ROUND

Giving our employees the opportunity to share their skills and expertise with local communities is a win-win-win for Telstra. It contributes to the community, helps us to build a more inclusive workplace, and helps to engage and develop our employees.

Telstra executive Alex King had "the absolute privilege of a lifetime" to volunteer for a six week period in Yirrkala, North East Arnhem Land. Alex worked with Lirrwi Tourism, a social enterprise designed to bring tourists into small and remote Indigenous communities. He wrote detailed business plans for two homelands – Baniyala and Bukudal – so they could seek approval from the Northern Land Council to allow incoming-generating commercial activities, such as tourism, on the homeland.

Reflecting on his experience Alex said, "I have visited many locations overseas and have always thought our mobile network was world class, but in remote North East Arnhem Land you really begin to truly understand the positive impact Telstra has had on Australian communities through the power of mobile telecommunications. It is not very often you can say that you are part of something that changes people's lives in such a great way!"

This experience was made possible by Jawun Indigenous Corporate Partnerships, which supports Indigenous leaders to deliver on their own visions. It aims to foster Indigenous economic and social development in ways that encourage people to take responsibility for their own lives. Jawun capitalises on corporate, government and philanthropic involvement to build the capabilities of Indigenous people and organisations.

OUR PEOPLE
DIVERSITY AND INCLUSION

Having a diverse range of employees better enables us to provide the best in service to our customers.

APPROACH

We know that diversity and inclusion helps us to improve business results, enhance our reputation, and attract, recruit, engage and retain a team of talented people.

Having a diverse range of employees better enables us to provide the best in service to our customers, enhances innovation, and improves morale, motivation and engagement.

At Telstra, diversity and inclusion relates to differences in gender, age, ethnicity, race, cultural background, disability, religion and sexual orientation. It also includes differences in background and life experience, communication styles, interpersonal skills, education, functional expertise and problem solving skills.

Our programs target inclusion for everyone at Telstra, with some specific focus also on gender equality, Indigenous Australians, other culturally and linguistically diverse (CALD) employees, people with disability, and gay, lesbian, bisexual, transgender and intersex (GLBTI) employees.

Diversity and inclusion at Telstra is led by our Diversity Council, which is chaired by the CEO and comprises the full CEO leadership team. We provide training to our managers and our employees who are required to complete mandatory training as part of their induction as well as refresher courses every two years. We have more work to do to improve diversity at all levels of the company.

PROGRESS

GENDER EQUALITY

Female gender representation among non-executive Directors on our Board was 37.5 per cent at 30 June 2013.

This year, we exceeded our objective for 25 per cent representation of women in Executive management, with nine new women joining this group during 2012/13. We also saw positive promotion rates for women in Telstra overall, and a rise in the engagement level of women compared to last year.

Overall female representation across the Telstra Group remained flat this year at around 31 per cent, reflecting a challenge around over-representation of women among departures from Telstra, which we will proactively address in the coming year. Women accounted for 40 per cent of this year's graduate intake. We have made good progress in addressing the gender pay equity gap and continue to focus on a range of initiatives including gender pay audits, closely monitoring female new starter packages, promotion rates and flexible working across Telstra. We will start to report metrics on our progress next year in accordance with the Workplace Gender Equality Act 2012.

OUR PEOPLE
DIVERSITY AND INCLUSION

To improve gender equality at Telstra this year:

- we included specific expectations in performance objectives for all Telstra leaders to be more inclusive across the employee life-cycle

- we held a series of monthly CEO roundtable meetings on gender equality for female employees

- our people participated in programs such as Sustaining Women in Business, Business Chicks, Women in Engineering, Chief Executive Women and Females in Information Technology and Telecommunications

- we participated in the White Ribbon Foundation Workplace Accreditation Pilot, aimed at reducing violence against women

- our CEO continued to participate in the Male Champions of Change group, convened by Australia's Sex Discrimination Commissioner, Elizabeth Broderick.

We've changed our approach to our measurable objectives in relation to female representation, moving from a one year measurement period to establishing an objective with measurement periods ending in 2014/15 and 2019/20. We've made this change to introduce a longer-term focus. It will be supported with regular monthly monitoring of progress.

REPRESENTATION OF WOMEN[†]
AS AT 30 JUNE 2013

Role	Number	Percentage
Board[1]	3	37.5
Executive management[¤,2]	66	25.4
CEO	0	0
CEO-1 (Band A)	5	31.3
CEO-2 (Band B)	10	16.4
CEO-3 (Band C)	51	28
Middle management[¤,3]	2,453	27
Operational[¤,4]	7,620	31.9
Total[¤]	10,139	30.5
Telstra Group excluding contractors*	11,374	30.9

[†] This table excludes contractors.

[¤] Includes full time and part time staff in Telstra Corporation Limited and its wholly owned subsidiaries, excluding contractors. It does not include staff in any other controlled entities within the Telstra Group.

* Includes full time and part time staff in controlled entities within the Telstra Group, excluding casual and agency staff.

For a list of the entities in the Telstra Group, please refer to Note 25 to the Financial Statements.

NOTES

[1] Number and percentage relate to non-executive Directors.

[2] Executive management comprises persons holding roles within Telstra designated as Band A, B or C, or equivalent.

[3] Middle management comprises persons holding roles within Telstra designated as Band 1 or 2, or equivalent.

[4] Operational comprises persons holding roles within Telstra designated as Bands 3 or 4, or equivalent.

OUR PEOPLE
DIVERSITY AND INCLUSION

INDIGENOUS EMPLOYMENT

Our intake of Indigenous trainees increased this year to 16 trainees across the business, as a result of targeted recruitment initiatives and candidate care, exceeding our targets.

All of the five Indigenous employees who joined us during the year remain employed as at 30 June 2013, with voluntary separation of Indigenous employees consistently below representation. In relation to our identified groups[2], our 2013 employee engagement survey showed the most significant improvement in the engagement of Indigenous employees with an increase of five percentage points since 2012.

This year, to attract and retain Indigenous employees at Telstra, we did the following:

- introduced an Indigenous employment brand, created an Indigenous employment blog on Telstra Exchange, and attended Indigenous employment fairs and expos

- established a team of Indigenous Employment Ambassadors and an Indigenous employee network

- developed an online employee cultural appreciation program, Connecting our Cultures, which explains our Reconciliation Action Plan, provides tips and advice to aid intercultural understanding and showcases some of our Indigenous employees sharing their own stories

- supported the Australian Human Rights Commission's "Racism: It Stops with Me" campaign in March 2013.

FLEXIBLE WORKING

Flexible working is a key driver of employee engagement, attraction and retention, and productivity for employees at all life stages. In the past year, we started a series of flexibility pilot projects within selected business units.

This included job sharing and job redesign to enable greater flexibility, and proactively advertising flexible job options. We're also working on staying in touch with employees during and after long term leave, such as maternity or carers leave, in order to enhance retention. Our Home for Dinner initiative has focused attention on work-life balance, looking at things like managing workloads during peak times and out-of-hours meetings. We also introduced a range of online resources to support leaders in managing flexible working effectively.
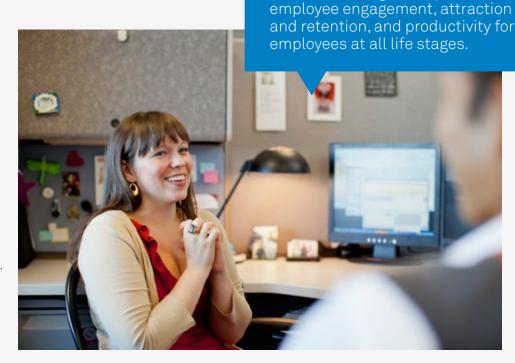
OTHER DIVERSITY INITIATIVES

To enhance our diversity and inclusion this year we supported a number of community initiatives including the Aids Trust of Australia's Red Ribbon SMS service for World Aids Day, the Parliamentary Friends of gay, lesbian, bisexual, transgender and intersex (GLBTI) Australians group and the 25th annual Midsumma Festival in Melbourne.

We also expanded our network for GLBTI employees to include straight allies.

Our 2013 employee engagement survey indicated that the engagement scores for all of our identified groups improved on the previous year.

> Flexible working is a key driver of employee engagement, attraction and retention, and productivity for employees at all life stages.

The health and wellbeing of our people is paramount and critical to the success of our business.

APPROACH

The health and wellbeing of our people is paramount and critical to the success of our business.

Our strategy for achieving a zero injury workplace is to build resilience and drive an early-intervention culture to prevent injuries and illness, minimise business impacts and return employees to pre-injury duties.

Telstra's Health and Safety policy defines our commitment to providing a healthy, safe and supportive work environment. We have governance structures and processes at Board, senior leadership and business unit levels to guide and monitor performance, as well as mandatory employee training. We are a Safety, Rehabilitation and Compensation Commission (SRCC) approved self insurer licensee and we maintain a Comcare Tier 3 status (the highest possible) under this scheme.

PROGRESS

LOST TIME INJURY

Telstra Corporation's lost time injury frequency rate (LTIFR) was 1.36 this year, slightly higher than the previous year.

While we continue to implement management programs across Telstra to reduce the severity of workplace injuries or illness, a steadily ageing workforce and increased field work with the NBN have impacted our performance.

Over the past year we have focused on vehicle safety and musculoskeletal injuries as they make up the majority of our reported health and safety incidents.

There have been zero work related fatalities at Telstra Corporation this year.

LOST TIME INJURY FREQUENCY RATE[1] (LTIFR)

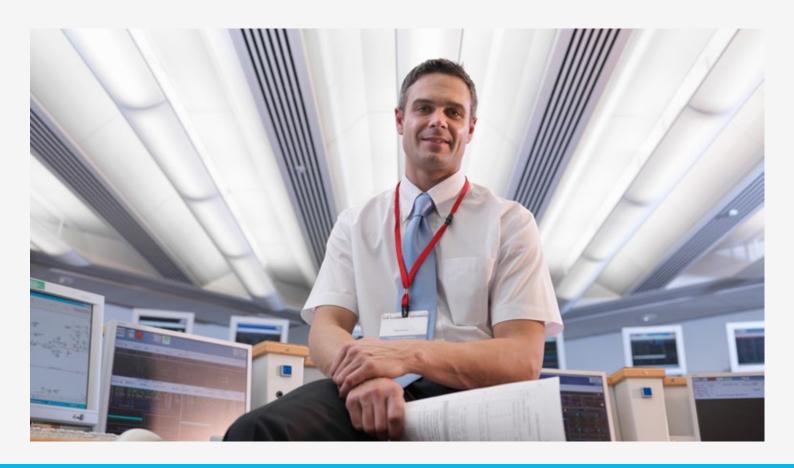|		
1.36	1.32	1.30

■ 2012/13   ■ 2011/12   ■ 2010/11

NOTES

[1] LTIFR is the reported number of accepted workers' compensation claims for work-related injury or disease that incur lost time for each million hours worked. This data relates to Telstra Corporation Limited only and does not include subsidiary companies, such as Sensis.

OUR PEOPLE
HEALTH, SAFETY AND WELLBEING

TELSTRA KEY WORKPLACE
HEALTH AND SAFETY
INDICATORS*

Key performance indicator	2012/13	2011/12	2010/11	Percentage change 2011/12–2012/13
LTI[1] Number of occurrences of lost time	66	64	62	+3.1
Serious injury rate[2] Rate of claims resulting in greater than one week lost time	3.4	2.7	—	+25.9
Lost days Total days lost	1,044	802	1,189	+30.2
Days lost per LTI Average days lost	15.6	12.5	19.2	+24.8
New workers' compensation claims Number	457	576	650	-20.7
Open workers' compensation claims Number	1,612	1,456	1,335	+10.7

*Telstra workforce

NOTES

[1] An LTI is the reported number of occurrences of lost time arising from injury or disease that have resulted in an accepted workers' compensation claim.

[2] For 12 month period 1 May 2012 to 31 April 2013 (latest available result from Comcare). Serious injury rate is defined as a claim that requires an absence from work of one working week or more per 1,000 full time equivalent employees. This was introduced as a measure in 2011/12,

EARLY INTERVENTION

This year we developed InjuryAssist, a voluntary injury management program that links injured employees with a national network of doctors and physiotherapists who specialise in work-related injuries.

The key objective is to ensure injured employees are assessed or treated by a medical practitioner as soon as possible following an injury. Since the program's introduction, 90 per cent of appointments were made on the same day the injury occurred.

Our new Muscles Bones and Body (MBB) program provides information for employees on how they can protect their backs, necks and other high injury areas by warming up, stretching and lifting correctly. It targets higher risk roles, such as field services, and also provides important information for an ageing workforce. Across the organisation, team managers have conducted MBB briefings, including use of videos and body check kits.

ASBESTOS AND SAFETY

Our network was built over a hundred year period and some of our pits and pipes were built with concrete that contains asbestos before the health issues associated with asbestos were known.

We have been managing the risk of asbestos within our network for many years and place the highest priority on the safety of employees, contractors and members of the public.

We require employees and contractors to follow safety procedures for the handling and disposal of asbestos. We were very disappointed there were issues with the asbestos management activities of our contractors during the year. As a result, we conducted a review of our contractor management and identified a number of areas where improvements could be made. We are in the process of implementing these changes and have already taken a number of steps to improve the asbestos management processes of our employees and contractors. This includes requiring all employees and contractors to undergo additional training and improving the way we engage with the community before undertaking work that may disturb asbestos containing material.

We take our response to asbestos related claims seriously. We have processes for managing compensation claims of any type to ensure that such claims are handled sensitively and expeditiously. Telstra handles asbestos claims on a case by case basis and any compensation payable is met from general operating costs.

For more information about how Telstra manages asbestos please see the Responsible Business chapter of the *Bigger Picture Telstra 2013 Sustainability Reporting Series*.
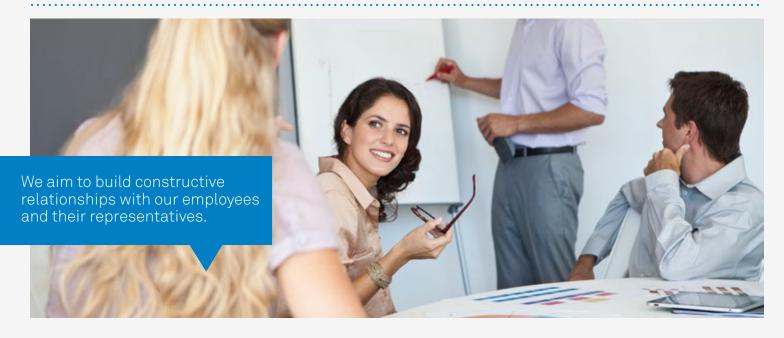
DISCRIMINATION AND BULLYING

In 2012/13, there were 241 reported cases of discrimination and bullying.

As at 30 June 2013, 42 cases were open with ongoing investigations, and 199 cases were closed. Outcomes for the closed cases were:

- 45 (23 per cent of closed cases) were substantiated and action was taken against the respondent (this could include verbal warnings, written warnings, final written warnings or dismissals)

- 27 (64 per cent of closed cases) were found not to be substantiated. In some of these cases other appropriate action such as training or mediation was recommended

- 27 (13 per cent of closed cases) were either withdrawn by the complainant or the investigation could not be completed due to the complainant tendering his/her resignation and subsequently leaving Telstra.

OUR PEOPLE
EMPLOYMENT AND WORKPLACE RELATIONS

We aim to build constructive relationships with our employees and their representatives.

APPROACH

We tightly manage our workforce requirements, particularly the mix of skills we need as we face a more competitive market.

We aim to build constructive relationships with our employees and their representatives, including trade unions, with a focus on dialogue and resolution. We give our people in redundant roles priority for job vacancies at Telstra via our Redeployment Policy, and our Internal Resolution Policy ensures that employees can seek a review of certain decisions that impact them.

PROGRESS

WORKFORCE PROFILE

As at June 30 2013, Telstra Group's[1] total workforce was 37,721 people (full-time equivalent).This is a decrease of 5.6 per cent compared to last year.

Other significant organisational changes in the past financial year include operational changes to Sensis announced in February 2013. These changes affected around 700 roles, and involved outsourcing to offshore partners able to provide higher level of responsiveness and service in response to our customers' demands. Telstra also announced in July 2012 that Vodafone New Zealand would acquire its wholly-owned

telecommunications subsidy, TelstraClear. This reduced the Telstra Group[1] workforce by about 1,300 employees.

ENGAGING WITH UNIONS

In Australia, we regularly engage with the Community and Public Sector Union (CPSU), the Communications, Electrical and Plumbing Union of Australia (CEPU), the Australian Manufacturing Workers Union (AMWU) and the Association of Professional Engineers, Scientists and Managers Australia (APESMA).

We also contact the unions when we make any significant change to our policies and processes. Our aim in union engagement is to build open and collaborative relationships and to minimise the number of workplace relations issues and disputes. This year, we conducted around 30 official consultation meetings with the unions where a workplace change had significant impact on our employees.

COLLECTIVE AGREEMENTS

We negotiated a new Telstra enterprise agreement (EA) with our employees and their representative unions, which came into effect in December 2012.

It replaced more than 60 different collective agreements. The EA supports the changes in our industry as we operate in a more competitive market, driven by

the implementation of the National Broadband Network. It also substantially contributes to our goal of simplifying employment arrangements.

In April 2013, we commenced discussions with the unions on replacing our 11 Telstra awards with one or two modern Telstra awards. These awards do not directly apply to our employees but provide the minimum standards the Fair Work Commission (formerly Fair Work Australia) uses when assessing our EA prior to giving their approval.

The percentage of employees on a collective agreement has increased to around 59 per cent from 53 per cent. This is a result of recruitment of employees under the EA and employees electing to revert to the EA. The remaining 41 per cent are employed on individual contracts or individual statutory agreements. Those individuals on statutory agreements can elect to revert to the EA once the agreement has expired.

Sensis negotiated two collective agreements in 2012/13. This included a new enterprise agreement with the CPSU that covers the majority of Sensis' operational level employees, and an enterprise agreement with the AMWU covering advertising and design operational level employees. The new collective agreements came into operation in early November 2012.

OUR PEOPLE
WORKFORCE DATA

WORKFORCE PROFILE[1]

	2012/13	2011/12	2010/11[2]	Percentage change 2010/12–2011/13
Telstra Group[3] Full time equivalent	37,721	39,972	40,912	-5.6
Telstra Group excluding contractors[4] Full time equivalent	34,679	36,039	36,072	-3.8
Telstra Corporation[5] Headcount	28,785	29,552	29,060	-2.6
Sensis[6] Headcount	2,737	3,356	2,720	-18.4
Combined Telstra and Sensis workforce headcount[7]	31,522	32,908	32,780	-4.2

NOTES

[1] Workforce profile data excludes individuals on long term leave.

[2] 2010/11 full time equivalents have been adjusted to reflect an additional 282 staff within the Reach business not previously recognised in our reported results, including 108 domestic full time staff.

[3] Includes Telstra Corporation and controlled entity full time employees and equivalents, contractors and staff employed through agency arrangements in Australia and internationally.

[4] Telstra Group excluding contractors and staff employed through agency arrangements in Australia and internationally.

[5] Includes full time and part time employees paid by Telstra Corporation (excluding casual staff, all controlled entity-paid staff, and agency staff in Australia and internationally).

[6] Includes full time and part time employees paid by Sensis (excluding casual and agency staff).

[7] Includes full time and part time employees paid by Telstra Corporation and Sensis. This definition is used in our workforce reporting of: age distribution; workforce by employment levels and employment type; workforce by contract type; total new hires; total new hires by gender and age; total turnover, turnover by gender and age group unless otherwise noted.

TELSTRA GROUP
SIGNIFICANT
GEOGRAPHIC LOCATIONS
PERCENTAGE

	2012/13	2011/12	2010/11
Australia	90.8	88.8	88.3
Hong Kong	5.9	4.2	3.5
China	2.2	2.2	4.3
New Zealand	—	3.5	3.2
Other[1]	1.1	1.3	0.7

NOTES

[1] Other countries are UK, Singapore, US, India, Japan, Philippines, Korea, Malaysia, Indonesia and Thailand.

AGE DISTRIBUTION
PERCENTAGE

	2012/13	2011/12	2010/11
16-24[1]	5.6	6.5	7.4
25-34	26.1	24.4	24.4
35-44	29.6	29.5	29.9
45-54	25.3	26.5	26.3
55+	13.3	13.1	12.0

NOTES

[1] Category previously 18-24.

OUR PEOPLE
WORKFORCE DATA

WORKFORCE BY EMPLOYMENT LEVEL

PERCENTAGE

	2012/13	2011/12	2010/11
Executive management (Bands A, B and C)	0.8	0.9	0.9
Middle management (Bands 1 and 2)	27.7	27.3	24.9
Operational (Bands 3 and 4)	71.5	71.8	74.2

WORKFORCE BY EMPLOYMENT TYPE

PERCENTAGE

	2012/13	2011/12	2010/11
Permanent full time	92.9	92.8	92.5
Permanent part time	5.9	6.3	6.8
Fixed term full time	1.2	0.9	0.6
Fixed term part time	< 0.1	< 0.1	< 0.1

TELSTRA WORKFORCE BY CONTRACT TYPE

PERCENTAGE

	2012/13	2011/12	2010/11
Individual contracts or statutory agreements	41	47	53
Collective agreements	59	53	47

NOTES
Individual contracts or individual statutory agreements include Australian Workplace Agreements (AWAs) and Individual Transitional Employment Agreements (ITEAs) and Common Law Contracts. Collective agreements include Employee Agreements (EAs).

SENSIS WORKFORCE BY CONTRACT TYPE

PERCENTAGE

	2012/13	2011/12	2010/11
Individual contracts or statutory agreements	26	28	N/A
Collective agreements	74	72	N/A

NOTES
Individual contracts or individual statutory agreements include Common Law Contracts and Australian Workplace Agreements. Collective agreements include Employee Agreements (EAs).

TOTAL NEW HIRES*

*Telstra and Sensis

	2012/13	2011/12
Headcount	4,055	3,956
Rate (%)	12.3	13.6

OUR PEOPLE
WORKFORCE DATA

NEW HIRES BY GENDER AND AGE GROUP

HEADCOUNT

	2012/13	2011/12	Percentage change 2011/12 -2012/13
Male	2,431	2,475	-1.8
Female	1,624	1,481	+ 9.7
16-24	909	1,084	-16.1
25-34	1,586	1,530	+ 3.7
35-44	980	864	+ 13.4
45-54	450	359	+ 25.3
55 +	130	119	+ 9.2

TOTAL TURNOVER

PERCENTAGE

	2012/13	2011/12
Headcount	4,389	3,363
Rate (%)	13.3	11.6

NOTES

Turnover is the number of employees who leave Telstra including all types of separation.

TURNOVER BY GENDER AND AGE GROUP

HEADCOUNT

	2012/13	2011/12
Male	2,590	1,986
Female	1,799	1,377
16-24	545	646
25-34	1,528	1,126
35-44	1,115	759
45-54	650	444
55 +	551	388

NOTES

Turnover is the number of employees who leave Telstra including all types of separation.

OUR PEOPLE
NEXT STEPS AND PERFORMANCE

NEXT STEPS 2013/14

DELIVER Our Customer Connection programs to the wider Telstra Group

WORK to achieve our measurable diversity objectives through a consistent focus on retention, flexibility and gender equality

DELIVER a work experience program for Indigenous candidates in our retail stores

FOCUS on proactive management of long term issues such as sedentary and ageing workforces

PERFORMANCE

PROGRESS ON 2012/13 COMMITMENTS	RESULT
Increase employee engagement by two percentage points from 77 to 79 per cent	Achieved
Implement an interactive employee community portal	Achieved
Achieve 5,000 employee volunteer days	Not achieved
Drive employee giving by implementing dollar for dollar matched payroll giving	Achieved
Implement the NBN Retraining Funding Deed Training Plan	In progress
Implement programs for our people leaders to support the introduction of the Net Promoter System	Achieved
Promotion rates for women to exceed their representation at business unit level	Achieved
Female representation for 30 June 2013 at 32 per cent (Telstra Group excluding contractors) and 25 per cent (Executive Management)	Partially achieved
35 per cent female representation in 2014 graduate intake	Achieved
Engagement of identified groups equal to or greater than Telstra-wide engagement score, with any negative differences not statistically significant	Achieved
Support an increase in targeted Indigenous traineeships	Achieved
Deliver an Indigenous cultural appreciation program	Achieved
Deliver at least four pilot initiatives to introduce new approaches to flexible work and careers at Telstra	Achieved
Achieve Lost Time Injury Frequency Rate (LTIFR) of 1.32	Not achieved
Deliver at least four pilot initiatives to introduce new approaches to flexible work and careers at Telstra	Achieved
New enterprise agreements finalised and approved by Fair Work Australia	Achieved

END NOTES

[1] Includes Telstra Corporation and controlled entity full time employees and equivalents, contractors and staff employed through agency arrangements in Australia and internationally.

[2] Identified groups are female employees, Indigenous employees, other culturally and linguistically diverse employees (CALD), employees with a disability, and gay, lesbian, bisexual, transgender and intersex employees (GLBTI).