



**HEALTH, SAFETY & ENVIRONMENT ANNUAL REPORT 2001**  
**BEYOND THE BOTTOM LINE**

# HIGHLIGHTS

**A 25% REDUCTION IN THE GROUP LOST TIME INJURY FREQUENCY RATE.**

**A 23% REDUCTION IN THE GROUP SERIOUS INJURY FREQUENCY RATE.**

**29 CONTRACTS ACHIEVING SIGNIFICANT LOST TIME INJURY FREE MILESTONES.**

**ACHIEVEMENT OF WORKERS' COMPENSATION SELF-INSURANCE LICENSE IN NEW SOUTH WALES.**

**A 15% REDUCTION IN GROUP WORKERS' COMPENSATION COSTS IN THE 2000-01 FINANCIAL YEAR.**



"I believe that Health, Safety & Environmental management is about a commitment to people - the people that make Transfield Services successful."

**Peter Watson, Transfield Services CEO.**



Emergency escape tunnel at Melbourne CityLink, Victoria

## INAUGURAL HSE REPORT

This report provides an opportunity to publicise to the wider community, our performance in Health, Safety and the Environment (HSE). Throughout the report, we have endeavoured to be open and transparent about our performance, highlighting both our successes and improvement opportunities. Through the acknowledgement of our shortcomings, we are able to move forward to reach our goal of zero-harm and no injuries to anyone, anytime.

This report is for the period of January 1, 2001 to December 31, 2001 and covers our operations in both Australia and New Zealand with the exclusion of our Joint Venture operations.

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## CEO'S STATEMENT

As Chief Executive Officer and a long term 'Transfielder', I am proud to present Transfield Services' Inaugural Health, Safety & Environment Report.

Through the dedication and personal commitment of our people, we achieved tremendous success during 2001. Central to our overall success has been the foundation of protecting our people and the environment from harm. Our Board and Executive team believe that the successful management of health, safety and environment, is the core of our business sustainability and hence paramount to our growth aspirations. Our performance in this area continues to be the first item on our Board Agenda.

Transfield Services has a long history of improving health and safety performance and in the past two years has increasingly matured in the area of environmental management. 2001 has been a year in which our injury rates were reduced by more than 20% on our 2000 performance. Whilst this improvement warrants recognition, we cannot become complacent as there is still much to be done to prevent our employees, contractors and members of the public from being hurt. In the area of environment, we acknowledge that much more needs to be done to ensure the long-term sustainability of the various environments in which we operate.

The performance of some projects and some industry sectors has been world-class whilst others have failed to perform to a satisfactory level. The challenge remains to incrementally improve our best and to stimulate significant change within those requiring most improvement. I am confident that our team can address these two challenges simultaneously.

'Beyond the Bottom Line' outlines our philosophy and journey and marks a milestone in reporting our performance to our employees, clients and the wider community. Our aim is to provide a transparent and honest appraisal of our performance over the past year and to highlight the direction and challenges that lie ahead.

I believe that health, safety and environmental management is about a commitment to people - the people that make Transfield Services successful. Whilst we should be heartened by our performance in 2001, the vision of 'zero harm' remains a challenge. Our capacity for innovation, improvement and strong leadership at all levels, will drive us towards this goal.

I trust that you will find this report informative. Your feedback is welcome and if you would like more information on our HSE performance or vision, I encourage you to contact us at [publicaffairs@transfieldservices.com.au](mailto:publicaffairs@transfieldservices.com.au) or at the address on the inside back cover.

Peter Watson  
**Chief Executive Officer**  
April 2002

## COMPANY PROFILE

In 1990, Transfield's Construction Division commenced providing maintenance services at the Mobil Refinery, Altona, Victoria. From that first contract in the oil and gas sector, with a workforce of just 12 people, maintenance became a cornerstone of Transfield's business. In 1993, the Transfield Operations and Maintenance Division was born and continued to grow rapidly over the next seven years and in October 2000, Transfield Services was created.

Today Transfield Services has a contract portfolio of over 55 medium to long-term contracts spanning 11 different industries. Currently, 29 of these contracts are greater than 1 year lost time injury free. The company has over \$3.4 billion worth of work in hand and employs a full-time workforce of over 4,500 people and 5,000 contractors. Transfield Services has employed over 40 qualified Health, Safety & Environment Specialists.

The industries in which we operate include oil and gas, facilities and property management, telecommunications, power, utilities, road, rail and defence. Transfield Services also owns the Macarthur and Yan Yean water treatment plants and the Townsville and Collinsville power stations.

On 3rd May 2001, the company listed on the Australian Stock Exchange as Transfield Services Limited and while Transfield Holdings and Transfield Services now operate as independent entities, they continue to work together to identify and develop complementary ventures. Transfield Holdings also retains a significant shareholding in Transfield Services.

Transfield Services' success is reflective of our strong client service record, consistent meeting of high standards, specific information technology systems and an experienced and dedicated team of employees. As a company, Transfield Services prides itself on a culture that fosters the value of our people and our clients' people, through a spirit of internal cooperation and integrity in our business relationships. We recognise the safety and protection of our people and the environments in which we work are pivotal to our continued success.

Crane boom at Fisherman Islands, Queensland







## VALUES

Transfield Services is committed to the health and safety of our employees, contractors, clients and members of the public. In addition, our work activities are conducted in an environmentally sustainable and responsible manner that will protect the environment and prevent pollution.

Transfield Services aims to be a leader in the health, safety and environment field through the provision of incident free workplaces. Two of Transfield Services key objectives are:

### **No injuries to anyone - anytime**

We believe that all incidents are preventable. We commit to identify hazards, eliminate all risks and prevent incidents with the objective of zero harm. Continual development of our culture is the key to achieving our vision.

### **Respect the community and environment**

We are proud of the contribution we make to society. We know that being effective partners in the community and the environment is fundamental to our success.

These objectives are the cornerstone of Transfield Services commitment to continual improvement in the fields of health, safety and environment and form the basis from which our corporate policies derive.

Andrew Reynolds, National HSE Coordinator  
collecting scrap metal for recycling at our  
Collinsville Power Station, Queensland

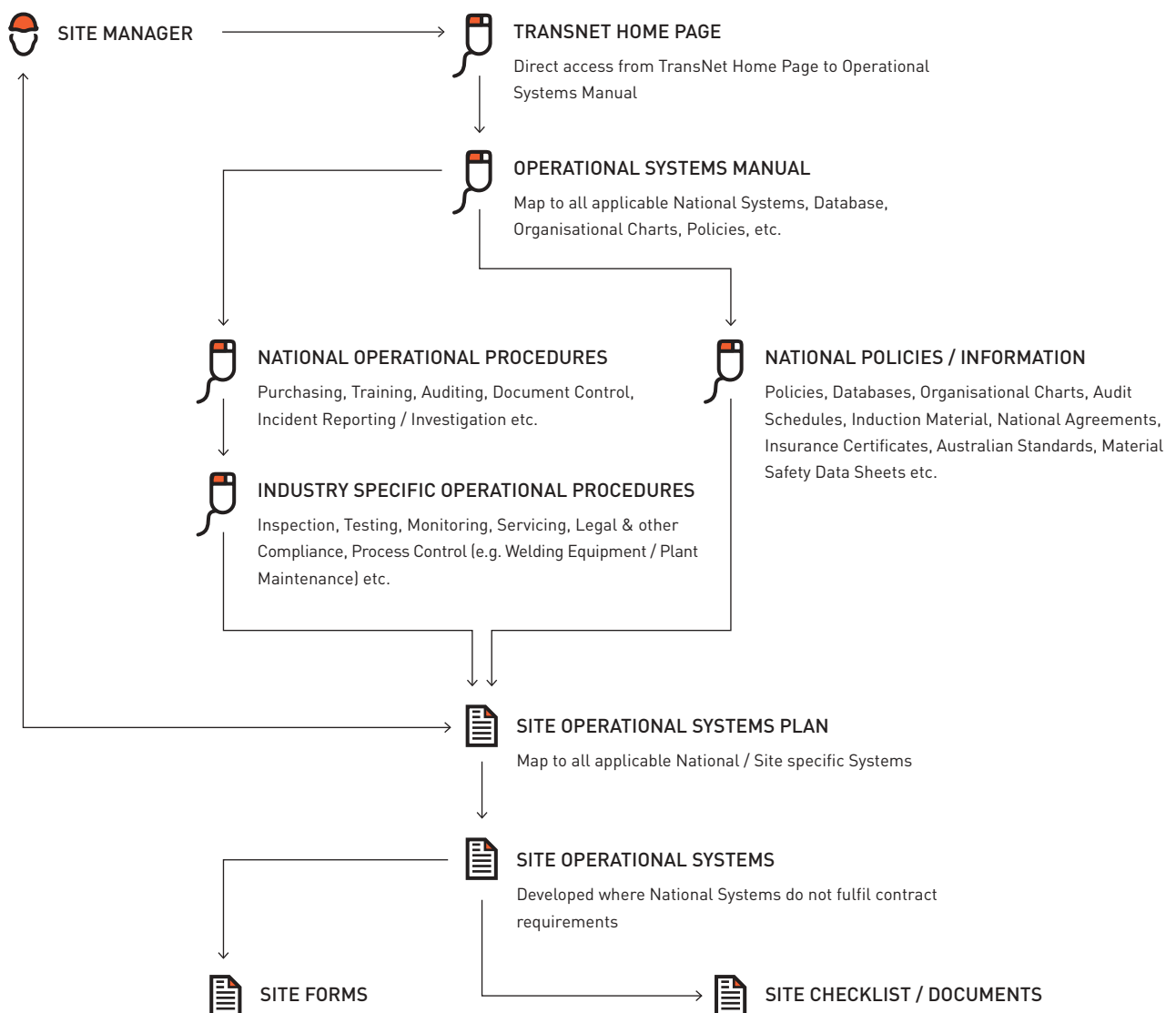
## MANAGEMENT SYSTEM

The provision of maintenance services across numerous clients and diverse industries necessitates a robust management system that is capable of meeting the needs of our people and clients. A number of years ago, to avoid confusion and costly duplication, we integrated our Quality, Safety and Environment Systems into a single system which was known as our QSE System. During 2001, we evolved the QSE System to integrate modern risk management processes with all of our business functions under a single, electronic management system known as our Operational Systems Manual. The recently developed and released Operational System Manual has become the driver for Transfield Services' move towards increasing levels of certification of the Safety and Environmental Systems in use throughout our operations.

The System includes:

- Policy / Commitment
- Line Responsibility
- Resources
- Standards
- Targets
- Measures
- Audits
- Investigations
- Training
- Improvement Initiatives

**FIGURE 1: Transfield Services' Management System**





Random Breath Testing on our South Australian Rail contract

## OCCUPATIONAL HEALTH AND SAFETY POLICY

Transfield Services is committed to the health, safety and welfare of all employees, and strives to be an acknowledged leader in the field. Our goal is to have injury free workplaces. The company will work to eliminate hazards, practices and behaviour that could cause accidents, injuries or illness to employees, contractors, visitors and the general public.

### Primary Goal

The primary goal of the Policy and associated procedures is to assist in providing safe and healthy work environments for Transfield Services employees, contractors and visitors.

### Objectives

The objectives of this policy are to:

- Comply with all relevant statutory obligations, contractual requirements and company systems;
- Implement and maintain a Safety Management System in accordance with AS 4801 and seek to have this system certified by an external body;
- Maintain health and safety competency and integrate health and safety requirements in all aspects of business;
- Continuously improve performance, as measured against targets and objectives, through innovative technology, education and good management practices;
- Provide health and safety training for employees;
- Employ only those contractors who aspire to the same health and safety standards as Transfield Services; and

- Promote a positive health and safety culture which is based on the principle that all incidents can be prevented.

All employees and contractors are responsible for their own safety and shall be held accountable for health and safety performance in their areas. In doing so, they shall follow rules for safe and healthy operations, report hazards to their supervisors and where required, wear Personal Protective Equipment (PPE).

This policy and associated procedures will be reviewed every two years in consultation with employees and relevant parties to ensure relevance and effectiveness.







Steve Davey, Senior Project Officer reviewing erosion control works on our Bibra Lake, Western Australia contract

**ENVIRONMENTAL POLICY**

This policy applies to all sites where Transfield Services is performing work. It covers all of our activities and services.

All of our work will be conducted in an environmentally sustainable and responsible manner that will ensure that the environment is protected through pro-active management controls with the principal design to eliminate pollution and environmental harm. Our environmental work practices will be enhanced through a process of continual improvement.

**Primary Goal:**

The primary goal of this policy and all associated procedures is to pro-actively eliminate environmental pollution and harm.

**Objectives:**

The objectives of the policy are to:

- Comply with all applicable legal, regulatory and other requirements for environmental management protection;
- Implement and maintain an ISO 14001 based Environmental Management System which provides the framework for this policy, subsequent procedures and our management system;
- Identify, assess and proactively manage activities that have the potential to negatively impact the environment;
- Ensure all employees and relevant stakeholders are aware of their personal duty of care for the environment;
- To display and promote this policy amongst all staff, contractors, stakeholders and interested members of the public; and

- To provide an ongoing education program that generates a positive culture towards environmental sustainability and excellence by striving towards best practices.

Transfield Services will report on environmental performance to the board, shareholders and employees.

This policy and associated procedures will be reviewed every two years in consultation with interested parties to ensure relevance and effectiveness.





## OBJECTIVES AND TARGETS 2001

Health, safety and environmental objectives and targets were established in late 2000 to support the Transfield Services HSE policies. Objectives are overall goals for our performance. Targets are descriptions of how our objectives are to be achieved within a specific time frame and are specific and measurable. Common to Transfield Services' policy, and hence objectives, the targets are based on:

- System improvements;
- Elimination of incidents;
- Education and training of personnel;
- Development of improvement strategies; and
- Compliance to legislative, company and best practice standards.

Transfield Services has an unrelenting focus to drive our safety and environmental performance to a world-class level. In order to achieve this goal, progressive targets were set by the management team that challenged all employees to deliver improved performance. 2001 was the first year in which group objectives and targets were widely publicised and measured.

The table below, indicates our improvement targets for 2001 together with actual performance against each objective.

**TABLE 1: HSE Targets 2001**

OBJECTIVE	TARGET	RESULT
<ul style="list-style-type: none"> <li>• 20% reduction on 2000 Lost Time Injury Frequency Rate (LTIFR) &amp; Serious Injury Frequency Rate (SIFR)</li> </ul>	<ul style="list-style-type: none"> <li>• LTIFR = 4 SIFR = 28</li> </ul>	<ul style="list-style-type: none"> <li>• Achieved 25% reduction in LTIFR to 3.6</li> <li>• Achieved 23% reduction in SIFR to 27.1</li> </ul>
<ul style="list-style-type: none"> <li>• Complete OHS Audit for each contract</li> </ul>	<ul style="list-style-type: none"> <li>• 49 System Audits within the Group</li> </ul>	<ul style="list-style-type: none"> <li>• 42 Audits completed</li> </ul>
<ul style="list-style-type: none"> <li>• Complete Environment Audit for nominated sites</li> </ul>	<ul style="list-style-type: none"> <li>• 12 System Audits within the Group</li> </ul>	<ul style="list-style-type: none"> <li>• 12 Audits completed</li> </ul>
<ul style="list-style-type: none"> <li>• Production of Health, Safety &amp; Environment Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>• Annual HSE Report completed</li> </ul>	<ul style="list-style-type: none"> <li>• Inaugural Report completed April 2002</li> </ul>

Transfield Services' strategy is to target a 20% reduction in both Lost Time Injury Frequency Rates (LTIFR) and Serious Injury Frequency Rates (SIFR). SIFR is a combination of both lost time and medically treated injuries. In 2001, these targets were exceeded with a 25% reduction in LTIFR and 23% reduction in SIFR.

## OBJECTIVES AND TARGETS 2002

Whilst our goal is zero incidents involving harm to people and the environment, we recognise that we will need to get there incrementally. As such, our targets for 2002 have seen a further 20% reduction on our 2001 performance with the added inclusion of some “stretch” targets to challenge the organisation for further improvement in performance.

Additionally, our 2002 targets have seen the inclusion of some Positive Performance Indicators (PPI) that endeavour to move beyond the negative performance indicators of injury statistics. These are targeted at some lead indicators which primarily, centre on the development and implementation of improvement initiatives. A summary of our 2002 targets is outlined as follows.

**TABLE 2: HSE Targets 2002**

OBJECTIVE	TARGET	STRETCH TARGET	MEASURE
<ul style="list-style-type: none"> <li>Reduction in 2001 Serious Injury Frequency Rate (SIFR)</li> </ul>	<ul style="list-style-type: none"> <li>21.6 (20% reduction)</li> </ul>	<ul style="list-style-type: none"> <li>20.3 (25% reduction)</li> </ul>	<ul style="list-style-type: none"> <li>Achievement of target in December 2002</li> </ul>
<ul style="list-style-type: none"> <li>Reduction in 2001 Lost Time Injury Frequency Rate (LTIFR)</li> </ul>	<ul style="list-style-type: none"> <li>2.9 (20% reduction)</li> </ul>	<ul style="list-style-type: none"> <li>2.7 (25% reduction)</li> </ul>	<ul style="list-style-type: none"> <li>Achievement of target in December 2002</li> </ul>
<ul style="list-style-type: none"> <li>Provide on-going education programs that generate a culture of environmental sustainability and excellence</li> </ul>	<ul style="list-style-type: none"> <li>Level 1 &amp; 2 Environmental training to be provided to 85% of all employees</li> <li>Level 3 Environmental training to be provided to 85% of all Project Managers &amp; Supervisors</li> <li>Level 4 Environmental training to be provided to 85% of all HSE Coordinators</li> </ul>	<ul style="list-style-type: none"> <li>Level 1 &amp; 2 Environmental training to be provided to 100% of all employees</li> <li>Level 3 Environmental training to be provided to 100% of all Project Managers &amp; Supervisors</li> <li>Level 4 Environmental training to be provided to 100% of all HSE Coordinators</li> </ul>	<ul style="list-style-type: none"> <li>Provision of education by December 2002</li> </ul>
<ul style="list-style-type: none"> <li>Reduction in waste going to landfill</li> </ul>	<ul style="list-style-type: none"> <li>20% reduction in waste</li> </ul>	<ul style="list-style-type: none"> <li>40% reduction in waste</li> </ul>	<ul style="list-style-type: none"> <li>Usage benchmarks to be identified and strategies developed to measure and monitor usage. Measure in December 2002</li> </ul>
<ul style="list-style-type: none"> <li>Implementation of all Safety &amp; Environment Improvement Initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Initiatives rolled out within nominated implementation timeframe</li> </ul>	<ul style="list-style-type: none"> <li>Initiatives rolled out to Joint Ventures</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of improvement initiatives across all applicable projects</li> </ul>
<ul style="list-style-type: none"> <li>Complete Environment Audit for nominated contracts</li> </ul>	<ul style="list-style-type: none"> <li>18 Audits completed within the Group</li> </ul>	<ul style="list-style-type: none"> <li>20 Audits completed within the Group</li> </ul>	<ul style="list-style-type: none"> <li>Nominated Audits completed</li> </ul>
<ul style="list-style-type: none"> <li>Complete OHS Audit for each contract</li> </ul>	<ul style="list-style-type: none"> <li>55 Audits completed within the Group</li> </ul>	<ul style="list-style-type: none"> <li>100% participation of all nominated senior managers in audits as per schedule</li> </ul>	<ul style="list-style-type: none"> <li>Nominated Audits completed</li> </ul>

# SUMMARY OF PERFORMANCE 2001



Public beach near Sydney Water pumping station, New South Wales

## LTI FREE MILESTONES

Whilst there has been a clear shift to focus on improvement initiatives and Positive Performance Indicators, there undoubtedly remains a need to also review injury statistics in order to identify trends. A pleasing trend observed throughout our operations has been the increasing number of projects achieving significant periods of lost time injury free. Currently, almost half of our operations are more than one year LTI Free. The table records numerous projects that achieved milestones throughout 2001.

A project worth highlighting is our Sydney Water Mechanical and Electrical operation based at Warwick Farm, New South Wales that has remained LTI Free for over 6 years. Impressively, the contract has remained LTI Free since its commencement in 1995.

Another milestone that deserves recognition occurred in September 2001. The achievement was the first LTI Free month, across the entire Transfield Services operations in 3 years. During this month some 560,000 hours were worked across the Group. The challenge remains to provide not only LTI free months but strive for serious injury free months.

FIGURE 2: Lost Time Injury Free Milestones





## WORKERS' COMPENSATION

Workers' Compensation has previously not been managed as effectively as we would have liked. Consequently, a number of changes to the management of this discipline were made during the year. The notable changes and results included:

- A 15% reduction in the Group workers' compensation costs as a percentage of payroll from 3.21% in 1999 / 00 to 2.72% in 2000 / 01;
- In NSW, an application for a self-insurance licence was sought and granted effective from 30 June, 2001. The application was prepared, submitted, audited and approved within a three month time frame, which was an outstanding result;
- From 28 October 2001, Transfield Services obtained separate workers' compensation policies in Queensland, Victoria and South Australia. Prior to this date, these policies were registered under Transfield Pty Ltd;
- Transparent internal reporting of workers' compensation costs has increased awareness of injury prevention / management and the financial impact to our business of poor safety performance;
- Since September 2001, workers' compensation costs as a percentage of payroll have been submitted for inclusion in the monthly Board Report.
- Submission of an application to obtain Exempt Employer (Self Insurance) Status in South Australia. Based on our claims performance history, we expect to generate further savings as a result of this strategic change.

- Health, Safety and Environment Group acquiring responsibility for managing workers' compensation function including provisions, premiums and performance analysis.

### GOALS FOR 2002:

- Obtain Exempt Employer (Self Insurance) Status in South Australia effective 1 July 2002;
- Conduct a feasibility study into the financial viability of obtaining Self Insurance Licences in other States of Australia;
- Provision of a Group quarterly report highlighting the total workers' compensation cost to the company;
- Breakdown of costs (by region and industry) to provide greater focus on injury prevention and management and hence target improvement initiatives to areas of inadequate performance; and
- Management of NSW Workers' Compensation Claims to be handled by Transfield Services personnel located at our North Sydney office (previously shared with Transfield Construction).

Elson Coulthard, Heavy Plant Operator on our South Australian Rail contract







Transfield Services fire engines at HMAS CERBERUS, Garrison Support Services, Victoria (Photo taken by Peter Munro)

## STATISTICAL PERFORMANCE

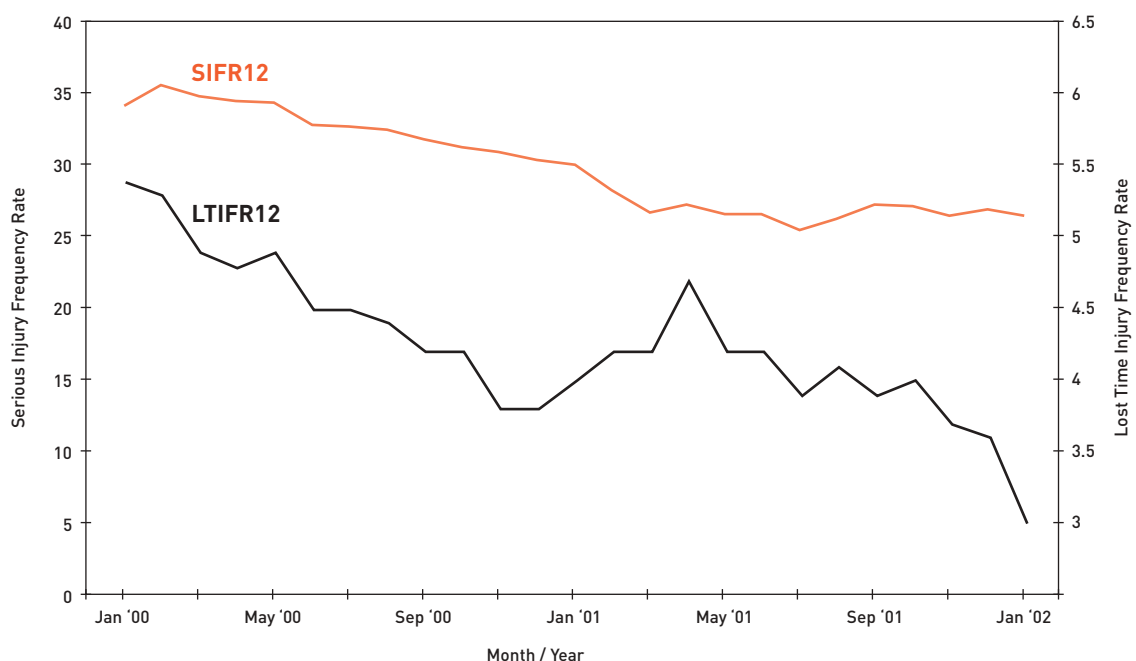
Our aim in safety is to prevent all injuries and whilst we accept that statistical analysis of injury data is in fact a 'lag' indicator, it does provide the opportunity to observe trends. At Transfield Services, we measure our statistics as rolling 12 month figures so as to observe trends rather than the peaks and troughs of observing the performance of a single month. As such, terms such as LTIFR<sub>12</sub> imply that the figures are based on a rolling 12 month period.

In 2001, our safety performance was pleasing. The targets set were a Lost Time Injury Frequency Rate of 4.0 and a Serious Injury Frequency Rate (LTI's plus MTI's) of 28.0. It is significant that despite our growth (and the commencement of new operations where our safety culture does not yet exist)

and the challenging environments in which we operate, we not only met these targets, but in fact exceeded them. Our actual performance for 2001 across all operations was a LTIFR of 3.6 (25% reduction on 2000 performance) and a SIFR of 27.1 (23% reduction). This performance was achieved with our employees working in excess of 7 million man-hours. Figure 3 outlines our 2001 statistical performance.

This in turn has led to the bar being raised further and an additional 20% reduction on the 2001 performance has now been targeted for 2002.

**FIGURE 3:** Statistical Safety Performance



SIFR12 = Serious Injury Frequency Rate rolling 12 months, LTIFR12 = Lost Time Injury Frequency Rate rolling 12 months.

**TABLE 3: Safety Performance Summary - Employees**

INDUSTRY	HOURS	FAT	MTI	LTI	SIFR12	LTIFR12
Facilities Management	802642	134	30	3	41.1	3.7
Defence	689813	77	14	6	29.0	8.7
Coatings	146138	6	12	3	102.6	20.5
Rail	567578	40	13	2	26.4	3.5
Road	244631	27	8	2	40.9	8.2
Utilities	457652	72	14	1	32.8	2.2
Mining & Minerals Processing	1349161	254	40	1	30.4	0.7
Oil & Gas	1529945	191	20	2	14.4	1.3
Power	159013	6	4	0	25.2	0
Telstra Facilities Management	266557	0	1	0	3.8	0
Telstra Projects	459770	9	8	5	28.3	10.9
Head Office Support	328959	0	0	0	0	0
<b>Total</b>	<b>7001859</b>	<b>816</b>	<b>164</b>	<b>25</b>	<b>27.1</b>	<b>3.6</b>

FAT = First Aid Treatment, MTI = Medical Treatment Injury, LTI = Lost Time Injury,  
SIFR12 = Serious Injury Frequency Rate rolling 12 months, LTIFR12 = Lost Time Injury Frequency Rate rolling 12 months.

**TABLE 4: Safety Performance Summary - Employees and Contractors**

INDUSTRY	HOURS	FAT	MTI	LTI	SIFR12	LTIFR12
Facilities Management	1869251	149	34	7	21.9	3.7
Defence	2766760	305	46	26	26.0	9.4
Coatings	149152	7	13	3	107.3	20.1
Rail	633350	40	14	2	25.3	3.2
Road	412600	39	11	2	31.5	4.8
Utilities	506155	76	16	2	35.6	4.0
Mining & Minerals Processing	1675038	294	44	1	26.9	0.6
Oil & Gas	2062347	225	23	2	12.1	1.0
Power	168892	7	5	0	29.6	0
Telstra Facilities Management	792195	5	5	0	6.3	0
Telstra Projects	984650	11	9	5	14.2	5.1
Head Office Support	337059	0	0	0	0	0
<b>Total</b>	<b>12357449</b>	<b>1158</b>	<b>220</b>	<b>50</b>	<b>21.8</b>	<b>4.0</b>

FAT = First Aid Treatment, MTI = Medical Treatment Injury, LTI = Lost Time Injury,  
SIFR12 = Serious Injury Frequency Rate rolling 12 months, LTIFR12 = Lost Time Injury Frequency Rate rolling 12 months.

Table 3 and 4 provide a summary of our injury data. Note that Transfield Services' record injury data for both employees and contractors.

## INJURY ANALYSIS

During 2001, Transfield Services' employees and contractors were involved in 1428 injuries of a first aid, medical treatment or lost time nature. These injuries, including incident details, site location and date of occurrence were captured on our safety statistics database which are monitored on our intranet.

The following charts breakdown the percentage of injuries by Bodily location, Mechanism, Agency and Nature.

**FIGURE 4: Bodily Location of Injuries**

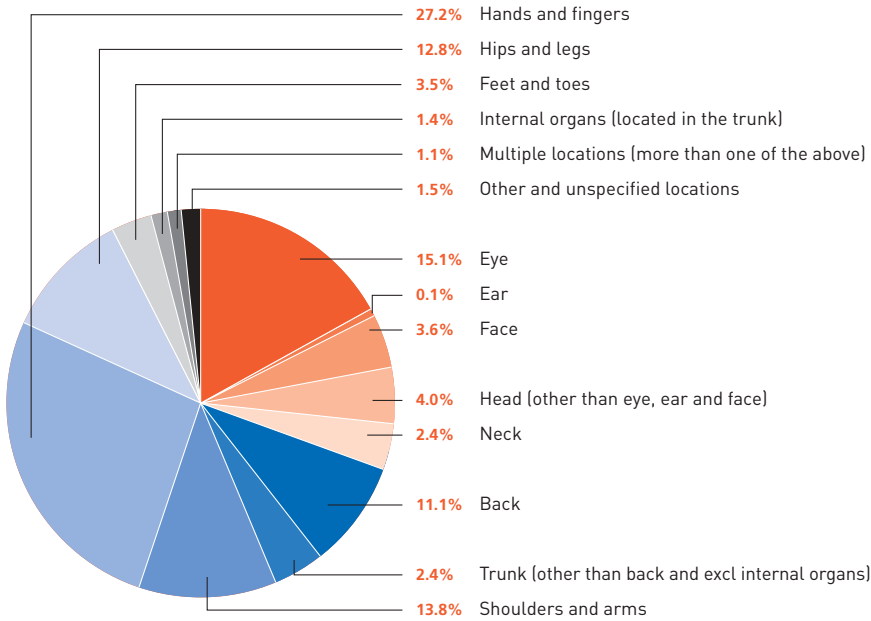


Figure 4 shows the breakdown of Transfield Services and contractors by Bodily location of injury. 27.2% of all recorded injuries affected hands and fingers.

**FIGURE 5: Mechanism of Injuries**

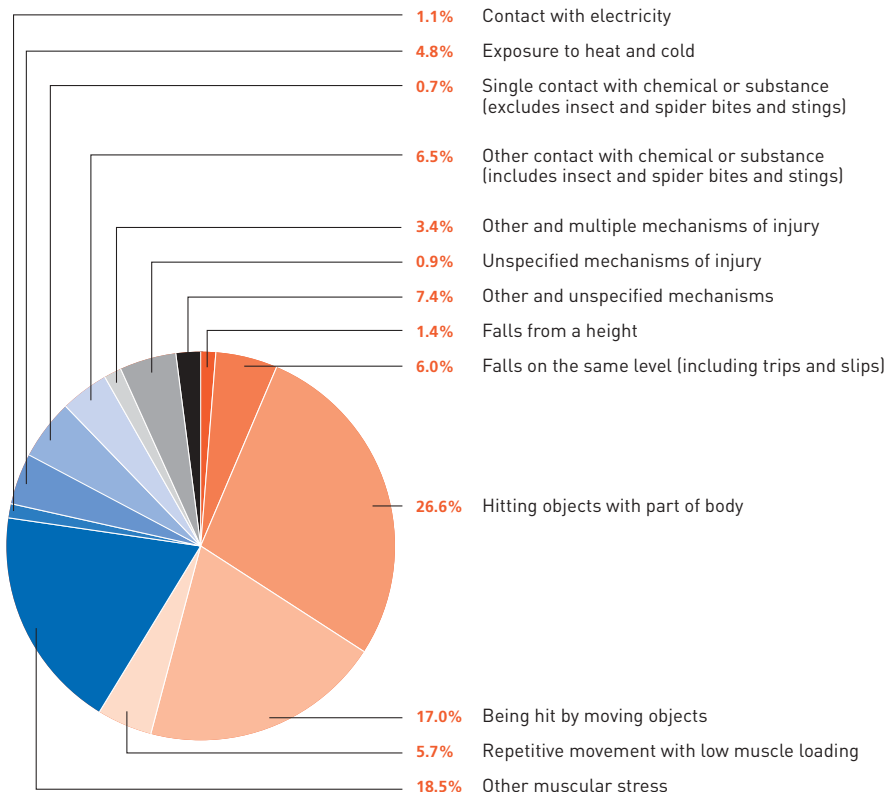


Figure 5 shows the breakdown of Transfield Services and contractors by Mechanism causing injury. 26.6% of all recorded injuries were caused by hitting objects with a part of the body.

**FIGURE 6: Agency of Injuries**

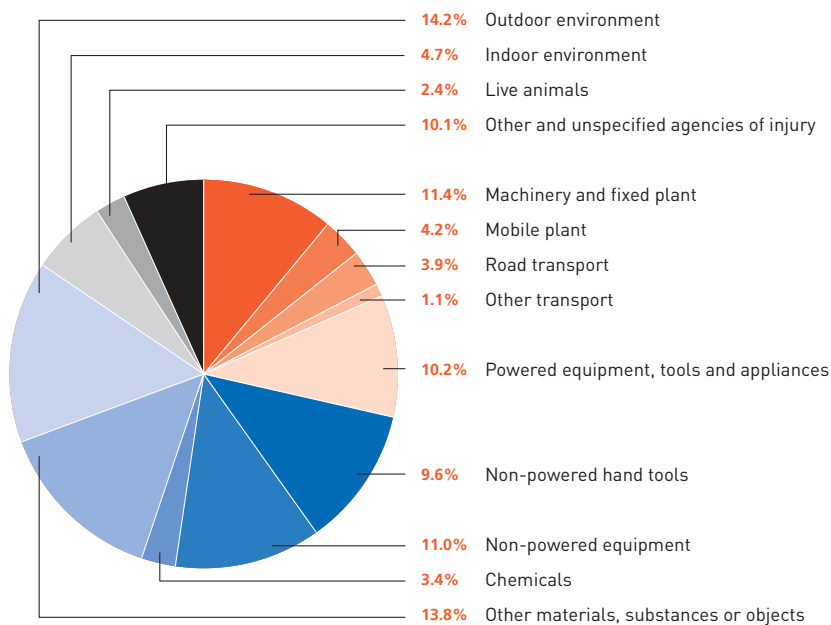


Figure 6 shows the breakdown of Transfield Services and contractors by Agency of injury. The outdoor environment and materials, substances or objects each contributed to 14.2% of injuries.

**FIGURE 7: Nature of Injuries**

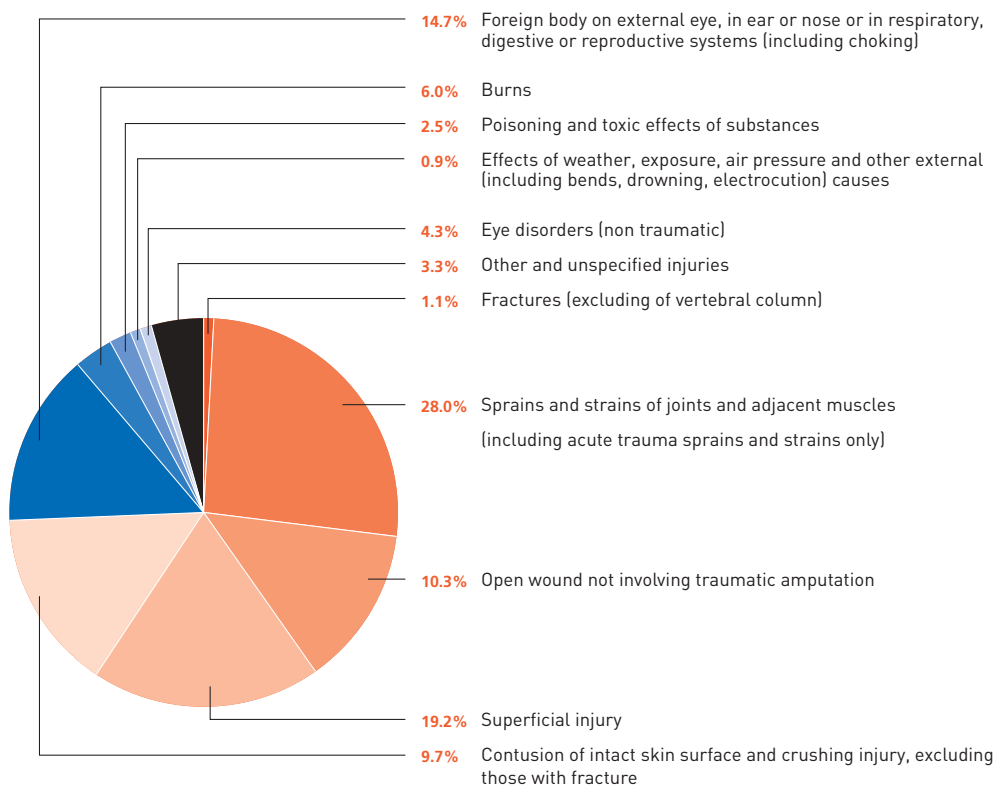


Figure 7 shows the breakdown of Transfield Services and contractors by Nature of injury. 28.0% of all recorded injuries were sprains and strains of joints and adjacent muscles.

Injury analysis is useful in identifying areas of concern and subsequently, assists in the targeting of improvement initiatives. An example of such occurrence was the development internally, of a Hand Safety Awareness Program, which was aimed at reducing a large percentage of our injuries affecting hand and fingers (Figure 3).

## REGULATORY NOTICES

We acknowledge that prior to April 2001, Transfield Services had not tracked and recorded in a central location, the numbers and types of Regulatory Notices received from Government Authorities. Since April 2001, the information has been captured and is now reported monthly to our Board.

**TABLE 5:** Overview of Notices received from Regulatory Authorities

INCIDENT TYPE	DATE	LOCATION	AUTHORITY	DETAILS
• Environment	• April	• TANCCS Salisbury QLD	• EPA & Albert Shire Council	• Poor practices for storage of soil on a roadside excavation
• Safety	• April	• Roads NZ	• Occupational Safety & Health	• An Improvement Notice was issued for employees not wearing the appropriate safety clothing and using poor traffic management practices
• Safety	• July	• Mobil Altona VIC	• WorkCover	• A Prohibition Notice was received for non-compliant scaffold
• Safety	• August	• Bibra Lake WA	• WorkSafe	• An Improvement Notice was issued to Transfield Services for a contractor failing to conduct a risk assessment
• Safety	• September	• CityLink Maintenance VIC	• WorkCover	• A Regulatory Notice was issued following an inspection by Workcover

## INCIDENTS NOTIFIED TO REGULATORY AUTHORITIES

As with Regulatory Notices, since April 2001, systems have been developed to track this information. The table below outlines the nature of incidents reported to the various Regulatory Authorities in Australia and New Zealand.

**TABLE 6:** Summary of incidents notified to Regulatory Authorities

INCIDENT TYPE	DATE	LOCATION	AUTHORITY	DETAILS
• Safety	• May	• Boodarie Iron WA	• Dept. of Minerals & Energy	• Serious Incident involving hot Direct Reduced Iron (DRI) resulting in fire
• Safety	• May	• Infrastructure Division WA	• Office of Energy	• High Voltage Serious Incident at RAAF Pearce involving a contractor
• Safety	• June	• Queensland Nickel QLD	• Div. of Workplace Health & Safety	• A 750kg ball and hook free fell from a 208t crane striking a handrail before falling to the ground
• Safety	• June	• Queensland Nickel QLD	• Div. of Workplace Health & Safety	• A forklift driver misjudged a turning point and tipped into an open storm water drain
• Safety	• October	• Electrical Distribution NZ	• Occupational Safety & Health	• An employee fell from an Elevated Work Platform in the stowed position, as he alighted from the bucket
• Safety	• October	• Bibra Lake WA	• WorkSafe	• A plumber suffered facial burns when attempting to light a gas hot water system



## PROSECUTIONS / FINES / FATALITIES

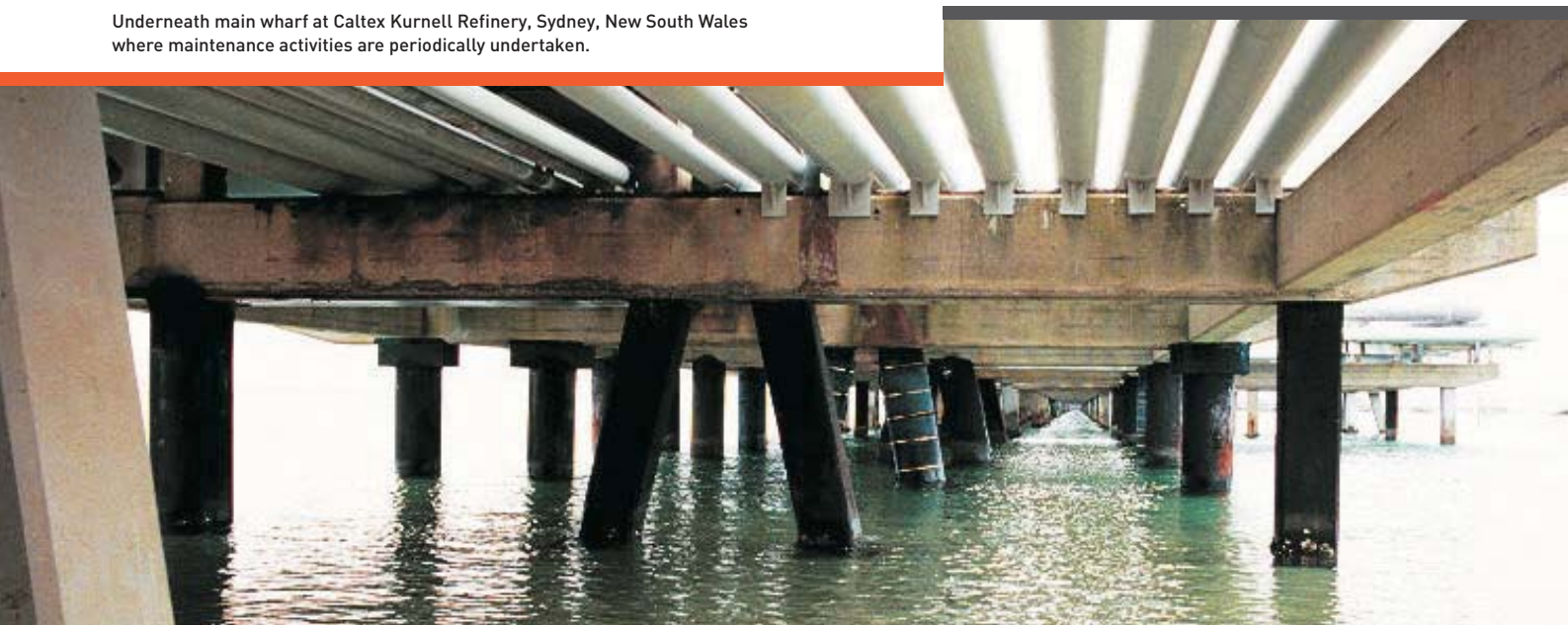
Transfield Operations and Maintenance, which was at the time, a division of Transfield Pty Ltd, was fined \$160,000 during 2001 for breaches of the NSW Occupational Health & Safety Act 1983. The fine related to a gas explosion incident at BHP's Newcastle Steelworks on 25 March 1998, which resulted in two workers being injured.

The investigation revealed that the explosion resulted from a gas leak from oxy-propane equipment being used by two boilermakers to repair a steelmaking ladle.

There have been no other penalties for statutory breaches.

During 2001, there were no fatalities of any Transfield Services employee or contractor.

Underneath main wharf at Caltex Kurnell Refinery, Sydney, New South Wales where maintenance activities are periodically undertaken.



## ENVIRONMENT

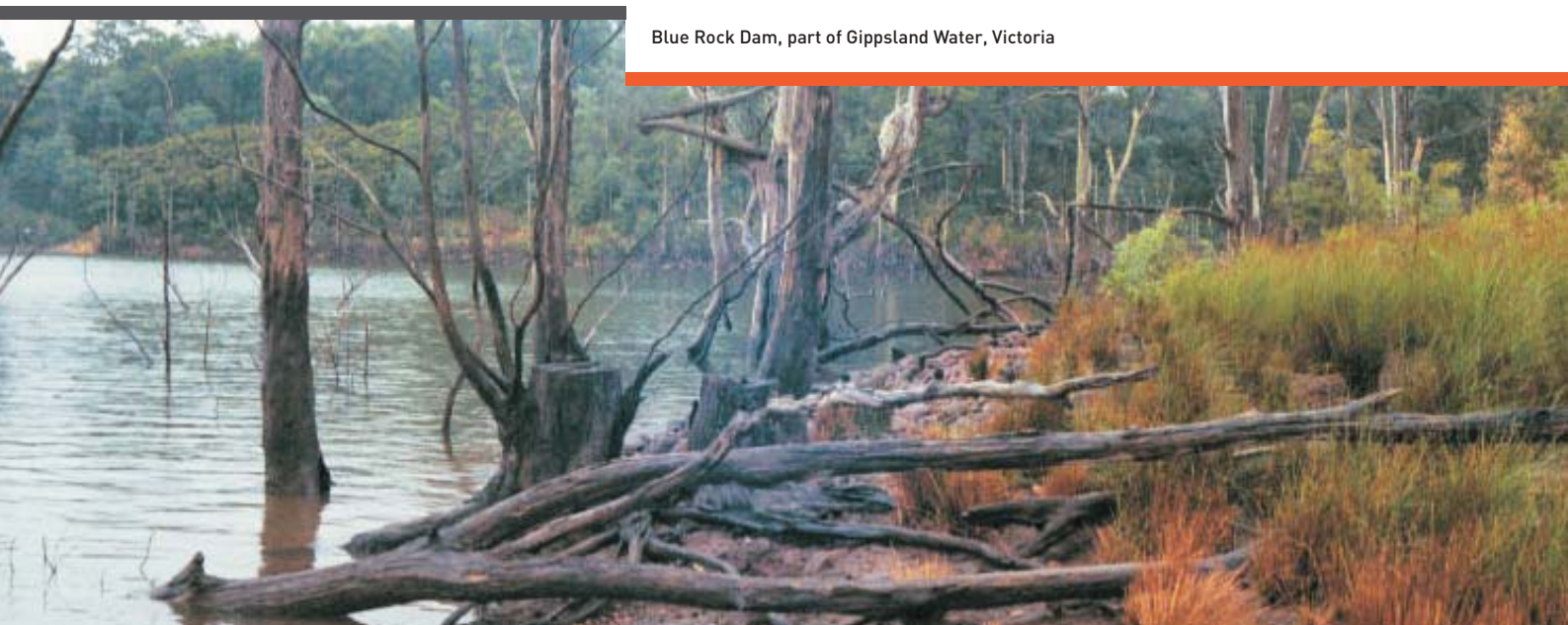
During the rapid development and growth of Transfield Services from a fledgling maintenance provider to that of one of the largest maintenance service providers in Australia, several shortcomings have come to light in how our company has managed environmental performance. In short, accurate and comprehensive recording and monitoring of our ecological impact has not been detailed and centrally located.

In 2001, Transfield Services reviewed what we had been doing environmentally. We recognised that despite having a fledgling and rapidly maturing environmental system, not all of our employees actually knew about the system and how it could be used within all of our contracts. Recognising our communication needed improvement, we took several steps to overcome both the real and perceived gaps in our environmental performance and internal and external communication strategies.

Amongst the first steps taken towards improving our communications 'gap' was the increased publishing of environmental and continuous improvement newsletters such as 'Accolades' and the bi-monthly corporate Transfield Services Newsletter. Similarly, to ensure that our staff could use the rapidly expanding TransNet and management systems, Transfield Services gathered 90% of all Senior Managers and Contract Managers together in Ballarat for a three day management conference in June 2001.

Amongst a number of clear messages delivered by both our Chief Executive Officer and Chief Operating Officer at the conference was the need to increase internal communications and to expand that message to our diverse range of clients. We also recognised the need to converse with other bodies such as environmental agencies, Non Government Organisations and our potential future clients. Subsequently, the rollout of future HSE improvements and communication strategies has been increasingly targeted towards 'face to face' delivery of our internal improvements and innovations. The National HSE team has commenced a very proactive approach towards overcoming the break down in environmental performance by several processes. These include the:

- development and publishing of the Environmental Handbook;
- delivery of a tiered platform of environmental training and performance;
- gradual training of all safety staff by external companies specialising in environmental auditing and systematic approaches to continual improvement; and
- face to face provision of 'can do' environmental tools that provide ready access to data and systems whereby continual improvement options can be found and used across our entire operations.



Blue Rock Dam, part of Gippsland Water, Victoria



Gary Hogg, HSE Coordinator conducting training at Brisbane Airport Rail Link, Queensland

## TRAINING AND EMPLOYEE DEVELOPMENT

Transfield Services has in place an Alliance with the University of Ballarat which is known as Transfield Training. The Alliance has also been extended to include the Centre for Business Solutions, Western Australia and has entered into discussions with TOSHA Limited, New Zealand. The Alliance demonstrates a strong commitment to improving safety and environmental education and employee development.

Transfield Training provides:

- a single point of contact for all training needs;
- access to a national network of accredited training providers;
- site specific training plans;
- state-wide training schedules;
- design and development of customised training programs;
- certification for training undertaken;
- a vehicle for seeking government funding of training;
- management of central records for all training conducted; and
- skills enhancement, development and assessment.

Courses arranged by Transfield Training during 2001 include:

- Confined space entry;
- Road safety;
- High voltage;
- First aid;
- Health and safety committee;
- Fire warden; and
- Computer skills training (HSE related).

The total expenditure on training conducted through the Transfield Training Alliance was in excess of \$400,000 in 2001. The challenge remains to have all of our operations utilise this Alliance more effectively as much training continues to be delivered external to Transfield Training. Consequently, the true training expenditure is not adequately captured. During 2002, we will further develop our capability of capturing this data.



## AUDIT PROGRAM

Audits are an important part of managing and improving HSE performance. Transfield Services has an extensive audit program that requires all contracts to be audited each year. In 2001, 42 OHS Audits and 12 Environmental Audits were undertaken throughout the Group. In 2002, we expect this to increase to 55 and 18 audits respectively. We recognise that audits help us identify our strengths and opportunities for improvement and subsequently, prioritise and target our improvement efforts.

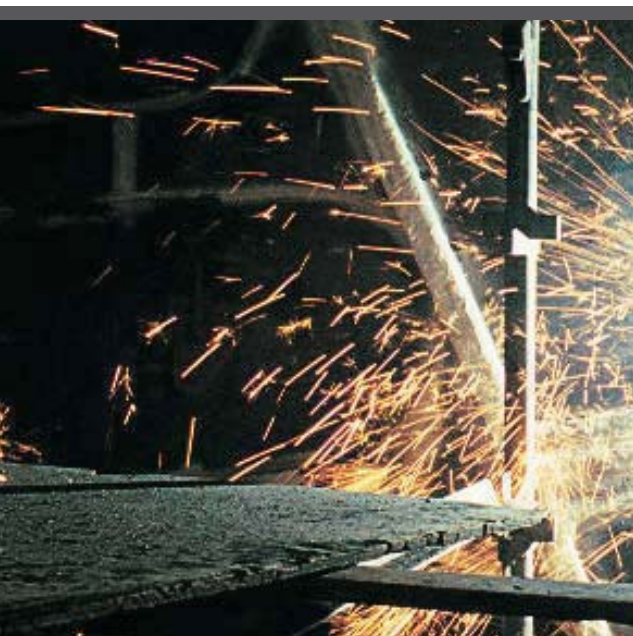
The Executive Summary for all audits are sent to various senior personnel including the Chief Executive Officer and the Chief Operating Officer. In 2001, we amended our Board reporting function to ensure that the completion of the audits against the schedule is also reported monthly to the Board. Additionally, we schedule our senior and executive managers to participate in an audit each throughout the year. Whilst we did not track their participation levels, systems will be put in place for 2002 that allow these levels to be tracked and published internally.

The following is a summary of the consistent shortcomings identified:

- Many sites had not formally completed the implementation of Environmental aspects into their site specific management plan;
- Contractor insurances were not routinely updated;
- Purchasing procedures did not have consistency nor environmental clauses included;
- Recycling management needed overall improvement in relation to systems and training; and
- Environmental training for all personnel had not been adequate.

Strategies have been put in place to ensure that each of the items outlined above are addressed.

The compilation and completion of corrective and preventative actions from all audits are included in our monthly reporting regime. There has been a progressive approach to 'signing - off' on all items identified from our audits with all sites being reviewed twelve months post the initial audit to verify completion.



Welding drag line buckets, New South Wales Mine Maintenance

## IMPROVEMENT STRATEGIES

In 1998, a Focus (Network) Group of all senior HSE personnel throughout Australia and New Zealand was formed to utilise the collective knowledge and experience within the company. This group was charged with developing a strategic plan and ultimately, developed a rolling three year Improvement Plan. Many of the improvement initiatives that have been implemented are now generated from this group.

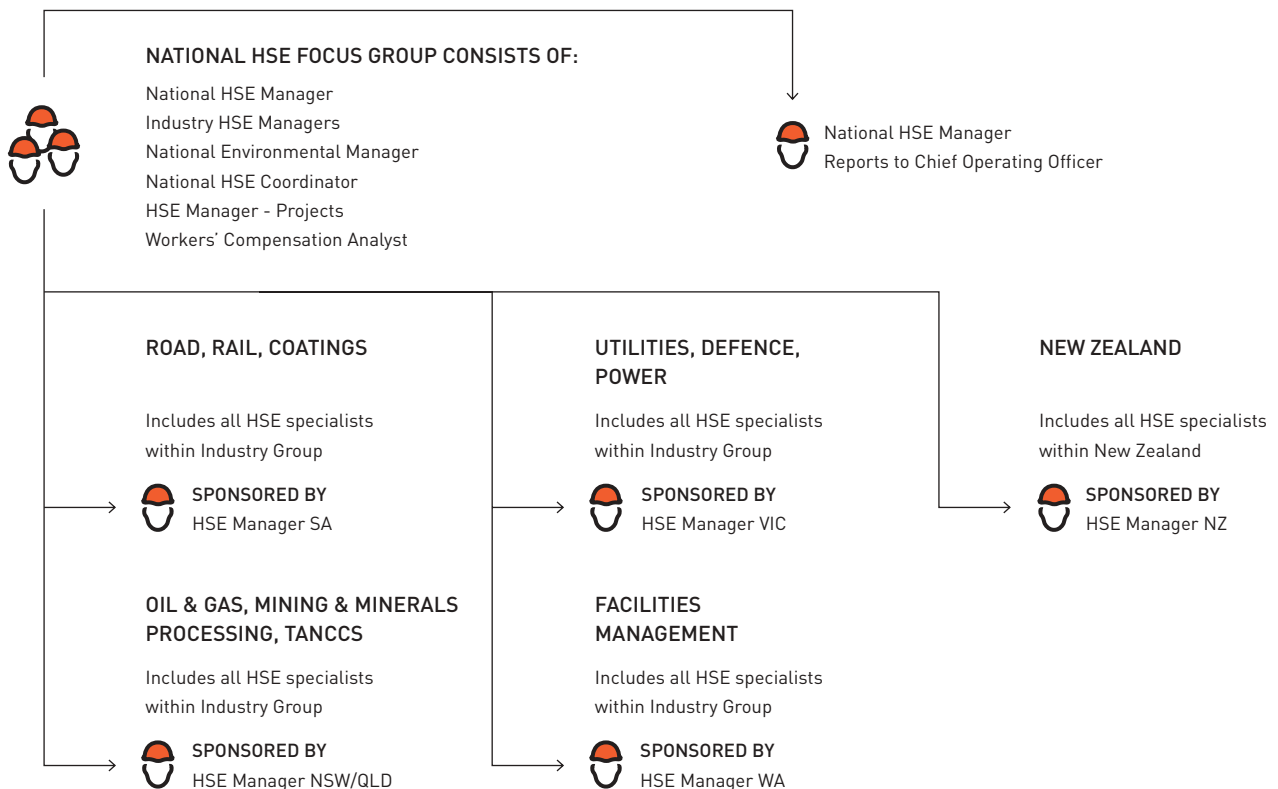
### National and Industry Focus Groups

The National HSE Focus Group as outlined in Figure 8, includes all of the senior HSE personnel within Transfield Services. At the Industry level, each of the HSE Managers maintains an Industry Focus Group with all of the HSE specialists within their respective industry groups. This supports the transfer of knowledge and best practice within specific industries as well as between different sites and industries.

The present arrangement of these key HSE professionals is such that the goals and objectives of Transfield Services are evolved from regular meetings and conferences. Following quarterly tele-conferences and annual face-to-face gatherings, initiatives and strategic direction is rolled out throughout the operations by the Industry HSE Focus Groups.

The responsibility for HSE Management resides with the CEO and line management. The HSE Focus Group structure provides a network of expertise, advice and general support to all levels of our operations.

**FIGURE 8: HSE Focus Group Structure**





## IMPROVEMENT INITIATIVES

Over recent years, Transfield Services has taken steps to improve our health, safety and environment performance through the implementation of management systems.

Whilst our management systems have and will continue to be of great benefit in managing HSE, an additional focus to drive incremental improvements in performance is necessary. Hence in order to remain a leader in the field and to be an organisation focused on improvement, a number of initiatives have been developed and implemented during 2001. The initiatives are targeted at systems and people as appropriate. The following is a summary of such initiatives.

### Chem-Alert System

With increasing statutory focus on the purchase, use, transport and storage of hazardous substances and dangerous goods, a robust system was required to assist compliance to such requirements. The purchase of the Chem-Alert System and its subsequent loading onto our TransNet provides all sites around Australia with an easy to use system to manage their inventories of hazardous substances and dangerous goods and to meet statutory obligations.

### Apprentice HSE Mentoring Program

It was recognised within our organisation that in general, during the early years of an apprenticeship, an apprentice's experience is low and there is an increased risk of injury. This program was developed and aimed at providing some structure about the HSE development of apprentices through high supervision levels and frequent/intense HSE training. This program was rolled out to all sites employing apprentices.

### HSE Theme Day

As part of increasing HSE Awareness throughout the organisation, a HSE Theme Day is held regionally with an invitation to all local employees. Themes included 'Work Safe - Play Safe - Home Safe' and 'Safety - Not Just at Work'. The day consisted of a BBQ, presentations, guest speakers together with issues of topical interest. These Theme Days are driven by the locally based HSE Network Groups and occurred in South Australia and New Zealand during 2001.

### Environmental Handbook

In order to assist the environmental education process within the organisation, an Environmental Handbook has been designed around our systems and procedures and the principles of Land, Air, Water and Noise (LAWN) management. Primarily, the Handbook is to be used at staff inductions and the material contained has been selected to provide employees with information relating to Environmental Best Practices.

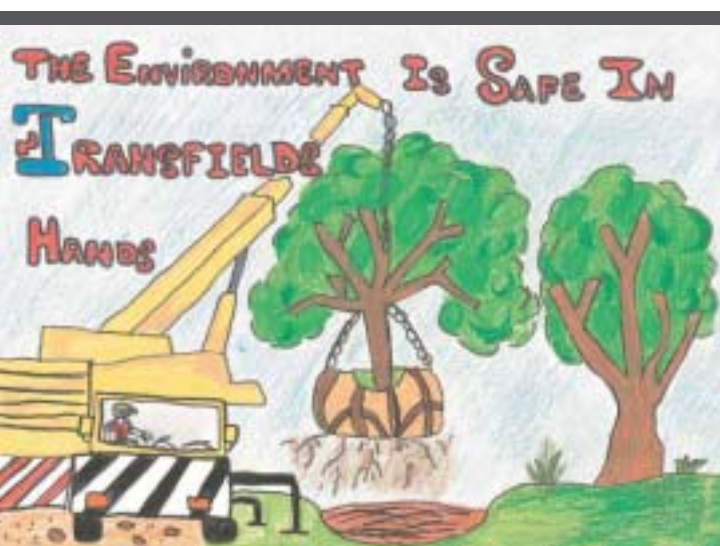
### Annual HSE Drawing Competition and Calendar

The Transfield Services HSE drawing competition takes place annually with the children of our employees participating in four different age categories. The thirteen drawings (one for each month and one for the cover) are collated and published as a calendar. This calendar is then distributed to all employees for use the following year. Additionally, recognition was received from both the Australian Prime Minister and State Premiers.

### LAWLEX

As part of Transfield Services commitment to Due Diligence, a subscription to Lawlex has been made. Lawlex is an electronic legislation update service that notifies targeted personnel within 24 hours of any changes in legislation in the fields of HSE and related disciplines.

Drawing from our 2001 competition forms the cover page of the 2002 HSE Calendar. Illustration by: Daniel O'Neill (age group 10-12)



## 5 - Level Environmental Training

The internal development of a tiered structure for Environmental Training is essential for Transfield Services to increase awareness about environmental systems, legislation and contemporary issues, etc. The training is structured as follows:

### Level 1:

Basic introduction that forms a part of the induction process.

### Level 2:

One hour training for site personnel.

### Level 3:

Four hour training for all management and supervisory personnel.

### Level 4:

Fifteen days training for HSE personnel (as required).

### Level 5:

One day training for executive and project managers.

## Hand Safety Awareness Program

Analysis of injury data highlighted that hand injuries accounted for 27% of the total injuries sustained across our operations. Refer to Figure 4.

As such, the Oil & Gas HSE Focus Group developed a Hand Safety Awareness Program for Group implementation.

The training is founded on a 12-week intensive, interactive program that focuses on the physical effects of hand injuries, selection and use of gloves, specific hazards, personal effects of hand injuries, etc. This program has been rolled out to all appropriate Transfield Services sites.

## 'Agents of Change' Leadership Development Program

Supervisors are the frontline in managing our HSE Systems and quite often, have 'risen' through the ranks to take on positions of responsibility. As Supervisors are in constant contact with the workforce, the manner in which they conduct themselves in terms of HSE, impacts on the way that their work teams view the company's commitment to HSE. As such, Supervisors are our 'Agents of Change' and are being utilised to drive a team approach to managing safety.

'Agents of Change' is a Supervisor leadership development program that has been developed in-house together with our Employee Assistance Program providers Resolve Australia. The program includes a range of KPI's and performance assessments (both self and peer) that are strongly linked to both practical and behavioural aspects of safety management. Stage one of the program has a duration of 12 weeks and has been rolled out to our Mobil Altona and Adelaide Refineries, Garrison Support Services Victoria, Queensland Nickel, Caltex Lytton Refinery and Mornington Peninsula Shire Council projects. This program also included client personnel and contractors.

Stage two of the program continues for 12 months and is supported by the nomination of an internal leader of the group and facilitated by Resolve Australia.

Gantry maintenance on our Melbourne CityLink, Victoria contract (Photo taken by Michael Hebden)



# INDUSTRY OVERVIEW



Power plant at Queensland Nickel contract, Townsville

## MINING & MINERALS PROCESSING

The Mining & Minerals Processing Industry Group has maintained one of Transfield Services lowest Lost Time Injury Frequency Rates of 0.7 with only one lost time injury recorded during 2001. NSW Mine Maintenance achieved four years LTI free and shutdowns conducted at the Train 3 Turnaround - Boodarie Iron, Concentrator - Pasminco Century, Electric Shovels - Bucyrus and Phosphate Hill were all completed Serious Injury free.

With the addition of BHP - Port Kembla, NSW, to the Industry Group, over 200,000 hours are worked monthly, with frequent shutdowns requiring ongoing vigilance to ensure this solid safety performance is maintained and further improved.

## COATINGS

In 2001, Transfield Services acquired part of the Coatings business of the Transfield Construction Corrosion Protection Group. In general, we noted that their HSE management systems were still very much in their infancy and so a number of our site based HSE Coordinators have been given the task of aligning Coating's systems and practices with the rest of the company. The Coatings operations are beginning to show improvement though still have some way to go in reducing their Serious Injury Frequency Rate of 102.6 and Lost Time Injury Frequency Rate of 20.5 to the companies performance of SIFR of 27.0 and LTIFR of 3.6.

Improvement initiatives are in various stages of implementation with both New South Wales and South Australian operations well advanced and Victoria scheduled in 2002.

## NEW ZEALAND

Our New Zealand operations have entered into discussions with TOSHA Limited, a training provider in New Zealand, to develop a training alliance similar to the Australian based Transfield Training with the University of Ballarat.

Transfield Services in New Zealand has also successfully completed the Accident Compensation Corporation audit to remain in the partnership program, moving to secondary level. The move to secondary level amounts to a further 15% reduction in workers compensation premiums.

Both the Housing and Roads contracts achieved two years LTI free during 2001.

## ROADS

A number of initiatives and training courses have been rolled out for our Road Industry contracts. Some of these have been developed internally and include:

- Sun-smart programs
- Construction ticket certification
- Chainsaw, Traffic controllers and First aid training

All road contracts continue to monitor their Supervisor KPI's with a positive increase in compliance. The CityLink maintenance, contract continues a good safety performance having a LTIFR of 0 and a SIFR under the HSE target of 28. The Road Industry as a whole does require improvement with a LTIFR of 8.2 and SIFR of 40.9, both above Group performance.

All initiatives will continue to be rolled out in the next 12 months with a strong focus on newly developed initiatives.



## FACILITIES MANAGEMENT

Our Facilities Management operations worked over 800,000 hours during 2001 and has the most number of projects in Transfield Services. The FM industry has implemented a number of initiatives, some autonomously, but most instigated from the national level. The industry specific initiatives included:

- The development of a Draft Fitness for Work Policy / Procedure;
- The development of a Draft Injury Management Plan / Program;
- Ergonomic study conducted on the baggage handling process on Rottnest Island, Western Australia;
- Risk management principles being included in HSE management across all contracts; and
- Workplace inspections and safety observations occurring more consistently with an improvement in the quality of delivery.

Early in 2001, an audit schedule for health, safety and environment was developed with all audits and reports having been completed as per schedule. The audits conducted for health and safety all achieved solid results, with increased emphasis placed on environmental issues in 2002. The commitment shown by Contract Managers was apparent throughout. While the Facilities Management LTIFR is comparative to the company average at 3.7, the SIFR requires improvement with a figure of 41.1.

Transfield Services' Facilities Management contracts are often surprising in their depth of operations and environmental diversity. The Bibra Lake contract is one such contract. With operations ranging from managing a prison to maintaining public schools and government buildings, our staff at Bibra Lake have also become involved in designing and constructing simple but effective erosion control barriers.

The Transfield Services team understood that the control of the erosion already occurring on the Swan River required an understanding of several elements. The hydraulic forces, local indigenous, native terrestrial and marine flora (grasses, algae and reeds) and the likely impact of visitors who would walk along the river banks, all had to be considered.

With these issues in mind, the solution included several types of barriers that would simultaneously slow down the movement of water, increase sedimentation rates and thus enhance the options for the re-establishment of plants. This in turn would allow the river banks to further stabilise.

Staff reviewing the erosion barriers at our Bibra Lake, Western Australia contract





Another diverse Facilities Management operation is our Mornington Peninsula Shire Council (MPSC) contract based at the coastal town of Mornington on Port Phillip Bay in Victoria. Situated at the old council's depot, our operations are as diverse as:

- road maintenance;
- fire management;
- land clearing;
- mowing;
- slashing; and
- general maintenance for thousands of local residents.

During 2001, our internal audit processes identified that bunding was required for the storage of a large volume of oils and chemicals. The solution was to reduce the quantity of chemicals held on site and to design a bunding system. The bund system saw the staff employ reusable mesh, plastic barriers and removable shelves.



John Phelan, Mechanic, with his self designed and built oil bund on our Mornington Peninsula Shire Council contract, Victoria

## UTILITIES

Many of our Utilities contracts achieved Lost Time Injury free milestones during 2001. Our Services contract in Doncaster achieved one year LTI free, while Melbourne Water Eastern Treatment Plant and Gippsland Water each achieved two years LTI free. All these contracts are based in Victoria, whilst in New South Wales our Sydney Water operations achieved six years LTI free.

From these tremendous efforts, the LTIFR for this Industry at 2.2, is below the Transfield Services performance of 3.6. The SIFR however requires attention and is above the company average at 32.8.

## POWER

During 2001, our Power Industry had a solid result, recording no LTI's and conducting a shutdown at Loy Yang power station in the Latrobe Valley, Victoria, serious injury free.

During the year, Collinsville Power Station achieved three years LTI free.

## OIL & GAS

Our Oil & Gas projects have continued the high standard of HSE performance that we have come to expect from this industry. They have achieved some outstanding results during the year including a LTI free:

- 45,000-hour shutdown at Huntsman Chemicals, VIC;
- 130,000-hour shutdown at Mobil Altona, VIC; and
- 250,000-hour shutdown at Caltex Lytton, QLD.

Most of the Transfield Services sites in this industry reached safety milestones throughout 2001, with Mobil Altona, VIC reaching three years LTI free and Mobil Adelaide, SA, Shell Clyde, NSW and Carlton & United Breweries, QLD achieving two years LTI free. The industry group achieved a SIFR of 14.4 and LTIFR of 1.3, both lower than the group result.

Improvement initiatives such as the Hand Safety Awareness Program, which was initiated by the Oil & Gas HSE Focus Group and rolled out company wide, and the 'Agents of Change' program have paid dividends in keeping HSE at the forefront of thinking whilst conducting work activities.

## TELSTRA PROJECTS

Telstra Projects adopted an Integrated Systems Management Plan which was certified as ISO 14001 compliant. This system was specifically developed to address the needs of the Telstra Projects group.

It has been an interesting year for our Telstra projects with significant effort focused on the development of land access procedures, designed to address environmental protection standards. Additional environmental improvements include the development of procedures and work practices to prevent the spread of fire ants that were recently introduced in the Brisbane area.

## TELSTRA FACILITIES MANAGEMENT

The staff and contractors on the Transfield Telstra FM Alliance provide maintenance services to all Telstra network sites Australia wide.

Whilst complying with Transfield Services requirements, a project specific Quality, Safety and Environment (QSE) management system was developed with strong emphasis placed on risk management.

In 2001, risk management was an integral part of the majority of the business activities, particularly operations. During 2001 the QSE management system was audited against AS 4801 and ISO 14001. The system met the requirements of these standards and achieved certification in April 2001.

A major management review of the Telstra FM Alliance QSE system in December 2001 identified the following opportunities for improvement:

- € Review the relevance of the procedures against the Alliances current activities and structure.
- € Implement effective national systems with greater direction and focus from the Risk and Compliance Team.
- € Ensure that all levels of management understand, promote and are responsible for, compliance with relevant legislation and organisational standards and procedures that apply to activities within their day-to-day responsibilities.

A program for 2002 is being developed with an emphasis on management control of all aspects of the business within their area of responsibility. A higher level of integration of all aspects, including operational and QSE aspects is expected.

The QSE Plan is being reviewed for its relevance in light of the current business requirements. The Plan is being renamed the Operational Systems Manual to better reflect the focus on the integration of QSE with operations and business systems and adherence to Transfield Services requirements.

The main objective for the Telstra FM Alliance for 2002 is to implement effective management systems with greater emphasis on contractor management, particularly national and high-risk contracts. An audit schedule has been developed for 2002 and an improved site inspection system is being developed to focus on task/contract specific issues.



Contractors testing a line pit for dangerous gases at Albert Shire, Queensland

## RAIL

During 2001, the Rail Industry achieved a SIFR of 26.4 and a LTIFR of 3.5. These results mirror the company average indicating solid safety performance. The Rail HSE Focus Group implemented many of the National HSE improvement initiatives and also rolled out some industry specific programs for various contracts including:

- Sun Smart Program; and
- 4WD Driver Awareness Training.

Our South Australia Rail contract has continued to improve on its safety performance with a number of proactive safety packages being rolled out. This has included training all employees across the Northern section of the contract in 4WD safety.

The Brisbane Airport Rail Link (BARL) contract has maintained an excellent safety record over the last 12 months, with both LTIFR and SIFR being zero. Across all rail contracts, all initiatives have been completely rolled out and are now being monitored for effectiveness.

In terms of environmental management, we realised education and training will provide our staff with the best options for minimising our total impacts on the environment. An example is our BARL contract that has implemented levels one, two and three of the environmental training packages. In the future, the BARL site team hope to improve recycling options by encouraging our rail patrons to help reduce resources going to landfill sites.

The mural over the portal situated near Prince Alfred Park, Central Station, Sydney



Bala Subramaniam, QA and Business Coordinator, beside the mural at our Airport Line, New South Wales contract

The management of day to day environmental issues is not always restricted to Land, Air, Water and Noise (LAWN) concerns. In many cases the social constraints of the site present unique, interesting and often demanding limitations as to how we must manage and negotiate environmental issues. The Airport Line maintenance team in Sydney was presented with a unique problem that took a little ingenuity and flexibility to resolve.

During the first internal environmental audit of the site in June 2000, Transfield Services' auditors found that one of the most expensive and difficult environmental issues to manage was graffiti. It was appreciated by most people that the offending artwork that had to be removed was often clever by design. However, because the 'artwork' could not be left in full view of the thousands of daily patrons, residents and our client, we needed to find an alternative option rather than continually painting over the graffiti.

A novel solution was agreed to after consulting with our client. Local youth groups, nearby church groups and the Blacktown High School's Art Department and many of its students were asked to design a large format mural that brought to light both Australia's and Sydney's diverse cultural and natural history. After many aspects of the mural were sketched, coloured and put together as a united theme, the very clever idea of depicting a distant Sydney skyline and that of our native wildlife was finally chosen. The mural now covers the area that was previously used by the graffiti artists.



To a budding artist however, the greatest compliment that can be presented is to have an appreciative audience. Our Airport Line Contract Manager and QA / Business Coordinator have now taken steps in this regard and have asked our client if the students' HSC year artwork could be displayed to the public in the Railway Stations. Similarly, the finished work of a number of the final year students from Blacktown High School will be displayed in Transfield Services' Head Office in North Sydney.

Environmental Management is first and foremost about people. Understanding the social context of an environmental problem (impact) is the first step to arriving at a solution. When win-win options are found, success is usually assured.

## DEFENCE

The Defence Industry Group had a challenging year working over 2.7 million hours (including contractors). This converted to 26 LTI's and 46 MTI's, a significant proportion of the total Transfield Services serious injuries. Contractors play a large part in helping us meet the requirements of our Defence contracts and this is the industry group where the majority of our injuries are occurring. It is in this area that we aim to improve our safety performance in 2002.

As part of our Garrison Support Services in South Australia, RAAF Edinburgh have implemented a large range of initiatives that have provided both improved environmental performance and enhanced fire rescue services. Amongst the best ideas found on site, were the following:

- Designing and building an emergency water reserve that doubles as a garden feature and an immediate source of water in the event of major fire;
- An in-house testing facility that provides immediate access to fire extinguishers and Emergency Response (ER) equipment;
- The re-use of an old Macchi jet fuselage, so that fire fighting training can be conducted at low temperatures and with greater safety;
- The reuse of old wrecked vehicles so that ER rescues can be practised during 'quiet periods' when aircraft are deployed at sea;
- The recycling of plastic drums as plant protective barriers and water saving reservoirs around the fire station gardens which the fire crew had designed, planted and maintained;
- Conducting daily trials of the fire trucks water cannons. The crews reuse water by spraying the cannons onto garden areas that need watering;



Fire station and emergency water supply at RAAF EDINBURGH, South Australia.

Marty Lynch (left), Fire Station Manager and Tim Hogan, Fire Station Fitter beside the Macchi training fuselage at RAAF EDINBURGH, South Australia.



## INDEPENDENT REVIEW

The compilation of our inaugural Health, Safety & Environment Report for the year 2001, was primarily aimed at providing our employees, contractors and clients with a historical perspective of our HSE performance together with what we are striving to achieve in future reporting periods.

The information contained in this report has not been externally verified using independent auditors. The content, in relation to the information, statements and assertions, has been reviewed by Transfield Services' Management. We believe that in all material respects, the data presented in this report is complete and accurate.

As part of our commitment to health, safety and environment, it is our intention to have the 2002 Annual Report externally verified by independent auditors.

As this report has been our first attempt at providing a transparent view of our HSE performance, it has highlighted the need to refine some of our information gathering systems.



Road maintenance works in New Zealand



## CHALLENGE FOR THE FUTURE

Whilst we consider 2001 a successful year, we realise that much work is still to be completed and in some areas still to commence, if we are to deliver on our company value of zero harm to people and the environment. Clearly, the concept of 'Zero Harm' remains our challenge as we continue to grow our business.

Transfield Services recognises that health, safety and environmental management is at the core of our business sustainability and thus, paramount to our growth aspirations. Put simply, continual improvement in this area is critical to our success. Our strategic target of a continual 20% reduction in injury rates is possible with improvements in systems and culture. Investment in safety and environmental improvement initiatives will underpin our intent.

In 2001, Transfield Services progressively trained a growing percentage of our workforce in Levels 1 and 2 of the Land, Air, Water, Noise (LAWN) Environmental Handbook and associated training packages. This internally developed and produced training package has allowed an opportunity for the company to launch future developments in managing our 'Full Environmental and Ecological Template' (FEET). Whilst recognising that the development and the delivery of Levels 1 to 3 has been sporadic, the overall uptake of training in New South Wales and Western Australia has been very high. To rectify the shortfall in trained HSE personnel in South Australia, Queensland, Victoria and New Zealand, additional training days have been scheduled for 2002.

As a result of Level 3 training (aimed at Managers and Supervisors), there has been a noticeable and growing awareness amongst our Project Managers in requesting additional training for their staff and in some cases their clients.

Transfield Services commits to report annually on our progress against our HSE objectives and consistent with our strategic direction, We have set the following targets for 2002:

- A 20% reduction in injury frequency rates to a Group LTIFR of 2.9 and a SIFR of 21.6;
- Obtain a Workers' Compensation Self Insurance Licence in South Australia;
- Establish a HSE sub-committee of the Board to assist in direction / clarification on strategy and performance;
- Detailed reporting of HSE performance by our Joint Venture operations;
- Benchmark safety performance against comparable companies and industry groups;
- Ongoing delivery of Levels One, Two and Three to employees and contractors on all contracts;
- Identifying the numbers of staff that have attended environmental training (as a percentage of staff employed on the contract);
- Benchmarking of environmental audits against other contemporary projects within their industry groups so as to provide early opportunities for continual improvement;
- Appointment of a HSE Project Development position that solely exists to identify and develop global best practice for implementation within our operations; and
- To seek external recognition of our systems, initiatives and performance.



## FEEDBACK FORM



### TRANSFIELD SERVICES' HEALTH, SAFETY & ENVIRONMENT REPORT 2001

Your feedback on our inaugural Health, Safety & Environment Report would be appreciated. This feedback will help us improve future reports.

The form can be returned to our Head Office address or, faxed to the attention of Angelo De Angelis, National HSE Manager. Alternatively, feedback can be emailed directly to [publicaffairs@transfieldservices.com.au](mailto:publicaffairs@transfieldservices.com.au).

#### Head Office

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Facsimile: +61 2 8913 5639

#### 1. I found the report to be:

- Open and transparent
- Credible, but incomplete
- Other (Please specify) \_\_\_\_\_

#### 2. My main interest in the report is as a:

- Shareholder
- Industry Peer
- Employee / Contractor
- Client
- Competitor
- Other (Please specify) \_\_\_\_\_

PLEASE TURN OVER >



3. What was the most interesting part of the report?

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4. What was the least interesting part of the report?

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5. What could be included in future reports?

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6. Has this report assisted you in forming an opinion of Transfield Services?

- Yes
- No

7. Comments  
Any other comments that you would like to make?

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