

WESTERN COMMUNICATIONS  
MINING  
SAFETY  
WATER  
ENERGY & RESOURCES  
TUNNELLING  
POWER  
ENVIRONMENT  
RAIL  
ACT/MSW/ACT  
COMMUNITY  
PEOPLE  
AVIATION SERVICES  
NORTHERN  
SOUTHERN  
JOHN HOLLAND

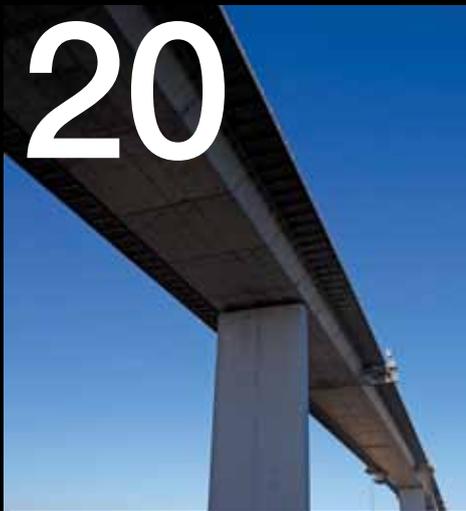
**ANNUAL REVIEW 2010**





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NORTHERN REGION

SOUTHERN REGION

NSW/ACT REGION

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# Our Organisation

**John Holland is committed to being Australia's leading and most diversified contracting, engineering and services provider. Our unique delivery model of national specialist businesses integrated with the strong civil and building capabilities of our regional businesses provides our organisation with the capacity to deliver complex and challenging major works in a variety of sectors right across Australia.**

**The vision for the business has always been to develop an organisation based on outstanding technical skills, tenacity, innovation and an absolute commitment to people and their careers.**

**John Holland is a wholly owned subsidiary of Leighton Holdings Limited, a company listed on the Australian Securities Exchange.**

## **OUR LOCATIONS**

John Holland has offices in all metropolitan and major regional centres throughout Australia. At any one time, we are involved in over 80 projects across Australia and South-East Asia.

## **OUR CAPABILITIES**

John Holland has enjoyed incredible growth through our operational diversity, wide capabilities and industry experience and we are continually developing these strengths. Our expertise stretches beyond the traditional civil engineering and building markets to industry leading competencies in rail, tunnelling, water, energy and resources, power, mining, aviation services and communications.

## **OUR OPERATING PRINCIPLES**

Our key operating principles – People, Performance, Partnerships and Profit – remain a focus in all that we do. We are absolutely committed to our people, see project performance as a fundamental driver of business success and seek to develop mutually beneficial relationships with all our clients and business partners. Through our focus on these principles, our aim is to deliver profit which guarantees the long-term sustainability of our organisation.

## **OUR PEOPLE**

We employ more than 7,000 people across Australia in a diverse range of project, operational and support service roles. We recognise that our success is inextricably linked to the talents and efforts of all our people and, for this reason, we strive to be considered an employer of choice by our people and in our industry. We pride ourselves on being a market leader in our approach to safety, targeted training, career development, staff benefits and remuneration.

## **OUR STAKEHOLDERS**

Our stakeholders range from clients, government and other business partners to the local communities we operate in through our ongoing project delivery. Understanding stakeholder needs is critical to the success of every project we undertake and we remain committed to communicating openly with each of these groups.

# 1000

NEW STAFF THIS YEAR AND COUNTING

# 80+

# PROJECTS

# \$5.3 BILLION

# WORK IN HAND

## Revenue

\$633m

NORTHERN REGION

\$519m

SOUTHERN REGION

\$290m

NSW/ACT REGION

\$252m

WESTERN REGION

\$537m

RAIL

\$441m

TUNNELLING

\$425m

ENERGY & RESOURCES

\$168m

WATER

\$124m

MINING

\$114m

POWER

\$53m

JOHN HOLLAND AVIATION SERVICES

\$53m

COMMUNICATIONS

SAFETY

QUALITY

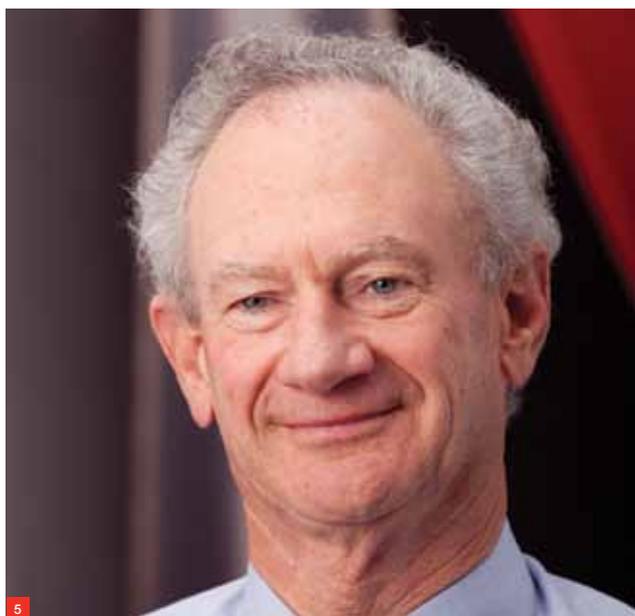
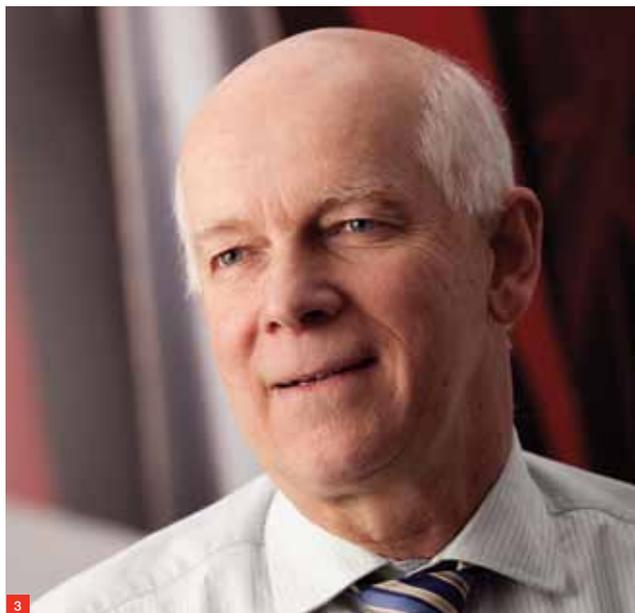
ENVIRONMENT

COMMUNITY

PEOPLE

# Our Board





NORTHERN  
REGION

SOUTHERN  
REGION

NSW/ACT  
REGION

WESTERN  
REGION

RAIL

TUNNELLING

ENERGY &  
RESOURCES

WATER

MINING

POWER

JOHN HOLLAND  
AVIATION SERVICES

COMMUNICATIONS

SAFETY

QUALITY

ENVIRONMENT

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PEOPLE

# Chairman's Report

The 2010 financial year was a year of record achievement for John Holland. With turnover of \$3.6 billion, over the last 12 months we achieved record net profit of \$180 million and, at the end of the financial year, had secured a record level of work in hand of \$5.3 billion. Moreover, the last 12 months have brought a recommitment to our 4P operating principles and the further development of our internal collaborative model as a catalyst for our ongoing success.

As always, a key part of our success has been the outstanding contribution of all our people. Their innovation, drive and creativity in the delivery of often challenging and complex projects have provided the impetus for our continuing growth and sustainability as a business.

It has been particularly pleasing to see an increasing investment in the development of our people, especially in training programs aimed at nurturing our youngest employees. The development of this group will provide an important base for growth in the years ahead as our industry again grapples with skills shortages. Our National Graduate Program, our ongoing partnership with Central Queensland University and the Sir John Holland Scholarship, which is awarded to two Monash University engineering students each year, are all great examples of our efforts in this area.

I am delighted that we have reaffirmed our commitment to providing meaningful employment opportunities for Indigenous Australians through the appointment of an Indigenous Affairs Program Manager. We have also taken significant steps toward the launch of Career Tracks, our Indigenous employment program. John Holland has a long history of working closely with local communities to improve the participation of Indigenous Australians in our workforce. Our work in the early parts of this decade on the Alice Springs to Darwin Railway set the benchmark for Indigenous participation on regional construction projects.

Our safety performance is an important ongoing barometer of our business success. The implementation of our Safety, Quality and Environment Risk Management Program over the last 12 months has seen the early assessment and identification of risk placed at the forefront of our approach to workplace safety. I have been encouraged to witness firsthand the positive impact this has had on the effective management of workplace risks.

**AS ALWAYS,  
A KEY PART OF  
OUR SUCCESS  
HAS BEEN THE  
OUTSTANDING  
CONTRIBUTION  
OF ALL OUR  
PEOPLE**

Yet, while there have been many positive steps, our performance in this area again fell short of expectations. Sadly, the death of Danny Cheney on 5 December 2009 brought a stark reminder of the dangers inherent in much of our work. Danny was tragically killed at Kelso in Queensland, causing immense distress across our organisation. Our thoughts remain with Danny's family and friends.

The opening of the Sydney Desalination Plant earlier this year was one of many project delivery highlights. The project received Infrastructure Partnerships Australia's 2010 Government Partnership Excellence Award, demonstrating the value we place on generating meaningful partnerships with our clients as a means of securing positive project outcomes.

Elsewhere, in my home state of Western Australia, I have watched with interest the development of the new State Theatre Centre just next to the CBD in Northbridge. A technically challenging and complex design, the successful delivery of this project reflects John Holland's broader commitment to innovation and excellence in project delivery.

Our commitment to partnerships as a guiding business principle has also been

demonstrated through the ongoing work of our project teams in local communities, and our broader corporate support for organisations in the arts. The Victorian Opera, the West Australian Symphony Orchestra, through its work at Princess Margaret Hospital for Children, and the Australian National Academy of Music are just three beneficiaries of our broad approach to community investment and engagement.

Finally, I am pleased to see our recommitment to the measurement and reporting of our environmental performance and our ongoing positive interactions with all communities in which we work. In the year ahead, we look forward to the release of our second Corporate Sustainability Report as we take further steps to improve our performance in this area.

The sustainability of our business remains a key focus as we move forward and our integrated business model provides a solid foundation for dealing with the impacts of last year's global financial crisis. We have ambitious plans for growth over the coming years, including selective international business opportunities, and our strong reputation for specialist engineering has positioned us well in this regard.

Our performance reflects the strength of the operational leadership within the business. John Holland has a long history of developing great leaders, and our current leadership team is no exception. I congratulate Glenn Palin and his executive team for their leadership, drive and commitment. I also extend my thanks to my colleagues on the Board and indeed all those who work for John Holland – one of Australia's largest and most diverse construction companies.

I look forward to another successful year ahead.



**Janet Holmes à Court AC**  
Chairman

# Group Managing Director's Report

I'm delighted to report that our business has again performed above expectations. In the context of tightening market conditions, John Holland has generated the strongest profit result in its history, with \$180 million in net profit, and completed the year with \$5.3 billion worth of work in hand, compared with \$5 billion for the previous year.

While these numbers are indeed satisfying, the story of 2010 is not just about the financial results we've achieved. For me, 2010 has been the year where John Holland has begun to tap the real strength of our business: our ability to collaborate and to make the most of the diversity of our businesses and the depth of knowledge of our people.

With over 80 current projects there are too many to detail, but it is appropriate to recognise a few of our achievements. The Sydney Desalination Plant was of course technically challenging but is also outstanding for the quality of the partnerships developed on that project. The \$1 billion plant, which started producing water in January, is Australia's largest desalination plant and the biggest infrastructure project completed in NSW in recent years.

In Brisbane, work continues on one of the largest transport infrastructure projects in the world, the \$4.8 billion Airport Link, which will connect Brisbane's CBD with the city's northern suburbs and its airport. In Victoria, we cut the ribbon on the \$625 million Sugarloaf Pipeline, and works continue on the extremely complex West Gate Bridge upgrade.

In Western Australia, the State Theatre Centre is nearing completion, and will undoubtedly be a landmark building, an inspiring performance space and a cultural hub for all Western Australians for the future. Finally in the north, the 54-metre-high shiploader for the Abbot Point Coal Terminal in Queensland is an outstanding achievement. The giant structure was built in our own fabrication workshop in Brisbane, and then shipped over 600 nautical miles up the coast to Bowen and installed on new berthing structures also constructed by John Holland.

What excites me about each of these projects is that they each draw upon the diverse and specialist skills and expertise available from within our business. Complex projects such as these require businesses with a deep base of knowledge and

experience to draw upon – and, crucially, the ability to tap that skill and knowledge base through effective communication and collaboration. Each one of these projects demonstrates John Holland's ability to deliver outstanding quality to our clients on complex and challenging jobs.

The operations of our 12 regional and specialist businesses are overseen by four executive general managers: Chris Evans, Russell Cuttler, Dennis Brewer and Karl Mociak. I'd like to take this opportunity to pay tribute to their contribution. Chris, Russell, Dennis and Karl will address their specific areas of operation in further detail in the following pages.

John Holland's results are delivered by each and every one of the more than 7,000 staff we have working across more than 80 projects. Our workforce is highly efficient and highly skilled, and we enjoy strong uptake on our many training and development programs.

The competence, dedication and skill of all our employees underpins our ability to deliver outstanding projects to our clients. Our success is wholly due to their efforts, and this report is recognition of their success.

We have an ongoing commitment to being judged an 'employer of choice' by our people. This year this commitment has been reinforced by the improvements we have made to our performance management processes, the investment we have made in graduate programs, and the maturing of our approach to learning and development.

Our approach to partnering with the community is multilayered. On every one of our projects, we nominate a charity or community organisation with which to work and donate either time or funds over the course of the project. This engagement is fundamental to our partnering values and the legacy we leave is crucial to our sustainability aspirations.

One area of particular focus for me in 2010 is our engagement with Aboriginal and Torres Strait Islander people. As well as our commitment to the Australian Employment Covenant, we are a foundation Alliance Member of the Australian Indigenous Chamber of Commerce. We seek, on a project-by-project basis, to develop real and lasting opportunities for our Indigenous members of staff.

# WORKING WITH PAS



An example of our commitment is John Holland's work with the Les Tobler Centre for Construction Training in Sydney's Redfern. In April, John Holland's Water business hosted 20 Indigenous students from the centre at a site visit to the sewerage upgrade works in Richmond-Windsor. Our NSW Region then extended the invitation and hosted the students at the Energy Australia Stadium in Newcastle. Also, a pilot Introductory Rail Skills training course will be run by the centre using knowledge from within our business. The feedback from these initiatives was astounding.

Alongside our Indigenous training and development and work-readiness programs, we are seeking to elevate cultural awareness throughout our organisation. The ultimate aim is to arrive, through increasing our knowledge and empathy, to a position of true partnership with Indigenous people and their communities.

Throughout the year we have integrated a number of programs in safety, quality and environmental risk management with the intention of identifying risks as early as possible in the business cycle. Additionally, the transparency of our 'No Harm' safety strategy helps everyone feel confident in speaking up to report hazards or near misses or to call a stop to work if necessary.

As a result, I'm pleased to report we have reduced our benchmark indicators of Total Recordable Injury Frequency Rate (TRIFR) and Severity Rate. Due to the inherent risks of the construction industry, we will continue to make safety our absolute priority.

Although no serious environmental incidents were recorded during the year, we did have a number of breaches. Our environmental performance did not meet the target we set ourselves. We don't consider any breach or infringement acceptable and will refocus our efforts in this area in the coming year.

In the delivery of critical infrastructure, we recognise our operations necessarily have economic, environmental and social impacts. During the year, we have recalibrated our approach to measuring and monitoring these impacts through the adoption of a reporting framework for sustainability.

In June, our executive team formalised this approach and established a steering committee to drive the function. The committee will report against a number of sustainability indices across the key reporting areas of environment, social, economic and governance.

Much more than a compliance exercise, we see this adoption of good sustainability practice as a means to identify risks and opportunities, to enhance our performance, to reduce cost and to stimulate innovation. I look forward to reporting on our progress in our coming Sustainability Report.

Our business focus remains on growth and sustained profitability from both new geographies and new markets. In addition to growth in our traditional markets, we will be developing opportunities in oil and gas, mining, power, and in rail. Looking further afield, we are partnering in international markets, including Hong Kong, South-East Asia, the Middle East and New Zealand. Our reputation as a preferred partner, based upon engineering and delivery excellence, is underpinning this expansion.

Our strong culture for collaboration combined with the diversity of our business will, more than any other factor, deliver us further success. It's simply how we do things at John Holland.

I'm thrilled to be entering my second year at the helm of this great Australian company. I would like to thank the Chairman and the Board for their support and expert guidance and counsel. I extend warm thanks to the whole John Holland team, and say on their behalf, that we look forward to delivering more great results to all our stakeholders.



**Glenn Palin**  
Group Managing Director

# SION

**At the end of my first full financial year as Group Managing Director, this Review is an opportunity to pause and reflect on the hard work and successes of the past 12 months, at the same time keeping an eye on the tasks that lie ahead.**

NORTHERN REGION

SOUTHERN REGION

NSW/ACT REGION

WESTERN REGION

RAIL

TUNNELLING

ENERGY &amp; RESOURCES

WATER

MINING

POWER

JOHN HOLLAND AVIATION SERVICES

COMMUNICATIONS

SAFETY

QUALITY

ENVIRONMENT

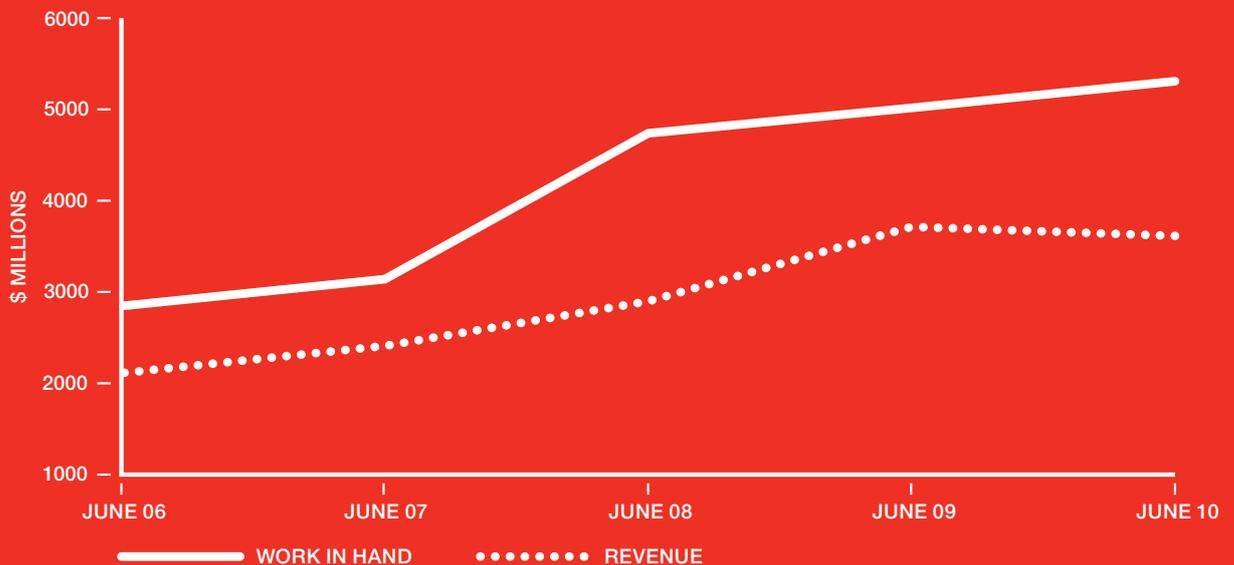
COMMUNITY

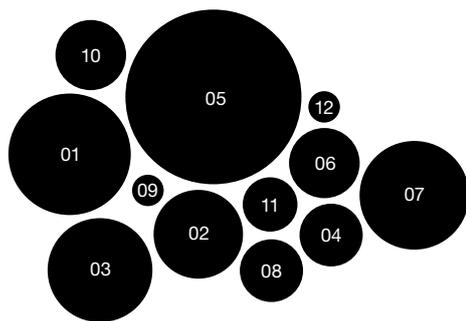
PEOPLE

# Chief Financial Officer's Report



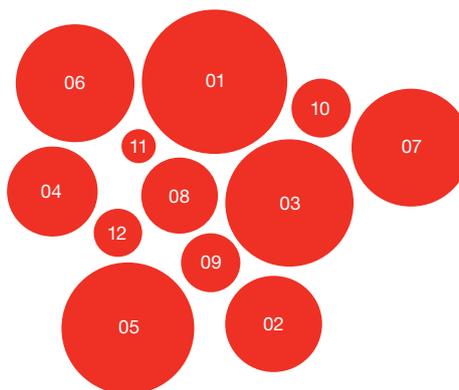
## OUR PERFORMANCE IN THIS UNCERTAIN ECONOMIC CLIMATE HAS BEEN OUTSTANDING





#### \_ WORK IN HAND

01 NORTHERN REGION 15%  
 02 SOUTHERN REGION 8%  
 03 NSW/ACT REGION 11%  
 04 WESTERN REGION 4%  
 05 RAIL 31%  
 06 ENERGY & RESOURCES 5%  
 07 TUNNELLING 12%  
 08 WATER 4%  
 09 POWER 1%  
 10 MINING 5%  
 11 JOHN HOLLAND AVIATION SERVICES 3%  
 12 COMMUNICATIONS 1%



#### \_ OPERATING REVENUE

01 NORTHERN REGION 18%  
 02 SOUTHERN REGION 8%  
 03 NSW/ACT REGION 14%  
 04 WESTERN REGION 7%  
 05 RAIL 15%  
 06 ENERGY & RESOURCES 12%  
 07 TUNNELLING 12%  
 08 WATER 5%  
 09 POWER 3%  
 10 MINING 3%  
 11 JOHN HOLLAND AVIATION SERVICES 1%  
 12 COMMUNICATIONS 2%

## ANNUAL REVIEW

The 2010 financial year was a period of consolidation for John Holland, with the aftershocks following the global economic uncertainty of 2009 countered by a broad range of stimulus measures and returning confidence. Our performance in this uncertain economic climate has been outstanding. Revenue levels for the year were consistent with the prior year and work in hand remained high, a benefit of the diversity in our multidisciplinary contracting, engineering and services business.

## STRONG BALANCE SHEET

We again achieved strong operational performance throughout the year and delivered quality outcomes for our clients. Robust risk management processes are consistently applied throughout all phases of the project delivery cycle and have driven a successful financial outcome. Revenue for the year, including our share of joint ventures and associates, was \$3.6 billion, and we enter the 2011 financial year with \$5.3 billion of work in hand.

Capital expenditure and new investments were funded through operating cash flows and existing cash reserves. Gross cash at 30 June 2010 was \$531 million, total assets at \$1,319 million and net assets at \$463 million. Operating cash flow for the year was \$118 million.

## SYSTEMS DEVELOPMENT

During the year we commenced a company-wide systems and business process improvement program. This strategic initiative will ensure the business continues to be supported by new technology and enhanced capability in the areas of IT infrastructure and services, project delivery systems and information management.

## PLATFORM FOR GROWTH

The outlook for growth remains positive for the 2011 financial year. Tendering activity has returned to pre-2009 levels and the size of projects coming to market is also increasing. The strong balance sheet provides significant opportunities for John Holland, and a stable platform to support our growth strategies. In this

regard, the stabilisation of equity markets has been an important step forward, with our investment in rail, mining and energy and resources plant and equipment increasing to enable the business to benefit from the increased market activity in these sectors.

Furthermore, our strong financial position will support our drive into overseas markets, enabling us to partner with key local companies in New Zealand, South-East Asia and the Middle East to bid on emerging projects.

From this position of strength, we look forward to another successful year ahead.

**Darryn Ray**  
 Chief Financial Officer

NORTHERN REGION

SOUTHERN REGION

NSW/ACT REGION

WESTERN REGION

RAIL

TUNNELLING

ENERGY &amp; RESOURCES

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# Our Business

## Chris Evans

### Regional Business Overview



**At \$1.7 billion, revenue generated by our regional businesses remained steady for the 2009-2010 financial year. Given the level of uncertainty in domestic markets, and the ongoing effects of the global financial crisis, including the cancellation or deferral of several key projects, this strong result has been extremely pleasing.**

Our traditional strength in infrastructure project delivery, coupled with our growing expertise in managing multi-agency relationships and in delivering diverse and complex projects, have meant our business has performed well in these tough conditions. Sectors where we have seen particular strength include health and education, oil and gas and defence. In conjunction with our specialist businesses we are also seeing an upsurge of activity in rail and water projects, especially in Victoria.

Results in our Northern and Southern regions stand out, with key projects ranging across large scale civil infrastructure, building works across the regions for the federal departments of Defence and Education, Employment and Workplace Relations, and numerous water and energy resources projects. This year, we secured our first major rail trackwork contract in Queensland, and again successfully joined forces with our Rail business in Victoria to win significant works at South Morang and Craigieburn.

In our Western Region we have again seen strong performance in the building market, including the iconic new performing arts venue, the commencement of the expansion of the Joondalup Health Campus, delivery of 118 schools as part of the federal government's Building

## Russell Cuttler

### Specialist Business Overview

**John Holland's specialist businesses contributed over \$1.3 billion revenue, which reflected a continued consolidation and development of our collaborative business model, as well as the launch of our international diversification.**

The same factors affecting our regional businesses have had a dampening effect on our sector-based businesses, with the additional challenge of the proposed mining resources tax and 2010's federal election bringing further uncertainty to our clients in the energy and resources sectors.

Our specialist businesses have continued to focus on complex engineering projects. Energy & Resources, Power, Tunnelling and Water, in collaboration with our partners, have delivered such diverse projects as Abbot Point Shiploader and marine structures, the West Gate Bridge strengthening, Tasmania's Waddamana transmission line, the Melbourne Main Sewer Rehabilitation, the Sugarloaf Pipeline and the Sydney Desalination Plant.

Energy & Resources was rebranded during the year to better reflect our focus on this sector. Recent wins at Cape Lambert, and from the Newcastle Coal Infrastructure Group, cement John Holland as the leader in the construction of marine infrastructure for the energy and resources sector.

We also have emerging opportunities in the burgeoning liquefied natural gas and coal seam gas markets, which together with the construction of the onshore gas plant at Devil Creek will further increase our foothold in the sector.

Tunnelling saw the commissioning of the two largest TBMs at work in Australia for the Airport Link project in Brisbane. Good progress was made on Northern Sewerage Project Stage 1 and Stage 2, with anticipated early completion of those works. The marine crossing of the Yarra River, with the completion of the first leg of tunnelling, advanced Melbourne Main Sewer Rehabilitation to an early stage of completion.

Our performance at Isaac Plains Coal Mine has continued to develop since our mobilisation there in October. The business's strong productivity focus has meant it has exceeded targets in the last four months.

A major milestone in our geographic diversification program was achieved recently when we were awarded the \$660 million Sludge Treatment Facility in Hong Kong, with partners Leighton Asia and Veolia Water SCL. Both Tunnelling and Water have worked in collaboration with Leighton Asia on a number of projects, and Tunnelling has worked in Singapore with Leighton International. Significant

the Education Revolution program, and redevelopment works for Qantas at the Perth Airport.

The market for the NSW/ACT Region has however been significantly tougher this year. Notwithstanding this, we have had good success in the rail market on works in Cronulla and Auburn, and with our Water business on the award-winning Sydney Desalination Plant. Particularly pleasing has been our dominance in the civil dams market, with works progressing across several sites in Canberra, the Central West and New England. Our building team has also been recognised for the quality of its works at the National Portrait Gallery in Canberra, and is now adding awards for the Sydney Opera House Accessibility & Western Foyers Project.

Particularly noteworthy through this year is John Holland's continuing and successful relationship with the Department of Defence. Nationally, John Holland has been named as one of Defence's top ten contractors and is the only construction contractor on this list. Given the department's reliance on quality and performance, it is tremendously rewarding to be recognised with repeat business in this important market.

The oil and gas market remains a primary focus for us, both in Western Australia and Queensland, presenting a remarkable opportunity for growth. During the year, we completed contracts at the Pluto Liquefied Natural Gas Project in the Pilbara region, and we are also working closely with our Energy & Resources business at Apache Energy's onshore gas plant at Devil Creek near Karratha. Looking to the future, there are emerging opportunities

in the developing oil and gas industry both in Central Queensland and in the North West of WA, as well as associated growth within the broader resources market as the export economy improves in this area.

Looking ahead, there are still challenges to be overcome as a result of the lag effect of deferred projects, and we expect it will take another six to 12 months to fully recover momentum. As always, our focus must remain on delivering exceptional performance on all our projects and in bringing outstanding value to our clients through our diversity of skills during this challenging time.

Overall, it is becoming increasingly clear that the quality of our relationships, our depth and diversity and our ability to partner will drive the continued success of John Holland's regional businesses.



**Chris Evans**  
Executive General Manager – Regional Businesses

opportunities also exist in New Zealand as the result of our strategic partnership with Australasian civil contracting company, Fulton Hogan.

There is little doubt that projects are becoming increasingly complex. This environment brings out the strength in our business, and the ability of our collaborative model to deliver better value to our clients. While the near-term looks somewhat flat this financial year, there are strong opportunities emerging in the second half of the financial year and in the 2011–2012 financial year, which will see our specialist businesses working in collaboration with both John Holland regional businesses and international partners to deliver strong and record results.



**Russell Cuttler**  
Executive General Manager – Specialist Businesses



## Dennis Brewer

### Strategic Projects Overview

**John Holland's Strategic Projects Group was formed in late 2008 to guide and facilitate long-term growth in the business. The group is focused on analysing emerging opportunities to determine their appropriateness for John Holland, as well as assessing the company's capacity to undertake them. The group also aims to ensure the smooth transition from the tender to project delivery phases on major and strategically important projects.**

Major works for the Strategic Projects Group in 2009-2010 included the Sydney Desalination Plant, a great example of a collaborative approach to major project delivery, both in terms of our external and internal joint venture partners. The group's involvement with Brisbane's \$4.8 billion Airport Link also continued throughout the year and we expect to deliver the first part of this project – the Airport Roundabout Upgrade – approximately 12 months ahead of schedule.

Notwithstanding the completion of the Sydney Desalination Plant and ongoing major water infrastructure works around Australia, 2010 has seen a shift in focus from water security projects to transport projects. Significant investment in new transport infrastructure is expected in the next few years, with a major emphasis on rail projects. Rail in both NSW and Victoria has been singled out as an investment priority.

This investment is being driven by ageing Australian infrastructure. Recent research indicates a current age of 20.1 years compared with the long-term average of 18.6 years. Further, research by Engineers Australia and ANZ Bank estimates an investment of \$100 billion per year would be required over the next six years to address the imbalance.

Moving forward, despite a reduction in the number of major projects being undertaken, there are a number of priorities for John Holland. The South West Rail Link, 23 kilometres of greenfield rail line in Sydney, will move forward in the next year and, over the next three to five years, we may also see additional investment in the expansion of major road arterials such as an extension to the M5 East. In 2012, the North West Rail Link is also expected to move forward.

The outlook in Victoria is also positive, with the Regional Rail Link project to be a major focus of infrastructure investment in the next few years. The WestLink tunnel is also expected to come to market in 2012, as a major part of the Victorian Transport Plan. Similarly, the outlook for resources-based rail and port infrastructure in Western Australia and Queensland is also strong.

## Karl Mociak

### Rail Overview



**By the end of financial year 2009–2010, John Holland's Rail business had consolidated its position as Australia's premier rail contractor and maintainer.**

A surging market for rail infrastructure has resulted in revenue growth of 39% over the previous year. These results are reinforced by a robust forward order book of \$2.8 billion.

We are extending our business offshore. Last year we established offices in New Zealand and Hong Kong, and together with well-established partnerships, we are looking to take advantage of the resurgence in rail in those regions and around the world.

Critical to our success is our regional support structure. Our 29 offices across every state are the backbone of our business. This structure provides the presence our clients are looking for in their markets. Our clients also demand a reliable partner, with a strong balance sheet, who they know will deliver.

We recognise that success depends on our people. This year an additional 330 people were welcomed by the Rail business, with plans to increase that number again in the coming financial year. Not only do our new starters comprise a mix of talent and senior expertise but they bring energy, youth and enthusiasm to our vibrant business.

In South Australia, the \$812 million South Road Superway remains a focus. The project is the largest ever single investment in a South Australian road as well as the state's most complex engineering road construction project.

John Holland also remains engaged in the ongoing tender process for the delivery of the National Broadband Network

One of the key benefits of the Strategic Projects Group has been its capacity to allow John Holland's individual business units to stay focused on short-term project opportunities and more immediate project delivery priorities. The group's focus will remain on major opportunities for John Holland, as we look to achieve significant growth as a business in the next few years.



**Dennis Brewer**

Executive General Manager – Strategic Projects



We also invested heavily during the year in training and development and in increasing career opportunities for our people, ranging from the development of an apprentice mentoring program to supervisor workshops and increased technical training.

The year saw a dramatic improvement in our safety performance, with a reduction of the Total Recordable Injury Frequency Rate (TRIFR) by almost half. This was achieved through a sustained and targeted focus across the business. The team is now on target with its goal to lead the industry in this area.

John Holland has Australia's largest fleet of rail maintenance and construction plant and equipment. Some recent acquisitions include some of the most modern pieces of technology in the world.

Going forward, we will continue to build our capability, expand our product offering, and take advantage of a range of emerging markets within our industry. We'll continue to grow our signalling and overhead business – new areas of business we have developed in the last 18 months. As a result, John Holland can now provide the full range of rail-specific requirements including track, signalling, overhead, engineering, design, and feasibility studies.

In the near term, we will also pursue opportunities in asset management – along the lines of the Metro Trains Melbourne consortium. During the year the consortium

was engaged to run Melbourne's rail network – the second largest metropolitan commuter rail network in Australia. These new relationships and capabilities illustrate our ability to innovate and to return value to our clients.

Governments around the world are recognising rail as a key component in sustainable social infrastructure. We are well positioned to take advantage of this renewed interest.

The outlook for our Rail business in 2011 is particularly strong. With good growth in the first quarter, we will achieve double digit growth in 2011.



**Karl Mociak**

Executive General Manager – Rail

**‘Strength through diversity’**

**continues to provide John**

**Holland with a considerable**

**edge in the market**

# Northern Region

DARRA TO SPRINGFIELD TRANSPORT CORRIDOR, BRISBANE





**John Holland's Northern Region continued its steady growth through 2009-2010, emerging from the global financial crisis in a strong position, capitalising on state government infrastructure spending and federal government stimulus packages, which were underpinned by the progression of several key major projects.**

The 'strength through diversity' created by our regional business partnering with our national specialist businesses continues to provide John Holland with a considerable edge in the market, allowing us to successfully secure and deliver major infrastructure projects throughout Queensland and the Northern Territory.

Through our work with our colleagues in John Holland's specialist Water, Rail, Tunnelling, Power, Mining, and Energy & Resources businesses we continue to provide superior construction skills and value-for-money solutions for all our clients, taking John Holland's Northern Region from strength to strength.

**VITAL PROJECTS HELP SECURE QUEENSLAND'S WATER FUTURE**

Work with our Water business has paid significant dividends with the Merrimac Wastewater Treatment Plant, Murrumba Downs and Gold Coast Desalination

Alliance Projects all reaching successful completion this year, which has assisted in securing Queensland's immediate water future.

**CREATING INFRASTRUCTURE THROUGH COLLABORATION**

We also continue to work in collaboration with our colleagues from Energy & Resources to deliver infrastructure vital to our resources sector, such as the Abbot Point Coal Loading Facilities.

**MAKING INROADS IN AUSTRALIA'S LARGEST INFRASTRUCTURE PROJECT**

Our civil construction teams have performed well throughout the year, consolidating our reputation as a key player in the delivery of major road and rail infrastructure. Work is progressing well on the \$4.8 billion Airport Link, Northern Busway and Airport Roundabout Upgrade Projects – together, Australia's largest infrastructure project. A number of the project's major milestones have been achieved this year, including reaching the halfway point in the construction program, the first tunnel breakthrough, completion of the Airport Roundabout Upgrade, and the launch of Australia's largest tunnel boring machine.

**ON TRACK FOR AN EARLY FINISH – DARRA TO SPRINGFIELD TRANSPORT CORRIDOR**

Excellent work continues on Stage 1 of the Darra to Springfield Transport Corridor Project, with the team setting its sights on an early finish. All rail bridges and the majority of road bridges are now finished, and the team has completed the Richlands railway station and commenced track laying. The project has also achieved some excellent results in safety, particularly in the area of Lost Time Injury (LTI), recently clocking up over 1,000,000 man-hours LTI-free.

**RAIL PARTNERSHIP SECURES THE MIDDLEMOUNT RAIL SPUR PROJECT**

Rail has emerged as a significant market, and the Northern Region is at the forefront, having successfully secured the first private rail project in Queensland. Partnering with our Rail business, we have successfully secured the \$104 million Middlemount Early Rail Alliance, and will work with Middlemount Coal and GHD to construct a 17-kilometre rail spur to the Middlemount Mine in Central Queensland.

**BUILDING ON OUR SUCCESS IN SOUTHBANK**

Our building teams also continue to perform well with a number of notable

successes. The Southbank Student Village was handed over in December 2009, following on from the tremendous achievement of the Southbank Institute of Technology and marking the end of our successful tenure in the Southbank precinct.

**SCHOOLS ALREADY BENEFITING FROM BUILDING THE EDUCATION REVOLUTION**

The BER project team is progressing well, having completed works on several of the 47 schools secured as part of the Building the Education Revolution Project, which generated a combined value of \$110 million for the business.

**RECOGNITION FOR INDIGENOUS EMPLOYEE TRAINING PROGRAM IN DARWIN**

The completion of the Tanami Road and Plenty Highway Upgrade provided a number of highlights, with our training program for Indigenous employees recently recognised at the Civil Contractors Federation Awards in Darwin.

**REAPING THE REWARDS OF LONG-TERM RELATIONSHIPS**

Our long-serving relationship with SkyCity continues, with the successful completion of the Eastern Ground Floor Expansion as well as the award of a new contract for the Resort Groundworks.



## DELIVERING KEY PROJECTS FOR DEFENCE

Our relationship with the Department of Defence remains strong as we continue to deliver key projects at RAAF Base Amberley and Gallipoli Barracks at Enoggera in Queensland. After the successful completion of the C-17 Heavy Infrastructure Project earlier in the year, we are now focused on delivering our two remaining projects at RAAF Base Amberley – the Relocation of the 21st Construction Squadron, and the Additional Rifle Flight Facilities.

Our presence at the Gallipoli Barracks in Enoggera will continue for some time, despite the completion of the Multi Role Helicopter Project and the QMBA Award-winning Enoggera Redevelopment Stage 1. The Planning Phase Agreement for the Enhanced Land Force (ELF) Stage 2B Project was signed in early 2010, and we have now entered the delivery phase of the project. This \$770 million project is the largest building project Defence has undertaken, and will see the redevelopment of the Gallipoli Barracks over the next four years.

Our good work with Defence continues in the Northern Territory. The HMAS Coonawarra Fuel Facility Project reached completion earlier this year, and we were also awarded two new contracts – the Shoal Bay

Receival Station Facilities Upgrade and the Robertson Program of Works Stage 1 Redevelopment.

## LOOKING TO THE FUTURE

The strength of our unique business delivery model and the commitment of our people to delivering innovative solutions for our clients has seen John Holland's Northern Region consolidate its position as the leading building, civil and engineering contractor in north-eastern Australia.

One of the challenges we will face moving forward is a shortage of skilled resources. However, our increase in training and development programs, as well as a strong focus on staff retention, has us well placed to overcome this issue.

There are positive signs looking forward, with a return to 'boom' times on the back of increased resource demand, the re-entry of private business and strong growth of the Queensland economy. Excellent growth opportunities exist in transport and resources infrastructure, and health and education. Key to our strategy will be managing sustainable growth while reinforcing our role as a major provider of engineering infrastructure projects and cementing our position as a tier one builder. Maintaining a focus on meeting and exceeding community expectations will be crucial to capitalising on these opportunities.

LEFT:  
ABBOT POINT  
COAL TERMINAL  
NORTH QUEENSLAND

MIDDLE:  
AIRPORT LINK,  
BRISBANE

RIGHT:  
GALLIPOLI  
BARRACKS,  
ENOGGERA,  
QUEENSLAND

## GENERAL MANAGER

Gavin Stubbs

## REVENUE

\$633 million

## KEY PROJECTS

Airport Link, Northern Busway and Airport Roundabout Upgrade; Darra to Springfield Transport Corridor Project Stage 1; Enoggera Base Redevelopment; Gold Coast Desalination Alliance; C-17 Heavy Lift Facilities RAAF Base Amberley; SkyCity Casino Redevelopment; Enhanced Land Force Stage 2B; Southbank Student Village; Multi Role Helicopter; Robertson Barracks.

## MILESTONES

Completion of Merrimac Wastewater Treatment Plant, Murrumba Downs Waste Water Treatment Plant and the Gold Coast Desalination Alliance in conjunction with Water; Abbot Point in conjunction with Energy & Resources; Southbank Student Village; Enoggera Redevelopment Stage 1; Multi Role Helicopter Project; C-17 Heavy Lift Facilities RAAF Base Amberley; SkyCity Eastern Ground Floor Expansion; HMAS Coonawarra Fuel Facility; Tanami Road and Plenty Highway; and Little Mindil Stage 3.

**2009-2010 saw John Holland's  
Southern Region posting  
its strongest revenue result  
on record**

# Southern Region

WEST GATE BRIDGE, MELBOURNE



**The growth of John Holland's Southern Region continued in 2009-2010, with the business posting its strongest revenue result on record. The result reflected the outcome of our commitment to solid and sustained partnerships with our clients.**

#### **SUGARLOAF PIPELINE PROJECT DELIVERED UNDER BUDGET AND AHEAD OF SCHEDULE**

The year marked the completion of the \$625 million Sugarloaf Pipeline Project linking the Goulburn River to the Sugarloaf Reservoir, which was delivered under budget and five months ahead of schedule. The alliance with Melbourne Water, SKM and GHD, has since received multiple awards in recognition of its achievements.

#### **SPRINGVALE ROAD RAIL SEPARATION: AN EXERCISE IN EXCELLENCE**

The business, in alliance with VicRoads, Metro, KBR and Arup, also successfully eliminated one of Melbourne's

most infamous traffic bottlenecks – the Springvale Road rail crossing at Nunawading. The highly complex grade separation project established a new benchmark for technical excellence, as well as stakeholder relationships and traffic management.

#### **EASING COMMUTER PRESSURE ON THE WEST GATE BRIDGE**

Significant progress was also made on the strengthening of the West Gate Bridge, to accommodate a fifth lane in each direction. The work being undertaken on the bridge represents a major engineering achievement, and the project is widely regarded as one of the most complex projects currently underway in Australia.

#### **SUCCESSFUL COMPLETION ACROSS DIVERSE PROJECTS**

Other projects that were brought to successful completion in 2009-2010 included the state-of-the-art UTAS Medical Sciences 1 building in Hobart, and the Laverton Rail Upgrade in Melbourne.

#### **MELBOURNE'S METROPOLITAN RAIL NETWORK UNDER EXPANSION WITH LANDMARK SOUTH MORANG RAIL EXTENSION**

The year's strong performance was also supported by a number of new project wins, several of which are testament to a burgeoning rail renaissance. The most significant of these projects was the landmark South Morang Rail Extension, which represents the first major expansion of the Melbourne metropolitan rail network in more than three decades. The \$650 million project is being delivered through an alliance partnership with the Department of Transport, Metro, VicRoads and AECOM.

#### **NEW PROJECTS WON**

The \$200 million Western Highway-Anthonys Cutting Realignment in alliance with VicRoads and AECOM to realign a dangerous section of the Western Highway got underway, and is expected to be completed in early 2012. The business also began work on the Box

Hill Hospital Early Works, the Cardinia Desalinated Water Integration Project, and the Craigieburn Train Maintenance Facility.

#### **NEW WATER WORKS UNDER WAY**

Our expertise in the water sector was also recognised, with the Barwon Water Capital Works Program awarded to John Holland and GHD, in alliance with Barwon Water. The alliance will deliver more than 100 medium-sized projects over four to six years.

#### **BUILDING OUR CAPACITY TO SELF-PERFORM**

We have continued to strengthen our self-perform capacity within the business, now employing around 600 trades and workforce employees across our projects. We are also working to maintain a high level of apprentices. While sub-contract partnerships will continue to underpin our projects, we believe the capacity to self-perform works is vital to provide value for our clients, establish clear benchmarks for safety, quality, environment and community



management, and to maximise the opportunities that exist within the complex environments in which we operate.

### STRENGTHENING OUR COMMITMENT TO THE MURRAY REGION

John Holland's commitment to the Murray region continued with our Albury-Wodonga office delivering the Wodonga Rail Bypass, part of the South Improvement Alliance. Together with our NSW/ACT Region, we are committed to long-term growth in the region.

### CONTINUED GROWTH IN TASMANIA

We achieved sustained growth in Tasmania, building on strong local partnerships, an excellent track record and our decision to establish a permanent Hobart office. We also continued our close collaboration with John Holland's Rail business, working together on the successful delivery of the \$164 million Brighton Bypass project – a road and rail freight hub in outer Hobart.

### BUILDING OUR PRESENCE IN SOUTH AUSTRALIA

In South Australia, our delivery of the student accommodation project for Urbanest, as well as a major tendering effort for the South Road Superway project, provided the platform for establishing a permanent presence in that state.

### LOOKING TO THE FUTURE

John Holland's unique capabilities to meet the needs of the resurgent rail sector position the Region for another strong performance in the year ahead. Preparations for other emerging trends in the marketplace, including growth in the health sector, place the business in a position of strength for further expansion.

LEFT:  
WESTERN HIGHWAY –  
ANTHONY'S CUTTING  
REALIGNMENT,  
MELBOURNE

MIDDLE:  
SUGARLOAF PIPELINE  
PROJECT, VICTORIA

RIGHT:  
NUNAWADING  
STATION,  
MELBOURNE

### GENERAL MANAGER

David Moran

### REVENUE

\$519 million

### KEY PROJECTS

Wodonga Rail Bypass; Barwon Water Capital Works; Brighton Bypass; Laverton Rail Upgrade; Melbourne Airport Terminal Two Expansion; Melbourne Main Sewer Replacement; Northern Sewerage Project; 140 North Terrace; South Morang Rail Extension; Springvale Road Rail Separation; Sugarloaf Pipeline; UTAS Co-location; Western Highway-Anthonys Cutting Realignment; West Gate Bridge Strengthening Project; Northern Hospital Short Stay Unit & Mental Health Project; Cardinia Connection Alliance.

### KEY MILESTONES

Completion of the Sugarloaf Pipeline Project and the Springvale Road Rail Separation Project.

Award of the South Morang Rail Extension Project and the Craigieburn Train Maintenance Facility Project.

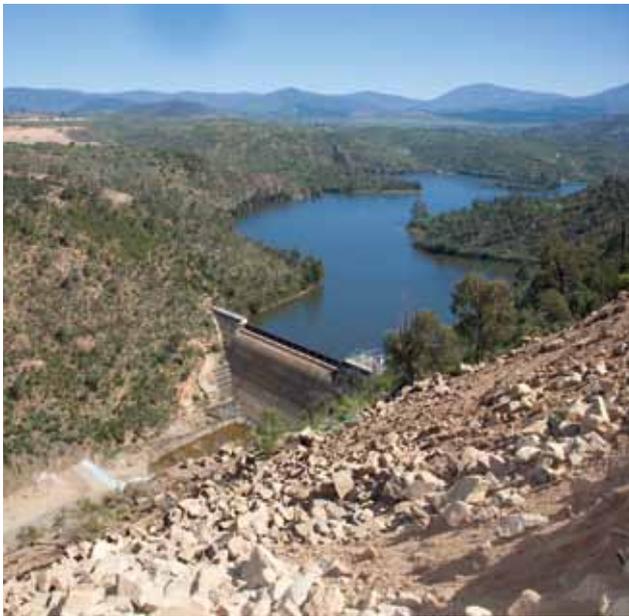


**A solid year of operation,  
with an emphasis on securing  
strategic projects and  
strengthening relationships**

# NSW/ACT Region

WOOLOOWARE STATION, SYDNEY





**‘Our driver continues to be that John Holland is the company clients think of when they seek innovation, certainty of delivery, value for money, quality, professionalism and honesty in business dealings.’**

**NSW/ACT Region General Manager, Rob Monaci**

**The NSW/ACT Region enjoyed a solid year of operation with an emphasis on securing several strategic projects and strengthening relationships with key clients.**

Partnerships formed with our specialist businesses continue to provide a strong competitive advantage in the marketplace, combining construction and management expertise with in-depth understanding of our clients’ operational requirements.

The NSW/ACT Region pioneered the introduction of John Holland’s Safety, Quality and Environment Risk Management Program, and continues to champion its benefits, attracting strong interest from client and industry partners alike.

**SUCCESSFUL COMPLETION OF CRONULLA LINE UPGRADING AND DUPLICATION DELIVERS ADDITIONAL PROJECTS**

The Cronulla Line Upgrading and Duplication Project for the Transport Construction Authority achieved practical completion. Subsequently, the John Holland team went on to win the \$73 million Liverpool Turnback Project, and is currently short-listed for the South West Rail Line Project.

**BACK TO WORK WITH THE RTA**

The business also secured its first job for the Roads and Traffic Authority since 2004, winning the first stage works contract for the Newcastle Inner City Bypass.

**EXPERTISE IN WATER DELIVERS CONSISTENT WORKFLOW ACROSS THE STATE**

John Holland continues to assist State Water in achieving its dam safety upgrade program, winning

contracts to upgrade Keepit Dam and Chaffey Dam in the Tamworth area, and currently working on planned projects in the EOI stage.

Also in NSW, construction of the \$64.2 million Mardi to Mangrove Link is underway for the Wyong Shire and Gosford City Councils, with construction of a pipeline, pump station and inlet works.

Practical completion of the \$1 billion Sydney Desalination Plant was achieved on time and on budget for Sydney Water, with NSW Premier, Kristina Keneally, activating first water in front of a large media contingent.

John Holland achieved further recognition of its ongoing work in delivering Sydney Water’s Priority Sewerage Program, with the award of the latest stage of works planned for Appin, south of Sydney.

In the ACT, the \$550 million works with ACTEW, as part of the Bulk Water Alliance,

have progressed well, with the pump station completed, the Googong Dam Spillway nearing completion and excavation and quarry works at the enlarged Cotter Dam now underway.

**RELATIONSHIP WITH DEFENCE CONTINUES TO FLOURISH**

Defence continues to be an important area of operation for NSW/ACT’s building division with contracts successfully secured and underway for the Kapooka Enhanced Land Force (ELF) and Singleton ELF Projects.

**AWARD-WINNING PROJECTS**

John Holland was recognised for its building and project management expertise, winning a number of awards both in Sydney and Canberra in 2009-2010. The Sydney Opera House Accessibility & Western Foyers Project team was awarded the prestigious New South Wales Professional Excellence in Building Award by the Australian Institute of Building



LEFT:  
COTTER DAM,  
AUSTRALIAN CAPITAL  
TERRITORY

MIDDLE:  
JULIAN PAVEY, SITE  
ENGINEER,  
ENERGY AUSTRALIA  
STADIUM,  
NEWCASTLE

RIGHT:  
PREMIER OF  
NSW, KRISTINA  
KENEALLY, AT THE  
COMMISSIONING  
OF THE SYDNEY  
DESALINATION  
PLANT, KURNELL

(AIB), while awards won for the National Portrait Gallery in Canberra include the Master Builders Association National Award for Public Buildings over \$12 million and the Concrete Institute's Excellence in Concrete Award.

#### OTHER WORKS

John Holland's Newcastle office secured the third stage of the Energy Australia Stadium for Hunter Venues, and NSW/ACT Region was also one of three companies short-listed for construction of the Sydney Metro Project before its withdrawal by the NSW Government.

#### FOCUS ON SAFETY

The Safety, Quality and Environment Risk Management Program rollout in the NSW/ACT Region has been well accepted and is now an integral part of the business, with staff acknowledging the program as 'the way we do things around here'. The program also delivers the added benefit of risk identification

and increased involvement of staff and subcontractors in identifying risks prior to works commencement.

#### FACING A CHALLENGING FUTURE

The industry has entered a very competitive phase, with tightening margins and decreased opportunities in building and civil engineering, requiring John Holland to be able to tender, secure and deliver smaller projects.

In the civil infrastructure market, tier one contractors are increasingly tendering directly against smaller contractors in order to secure work.

Building projects in NSW/ACT have slowed with the cessation of private funds and a push toward a managing contract delivery method, resulting in reduced turnover, however John Holland's business development activities and strong focus on customer relationships has seen the Region nominated as

'preferred contractor' with a number of key projects due to be awarded in early 2010-2011.

#### STRENGTH THROUGH COLLABORATION

Collaboration has continued to be a driving factor in tendering and undertaking business in the Region, with strong working relationships existing between NSW/ACT and specialist businesses such as John Holland's Rail and Water businesses. New opportunities are also close to fruition with John Holland's Energy & Resources and Power businesses, and the Region continues to form strategic joint ventures with external parties that will enable us to offer clients the best and most economical solutions for project delivery, in both civil and building areas.

#### LOOKING TO THE FUTURE

In recent years, the business has enjoyed involvement in large projects such as the Sydney Desalination Plant

#### GENERAL MANAGER

Rob Monaci

#### REVENUE

\$290 million

#### KEY PROJECTS

Bulkwater Alliance; Hunter8 Alliance; Energy Australia Stadium Stage 3 Project; Sydney Desalination Plant; National Portrait Gallery; Priority Sewage Program; Sydney Opera House; Cronulla Line Upgrading and Duplication Project; Keepit Dam; Mardi to Mangrove Pipeline; Kapooka ELF.

#### MILESTONES

Completion of the Sydney Desalination Plant Separable Portion 1 (125ML/day) in January 2010 and Separable Portion 2 (250ML/day) in May 2010; completion of the Cronulla Line Upgrading and Duplication Project in April 2010; receipt of TOC approval for Bulkwater Cotter Dam, receipt of TOC approval for Hunter8 Stage 2.

NSW Professional Excellence in Building Award by the Australian Institute of Building for the Sydney Opera House Accessibility & Western Foyers Project.

and the City of Dreams Project in Macau. The future highlights a move to smaller projects, aside from rail projects such as the South West Rail Line, for which the Region is tendering in conjunction with our Rail business.

This move toward smaller projects requires a different focus and structure, and NSW/ACT Region has implemented appropriate measures to respond to this change. Diversity will remain a key strength of the business, with the immediate future promising a small number of projects in a large number of market sectors.

With the new market dynamic, the business imperative for the NSW/ACT Region is to remain agile, with a mix of road, rail, water and resources infrastructure and both government and private sector clients, as opposed to relying on a particular market sector, to deliver a consistent flow of work.

**A culture of continuous  
improvement has returned  
sustained growth for John  
Holland in Western Australia**

# Western Region

STATE THEATRE CENTRE OF WESTERN AUSTRALIA, PERTH



**The 2009-2010 financial year has delivered the strongest ever financial return for Western Region. This is significant considering the economic climate during this period, and represents sustained growth for John Holland's business in Western Australia.**

The Region has firmly re-established John Holland's premier position in the local market with tier one clients and has continued to develop and capitalise on its key competitive advantages. A culture of continuous improvement, particularly in project delivery, has delivered tangible benefits across all aspects of the business. The Region's commitment to safety has returned a positive result over the past year, with excellence in safety performance an ongoing imperative for the business.

#### **REDEVELOPMENT OF RAAF BASE PEARCE**

The redevelopment of RAAF Base Pearce for the Department of Defence has been a key project for the Region over the past 12 months. The

new construction and refurbishment works have transformed the 75-year-old base, significantly enhancing its operational capability and improving the overall environment. It is expected that works for this project will be completed by first quarter 2011.

#### **CREATING A NEW HOME FOR THE ARTS IN WA**

Another project that has continued to develop over the past year is the State Theatre Centre of Western Australia, which is being undertaken for the state government's Department of Culture and the Arts. This landmark building boasts an array of architectural and engineering features, which showcase the excellence of design and construction skills and capabilities available in Western Australia.

The theatre will be home to both the Black Swan State Theatre Company and the Perth Theatre Company, and will provide the people of Western Australia with an inspiring venue offering the latest theatre technology from around the world.

#### **CEMENTING OUR DOMINANCE IN HEALTH CONSTRUCTION**

With health construction identified as a core market segment for the Region, the business has successfully developed strategic partnerships with key players in the delivery of healthcare infrastructure. The significant redevelopment of Joondalup Health Campus for Ramsay Health Care and the Government of Western Australia continues to progress, with works on schedule for completion by early 2013. John Holland has also been awarded the contract to deliver a new purpose-built health campus in Albany, which will become the hub for health services in Western Australia's Great Southern region, further reinforcing our dominance in health construction in Western Australia.

#### **BUILDING THE EDUCATION REVOLUTION FOR YOUNG WESTERN AUSTRALIANS**

Delivery of a significant share of the Perth metropolitan area works for the federally funded Building the Education Revolution program has

seen the construction and refurbishment of major infrastructure at state primary schools across Perth's western and northern suburbs. This vital building initiative, delivered under very tight construction deadlines, will provide improved education facilities for the next generation of young Western Australians and is due for completion by early 2011.

#### **CAPITALISING ON EMERGING OPPORTUNITIES IN ENERGY AND RESOURCES**

In collaboration with John Holland's Energy & Resources business, the Region has successfully capitalised on emerging opportunities in both the oil and gas and resources markets in Western Australia. Key projects include the construction of the substation and field auxiliary room buildings for Woodside's Pluto LNG Project on the Burrup Peninsula, and the supply and installation of structural mechanical steelwork and plating for the stockyard and sampling stations for



BHP Billiton Iron Ore's Rapid Growth Project 4 at Newman Hub. The Region is also focused on emerging building opportunities associated with major iron ore and oil and gas developments. With a solid foundation in the delivery of major building works in the metropolitan area, the business has further extended its building capability in the delivery of remote non-process infrastructure, delivered within a challenging and heavily regulated resource environment.

The current delivery of Apache Energy Limited's Devil Creek Development Project for the construction of a new onshore gas plant, and the permanent process and non-process buildings required on the site, highlights John Holland's unique ability to merge highly specialised construction services with complex civil works in a single integrated package. The recent award of Rio Tinto's Cape Lambert Port B Project, for the construction of a new port facility adjacent to the existing Cape Lambert port terminal further highlights

the value of John Holland's internal collaborative model for clients looking to develop complex construction projects.

### CREATING SUSTAINABLE PARTNERSHIPS IN INDIGENOUS ENGAGEMENT

There is significant opportunity for Indigenous engagement on our north-west projects. This is a natural evolution for the business, based on the nature of the work we undertake and the remote areas in which we operate. Implementation of a dedicated Indigenous Engagement Strategy in Western Australia, which seeks to create partnerships that support the sustainability of Indigenous communities through the provision of support, training, education and employment opportunities, has seen the launch of the John Holland Work Ready Program – *Nyoongar for Work* – which provides accredited training in the construction industry and the opportunity of employment with John Holland in a variety of roles.

### LOOKING TO THE FUTURE

Going forward, the Region will continue to capitalise on the key competitive advantages it has developed in the Western Australian market, striving to position the business as the most competitive multidisciplinary engineering and building contractor in the west and our clients' preferred contractor for all disciplines.

Future opportunities in the engineering sector in Western Australia will focus on the delivery of integrated packages, in collaboration with our specialist businesses, predominantly for major resource developments (iron ore and oil and gas) in the north-west of the state. This sector will continue to be the driving force behind sustained growth for the Region, as it is in this market segment from which the greatest number of potential projects are likely to emerge in

Western Australia over the medium to long term.

Opportunities in the building sector will consist predominately of commercial facilities, with the Region continuing to capitalise on its capability and experience in the delivery of hospitals, prisons, airports and public infrastructure works, in addition to non-process infrastructure projects which form part of major resource developments.

The Region will strive to maximise opportunities through its diversity, with key internal partnerships benefiting from emerging opportunities in the resources sector, new rail infrastructure and greater market penetration in the power and communications sectors.

#### GENERAL MANAGER

Adam Harry

#### REVENUE

\$252 million

#### KEY PROJECTS

RAAF Base Pearce Redevelopment Stage 1; State Theatre Centre of Western Australia; Joondalup Health Campus Redevelopment; Devil Creek Development Project; Building the Education Revolution.

#### MILESTONES

Completion of Pluto LNG Project Onshore Process Buildings, Rapid Growth Project 4 (Newman Hub), Qantas Domestic Terminal Interim Expansion Works, Hollywood Private Hospital Redevelopment, and the Central Law Courts Refurbishment.

Commencement of works on the Joondalup Health Campus Redevelopment, Devil Creek Development Project and Building the Education Revolution.

Award of the East Kimberley Development Package, Albany Health Campus Redevelopment and Cape Lambert Port B Project.



LEFT: JIM SPEIR, WELDING SUPERVISOR (LEFT) AND HANS WILLRATH, PIPING QC SUPERVISOR (RIGHT) AT THE ONSHORE GAS PLANT, DEVIL CREEK, WESTERN AUSTRALIA

RIGHT: JOONDALUP HEALTH CAMPUS, WESTERN AUSTRALIA



The rail industry is experiencing unprecedented growth in both public and private expenditure



# Rail

MELBOURNE METROPOLITAN TRAIN NETWORK, VICTORIA



During the financial year 2009-2010, Rail has actively pursued project-based work as well as expanding the business's capacity.

The overhanging effects of the global financial crisis of 2009 continued to forestall some mining-based projects during the year. However, funds from the federal government's stimulus package directed to shovel-ready projects saw increased spending in rail overall.

#### **JOHN HOLLAND BECOMES A RAIL NETWORK OPERATOR**

This year, we commenced an important new strategic relationship with the beginning of the Metro Trains Melbourne (MTM) franchise. In this venture, John Holland has become an operator, rather than our traditional role of contractor/maintainer.

John Holland is an equity participant in MTM. In joint venture with MTR from Hong

Kong and United Group, John Holland is responsible for the entire metropolitan train network: 4,000 total staff; all train operations, drivers and station staff; signalling; rolling stock; projects; and all maintenance for track, civil, and overhead.

#### **ACQUIRING THE MOST UP-TO-DATE EQUIPMENT**

During the year, and in line with our capability expansion strategy, we acquired the most modern tamping production machine in the world, a Dynamic Tamping Express O9-3X.

We have also acquired two Pem Lem turnout installation machines. We are the only company in Australia with two such machines in operation.

#### **GROWING THE BUSINESS THROUGH CONSOLIDATION AND DIVERSIFICATION**

With a combination of strong market growth and strategic

structuring of the business, we expect the current significant growth phase to continue.

Our strategy includes consolidating our existing business offering, diversifying our product base, entering into new markets and market segments, and pursuing potential strategic acquisitions.

The key elements of our strategy are:

- consolidating our core operation
- targeting strategic major projects and developing winning strategies for each prospect
- pushing into new markets
- developing new services, including in procurement
- investing further in plant and equipment
- continuing to grow and develop our people
- effectively managing our client relationships

- increasing tender budgets to support growth.

Our purpose is to establish ongoing streams of work to offer continuity of revenue, thereby providing a counterbalance to the fluctuations of major projects in the normal course of the business cycle.

#### **OPERATING SAFELY IN RAIL**

Creating a safe workplace is an essential element of our core values, and our highest priority. Safety is more than a compliance issue; it is about developing and maintaining a safety conscious culture throughout the company. Training and support by the company in this area is deemed mission critical.

#### **THE GROWING MARKET FOR RAIL**

The rail industry, both in Australia and internationally, is experiencing growth unprecedented growth

LEFT:  
KIRRAWEE STATION,  
SYDNEY

MIDDLE:  
MAITLAND TO  
WHITTINGHAM,  
HUNTER REGION,  
NEW SOUTH WALES

RIGHT:  
JASON GRAY  
(LEFT) AND KEITH  
SCOTT (RIGHT)  
AT TRACKWORK  
SERVICES ALLIANCE,  
NEW SOUTH WALES



RAIL

in public and private expenditure on large-scale infrastructure projects.

Capital works programs in Australia have largely been driven by private funding in hard minerals and coal industry supply chain. However there is a growing realisation that congestion on our roads and public transport in major cities is reaching crisis point. As a result, public funding on metropolitan passenger railway lines is increasing. In response to urban congestion issues, a number of upgrade and extension projects are underway or about to commence across all states.

BIS Shrapnel predicts the average annual work completed in rail during 2012-2013 will be 25 per cent above the previous five years. In total, it anticipates that activity in rail construction in Australia will not peak until the latter end of this decade.

### LOOKING TO THE FUTURE

Over the last three years, John Holland has implemented a strategy that has seen its Rail business grow threefold. This financial year has seen strong and sustained growth. We are now mapping the next five years, and expect to move Rail into another substantial growth phase.

Our success is underpinned not just by a growing market, but by our deliberate move in to new markets and sectors and increasing our portfolio of offerings to our clients.

### EXECUTIVE GENERAL MANAGER

Karl Mociak

### REVENUE

\$537 million

### KEY PROJECTS

In conjunction with Northern Region: Middlemount Coal; Hunter8; Track Services Alliance; and Reliance Rail, Liverpool. In conjunction with Southern Region: South Morang; Brighton Bypass Tasmania; MTM Tie Renewal, and minor works. In conjunction with Western Region: WNR Maintenance; PTA, Kalgoorlie; and RGP5.

### MILESTONES

Improvement in safety performance in Lost Time Injury Frequency Rate (LTIFR) of 2.02; takeover of Melbourne metropolitan network on 1 December 2009 by Metro Trains Melbourne Consortium; establishment of office in Hong Kong; recruitment of 330 people; increase of forward order book by over 39 per cent in 2009-2010, establishment of forward order book of \$2.8 billion.

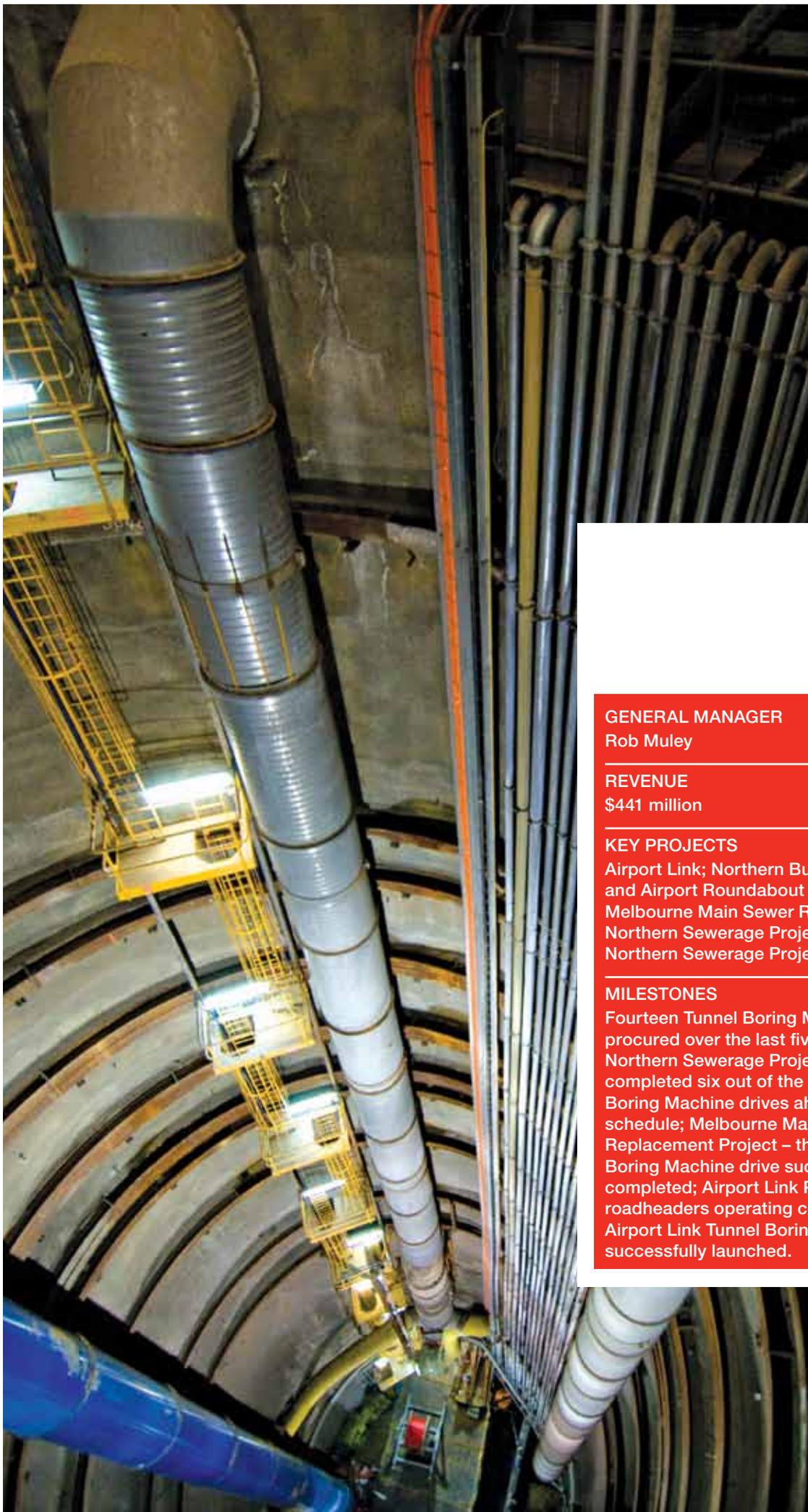
A worker in an orange high-visibility jacket is shown from the chest down, focused on writing on a clipboard. The worker is wearing a silver ring on their left hand. The clipboard is open, and the worker is using a red pen. The background is a dimly lit tunnel with a large, bright light fixture hanging from the ceiling. The overall scene conveys a sense of professional diligence in a challenging environment.

**With a proud heritage spanning  
over 40 years, John Holland  
continues to be Australia's  
pre-eminent tunnelling business**

# Tunnelling

MICHAEL SUTTON, SHIFT ENGINEER, MONITORING IN THE WESTBOUND TBM TUNNEL AT AIRPORT LINK, BRISBANE





LEFT:  
NORTHERN  
SEWERAGE PROJECT,  
MELBOURNE

MIDDLE:  
BREAKTHROUGH AT  
MELBOURNE MAIN  
SEWER, MELBOURNE

RIGHT:  
PETER LILLEY, TBM  
OPERATOR (LEFT)  
AND TRENT TREMAIN,  
ERECTOR OPERATOR,  
(RIGHT) INSPECTING  
THE SEGMENT  
ERECTOR PLATE  
SEALING STRIP  
ON TBM "SANDY"  
AT AIRPORT LINK,  
BRISBANE

#### GENERAL MANAGER

Rob Muley

#### REVENUE

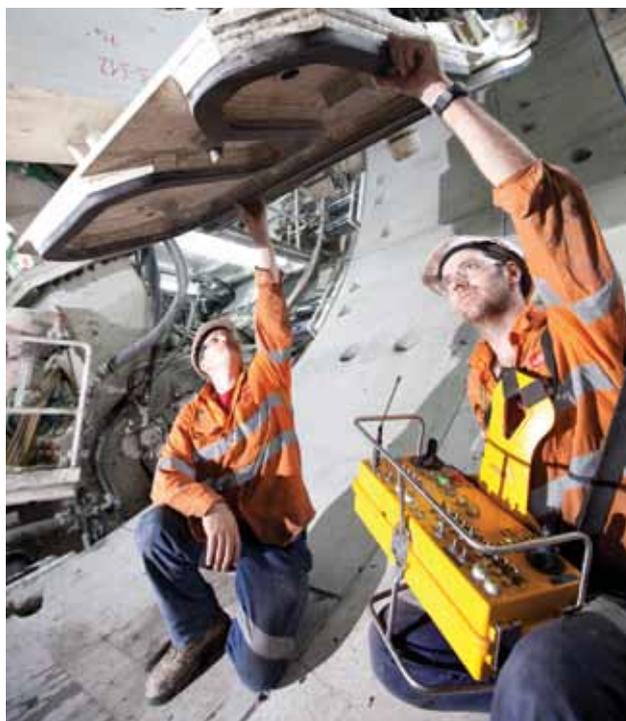
\$441 million

#### KEY PROJECTS

Airport Link; Northern Busway and Airport Roundabout Upgrade; Melbourne Main Sewer Replacement; Northern Sewerage Project Stage 1; Northern Sewerage Project Stage 2.

#### MILESTONES

Fourteen Tunnel Boring Machines procured over the last five years; Northern Sewerage Project has completed six out of the seven Tunnel Boring Machine drives ahead of schedule; Melbourne Main Sewer Replacement Project – the first Tunnel Boring Machine drive successfully completed; Airport Link Project – 16 roadheaders operating concurrently; Airport Link Tunnel Boring Machines successfully launched.



**With a proud heritage spanning over 40 years of continuous tunnelling, John Holland is the pre-eminent tunnelling business in Australia. The business boasts the largest dedicated team of technical experts of any contractor in the country.**

John Holland's Tunnelling business continues to build on its reputation as the leading provider of innovative underground solutions.

With a specialist in-house team, we continue to lead the underground industry as the partner of choice by offering clients extensive knowledge and experience in all methods of tunnelling and complex geology across all industry sectors.

A key focus of our business is our staff. John Holland's tunnelling business currently employs over 700 staff across Australia and internationally. We continue to make significant investments in our people and the technologies that support them to ensure that we stay at the forefront of underground project delivery and provide value-added solutions to our clients.

#### **CONTINUING STRONG PERFORMANCE**

John Holland's Tunnelling business has continued its strong performance during 2009-2010. In Melbourne, four Tunnel Boring Machines (TBMs) have been operating concurrently across the Melbourne Main Sewer Replacement Project and the Northern Sewerage Project, with all tunnel drives completed ahead of schedule.

#### **CROSSING THE YARRA RIVER**

The Melbourne Main Sewer Replacement Project's crossing of the Yarra River using a staged wet cofferdam approach is making good progress with minimal disruption, and is scheduled for completion well ahead of program.

The river crossing and completion of the first tunnel drive demonstrates our highly innovative approach and depth of experience in complex geology.

#### **TUNNEL DRIVES AHEAD OF SCHEDULE**

The Northern Sewerage Project (NSP) has continued to perform strongly this year

completing a further five tunnel drives, using earth pressure balance TBMs as well as hard rock TBMs. The last drive of the 12.5 kilometres of tunnels to be excavated for this project is scheduled for completion in October 2010.

The Airport Link Project is also progressing well, reaching 50 per cent completion in June. The project has currently 16 road headers in operation, with a total of 17 road headers planned at its peak – a worldwide record. The project has also taken delivery of two TBMs measuring 12.5 metres in diameter and weighing around 3,600 tonnes, which are the largest TBMs ever used in Australia.

#### **CURRENT MARKET**

Throughout the year we have continued to grow our strong relationships with key business partners, both locally and internationally. The collaborative model has proven to work well for the Tunnelling business, given that underground construction typically forms key elements of projects

across different market sectors. This requires high levels of collaboration with our clients, our regional businesses, and other specialist businesses such as Water and Rail. The same collaborative model is also implemented in opportunities offshore. We will continue to work with Leighton Asia targeting opportunities in Hong Kong, and pursue strategic partnership opportunities in New Zealand with Fulton Hogan.

#### **LOOKING TO THE FUTURE**

For the year ahead, our vision will focus on diversifying our specialist skill set further, building on our reputation as the leading Australian tunnel constructor. Coupled with our collaborative model across regional and specialist business units, we will continue our proud history of over 40 years at the forefront of tunnelling in Australia. We aim to continue to be the partner of choice for underground works with local and international partners, and the employer of choice for both current and future personnel in the underground construction industry.



**This year we have  
confirmed our position as  
a market leader in marine  
infrastructure projects**

# Energy & Resources

ABBOT POINT COAL TERMINAL, NORTH QUEENSLAND





**It has been another significant year of growth for John Holland's Energy & Resources business. In the 2009-2010 financial year, we have consolidated our position as a market leader in the delivery of marine infrastructure projects in the resources sector and increased our penetration into the oil and gas sector. The business has positioned itself well on many of the new planned liquefied natural gas (LNG) projects in Western Australia and the emerging coal seam gas (CSG) and LNG projects in Queensland whilst also maintaining focus on the resurgent minerals sectors of coal and iron ore in Queensland, New South Wales and Western Australia.**

#### **BUILDING A 'NO HARM' BUSINESS**

The past 12 months have seen the embedding of our G6 safety initiative across our operations. We have

focused our operational teams on knowing their responsibilities and obligations, focusing on the management of high risks, maintaining governance of our systems and procedures and ensuring effective employee engagement on all our projects. We have celebrated a vast improvement in our statistical safety performance, with our Total Recordable Injury Frequency Rate (TRIFR) reducing by 50 per cent over this period. This result can be directly attributed to the G6 initiative and the positive engagement by all our project teams on this important process.

Our G6 safety leadership team continues to lead the way by clearly setting behavioural and performance standards and verifying compliance and effectiveness of the implementation of our risk management system through monthly safety valuations and reviews. Our support and development of our

HSR collegiate has been instrumental in ensuring effective employee engagement in all of our operations and we are nearing completion of our high risk activity management program which has produced procedural and competency standards, training packs and audit tools for the key high risk activities in our business.

#### **SERVICING OUR COAL EXPORT CLIENTS**

In Queensland, we successfully completed the \$65 million Abbot Point Coal Terminal X25 Expansion and Conveyor Upgrade early in the financial year, and completed the \$52 million X50 SL2 Shiploader. Working with our Northern Region, we also successfully completed the X50 Marine Expansion works on behalf of the North Queensland Bulk Ports.

Weighing more than 1,380 tonnes and standing over 54 metres high at completion, the X50 SL2 Shiploader took more than

18 months to complete and was transported some 604 nautical miles by sea to Abbot Point for installation. It was delivered on time and on budget, and used resources available in Queensland's manufacturing sector. The completed project showcases the multi-engineering capabilities within John Holland that can deliver complex structural, mechanical and electrical installations.

The completed \$238 million Abbot Point Coal Terminal X50 Marine Expansion Project involved the construction of a second 500-metre-long berth and a 3-kilometre-long associated marine jetty conveyor and transfer tower. This project will further expand the capacity of North Queensland Bulk Ports Abbot Point facility to 50 million tonnes per annum to serve the growing commitments of Queensland's coal exporters.



LEFT:  
ONSHORE GAS  
PLANT, DEVIL CREEK,  
WESTERN AUSTRALIA

MIDDLE:  
WORSLEY  
EFFICIENCY AND  
GROWTH ALUMINA  
REFINERY, BUNBURY,  
WESTERN AUSTRALIA

RIGHT:  
JIM SPEIR, WELDING  
SUPERVISOR  
(LEFT) AND HANS  
WILLRATH, PIPING QC  
SUPERVISOR (RIGHT)  
AT THE ONSHORE  
GAS PLANT, DEVIL  
CREEK, WESTERN  
AUSTRALIA

## GENERAL MANAGER

Brendan Petersen

## REVENUE

\$425 million

## KEY PROJECTS

Abbot Point X25 Expansion and Conveyor Upgrade; Abbot Point Coal Terminal X50 SL2 Shiploader; Abbot Point Coal Terminal X50 Marine Expansion; Rapid Growth Project 4 (Newman Hub); Devil Creek Development Project; Worsley Efficiency and Growth Alumina Refinery Project; Sugarloaf Pipeline Project; West Gate Bridge Strengthening Alliance; Springfield to Darra Transport Corridor (Horizon Alliance).

## MILESTONES

Completion of the Abbot Point Coal Terminal X50 SL2 Shiploader and Abbot Point Coal Terminal X50 Marine Expansion.

Launch of a joint venture partnership with Fugro Seacore.

Awarded the contract to deliver Rio Tinto's Cape Lambert Port B Project.

ENERGY &  
RESOURCES

Through the year there have been a number of significant project delivery milestones.

### EXPANDING OUR FOOTPRINT IN WA

Construction continues at the \$160 million Devil Creek Development Project in Western Australia, with our project team successfully completing bulk earthworks and the pouring of foundations for process modules, piperacks and equipment. Other works safely completed include the successful transportation and installation of approximately 150 piperack and process modules. Piping, electrical and instrumentation installation is well underway and gas plant construction is in line with the target of first gas in the second half of 2011.

Significant progress has been made at the Worsley Efficiency and Growth Alumina Refinery Project, near Bunbury, Western Australia. The construction package that is being undertaken by John Holland

in this area involves work at over 20 facilities, with the majority of work being undertaken in an operating brownfield environment. Our scope includes installing modules weighing up to 400 tonnes and over 75 kilometres of process piping. An extensive amount of this work has to be done on plant shutdowns.

In addition, John Holland was recently awarded a \$276 million marine contract, which forms part of the early works for Rio Tinto's Cape Lambert Port B Project in Western Australia's north-west. The project, to be delivered as a collaboration between John Holland's Energy & Resources business and the civil construction skills of our Western Region business, highlights the value of our internal collaborative model for clients looking to develop large and complex construction projects.

Elsewhere, Energy & Resources has worked closely with John Holland's

regional businesses throughout the year. We continue to work with our Southern Region business on the technically complex West Gate Bridge Strengthening Alliance in Victoria, and with the completed award-winning Sugarloaf Pipeline Alliance. We have also partnered with our Northern Region business to deliver construction services on the Springfield to Darra Corridor Project in Queensland.

John Holland's Energy & Resources business launched a new business partnership with international marine drilling contractor Fugro Seacore to focus on emerging work in the marine construction sector. The partnership combines John Holland's proven experience in civil, marine and specialised construction with Fugro Seacore's specialist seabed drilling and marine construction capabilities.

### CURRENT POSITION

John Holland's Energy & Resources business has

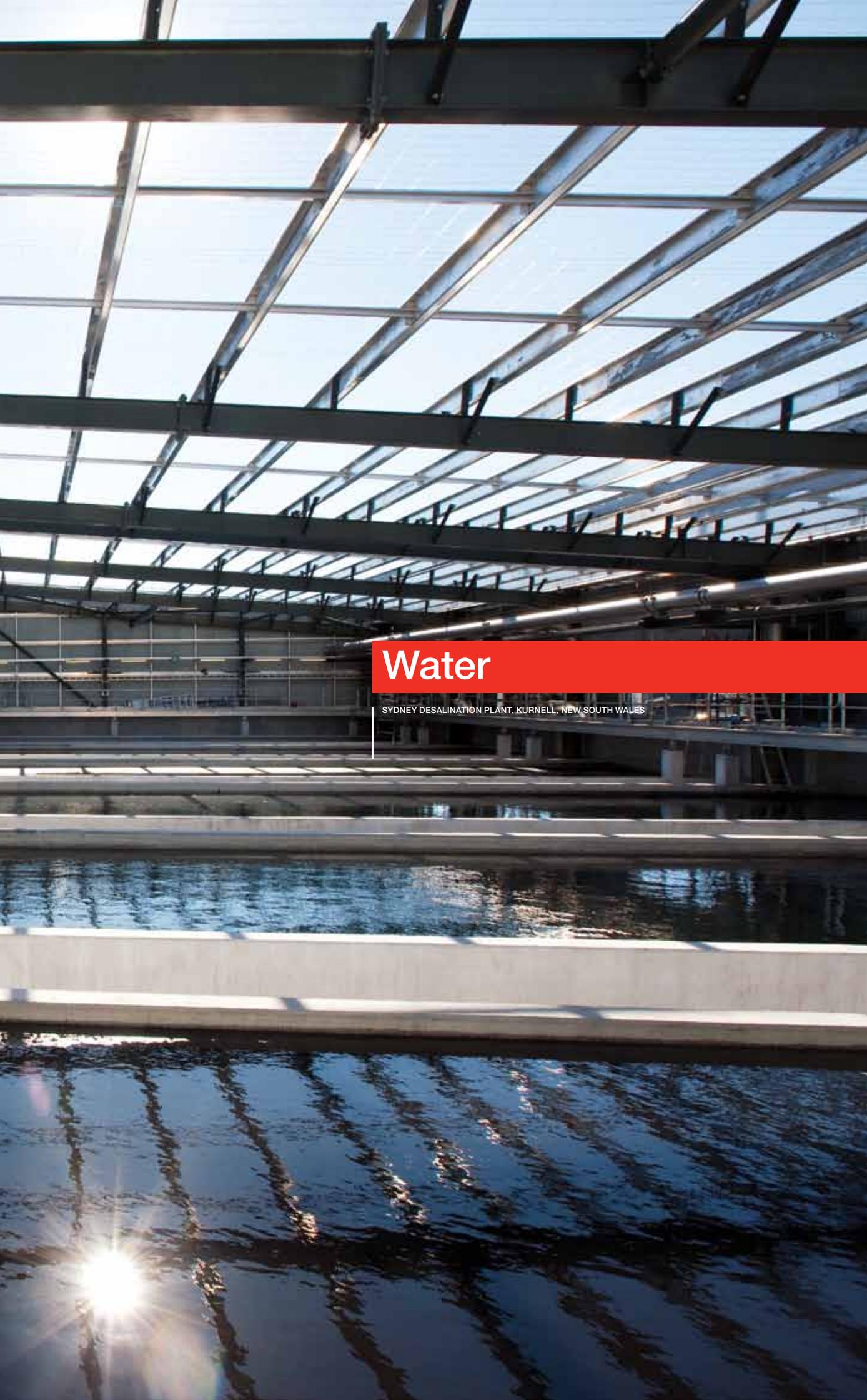
continued to proactively position the business for new work and growth in both the minerals and oil and gas sectors. The past 12 months has seen a resurgence of the Australian energy and resources sectors and we are well positioned to take advantage of these improved market conditions. The rebranding of the business has been well received by our clients and the broader energy and resources sector alike, and our diversification strategy is developing to plan.

### LOOKING TO THE FUTURE

Going forward, our strategic focus is to position ourselves to participate in planned developments in the coal and iron ore sectors in Queensland, New South Wales and Western Australia as investments come online, and to successfully capitalise on emerging opportunities in the coal seam gas and liquid natural gas markets in Queensland and Western Australia.



**Our team leads the way in  
expert client management  
and is widely recognised for  
its reliable delivery**



# Water

SYDNEY DESALINATION PLANT, KURNELL, NEW SOUTH WALES



are new relationships to forge following a number of amalgamations in water authorities, and winning work has been made more challenging with a number of new entrants providing competition in our market.

#### NEW CLIENTS AND AWARDS

This was also a year of great recognition for our business. A key highlight of the year was winning the Barwon Water Alliance – a program that will run for a number of years. Barwon Water is a new client, and the Barwon Water Alliance will create enormous opportunity for John Holland in the Barwon/Geelong region of Victoria. Other highlights include winning the John Holland National Safety Award for PSP 3 Towns, the Sir John Holland Award for Community Engagement for the Sydney Desalination Plant, and the John Holland Environment and Heritage Award for Sugarloaf Pipeline, a joint venture with Southern Region. In addition, six of the 15 Safety Achievers recognised by our annual awards program were from our Water projects.

#### A TEXTBOOK EXAMPLE OF PROJECT MANAGEMENT

The commissioning of the Sydney Desalination Plant has provided a textbook example of client and project management. Throughout, we made use of our expertise in Water, Tunnelling and the NSW/ACT Region to find solutions to problems and to maintain strong relationships at various levels with our client, Sydney Water. Whether the question at hand was technical, operational, environmental, or one of communications, we had a network of associations and relationships within Sydney Water that allowed us to work through each issue

#### GENERAL MANAGER

Greg Taylor

#### REVENUE

\$168 million

#### KEY PROJECTS

New projects: Barwon Capital Program Alliance; Mardi to Mangrove; South Caboolture Sewerage Treatment Plant; Hawkesbury-Nepean Irrigation Meter Installation; Murrumba Downs AWTP Operations and Maintenance; Melbourne Desalination Integration Alliance.

Ongoing projects: Bulk Water Alliance; Gold Coast Desalination Alliance; Murrumba Downs Waste Water Treatment Plant Alliance; Priority Sewerage Program Alliance.

#### MILESTONES

Practical completion achieved on Sydney Desalination Plant, Sunset Coast Water Alliance, North Head PARR Alliance, Coffs Infrastructure Alliance, and Merrimac Waterfutures Alliance. Extended works contract on Priority Sewerage Program Alliance, and introduced Cost Performance Reporting (CPR) to our regional partners.

LEFT:  
SYDNEY  
DESALINATION  
PLANT, KURNELL

RIGHT:  
MURRUMBA DOWNS  
ADVANCED WATER  
TREATMENT PLANT,  
QUEENSLAND

**A specialist business in a market that has experienced strong growth in recent years, Water has been more involved in joint ventures than any other business at John Holland.**

Notwithstanding recent growth, difficult market conditions prevailed this financial year, leading to a reduction in turnover for the period. However, truly outstanding project performance meant the business was able to meet its targets and profit result.

#### MARKET SHIFTS

The last year has seen a number of shifts in our traditional markets of water and wastewater treatment plants, recycled water plants, desalination plants and transfer systems. Priorities in capital works programs are changing, with governments spending funds in areas outside water. Projects are typically smaller, there

that arose. With this level of insight, we were able to quickly find solutions to suit all our stakeholders.

### DIVERSIFYING OUR BUSINESS

In our business planning in 2009, we foresaw a tapering off in spending in water programs. To address this we embarked on a diversification program and another highlight for 2009-2010 was the successful development of that program. Our task was to diversify in both discipline and geography. To that end, we commenced bidding operations and maintenance projects, irrigation and coal seam methane projects. To expand our geographical range, we also commenced bidding in Hong Kong. As a result of these strategies, we are now operating and maintaining the Murrumba Downs Advanced Water Treatment Plant, we are installing flow meters in the irrigation sector and we have recently announced success on the Hong Kong Sludge Treatment Facility bid.

The value of Water's commissioning expertise is recognised by other businesses, and Water has worked extremely closely through the year with other businesses in John Holland, particularly Northern, NSW/ACT and Southern Regions. One example is the recent Energy & Resources project at Abbot Point, which saw a Water staff member seconded for three months to assist with the commissioning of the shiploader.

Through our activities in Hong Kong this year, we have also developed a good working relationship with Leighton Asia and we are currently looking at partnering with other Leighton group companies. The practice of collaboration, both within the business and within the Leighton Group,

affords the use of our skills beyond the boundaries of traditional water projects.

### IMPROVED SAFETY PERFORMANCE

Safety performance improved in Water with our Total Recordable Injury Frequency Rate (TRIFR) down from 21 to 16. While this is good progress, there is still room for improvement. During the year the business worked hard adopting new safety, quality and environment risk management processes on every project, undoubtedly contributing to the improved overall safety and business performance.

### CURRENT MARKET

As we look to the next two to three years, our traditional markets will continue to exhibit the challenges already mentioned – changing priorities in capital works programs by our government clients, and a general trend toward smaller projects overall.

However, our diversification strategies will enable us to grow as a business. While continuing to support our traditional markets, we'll work to grow further in new markets of irrigation, operations and maintenance, and coal seam methane water treatment. We will also be pursuing other international opportunities, such as the Hong Kong Sludge Treatment Facility.

### A TREND OF ALLIANCE PROGRAMS

Another interesting development is the trend back to alliances. Where the market has been dominated recently by design-and-construct contracts or construct-only contracts, the last 12 months have seen clients start to roll projects into programs. Where design-and-construct contracts might be two



years' maximum, program alliances typically run for four or more years. One example is the Priority Sewerage Program with Sydney Water, which has been running for seven years. Longer-term associations such as these provide more consistent revenues and great opportunities for staff on those projects to hone their skills and develop their professional relationships over a longer period of time. In the next six to 12 months, there are a number of program opportunities we will bid for.

### LOOKING TO THE FUTURE

Despite tightening market conditions, we expect to grow our revenue in 2011. The coming financial year will be a foundation year for future years. As desalination projects are being completed around the country, we have seen some decline in our work in hand, therefore, in the coming year we are

focusing on replenishing our forward order book and establishing a strong two to four-year horizon of work. Diversification is key to our growth and we have already had success in transferring our business excellence into newer areas of the market.

Water use and security will continue to be a headline issue in our communities. Desalination is only one part of the solution to providing assurance of a sustainable water supply. We expect focus will now return to recycled water plants and ensuring that transfer systems and sewage treatment systems are using the best available technology.

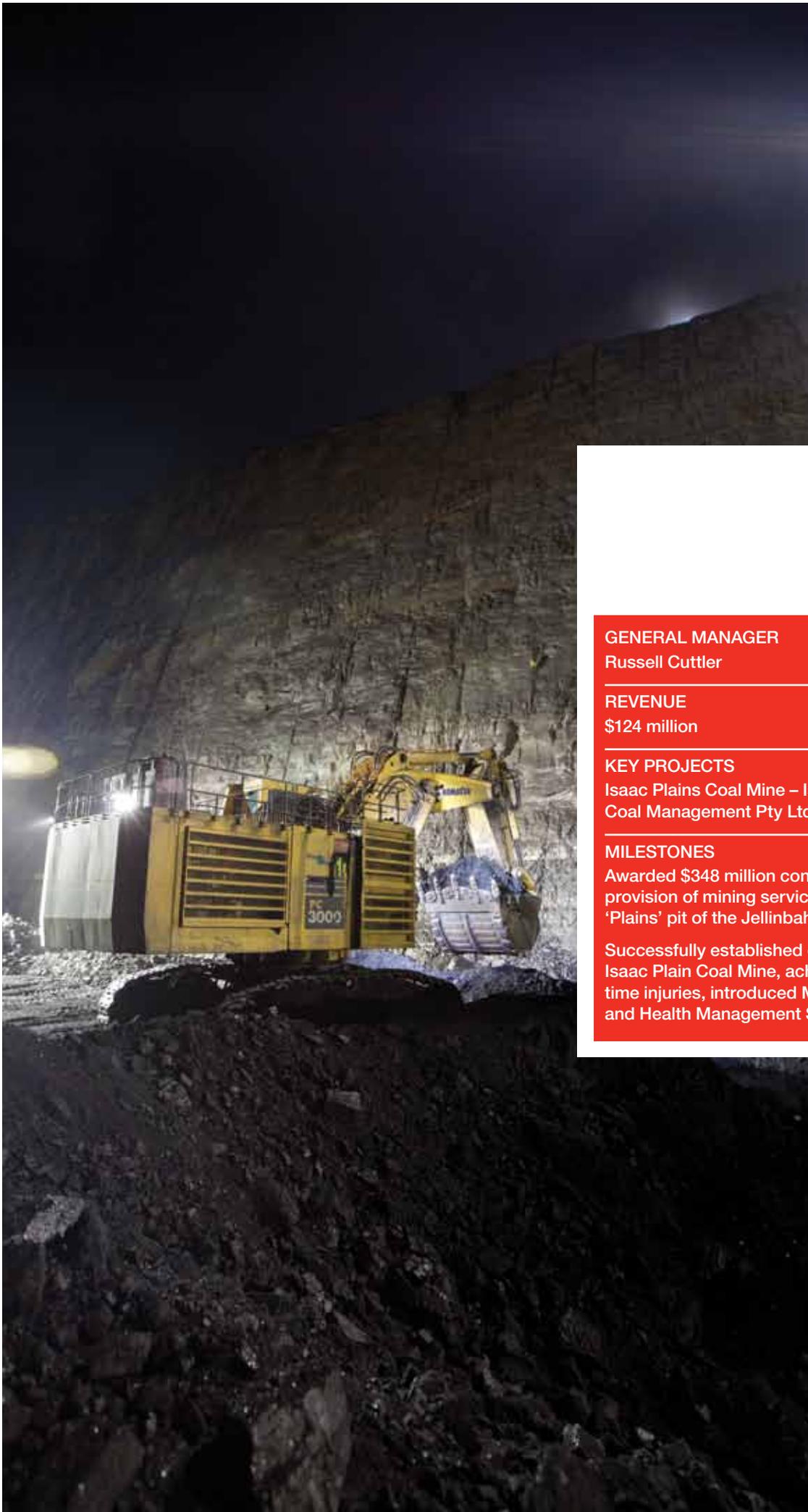
John Holland's Water business has a solid foundation, with a great team of people, good business practices and strong results. These are the factors that will underpin our success in the future.



It has been a year of  
consolidation for John Holland's  
Mining business, with the  
business now well positioned  
for future growth

# Mining

ISAAC PLAINS COAL MINE, CENTRAL QUEENSLAND



LEFT:  
ISAAC PLAINS COAL  
MINE, CENTRAL  
QUEENSLAND

MIDDLE:  
ISAAC PLAINS COAL  
MINE, CENTRAL  
QUEENSLAND

RIGHT:  
ISAAC PLAINS COAL  
MINE, CENTRAL  
QUEENSLAND

#### GENERAL MANAGER

Russell Cuttler

#### REVENUE

\$124 million

#### KEY PROJECTS

Isaac Plains Coal Mine – Isaac Plains Coal Management Pty Ltd

#### MILESTONES

Awarded \$348 million contract for the provision of mining services to the 'Plains' pit of the Jellinbah Coal Mine.

Successfully established operations at Isaac Plain Coal Mine, achieved no lost time injuries, introduced Mine Safety and Health Management System.



It has been a year of consolidation for John Holland's Mining business. A successful demobilisation at BMA's Blackwater Mine, the commencement and streamlining of operations at Isaac Plains Coal Mine and our appointment to deliver a \$348 million contract for the provision of mining services to the 'Plains' pit of the Jellinbah Coal Mine were three of the highlights. We have also seen additional investment in new plant and equipment over the last 12 months, helping to further position the business for future growth.

#### **NEW AGREEMENT WITH JELLINBAH COAL MINE IN QUEENSLAND**

Central in our success over the last year has been a new four year agreement with Jellinbah Mining Pty Ltd for services to the 'Plains' pit of the Jellinbah Coal Mine in Queensland. The contract will include mine planning and design, along with drill and blast, overburden removal, coal mining, coal quality management, coal crushing, pit water management and environmental reporting services. To ensure a smooth transition of services, early

client engagement will commence in the back half of 2010, with mobilisation of equipment to site expected to be completed in April 2011.

#### **STRONG ONGOING RELATIONSHIP AT ISAAC PLAINS COAL MINE IN QUEENSLAND**

Elsewhere, a strong relationship has been developed with Isaac Plains Coal Management and their joint venture partners over the last 12 months, as we also commenced operations under a new 33-month mine operations contract at Isaac Plains Coal Mine near Moranbah, Queensland. In the last year we have successfully mobilised to site, established John Holland as the Coal Mine Operator, developed and introduced the Isaac Plains Mine Safety and Health Management System and undertaken a broad review and streamlining of operations to improve productivity and efficiency and promote safety across our full mine operations.

In terms of performance, there have been many highlights at Isaac Plains. Productivity and service reliability again increased over the year, with

19.7 million cubic metres of overburden and coal moved. This reflects the collaborative approach with our client and the significant investment in effective mine planning in the early stages of mobilisation. Our performance has been further boosted by investment in new GPS technology for key pieces of plant and equipment.

#### **OUTSTANDING RESULTS IN OUR SAFETY PERFORMANCE**

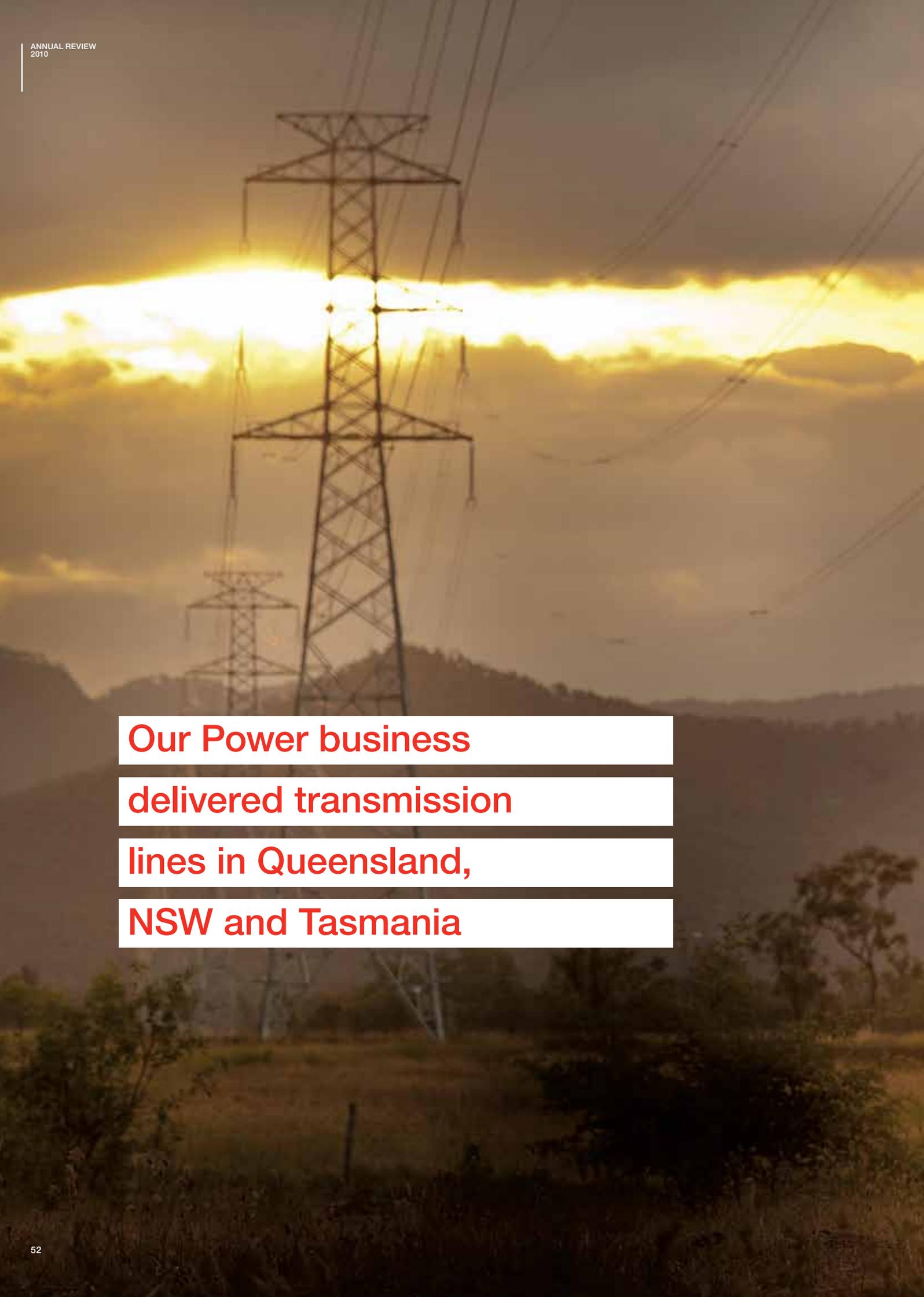
There have also been several important milestones reached in the area of safety, with no lost time injuries recorded for the second year running in maintenance and no lost time injuries at Isaac Plains since commencement. Our total recordable injury frequency rate of 7.86 is also well below the industry standard. This is a significant achievement following two demobilisation operations and one mobilisation operation in the last two years.

Further, the successful integration of John Holland's new Safety, Quality and Environment Risk Management Program has been of particular benefit in further enhancing our commitment to our 'No Harm' vision.

We have also taken a number of positive steps forward in the area of training and development, with the integration of a new human resource management system to accurately track ongoing training and address specific mine safety issues. Our investment in people has us well placed to further improve our safety performance and meet the labour needs of continued business growth as we move forward.

#### **STRENGTHENING MARKET CONDITIONS**

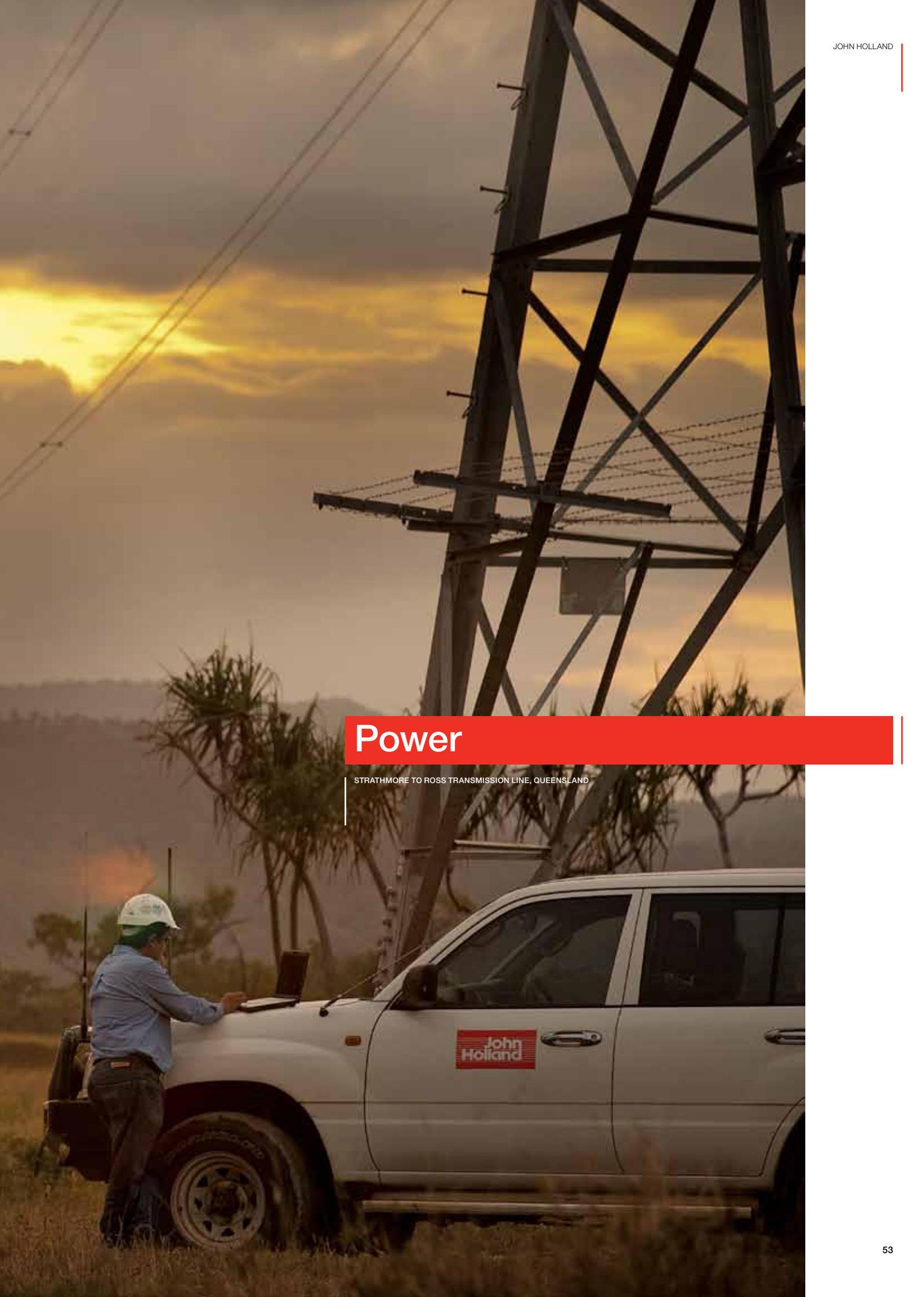
With the consolidation of our new work at Isaac Plains and a market buoyed by increasing commodity prices, there are a number of brownfield and greenfield mining projects expected to emerge across Australia over the coming year. Drawing on our internal collaborative model as important value add for prospective clients, as we move ahead a focussed and targeted approach to new work will drive the growth of our business in both coal and metalliferous and underground and open cut mining.



**Our Power business  
delivered transmission  
lines in Queensland,  
NSW and Tasmania**

# Power

STRATHMORE TO ROSS TRANSMISSION LINE, QUEENSLAND





The team delivered high voltage transmission line projects for Powerlink in Queensland, TransGrid in NSW and Transend in Tasmania. The Power business also successfully delivered a substation upgrade for Horizon Power in Western Australia.

Power will also undertake to design and construct an open cycle gas-fired power station, Braemar-3, in southern Queensland, if the project proceeds.

During the year the business was selected as one of three contractors on the Powerlink Panel for transmission line projects. The term of the panel is three years with a strong likelihood of one to two projects being bid each year.

We have worked closely through the year with our other businesses, particularly Southern Region, Northern Region, Communications and Energy & Resources. We are currently developing substation capability with Energy & Resources. Finally, in an exciting development, the business was short-listed as part of a consortium for the Solar Flagships program.

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#### CURRENT POSITION

Current and potential markets for our Power business are transmission lines, large substations, utility-sized gas-fired power stations, industrial-sized gas-fired power stations, large wind farms and solar power plants.

The transmission line and large substation sector continues to be our core business and is where we have a strong track record of delivery.

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#### CURRENT MARKET

Our clients are typically state-owned corporations with some private sector clients such as BHP Billiton, Rio Tinto and Origin Energy.



Going forward, Power will continue to examine possible projects overseas. We have recently concluded negotiations with Fulton Hogan to work together in New Zealand, in conjunction with other specialist businesses.

#### DEVELOPING OUR PEOPLE

The business is undertaking extensive training in its wages workforce to upgrade skills. During the year the business has undertaken intensive competency assessments and certifications of its people and conducted a high level of training. All of our staff will undertake certificate training. Currently the business has 40 Certificate II-qualified riggers, and ten to the level of Certificate III.

#### LOOKING TO THE FUTURE

Revenue remained steady this year. The likely outlook

for 2011 is for a tightening market and we expect revenue to be slightly down. The key factor underlying the challenging outlook is uncertainty in the market. Due to the lag effect of the global financial crisis, many projects have been deferred. We expect this will continue through the current financial year (2010–2011), however we expect the financial year ending 30 June 2012 to be a significantly stronger one.

In the coming year, our focus will be on transmission and substations. Geographically our general focus continues to be Queensland and NSW. There are a number of smaller works in Tasmania.

Western Australia is an emerging market for us and we are vigorously pursuing opportunities with our Western Region business.

ALL IMAGES:  
WADDAMANA  
TO LINDISFARNE  
TRANSMISSION LINE,  
TASMANIA

#### GENERAL MANAGER

John Barraclough

#### REVENUE

\$114 million

#### KEY PROJECTS

In conjunction with Northern Region: Strathmore to Ross 275 kV Transmission Line Project. In conjunction with Southern Region: Waddamana to Lindisfarne 220 kV Transmission Line Project; and Sugarloaf Pipeline.

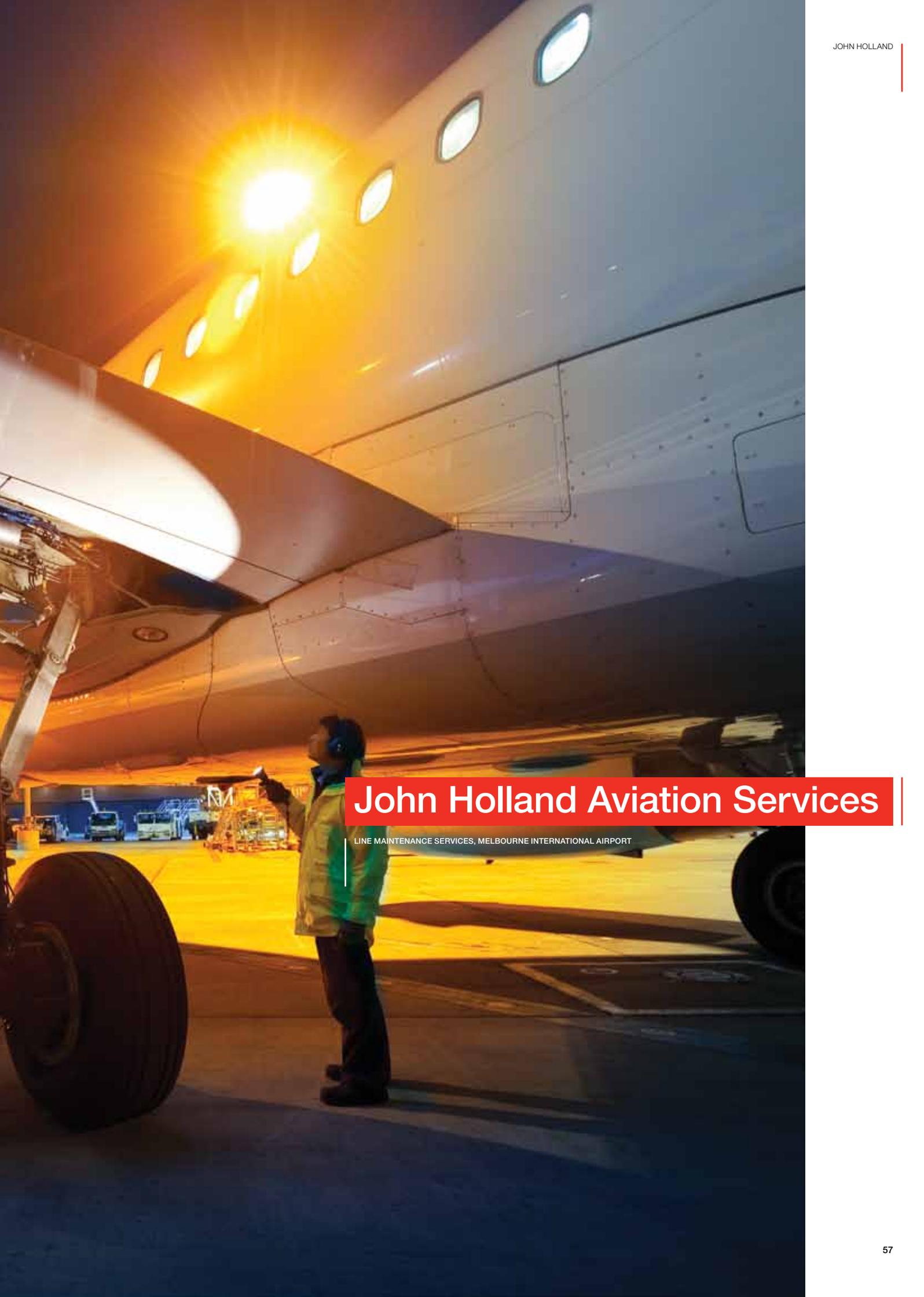
#### MILESTONES

Completion of the Wollar to Wellington 330 kV Transmission Line Project and the Network Interconnection Works for West Pilbara Power Project.

Selected as the preferred contractor on the Braemar-3 Power Station. New work for OPGW TransGrid Alliance in conjunction with Communications.



**JHAS is established as  
Australia's most comprehensive  
independent aircraft  
maintenance provider**



# John Holland Aviation Services

LINE MAINTENANCE SERVICES, MELBOURNE INTERNATIONAL AIRPORT



**Despite the ongoing economic impact of the global financial crisis on the aviation industry and the negative impact this has had on airline maintenance requirements in 2009-2010, John Holland Aviation Services (JHAS) has continued to grow and strengthen key elements of our business.**

The domestic aviation industry has exhibited signs of recovery, with aircraft fleet numbers continuing to grow, and robust forward orders from airlines for additional aircraft.

The aircraft maintenance environment remains highly competitive in the region; however JHAS maintains

and continues to enhance competitive advantages in core business areas, and is seeing continued strong revenue growth in core business segments. The focus on supporting key aircraft types and core services, the depth of our facilities and the continued focus on staff development and training to enhance skills has JHAS well positioned for sustained revenue growth. The continued refinement of our strategy means we are ready to respond to projected changes in the market, leveraging our business strengths and competitive advantages.

#### **CURRENT POSITION**

JHAS has secured substantial new agreements for the maintenance of Ground Support Equipment (GSE). Of particular note is the comprehensive fleet management and GSE maintenance agreement with Menzies Aviation for all equipment in Australia and in New Zealand, which facilitated the expansion of GSE services and the establishment of a maintenance facility in New Zealand.

Growing aircraft numbers and the maturing of the Australian base of operating aircraft has provided a strong demand from all JHAS domestic airline customers for overnight

aircraft maintenance services. JHAS has broken new ground with the establishment of additional services for key clients including Virgin Blue, Jetstar and Tiger Airways.

Throughout 2009-2010 JHAS has continued to expand our customer base of international airlines, with the addition of Singapore Airlines, Singapore Airlines Cargo, Royal Brunei, Korean Airlines and Indonesia AirAsia, and has continued to support increasing flying volumes from the existing customer base.

The establishment of aircraft components-specific maintenance agreements has opened



several opportunities to provide an Australian-based maintenance solution across various component product lines for Virgin Blue and other customers. JHAS is already seeing the benefits of these support arrangements with consistently increasing volumes.

#### LOOKING TO THE FUTURE

To position JHAS for the future, we have continued to expand the depth and capabilities of our service offering to our customers. This includes responding to a substantial increase in overnight maintenance demand, adding the Airbus A330 aircraft type

to JHAS approvals, the commissioning of aircraft painting capability, and the addition of a repair and overhaul capability for a variety of high-turnover aircraft components.

JHAS is established as the largest and most comprehensive independent aircraft maintenance provider in Australia. With a broad range of experienced staff, we are well positioned to continue to enhance our service offering and to exceed our forecast growth for the future.

LEFT:  
ALEX CHAU,  
AIRCRAFT  
MECHANICAL  
ENGINEER, AIRCRAFT  
MAINTENANCE  
SERVICES,  
MELBOURNE  
INTERNATIONAL  
AIRPORT

MIDDLE:  
BLAISE HILTY,  
MECHANICAL  
LICENCE AIRCRAFT  
ENGINEER, LINE  
MAINTENANCE  
SERVICES,  
MELBOURNE  
INTERNATIONAL  
AIRPORT

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MELBOURNE  
INTERNATIONAL  
AIRPORT

#### GENERAL MANAGER

Andrew Henderson

#### REVENUE

\$53 million

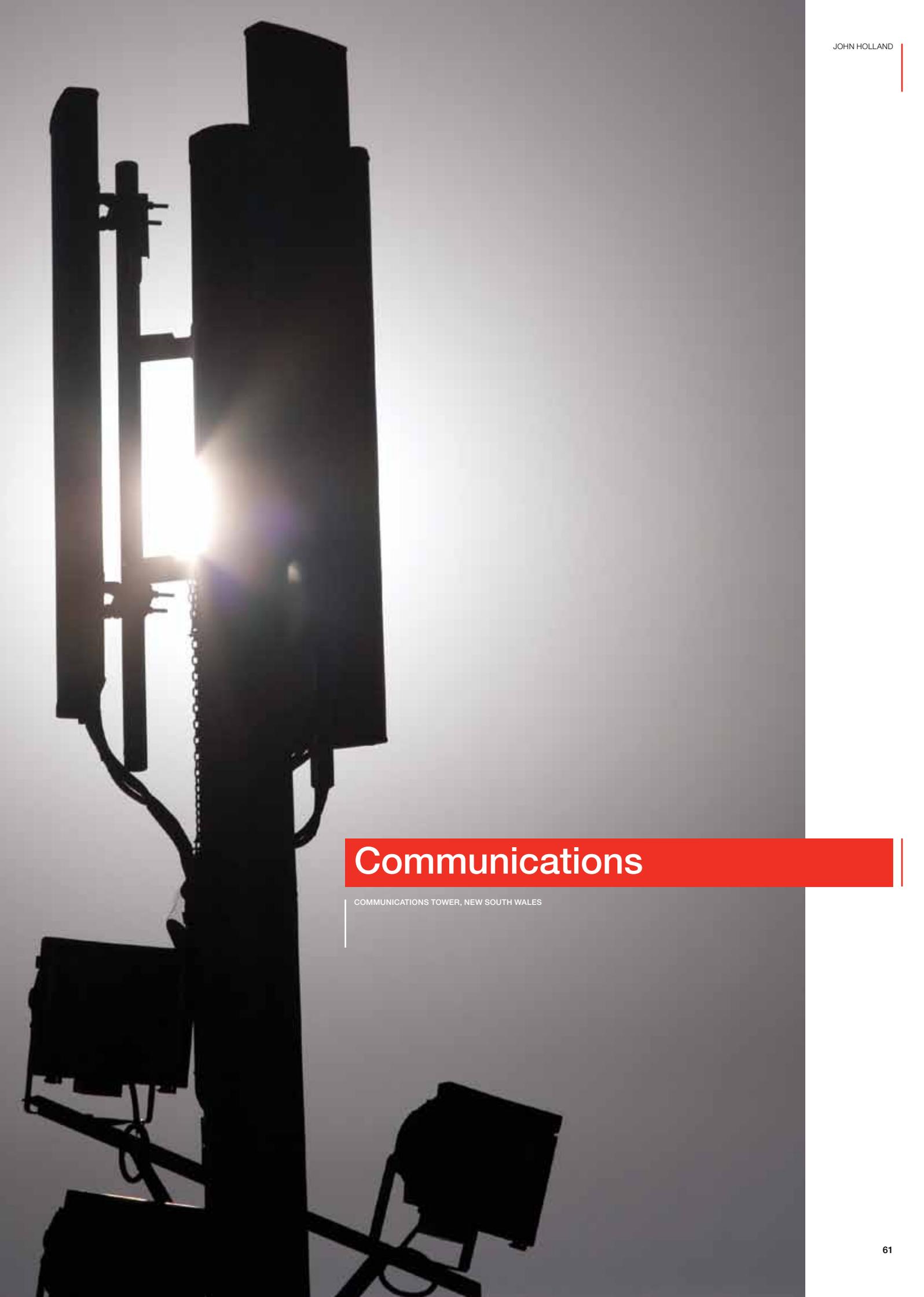
#### KEY PROJECTS

Virgin Blue Overnight Maintenance; Menzies Ground Support Equipment Fleet Management and Maintenance (Australia & New Zealand); Virgin Blue Aircraft End-of-Lease Major Heavy Checks and Aircraft Painting and the first Embraer E170 & E190 Heavy Checks; Pacific Blue Heavy Maintenance Checks.

#### MILESTONES

Secured additional maintenance contracts with Virgin Blue for Overnight Maintenance and various components, substantially expanded Overnight Maintenance capacity to meet demand across multiple customers including Virgin Blue, Jetstar and Tiger Airways and secured Airbus A330 accreditation.

**Communications embarked  
on ambitious plans to grow  
our business**



# Communications

COMMUNICATIONS TOWER, NEW SOUTH WALES

**GENERAL MANAGER**

Dennis Brewer

**REVENUE**

\$53 million

**KEY PROJECTS**

National Broadband Network Tasmania – Stage 1 Backhaul Network Cable Installation; National Broadband Network Tasmania – Stage 1 FTTP Network Design & Construct; Optus – National Construction, Installation & Commissioning Services; Nokia Siemens Networks – VicTrack GSMR; AirServices Australia – Navex 2A.

**MILESTONES**

Extended relationship contract with TransGrid.

Established joint venture with Conneq Infrastructure Services to pursue the \$43 billion National Broadband Network Mainland 8 year+ Project.

Extended transport (roads and rail) sector to air, with a strategically important win on AirServices’ Navex National Project.



LEFT: RAPID GROWTH PROJECT 4, WESTERN AUSTRALIA

MIDDLE: MINING RAIL COMMUNICATIONS IN WESTERN AUSTRALIA

TOP RIGHT: NATIONAL BROADBAND NETWORK, TASMANIA

BOTTOM RIGHT: NATIONAL BROADBAND NETWORK, TASMANIA

**John Holland’s Communications business embarked upon 2009–2010 with ambitious plans, supported by key strategies to grow our business substantially both in geography, capability and revenue. We aimed to achieve business-critical wins on a range of projects including the NBN Tasmania, NSN VicTrack, TransGrid and Optus contracts.**

There was a renewed focus on operational delivery, resourcing and rapid ramp-up in order to enable our business to mobilise for these projects.

**SUCCESSFUL COMPLETION FOR TELSTRA AND BHP**

We successfully completed the Telstra IEN Project rollout as well as completing the BHP Billiton RGP Project in Western Australia.

**EARLY POSITION ON NBN**

We took an early position on the NBN Tasmania projects, demonstrating technical capability, knowledge, innovation and proactive stakeholder engagement – a strategy which positioned us strongly in the market to deliver highly visible and critical wins on the first two Australian NBN projects within Tasmania. Although we faced challenges on the NBN Tasmania Project toward the end of the financial year, the performance of our business across the year remained strong.

The upside of this has been the positive positioning of John Holland’s Communications business with NBN Mainland key stakeholders, and the high potential for leveraging the significant technical and operational lessons learnt from NBN Tasmania to the \$43 billion NBN Mainland

Project. In support of this strategy, John Holland has formed a joint venture with Conneq Infrastructure Services to pursue the NBN Mainland Project.

**STRATEGIC PARTNERSHIPS WITH VENDORS AND SUPPLIERS**

In line with the John Holland collaborative model, over the year we placed a high level of focus on further developing relationships with many of our internal John Holland partners bringing high-end technical contributions to a number of projects across the road, rail and water sectors.

We expanded our Communications offering based on a number of early and strategic partnerships with key vendors and suppliers, including Ericsson and Nokia Siemens Networks, that enabled us to bring an enhanced and

unique service offering to the market on a range of key projects.

**GROWTH STRATEGY**

Our business growth strategy in 2010–2011 will focus on the following target market sectors, aligned to public and private infrastructure communications investment in Australia:

- NBN/digital economy
- transport (road, rail, air)
- utilities (energy, water).

We will maintain a high level of focus on further developing relationships and high value technical contributions to internal John Holland opportunities, particularly within the road, rail and water sectors.

**LOOKING TO THE FUTURE**

Going forward, in order to continue to build our business sustainably, we will be focusing on



getting back to basics at an operational level, ensuring project delivery fundamentals are in place. In addition we will also focus on ensuring that corporate and project governance, risk management and compliance processes are implemented, monitored and measured. And in line with our culture of employing the right people for the job, we will also be implementing the frameworks which support personal accountability and achievement at all levels across the business.

Our commitment to ongoing safety excellence and improvement will be supported by the continued rollout of the Safety, Quality and Environment Risk Management Program and the Passport to Safety Excellence Program across the breadth of our business. In addition, our investment in People as the cornerstone of our business will be

supported by a renewed focus on establishing performance development and succession planning programs.

We are committed to John Holland's operating principles of People, Performance, Partnership and Profit, and our focus is on ensuring that all our efforts are underpinned by these key business drivers.

We look forward to building positive growth and success for our Communications business in the year that lies ahead, and we embrace our growth challenges in order to deliver a profitable, sustainable return on investment.





John Holland's approach to safety over the last 12 months has been about consolidation of the work commenced in the previous period, focusing on embedding our risk management approach to build a consistent platform that reinforces the value of our 'No Harm' vision.

## Safety

JASON GRECH, LEADING HAND AT DOMESTIC  
TERMINAL 2, MELBOURNE AIRPORT



LEFT:  
COTTER DAM,  
AUSTRALIAN CAPITAL  
TERRITORY

MIDDLE:  
HUSSEIN KADIR,  
GANTRY CRANE  
DOGMAN, NORTHERN  
SEWERAGE PROJECT,  
MELBOURNE

RIGHT:  
PETER ALDERDICE,  
CONSTRUCTION  
WORKER AT ENERGY  
AUSTRALIA STADIUM,  
NEWCASTLE

# JOHN HOLLAND WILL BE THE INDUSTRY LEADER IN MANAGING SAFETY THROUGHOUT ITS OPERATIONS

The improvements that our risk management approach has introduced have been significant, and we now see safety effectively aligning with other disciplines within the business to provide more holistic benefits to the way we plan and execute our work.

Through this approach we are constantly seeing opportunities where we can instigate higher order controls much earlier in our planning processes, which in turn leads to robust systems and complementary behaviour in our people.

It is pleasing to note that we are succeeding in reducing our benchmark indicators of Total Recordable Injury Frequency Rate (TRIFR) and Severity Rate, with a minimal reduction in average claims costs. It is worth noting however that our current average claim costs are well below industry standard.

This reduction over time reinforces the value we place on open and comprehensive reporting of incidents. We continue to see the severity of incidents reducing,

and we are achieving effective return-to-work outcomes through our direct management of workplace injuries and rehabilitation.

YEAR	TRIFR	SEVERITY	AVERAGE CLAIM COST
2007-2008	26.63	71.91	\$8,213
2008-2009	27.13	52.76	\$5,316
2009-2010	21.74	31.72	\$5,109

John Holland has now been a Comcare self-insurer for over three-and-a-half years, and it is clear that the greatest benefit of being self-insured under Comcare is our ability to secure a prompt and effective return to normal work for employees injured in the course of their employment. The Comcare workers' compensation benefits are buttressed by one of the most comprehensive suites of employee disability benefits in Australia. These are provided through John Holland Group Mutual Limited. Through the mutual structure we can provide cost-effective salary continuance for illness



and injury together with journey and recess coverage, providing employees with a seamless package of support for any illness or injury – whether work-related or not.

Through a structured approach to delivering effective safety management, John Holland continues to focus on cultivating a proactive environment for the protection of our people.

Critical to our success in delivering this environment are our strategic safety programs.

John Holland's Passport to Safety Excellence Program identifies all positions within the company that influence, supervise and manage safety. Each of these positions has a documented skill and behavioural competency standard, which is satisfied by the successful completion of the Program and the application of knowledge in the field. The Program covers a range of areas, from safety leadership to risk assessment, and from incident investigation to rehabilitation and return to work.

The Safety, Quality and Environment Risk Management Program has been in place for over 12 months and it is now ensuring that occupational health and safety risks are identified as early as possible in the business cycle. It is successfully shifting our previous reliance on procedural and administrative controls and increasing our use of higher-order engineering and elimination controls. The program is in a period of embedding and we will continue to monitor and improve the process so that it becomes fully integrated and regarded simply as the way we work at John Holland.

Our endeavours to build and entrench a robust safety culture have been reinforced with the alignment of our Safety strategy to our vision of 'No Harm'. We continue to build capability within our people and provide relevant, robust, and user-friendly systems, based on a clear picture of the risks inherent in the work we do and the right controls to protect our people.

Our internal culture encourages the identification and open reporting of hazards and near-miss events, and provides a learning opportunity, ensuring that all employees have the ability and confidence to stop work where there is uncertainty of risk and associated controls. Most importantly, it ensures that trade-offs between productivity and safety are explicit, openly discussed and resolved in accordance with our core value of 'No Harm'.

John Holland's leadership team continues to work tirelessly on our four safety improvement platforms of leadership, risk management, capability and governance. Our future success rests on our approach to developing and effectively executing our safety strategy across the group. Our vision states that John Holland will be the industry leader in managing safety throughout its operations and that we are recognised by employees, clients and regulatory authorities as the safest contractor in the industry.

We will achieve our vision through the adoption of the 'No Harm' philosophy and by developing further our ethos of self-regulation. By applying a proactive, risk-based approach to safety management we will achieve group-wide excellence in this area, and we will ensure our people understand and actively commit to workplace safety on a daily basis.



John Holland's gold standard for quality is our annual Chairman's Award. Each year, John Holland recognises the outstanding achievements of its people and projects through the Annual Achievement Awards. The pinnacle award is the Chairman's Award and competition is fierce for the top honour. The award sets a benchmark and is one avenue for us to continually improve the way we do business.

## Quality

DARRA TO SPRINGFIELD TRANSPORT  
CORRIDOR, BRISBANE

# AT JOHN HOLLAND, WE TAKE A WHOLE- OF-PROJECT APPROACH TO QUALITY. FOR US, IT IS A BUSINESS EXCELLENCE IMPERATIVE

In 2009, the Chairman's Award acknowledged Bathurst Hospital in New South Wales as the most outstanding project for the year. This complex project achieved superb results. There was a focus on career development of staff and workforce, and the collaborative approach to subcontractor engagement and development was innovative.

We'd like every one of our projects to be a Chairman's Award-winner. It is the standard we aspire to for all projects. With this comes increased client satisfaction and the potential for repeat business. It is fundamentally about how we do business.

We also recognise there are strong relationship synergies that exist between environment, quality and safety. They are complementary functions that, when aligned, give rise to better outcomes overall.

Good safety practices and competent environmental practices undoubtedly lead to better quality outcomes, and a better project outcome overall. Similarly, if we adopt better quality procedures and robust practices and we plan well, the result will be stronger outcomes in safety and the environment.

We see this in evidence. If you look, for example, at the criteria that governs the Chairman's award, it translates to a higher



level of performance and delivery across a whole range of areas. Not just operations and planning but a whole-of-operations approach that includes a high level of safety and environmental achievement that makes a project worthy of winning a Chairman's Award.

Our most experienced professionals at John Holland will tell you that part and parcel of consistency is the ability to perform highly across each of those areas. We can have great safety performance or great quality practices, but this doesn't always equate to the best possible environmental or project outcomes.

Good quality performance is fundamentally about surety. Establishing robust systems, processes and practices, and mitigating risks. That is, establishing the best level of control we can over our results.

Quality at John Holland isn't about whether an individual part or component meets a specification, although that's important too. It is instead about managing the whole process to deliver the outcome you expect. When this is done well, the many aspects of our performance meet best practice standards and result in the best possible outcome for our clients.

RIGHT:  
ISAAC PLAINS COAL  
MINE, CENTRAL  
QUEENSLAND

BOTTOM LEFT:  
DARPA TO  
SPRINGFIELD  
TRANSPORT  
CORRIDOR,  
BRISBANE

BOTTOM RIGHT:  
SHAHSI KUMAR,  
PROJECT ENGINEER  
(LEFT) AND PETER  
LILLEY, TBM  
OPERATOR (RIGHT),  
AIRPORT LINK,  
BRISBANE





This year has once again been a challenging period for John Holland due to increasing expectations of stakeholders and the rapidly changing legislative landscape. The strength of our people and processes has meant that we have responded well to these challenges, while striving to achieve the best environmental outcomes on our projects for both John Holland and our clients.

## Environment

LYNDEN CINI, ENVIRONMENTAL OFFICER,  
ISSAC PLAINS COAL MINE, CENTRAL  
QUEENSLAND

# GOOD ENVIRONMENTAL PRACTICE IS THE FOUNDATION ON WHICH WE BUILD OUR FUTURE SUCCESS

Effective management of environmental issues on John Holland projects continues to be achieved through embedding environmental roles within project delivery teams. In support of the delivery of improved project performance, John Holland has repositioned the environment function under operations to further align environmental and operational outcomes. John Holland's risk-based Environmental Management System (EMS) remains compliant with the requirements of the ISO14001 framework, and environmental risk is identified, assessed and controlled for all projects through a cascading planning process known as Safety, Quality and Environment Risk Management. Implementation of the EMS is reviewed through regular surveillance and certification audits.

In line with standard industry practices, John Holland uses an Environmental Incident Frequency Rate (EIFR) to track our environmental performance across all projects. This allows us to assess and compare performance across all business units, with the aim of driving ongoing improvement.

#### Areas of concern

There were no Class 1 environmental incidents recorded during the year, however our target EIFR of 0.08 for the year was exceeded, with a result of 0.28 recorded, and we incurred one Penalty Infringement Notice (\$1,500) under the *NSW Protection of the Environment Operations Act 1997*. John Holland considers any environmental infringements or breaches to be an unacceptable outcome of our activities, and we will continue to work to improve our performance.

There were a number of environmental highlights over the last 12 months. We are pleased to have been recognised as part of the Sugarloaf Pipeline Alliance for our environmental performance on the Sugarloaf Pipeline Project. The Alliance received the Victorian Civil Contractors Federation Earth Award. Our work on the

Sydney Desalination Project was also recognised, with the John Holland/Veolia joint venture a finalist in the NSW Civil Contractors Federation Earth Award.

#### Looking to the future

Looking ahead, John Holland faces a number of challenges with the potential introduction of the Carbon Pollution Reduction Scheme (CPRS), the continuing evolution of the National Greenhouse and Energy Reporting legislation, the nationwide increase in regulators' focus on enforcement, sustainability in infrastructure, and the risks and opportunities associated with adaptation to climate change.

Our environmental strategy remains focused on initiatives aimed at improving environmental performance at a project level, through the operationalisation of the function as far as is practical, and the identification of opportunities to reduce costs and create sustainable outcomes through greater efficiency and innovation. We are also continuing to further refine our processes and systems for collecting data on energy usage, greenhouse gas emissions and other sustainability parameters.

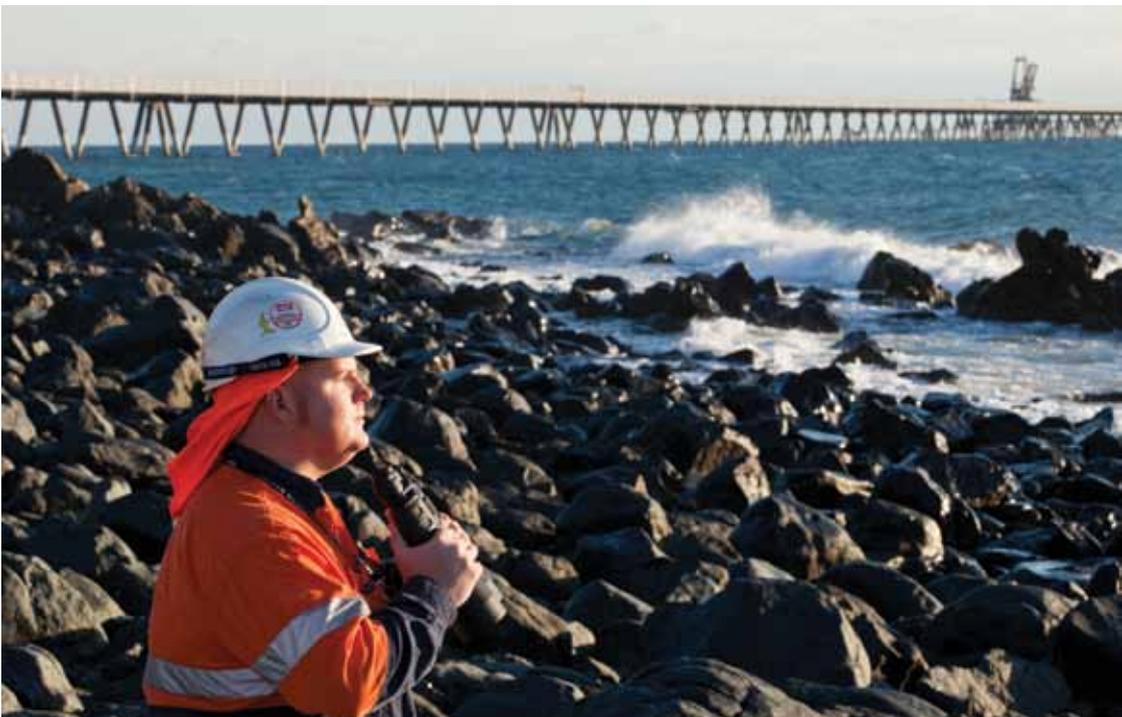
Increased collaboration between the environment, quality and safety functions of the business has opened the door to greater internal efficiencies. We are also pursuing new opportunities in green building and renewable energy projects every day.

We aspire to be a leader in the provision of environmentally sound infrastructure, and good environmental practice is a core component of how we win and deliver work. It is the foundation on which we build our future success.

TOP:  
SIMÓN MCDONALD,  
SAFETY ADVISOR,  
ABBOT POINT COAL  
TERMINAL, NORTH  
QUEENSLAND

MIDDLE:  
CRAIG PERKINS  
AND MAGGIE  
SURCHORSKA  
DEMONSTRATING  
WATER QUALITY  
TECHNIQUES FOR  
LOCAL CHILDREN  
AT THE NORTHERN  
SEWERAGE PROJECT

BOTTOM:  
BRIAN DAWSON,  
ENVIRONMENTAL  
OFFICER, ABBOT  
POINT COAL  
TERMINAL, NORTH  
QUEENSLAND





John Holland's approach to community and stakeholder engagement is grounded in the development of mutually beneficial partnerships in all those areas where we operate. Over the last year at both a corporate and project level, we have seen the further enhancement and development of our commitment to delivering projects ethically and the emergence of a number of new initiatives that promote sustainable and self supporting communities.

## Community

TODD BURROWS HELPING TWO STUDENTS FROM KARRATHA CATHOLIC COLLEGE TRY THEIR HAND AT SCAFFOLDING DURING THE TRY-A-TRADE EXPO IN WESTERN AUSTRALIA

# OUR PROJECT SPONSORSHIPS UNDERPIN OUR COMMITMENT TO THE LOCAL COMMUNITY

Our community engagement guidelines continue to underpin our approach to project stakeholder engagement. These guidelines operate to extend the benefits delivered to local communities beyond the provision of vital public infrastructure and employment opportunities. The guidelines require each project team to identify and build mutually beneficial partnerships with local organisations, reflecting the spirit of neighbourliness and leaving a lasting legacy for the broader community. The effectiveness of such initiatives is not to be measured in levels of monetary investment, but through the value both to John Holland employees and the community.

There have been numerous community partnership highlights over the last 12 months. In Queensland, the Horizon Alliance project team donated materials and labour to deliver a renovation of facilities at the Inala Community House and restore play equipment at the Western Suburbs State Special School. Meanwhile in New South Wales, the Cronulla Rail Line Alliance installed wheelchair accessible garden beds at the Sylvanvale Foundation's Sutherland Activity Centre, opening up the world of horticulture to people with disabilities.

At a corporate level, our major sponsorships build on our longstanding passion for the arts and demonstrate our broader commitment to community development and engagement. John Holland remains

Victorian Opera's major corporate sponsor and community partner, helping to bring performances to communities across Victoria. We also continue our support for the Queensland Symphony Orchestra and the Australian National Academy of Music.

John Holland also continues its support for the development of the skills of our youngest engineers. Reflecting Sir John Holland's commitment to excellence in engineering and the development of emerging talent, we have developed key partnerships with Monash University in Melbourne and Central Queensland University. The Engineers for the Future Program through Central Queensland University aims to provide students with practical insight into the roles and responsibilities of engineers on major projects. John Holland team members work closely with students to impart knowledge from the workplace.

John Holland remains committed to the development of open, positive and transparent relationships with local communities, and, through our broader corporate sponsorship approach, to improving access to art and culture and providing development opportunities for the best and brightest young Australian engineers. This approach not only promotes efficiency in project delivery, but reflects John Holland's longstanding commitment to community investment.

TOP:  
RICHARD GILL,  
VICTORIAN OPERA

BOTTOM:  
CRONULLA LINE  
DUPLICATION  
PROJECT INVITED  
STAFF AND MEMBERS  
OF THE COMMUNITY  
TO THE FIRST  
TRAIN RIDE AFTER  
COMPLETION







**'People' is one of our four key operating principles. In 2009-2010, we continued our commitment to our employees in recognition that John Holland is 'Powered by People', and committed to being an employer of choice in our industry. To this end, over the last 12 months we have implemented a number of activities that focus on improving career opportunities and the learning and development of our people throughout their employment with John Holland.**

## People

CONNIE KING, SENIOR PROJECT MANAGER (LEFT) AND LINDA TABONE, CONTRACTS ADMINISTRATOR (RIGHT) AT DOMESTIC TERMINAL 2, MELBOURNE AIRPORT



TOP:  
ENERGY AUSTRALIA  
STADIUM,  
NEWCASTLE

BOTTOM:  
BOB NOWOTNY,  
OPERATIONS  
MANAGER (LEFT)  
AND DARREN  
HICKSON, SENIOR  
MAINTENANCE  
SUPERVISOR (RIGHT)  
AT THE ISAAC PLAINS  
COAL MINE, CENTRAL  
QUEENSLAND



# PASSION FOR OUR PEOPLE IS FUNDAMENTAL TO OUR STRATEGY

A focus on improving the experience of our new employees has been a priority. In the last six months, we kicked off a program to review the onboarding process so that we can make the experience of joining John Holland positive and reaffirming, in line with our employer brand. This program covers the period from acceptance of a letter of offer through the first 12 months of employment, and includes orientation, induction, corporate and role-training, cultural awareness, probation and new employee support and assistance. Newly designed elements of the onboarding processes will be released over the next 12 months.

In the last financial year we also invested in the development of a new performance management process and supporting system to ensure that our people are provided effective feedback on their performance and have development plans in place that help them grow in their career with us. The new process and system will be implemented late in 2010.

Allied to this new system, an improved approach to managing our high-performing employees was developed with a view to implementing detailed succession plans for critical roles. This program will identify and develop our most talented people, who deliver outstanding solutions to our clients.

Learning and development continues to be a fundamental part of our People strategy. Fundamental to our success in this area has been the business-wide integration of all our HR systems and processes, which will allow us to better address our immediate recruitment needs and identify training gaps. There has been significant investment in formal training programs over the last year. We continue to offer certified programs through our Registered Training Organisation (RTO), including Passport to Safety Excellence and Transport and Logistics training packages for our rapidly expanding Rail business. In the last financial year, approximately 2,500 employees have attended training through our RTO.

Over the last year we have moved to a more targeted learning and development approach to improve overall business capability in critical areas. Investment in our frontline managers has been a focus, through initiatives such as the Super Leaders program and the sponsorship of individuals through Leighton Holdings' Masters in Project Management program.

It has also been pleasing to see greater investment in our youngest employees, with 55 new graduates entering the business and 53 apprenticeships and traineeships

commencing over the last year. These efforts have been aided by key partnerships with leading Australian universities, including Monash University in Victoria and Central Queensland University. In June 2010, the inaugural Sir John Holland Scholarship was awarded to two engineering students at Monash University. These students will work directly with John Holland as they continue their tertiary education.

Employee engagement is a key indicator of whether we are successfully meeting our People operating principle. Last financial year we reviewed our approach to understanding employee engagement, and will be introducing a new employee survey in the next year. This survey will provide better insight to the distinct drivers of employees across our business units and regions and empower managers to address identified issues.

Workplace diversity also remains a key focus. Last financial year we took steps toward the relaunch of Career Tracks, our Indigenous employment program. This reflects our long-term commitment to Indigenous engagement and employment and John Holland's history delivering projects in remote areas of Australia. In the last 12 months we have engaged a full-time Indigenous Affairs Program Manager to build a comprehensive engagement program aimed at more accurately tracking and improving our efforts in this area. Our initial emphasis has been on improving cultural awareness and investment in work-readiness programs that focus on project-based role placements.

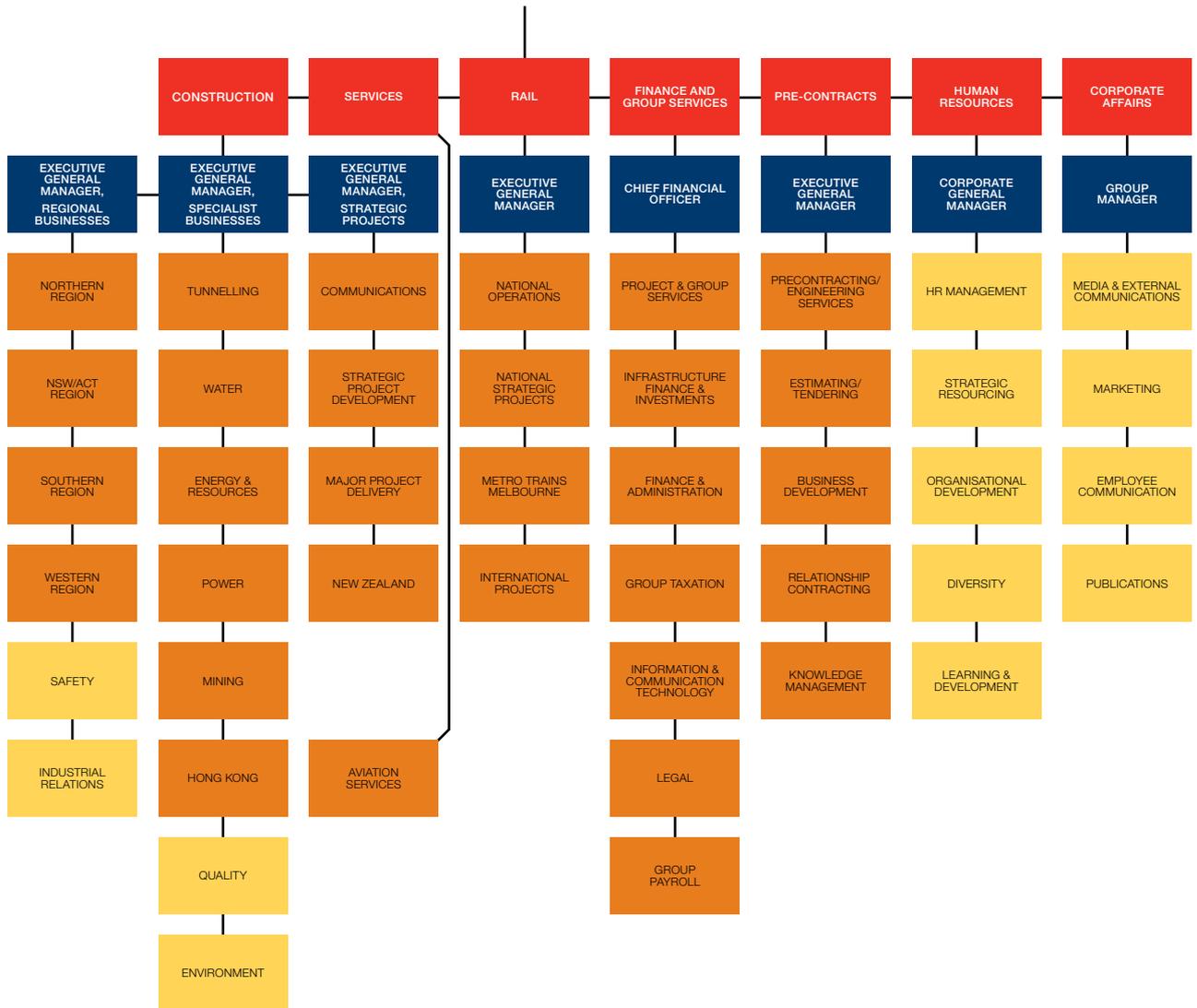
Over the next year the engagement of our new Workplace Diversity Manager will allow us to assess the demographics of our current workforce to develop a detailed diversity policy, in line with emerging ASX guidelines.

John Holland's support services model remains a key driver of business performance, with the effectiveness of our human resources and learning and development functions providing the support for ongoing business growth. As one of our four key operating principles, the way we recruit, engage and retain our people remains a key focus for John Holland. Over the coming year the consolidation of the corporate HR structure will see greater investment in refining our onboarding process and improving learning and development. This will help us address emerging skills shortfalls through the enhancement of our employee value proposition and the further positioning of John Holland as the employer of choice in our industry.

# Corporate Structure



JOHN HOLLAND GROUP PTY LTD  
GROUP MANAGING DIRECTOR



# Company Directory

## HEAD OFFICE

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John Holland has taken all reasonable care in preparing this 2009-2010 Annual Review (the 'Review') and believes it is correct in material respects. However, the Review is intended only to provide general and summarised information in relation to John Holland's activities and is not intended to be comprehensive or advisory in nature. John Holland does not, in any way, hold out, represent or warrant the accuracy or completeness of any of the information contained in the Review and readers must not rely upon or act on the basis of any such information. John Holland is not responsible in any way for any cost, loss, damage or other liability of whatsoever nature, which may directly or indirectly be suffered by any person, by way of reliance on any of the information in the Review.



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