

The background of the entire page is a photograph of an offshore oil rig in the ocean. The rig is a complex structure of metal and concrete, with several large, white, cylindrical concrete piles extending into the water. The rig is situated in the middle ground, with the horizon line visible in the distance. The sky is a clear, bright blue, and the water is a deep, vibrant blue with some whitecaps. The overall scene is industrial and maritime.

INTEGRITY
INNOVATION
COLLABORATION
ACCOUNTABILITY
CARE

Annual Review 2012

Powered by People

“ At John Holland we are ‘Powered by People’ – and strongly believe that people are central to our success. We are committed to being an employer of choice in the industries we operate in, supporting continuous learning and development, and creating meaningful and long-term careers for all of our people. ”

Glenn Palin
Group Managing Director

Advisory Board Chairman’s Message

I am extremely proud to have been involved with John Holland through my role as Chairman since 1991. During this time, I have been greatly impressed by, and proud of, the many achievements of our committed and professional people. I am very pleased to be able to continue this involvement through my appointment as Chairman of the new Advisory Board. I look forward to continuing my support as we embark on a period of strategic change and growth.

Throughout my association with John Holland, there have been two areas of strategic importance that I am particularly passionate about: safety and diversity. I have been very pleased to see that during 2012, we have accelerated our work in these fields. Encouragingly, the business and its leadership team have maintained their unwavering commitment to improving safety performance and has also taken definitive strides in ensuring the culture is one in which workforce diversity can flourish.

After starting the year in a challenging position, having been devastated by the impact of two employee fatalities in late 2011, the business renewed its commitment to eradicate all serious safety incidents. A new safety vision was set – to know that everyone will return home safely every day. There can be nothing more important than this, and I continue to promote this message whenever and wherever I can.

Our ongoing safety programs were critically reviewed and refreshed this year and an Executive Safety Leadership Team was established. I am impressed to see that this forum provides further opportunity to share lessons learned, implement changes and refocus our energy and safety commitments.



Global Mandatory Requirements for safety were also implemented to outline control strategies and minimum standards to manage the key risks faced across the business.

John Holland has a strong commitment to diversity and inclusion, with four key focus areas of culture, including Indigenous participation, gender, age and career. During 2012, the business made significant progress in the areas of gender and Indigenous participation.

Pleasingly, John Holland’s percentage of female participation, 15.4%, is above the construction industry average of 11.7%. However, there is a great deal of work to be done to ensure we meet our goal of a female participation rate of 20% by the end of 2015.

It has been particularly encouraging to see progress in terms of Indigenous participation to support our goal of 5%. At the end of December 2012, 3.3% of John Holland employees were Indigenous, with participation rates steadily increasing.

As we move into 2013, everyone at John Holland is witnessing great transformations in our business.

I look forward to playing my role in our very exciting future.

A handwritten signature in black ink that reads "Janet Holmes à Court". The signature is written in a cursive, flowing style.

Janet Holmes à Court AC
Advisory Board Chairman

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John Holland, a wholly-owned subsidiary of Leighton Holdings Limited (ASX: LEI), delivers contracting, engineering and services solutions to the infrastructure, energy, resources and transport services sectors across Australia, New Zealand, South-East Asia, the Middle East and beyond.

Throughout our history, we have been entrusted with some of Australia's most iconic projects and have grown into a diverse contracting company with 6,671 employees and \$6.4b work-in-hand.

Expertise in complex building and civil construction and technical engineering has been at the heart of our business for over 60 years. John Holland has created many innovative civil engineering and construction techniques, some of which have become industry standard. We also continue to lead the industry in the delivery of public building works, with specialist capabilities in the health, Defence and education sectors.

In recent years, we have developed a suite of specialist capabilities that now define us and our brand. These capabilities have been the platform for our extraordinary growth over the recent decade. Our competitive advantage has been built through industry-leading specialist experience in tunnelling; water and wastewater process and treatment; heavy and industrial jetties and wharves; rail construction, maintenance and operations and rail concessions.

Above all else, the company has an unwavering commitment to safety, with the aim of knowing that everyone working with the business will return home safely every day.

Our mission, vision and values—along with our business strategy—support sustainable success by providing unity of purpose, motivating employees, focussing effort and investment, and stewarding John Holland's reputation as a leader in our industry.

Our Mission, Vision & Values

Our mission states our purpose: to provide engineering and infrastructure solutions with skill and passion to benefit our customers, people, communities and shareholders.

It is our vision to transform our industry through leadership and an absolute commitment to safety, our customers and our people, encouraging an innovative spirit and delivering shareholder value.

The five equally important values of integrity, innovation, collaboration, accountability and care reflect what is fundamentally important to us and underpin the way we conduct our business and interact with our stakeholders.



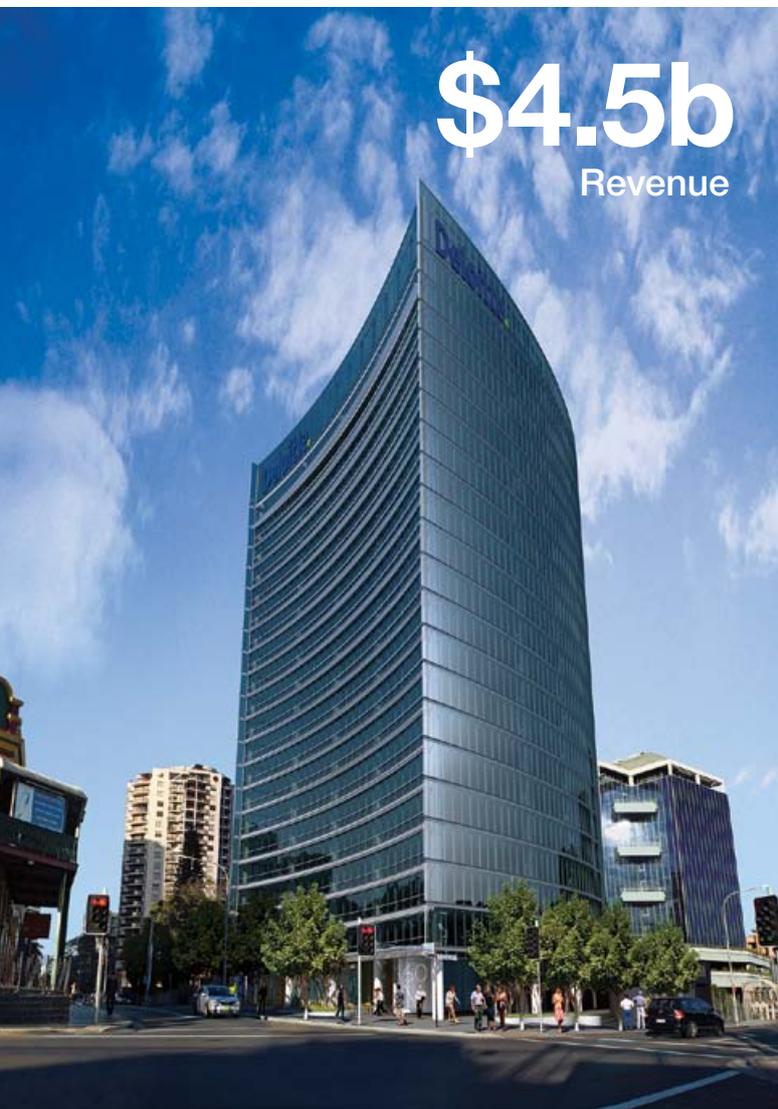
Who We Are



Employees
6,671



Work-in-hand
\$6.4b



\$4.5b
Revenue



154
Active projects

Highlights



Group Managing Director's Message



Glenn Palin
Group Managing Director

2012 was a significant year for John Holland. We recorded strong financial results and embarked on a journey toward a high performance culture through the launch of our new mission, vision and values.

In addition, Leighton Holdings unveiled its strategy to realign its portfolio with the development of distinctive, specialist core competencies within its operating companies to add value for customers.

Our focus has been on stabilising our business and positioning John Holland for future growth. We have undertaken to redefine John Holland and to describe a 'new' and refreshed organisation that is outwardly focussed, values-led and performance-driven.

This work has resulted in the launch of our new mission, vision and values in October 2012, which aligns with the Leighton Group's new strategic direction and underpins our organisational development and business performance. Together with the Executive Leadership Team, I truly believe that developing a high performance culture, built on a foundation of clearly defined mission, vision and values, will underpin our future success and sustainability.

During the year, Leighton Holdings announced their transformation into a strategic management company to provide leadership, control, capability and capital management – actions that support the delivery of profit by the operating companies. As a result of these changes, a restructuring of all group operating company boards was announced in November 2012.

In line with this, the former John Holland Group Board was retired and a new governance structure was created. This comprises the John Holland Group Statutory Board, covering primarily compliance responsibilities relating to safety, environment, systems, record keeping and reporting, and the John Holland Group Advisory Board, which provides advice and guidance to the Executive Leadership Team in relation to the strategy and development of John Holland.

I am pleased to acknowledge the appointment of Janet Holmes à Court as Chairman of the Advisory Board, and also welcome the appointment of Paula Dwyer, a non-executive Director of Leighton Holdings, as Deputy Chairman.

Several organisational changes have been made to ensure alignment with our strategic objectives and the strategies of the broader Leighton Group. During 2012, we realigned our portfolios to focus on our core competencies, and consolidated and enhanced our approach to risk management. We integrated our refreshed performance management system into our operations and expanded our leadership development programs, with a renewed emphasis on talent mapping and succession planning.

Leighton Holdings is developing Centres of Excellence that focus the operating companies into the areas of their greatest strength, to both reduce costs and focus our growth initiatives. The Centres of Excellence within John Holland focus on our developed suite of specialist capabilities that define the company with industry leading experience in tunnelling, water and wastewater process and treatment, heavy marine infrastructure, and rail construction, maintenance and operations, and rail concessions.

Committed to further improving safety for our people, we reviewed existing programs and initiated Global Mandatory Requirements for safety to outline control strategies and minimum standards for managing the key risks that we are exposed to across the business. I have already been encouraged by the enthusiasm with which these standards have been adopted, but our ongoing commitment is a must.

As we move to capitalise on the changes we made in 2012, we will continue to focus on business sustainability. We will reinforce traditional building and engineering capabilities, leverage our areas of specialist excellence, and work to export our skills to diverse geographies.

We will undertake to become a more efficient and effective global business, focussed on commercial and safety fundamentals, and agile enough to capture emerging opportunities.

Glenn Palin
Group Managing Director



Darryn Ray
Chief Financial Officer

The 2012 year recorded strong results for John Holland. Revenue, including our share of the revenue of joint ventures and associates, was \$4.5b whilst underlying net profit, excluding the impact of the legacy Airport Link project, was the second highest on record.

These results, coupled with a robust operating cash flow, continued to strengthen the balance sheet at year end, which reflected \$663m in cash, net assets of \$476m and net current assets of \$344m. We continue to maintain an appropriate balance sheet size and structure to support the business, to continue our investment in plant and equipment and to give our customers confidence in our ability to deliver the various large and complex projects that we undertake.

Several organisational changes have been made to ensure alignment with our strategic objectives and the strategy of the broader Leighton Group, with particular focus on developing distinctive, core competencies. The first of these changes was the sale of the John Holland Mining Services business to Leighton Contractors, effective 1 January 2013. The sale of this capital intensive business has significantly reduced our funds employed and strongly enhanced our working capital position.

Secondly, in December 2012 Leighton Holdings announced the acquisition of selected construction contracts and plant and equipment from Macmahon Holdings Ltd (Macmahon) with effect from 1 January 2013, subject to Macmahon shareholder approval which occurred in February 2013.

The majority of these contracts were transferred to John Holland, thereby strengthening our core construction business. We have since welcomed more than 600 former Macmahon employees and integrated eight construction projects (with work-in-hand of \$700m) and an expanded Northern Territory construction business.

Taking these transactions into account, work-in-hand entering 2013 was effectively \$6.9b, compared to the reported \$6.4b at December 2012.

A significant achievement in 2012 was the completion of the four-year, \$4.2b Airport Link project in joint venture with Thiess. Construction of this world-class piece of infrastructure involved project staff working more than 28 million hours, constructing 25 bridges, 15km of tunnelling and more than 7km of new road.

2012 also marked John Holland's first year as the new manager of the Country Regional Network (CRN). The ten-year contract with Transport for NSW involves the operation, management, maintenance and renewal of 2,386km of operational passenger and freight rail lines and 3,127km of non-operational lines.



Chief Financial Officer's Message

As I reported in the 2011 Annual Review, effective corporate governance is a cornerstone of our business. During the year, Leighton Holdings reviewed its corporate governance framework, revising and clarifying the roles, responsibilities and membership of operating company boards and creating an Advisory Board for each operating company. Significantly, Leighton Holdings also released a new Code of Business Conduct that applies to all John Holland employees and contractors. An integral element of governance is risk management, which has recently been restructured under our Executive General Manager, Risk Management, and is reported on in detail in the next section.

We continue to respond and adapt to changing market conditions through several initiatives:

Business Improvement and Sustainability

After a long period of strong growth we are implementing a number of initiatives to make the business more efficient, improve performance in key areas and enhance the quality of information available for decision making.

International Strategy

Over the past two years, we have developed our international strategy, designed to export our specialist engineering skills to offshore markets in joint venture with strong local partners. This strategy continues to develop, with current projects and further prospects in Hong Kong, Singapore and New Zealand, and tenders being lodged in India and the Middle East.

Information and Communication Technology

Technology and being connected underpins everything we do. In 2011, we commenced a range of initiatives that enable employees to work securely anywhere at any time. Mobility (smart phones and tablets) is the foundation of current and key future technology for our employees. These devices now access the John Holland virtual desktop, providing secure access to our systems. Microsoft Lync allows our employees to collaborate globally on any device and SharePoint will be integrated across the enterprise realising the benefits of knowledge sharing. Our virtualised data centres with storage upgrades in 2013 have further reduced expenses and improved effectiveness.

As we look towards the second half of 2013, we will further leverage commodity technology procurement and services through Leighton Holdings. Innovation will continue with business processes that are mobile enabled. Business insights will be delivered by dashboards at an enterprise and division level. Core enterprise systems will be simplified and integrated. John Holland will continue to strive to be the best construction contractor by placing the employee and their technology at the centre of everything we do to enhance value for customers.

The current environment is one of relatively flat revenue. Our strong work-in-hand position and balance sheet, together with a clear focus on core competencies, provides a strong platform for continued sustainability. Through 2013, we will work hard to extract business efficiencies and to continue to add value for our customers and other stakeholders. John Holland will continue to be a partner of choice for our customers, our people and the wider community.



Darryn Ray
Chief Financial Officer





Greg Cain
Executive General Manager
Risk Management

Risk Management

John Holland is committed to informed and astute risk management. This is fundamental to the commercially prudent conduct of our business.

Risk management is an integral part of the conduct of our business and governance structure. John Holland's risk management practices are aligned with the company's governance processes and are continually evolving in line with our business strategies. In 2012 we amended our standardised risk assessment, management and reporting framework, to mirror the framework used by our parent company to enable consolidated risk reporting. Risk reporting associated with strategic planning, project execution and financial exposure has improved our ability to successfully monitor and manage all business risk.

We have also aligned our business structure to ensure that we have appropriate risk strategies and processes in place to support our offshore growth strategy through our Centres of Excellence.

Key to this is the creation of the three senior roles of Executive General Manager International Business, Group General Manager International Strategy and Development and Group General Manager International Tendering and Engineering. These roles will govern our engagement with international partners, prospect selection, tendering and project delivery.

With the creation of the Chief Risk Officer role and a dedicated risk management team at Leighton Holdings, we have taken the opportunity to align our own risk management structure to ensure compatibility with our parent company. We have created the role of Executive General Manager Risk Management with a new risk management team that oversees the three core streams of Pre-Contracts Risk, Enterprise Risk Management, and Business Continuity and Crisis Management.

Pre-Contracts Risk

The Pre-Contracts Risk stream focusses on the three key areas of assurance, approvals management, and processes and systems. Our pre-contracts assurance team performs key functions including participating in reviews to validate due process has been applied to the preparation of submissions, estimates and tender offers and continually reviews and provides feedback on the quality of pre-contract content. The approvals management function ensures that all pre-contract approval requests are prepared and presented in a manner that properly describes the relevant project, plus the associated risks and proposed mitigation strategies supporting approval and sign-off that are in accordance with our levels of authority. The processes and systems team focusses on providing support, managing our estimating software and pre-contract information databases and developing and delivering the required training to our teams, ensuring that the appropriate skill levels are developed and maintained across the business.

Enterprise Risk Management

John Holland has commenced a journey to enhance our existing risk management processes through the development of an integrated Enterprise Risk Management (ERM) system and processes. The aim of ERM is to allow us to successfully achieve our strategic objectives by identifying and managing key risks and opportunities applicable to all parts of our business functional areas and from the start to the end of projects, and from the front lines to senior management levels.

The ERM team is responsible for the development and enhancement of all types of risk management systems and processes used across John Holland. The team also supports our key tenders and projects with advanced time and cost risk modelling. This modelling allows our management team to assess the tender and project risk profiles against our agreed risk appetite and tolerance levels to drive successful outcomes.

Business Continuity and Crisis Management

The Business Continuity and Crisis Management stream is responsible for the development of systems and a culture that allows John Holland to be resilient in the face of any unexpected crisis. This stream has the responsibility for both the development of an appropriate business continuity management framework and the ongoing support of our crisis management system.

Our approach to crisis management incorporates the management of the relevant procedures, systems and software, provision of support and training for our teams, and the ongoing testing of the system and team readiness. This stream also manages the integration of John Holland's crisis management system with Leighton Holdings' crisis management requirements.

Risk Management

For over 60 years John Holland has played an important role in shaping the landscape of many communities. Our reputation for building iconic infrastructure both in Australia and internationally is at the forefront of our industry.

We have a rich history of innovation and the infrastructure we build and projects we work on leave a legacy for people and the communities we live in.

This is a very exciting time for us. Our business is strong and we are working hard to consolidate what we are good at and get the fundamentals right. We are also developing new areas of expertise and building on our reputation for delivering the technically complex and challenging projects.

Our international expansion aims to export our best practice overseas through local partnerships.

154

Active Projects

Australia wide	— 05
New South Wales	— 44
Western Australia	— 36
Queensland	— 27
Victoria	— 21
South Australia	— 06
Northern Territory	— 04
New Zealand	— 02
Asia	— 04



Our Business

Marine Structures

Our unique skills in planning, engineering and constructing marine structures have led this specialisation to be recognised within the Leighton Group.

We are the market leader in Australian marine structure construction and since 2005, we have completed work to the value of \$1.8b across the country for public and private sector customers.

Our understanding of the unique and significant risks surrounding marine structure construction shapes our delivery methods. We have in-house capability in planning, engineering and design management, temporary works engineering, procurement, fabrication and modularisation.



High Voltage Power Transmission

With more than 45 years of experience in the delivery of high voltage power transmission, we are considered a market leader. John Holland is one of only three recognised Tier 1 contractors and we have 35% market share in Australia.

Since 2000, we have delivered more than 2,000km of new and refurbished transmission lines, most of which use our own sophisticated aerial stringing techniques. This extensive on-site experience is supported by one of Australia's most experienced and largest in-house capabilities for high voltage power transmission design and drafting.



Our Specialist Capabilities



Tunnelling

John Holland has built a well-deserved reputation as the leading provider of tunnelling services in Australia and the Asia-Pacific region. Over the past 45 years, we have tunnelled more than 270km through hard, soft and mixed ground conditions. We continue to lead the way in tunnel construction, with Australia's largest in-house tunnelling capability.

Fittingly, in 2012 we were awarded the prestigious International Tunnelling Contractor of the Year Award from the International Tunnelling Association.



Water and Wastewater Treatment

We are a market leader in the provision of water treatment processes to the Australian and international water sectors and the only contractor to have recently delivered major water security projects to four of the largest population centres in Australia.

Since 2000, John Holland has delivered more than 50 projects with a combined market value of \$7b, servicing public utilities and private enterprises across Australia, New Zealand and Hong Kong.

Rail Construction

John Holland has played a major role in the robust growth in transport related infrastructure across Australia and overseas. We have diversified by entering new market segments and developing new skills, allowing us to develop integrated delivery capability in the full range of track, structures, facilities, power, traction, signalling, control and communication systems and offering construction, operations and maintenance in greenfield and brownfield environments.

We have extensive experience in staging construction works to suit operational requirements and pride ourselves on minimising our operational impact. We maximise productivities within network possessions, working collaboratively with network owners and operators to schedule and integrate work and customise construction methodologies to suit restricted work areas.



Rail Operations and Maintenance

With self-performing maintenance and operations capabilities and specialist capabilities in the full range of track, structures, facilities, power, signalling and communication systems, John Holland is able to offer a whole-of-life approach to the operations and maintenance of railway infrastructure.

Our strength in railway maintenance and operations includes self-performing capabilities in track work, signalling and communication systems, overhead wiring and traction power, control systems, integrated planning and train operations. The business has the largest privately owned fleet of railway maintenance and construction equipment in Australia, and is accredited as a rolling stock operator in all states and territories.



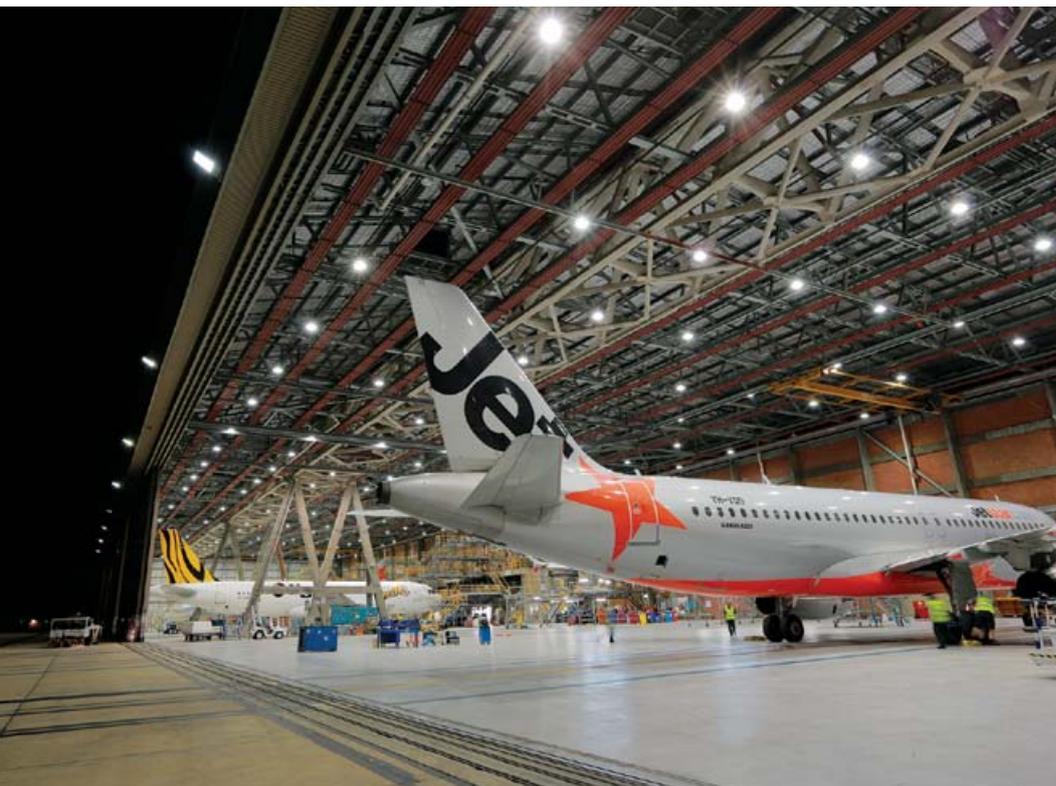
Our Specialist Capabilities



Rail Concessions

John Holland is the only private rail operator in Australia. We run the Country Regional Network in New South Wales and the Metro Trains Melbourne network as a shareholder in a franchise with Public Transport Victoria.

We also have significant business in railway construction and maintenance contracts, and crucial knowledge of the rail operating environment. We hold railway accreditations and are able to leverage our existing capability and market presence.



Aviation Maintenance

John Holland Aviation Services (JHAS) is Australia's largest fully independent maintenance, repair and overhaul organisation and the only one with comprehensive European Aviation Safety Agency coverage.

We are able to deliver total engineering support to both domestic and international airlines, as well as third-party operators. JHAS also has the ability to service a wide range of both passenger and military aircraft, including Airbus, Boeing, British Aerospace Bae146, C130 Hercules, C17 and any upcoming new generation aircraft. Our world-class facilities are some of the largest in the country, and the hangars at our Melbourne base are large enough to accommodate all current aircraft types alongside our co-located comprehensive support workshops.

Our Specialist Capabilities



Infrastructure





The International Tunnelling Association named John Holland Tunnelling Contractor of the Year for 2012.

Business stream total revenue
\$2,090m

Business stream total work-in-hand
\$2.8b

Business units

- Infrastructure North
- Infrastructure South
- Infrastructure West
- Infrastructure NSW/ACT
- Tunnelling



Development projects at the University of Tasmania Institute for Marine and Antarctic Sciences and the Medical Sciences 2 building were both awarded 5 Star Ratings for Education Design by the Green Building Council of Australia.





Chris Evans
Executive General Manager
Infrastructure

The Infrastructure business stream is the backbone of John Holland's history and experience. It is home to our long-standing expertise in social infrastructure, civil and engineering construction, tunnelling and building and has delivered many of our most iconic projects. With revenue of \$2.09b generated this year and \$2.8b work-in-hand, the infrastructure stream continues to perform strongly.

The Infrastructure business stream works on the majority of capital construction projects currently underway in Australia, as well as several of our international projects. Throughout 2012, the focus of Infrastructure was to further enhance and strengthen our business fundamentals, positioning ourselves to better support the objectives of the overall John Holland Group.

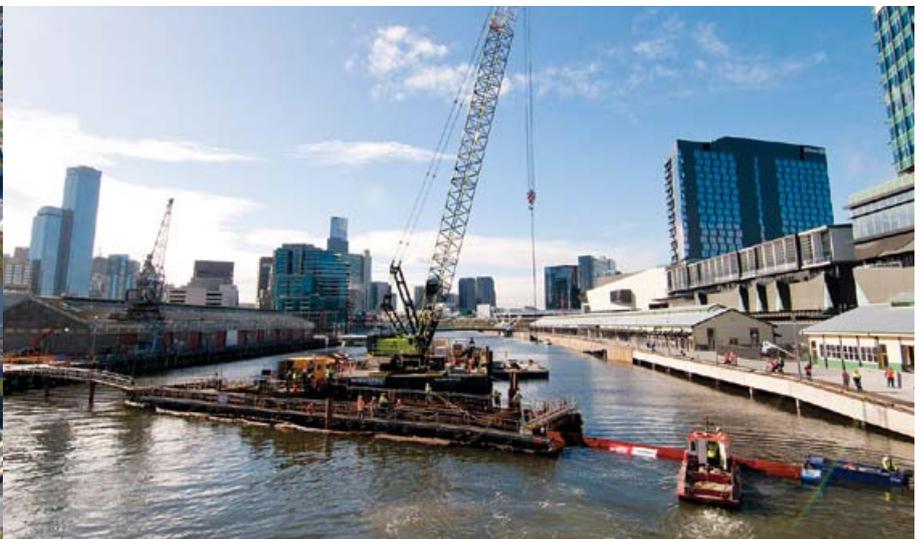
The private sector has taken the baton for growth in the Australian infrastructure market, with investment being driven by the energy and resources market, strongly supported by transport infrastructure. Increased urban infrastructure investment from state, territory and federal governments is expected mid-decade, and John Holland is well placed to cater to this demand.

The structure of the Infrastructure business stream is geared around the four regional business units (Infrastructure North, Infrastructure NSW/ACT, Infrastructure South and Infrastructure West), coupled with our world class Tunnelling business.

John Holland's long term presence in each of our geographic centres has seen the development of localised areas of expertise in many of our key markets and industry sectors. Identified core capabilities in Defence and health infrastructure, non-process infrastructure for the resources sector, airport infrastructure, civil earthworks and structures will be effectively leveraged at a national level, ensuring that we can export this expertise to deliver an enhanced value offering for our customers, no matter where in the country these skills are required. Operating collaboratively, we will capitalise on innovations across each of the distinct markets, and consolidate John Holland's position as one of the leading contractors in Australia.



LEFT TO RIGHT: Gavin Stubbs – General Manager, Infrastructure North. Rob Monaci – General Manager, Infrastructure NSW/ACT. David Moran – General Manager, Infrastructure South. Adam Harry – General Manager, Infrastructure West. Rob Muley – General Manager, Tunnelling.



LEFT: The completed Airport Link at Bowen Hills in Brisbane. The \$4.2b project was Australia's largest. **RIGHT:** Works on the now complete Melbourne Main Sewer Project. The original sewer was constructed between 1894 and 1897 and is, in part, historically listed.



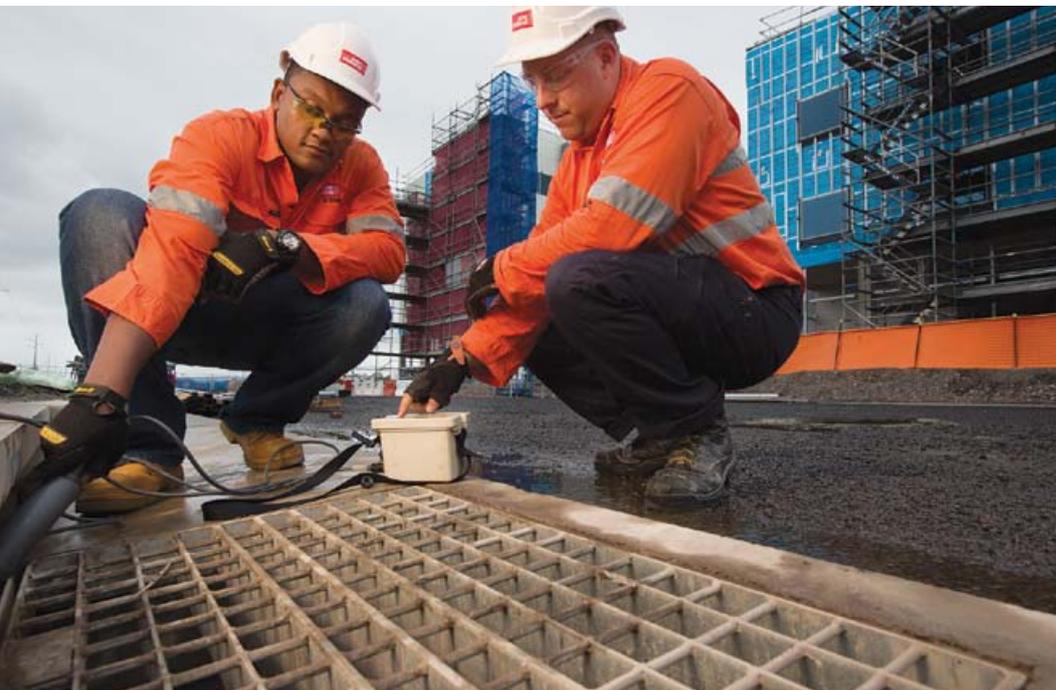
During 2012, our specialist in-house tunnelling expertise was recognised on the international stage with the award of the prestigious 2012 International Tunnelling Contractor of the Year for our work on the Northern Sewerage Project. The judges noted our performance across several projects, commenting that John Holland “is increasingly the one to watch when it comes to complex tunnelling.”

During 2012, we completed several significant tunnelling projects, including the Northern Sewerage Project (NSP) and Melbourne Main Sewer Replacement (MMSR) in Victoria. The NSP increased the capacity of the sewerage system for Melbourne’s growing northern suburbs, while MMSR replaced the existing Melbourne Main Sewer built some 100 years ago. Concurrently, we worked on sewer upgrade works at Bulimba and Woolloongabba in Brisbane, as well as major tunnel works augmenting the transport networks in both Singapore and Hong Kong.

Significantly, during 2012, John Holland also completed the \$4.2b Airport Link project in Brisbane. Airport Link was Australia’s largest infrastructure project and a significant engineering achievement for our company. More than 12,000 direct and indirect jobs were created for the project, with project staff working more than 28 million hours, and constructing 25 bridges, 15km of tunnelling and more than 7km of new road.

The past year also saw the completion of several significant social infrastructure projects, including the Eclipse Building in Parramatta, Sydney’s Macquarie Telecom and Equinix Data Centres, the \$26m SKYCITY resort in Darwin, the fast-tracked Yongah Hill Detention Centre in Northam and the East Kimberley Development Project in the remote North West of Western Australia. There were also a number of highly challenging engineering and structural projects around the country, including the Port Botany Bulk Liquids Berth in Sydney, the continuing upgrade to the Westgate Bridge in Melbourne and works at Wheatstone, Gorgon, Gladstone and Darwin supporting our growth in the oil and gas sector. The Brighton Bypass is the largest infrastructure project undertaken in Tasmania. The Midland Highway is Tasmania’s major north-south transport corridor and is a key route in the state’s AusLink National Network.

In the rail market, John Holland was awarded the \$570m contract to deliver the City to Maribyrnong River section of Victoria’s Regional Rail Link project, which will separate regional trains from metropolitan trains in the Melbourne train network for the first time. Under this contract, we will construct a new bridge over the Maribyrnong River, as well as two new regional railway tracks to separate city bound and regional trains. Our team also completed, some six months ahead of program, the South Morang Rail Extension Project and a train maintenance facility at Craigieburn, both in Victoria. In Western Australia, our unique civil, building, tunnelling and rail expertise combined to form the Perth City Link Rail Alliance, which is helping to transform the landscape of the Perth CBD. The largest rail infrastructure project in New South Wales, the Glenfield to Leppington Rail Line (part of the government’s transport centrepiece, the South West Rail Link) also continues its delivery ahead of program, again combining John Holland’s industry leading technical and specialist skills.



OPPOSITE LEFT: The Inpex Ichthys LNG project in Darwin involves development of civil works for onshore facilities.

OPPOSITE RIGHT: Works underway at the Western Highway Burrumbeet to Beaufort Project.

LEFT: Good progress is being made at the Sunshine Coast University Private Hospital site.

Throughout the year, we have also continued our key relationship with the Department of Defence, once again remaining as its largest supplier of construction services. Recent project wins include a number of contracts for the delivery phase of the Defence Logistics Transformation Program in New South Wales and the Northern Territory and through 2012, we also continued with the delivery of a number of Enhanced Land Force projects in Brisbane, Newcastle and Kapooka. We are proud to continue our association with Defence, reflecting the legacy of our founder, Sir John Holland, who served with the Royal Australian Engineers in the Middle East and with Z Special Unit Commandos in the South West Pacific theatre.

We have continued to refine and grow our Infrastructure business stream and, in December 2012, a Memorandum of Understanding was signed by Leighton Holdings to acquire selected construction assets from Macmahon Holdings. The bulk of the acquired projects were transitioned into John Holland's Infrastructure stream, which further strengthened our portfolio and our ability to deliver operational excellence using our scale and core capabilities. This transition was a positive fit, given our existing relationships with Macmahon in the delivery of major civil works at the Inpex oil and gas plant in Darwin, as well as on the South Road Superway in Adelaide, a major elevated roadway which is one of South Australia's largest ever infrastructure projects.

Sustainable design, building, and infrastructure project delivery was at the fore of a number of key Infrastructure projects in 2012. The Enlarged Cotter Dam, a dam upgrade helping to secure the water supply for the Australian Capital Territory and surrounding region, was the first project in Australia to submit an application for an IS rating under what is now the Infrastructure Sustainability Council of Australia rating scheme.

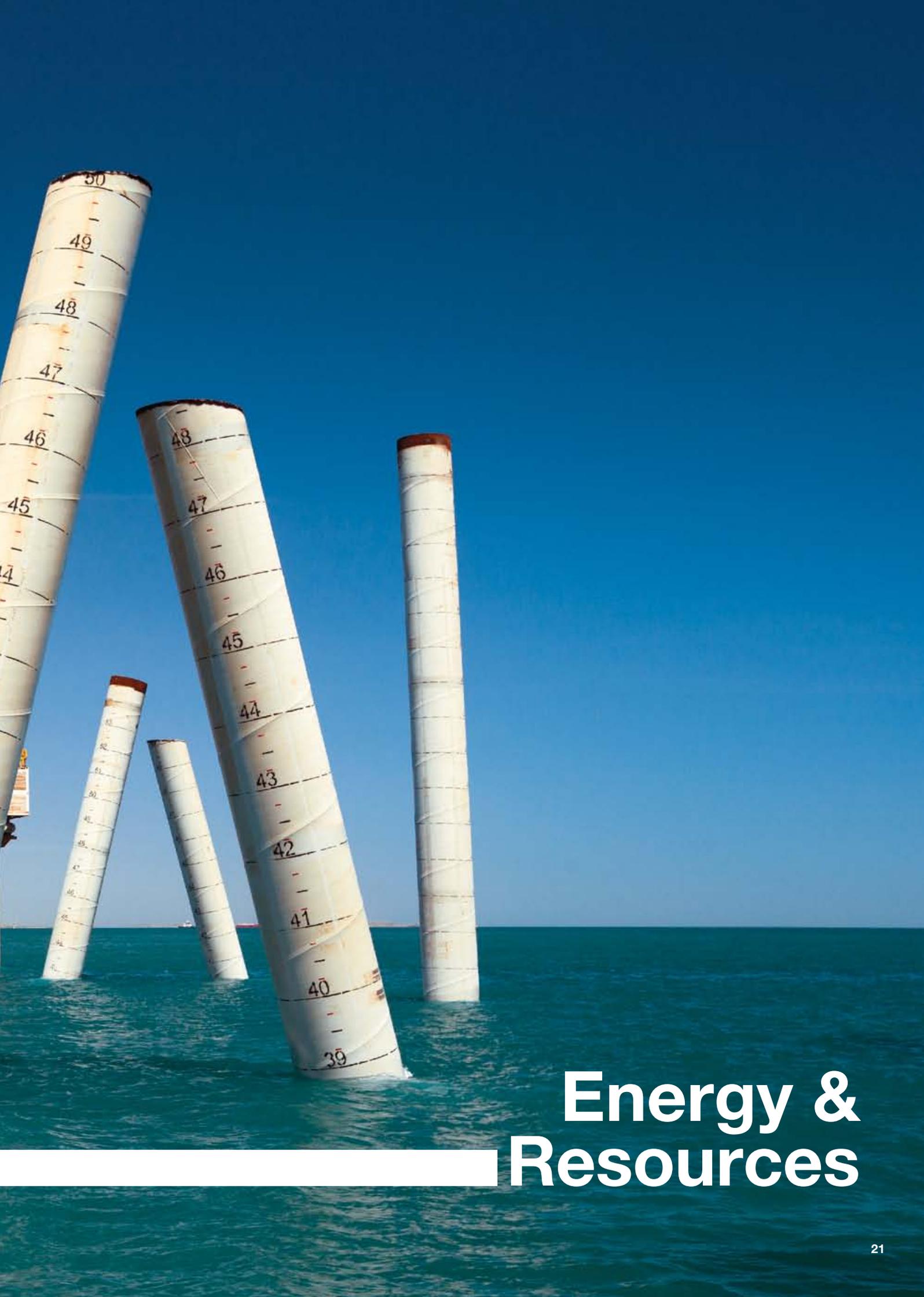
Development projects at the University of Tasmania Institute for Marine and Antarctic Sciences and the Medical Sciences 2 building were both awarded 5 Star Ratings for Education Design by the Green Building Council of Australia. Leveraging a strategic partnership with local construction company Fairbrother, we aim to achieve 5 Star As-Built ratings for both of these buildings. In addition, the Eclipse Building, a commercial office building in Parramatta, New South Wales, delivered for Leighton Properties and Grosvenor, was awarded a 5 Star Rating for Office Design and is expected to receive an As Built rating in 2013.

Our position as one of Australia's leading contractors in the health infrastructure market has been strengthened through the completion of the Albany Health Campus and ongoing work on both the Joondalup Health Campus and New Children's Hospital in Western Australia. Design and construction of the Sunshine Coast University Private Hospital in Queensland, where we are working in partnership with Ramsay Health Care, is also nearing completion, whilst solid prospects, such as the redevelopment of the Royal Hobart Hospital, auger well for the coming year in health infrastructure.

Whilst the next few years will present their challenges, the infrastructure market is forecast to grow in the longer term. This growth will be supported by: strong population growth; increasing pressure on freight access to airports and ports; new residential and industrial areas; worsening congestion in cities; a backlog of maintenance, rehabilitation and upgrade projects; and a rising level of government funding dedicated to transport. The Infrastructure business stream will be well positioned to leverage core capabilities in response to these future needs.

As we move into 2013, we are committed to the ongoing transformation of our Infrastructure business stream through continued skill and core competency development and effective export of these capabilities across all our geographies. Our aim is to capture an increased share of the Australian infrastructure market and to achieve further penetration of the international market, especially through our tunnelling expertise.





Energy & Resources

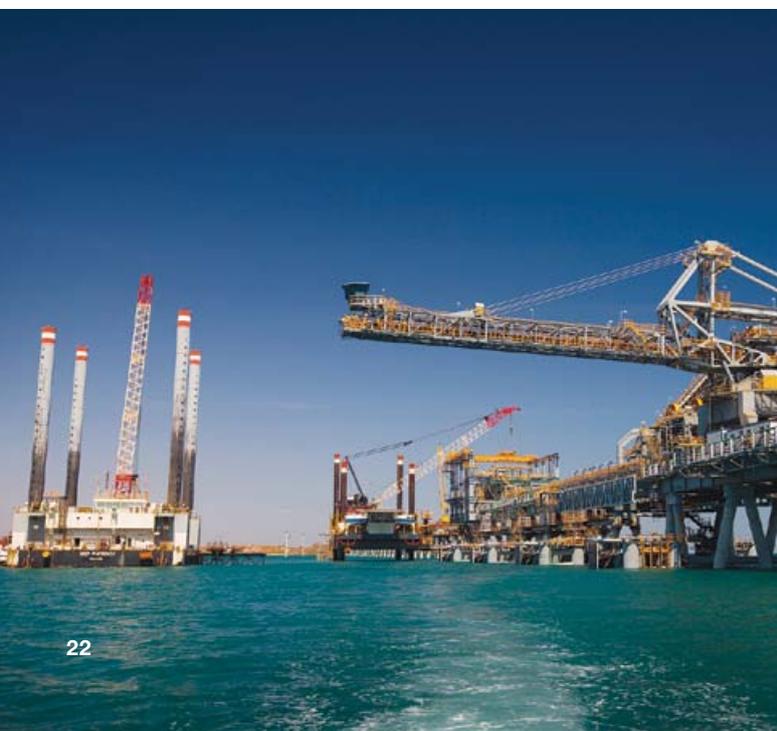


John Holland is the most diverse contractor in the water sector, having approximately 30% of the market share in water and wastewater treatment projects.

Business stream total revenue
\$1,132m

Business stream total work-in-hand
\$814m

Business units
Water & Enviro
Energy
Minerals & Industrial



2012 saw the successful completion of the QCLNG marine offloading facility project, a critical part of the new QCLNG Plant on Curtis Island, Gladstone.



Brendan Petersen
Executive General Manager
Energy & Resources

John Holland is the most diversified contractor and service provider in the dynamic energy and resources sector. The Energy & Resources business stream, through its Minerals & Industrial, Water & Enviro and Energy business units, generated revenue of over \$1.1b in 2012, and has work-in-hand of around \$814m.

The Energy & Resources business stream is well placed to capitalise on the significant investments in its markets, which have defined a boom period for Australia. While the overall capital investments in these sectors are expected to abate in the medium term, there continues to be high levels of demand for the country's natural resources internationally, indicating a strong future for the business stream.

Our Water & Enviro business (W&E) is a market leader in the provision of water and wastewater treatment facilities to the Australian water sector. During the recent severe periods of drought, it was the only contractor to have delivered major water security projects to four of the largest population centres in Australia – a testimony to its capabilities that are fast gaining international recognition.

With engineering, procurement, construction, commissioning, operations and maintenance as a core part of the business, W&E has around 30% of the Australian market share in water and wastewater treatment projects. W&E specialises in potable water, sewerage and recycled water, and has delivered two of the major desalination plants in Australia, representing 41% of the national desalination capacity.

2012 saw several water projects successfully delivered, including the \$78m Murrumbidgee to Goongong Dam pipeline project, the \$310m Enlarged Cotter Dam, the \$75m Mardi to Mangrove project, the \$36m Hoxton Park sewerage scheme and the \$26m Warriewood wastewater treatment plant.

The W&E business strategy of pursuing a long term, relationship based program is proving to be effective, with the following wins in 2012:

- Barwon Water – Victoria's largest regional water corporation announced a one year extension to the life of its alliance with John Holland. This alliance was established in 2009 to deliver a four year, \$175m capital works program featuring 100 medium sized projects, spread over an area of 8,100km².
- Sydney Water (SW) – two contracts were awarded to John Holland for major water infrastructure services. The first involves a five year contract to provide project management services associated with SW's Networks and Facilities Renewal Program, and the second contract is a further extension of the Priority Sewerage Program to deliver additional sewerage works to six communities in environmentally sensitive areas around Sydney.



LEFT TO RIGHT: David Balmer – General Manager, Minerals & Industrial. Ravi Syam – General Manager, Energy. Mal Shepherd – General Manager, Water & Enviro.



LEFT: Collaboration is key on our Energy & Resources projects. **RIGHT:** The Energy business played a significant part in boosting Western Australia's gas supply by 20%, delivering works for the \$1.1b Devil Creek gas operation.



W&E also picked up some other significant contracts, including one for construction of the \$19.4m Camden Digester, and another for the Lake Wyangan irrigation scheme for the Murrumbidgee Irrigation Corporation in NSW.

The W&E business has proven its capacity to be agile across new market sectors and geographic regions. The focus now is to grow existing contracts and target long-term opportunities, particularly in the private sector and on international projects.

Our Minerals & Industrial business (M&I) continues to build on its expertise in mining infrastructure, minerals processing and marine export infrastructure for coal, iron ore and liquified natural gas (LNG) sectors.

John Holland is a leading contractor in the construction of heavy industrial marine structures in Australia, with extensive capabilities and experience in the coal and iron ore sectors, as well as associated infrastructure for the LNG market. 2012 saw the successful completion of the Queensland Curtis LNG (QCLNG) marine offloading facility project – a critical part of the new QCLNG Plant on Curtis Island in Gladstone, Queensland. Other substantial marine works contracts for similar marine infrastructure continue on Curtis Island for Santos GLNG (GLNG) and Australia Pacific LNG (APLNG).

The M&I business also secured a contract extension with Rio Tinto at Cape Lambert, bringing the total contract value of works undertaken to around \$635m. The additional work – worth \$186m – involves the extension of the wharf currently being constructed by John Holland to provide an additional two berths for export of iron ore.

The business is continuing its pursuit of developing joint ventures and partnerships with engineering companies and technology providers to pursue engineering procurement construction (EPC) projects in the mining infrastructure and minerals processing sectors. A key strategic partnership further developed in 2012 was the joint venture with Leighton Asia in the offshore based fabrication and modularisation business. This business has now shipped over 40,000 tons of fabricated and modularised product to M&I projects across Australia.

The award of the contract for the construction of stage 1 stockyard works for the Wiggins Island Coal Export Terminal (WICET) project at Golding Point in Gladstone Harbour was another significant achievement. The M&I business also completed its component of the \$2.7b expansion of the BHP Billiton Alumina facility – part of the Worsley Alumina Efficiency and Growth Project in Western Australia.

M&I led an initiative at John Holland in 2012 with the Working Away Support Program (WASP). The WASP is designed to support the wellbeing of Fly-In, Fly-Out (FIFO) employees and their families – it includes a free FIFO Families membership for discounts on maintenance, shopping, travel and childcare, as well as access to chat forums and online resources. The program also focusses on holding social events for FIFO staff and their families.

The WASP was created in response to the growing number of people at John Holland employed under a FIFO arrangement. The pilot program began in October 2012 and it has now been rolled out to all projects with FIFO employment. It has over 160 participants.



OPPOSITE: Work is progressing well at the Cape Lambert Port B project, near Karratha.

LEFT: Workers on site at the APLNG project on Curtis Island.

John Holland's Energy business delivers project management, engineering, procurement, construction and commissioning services to the oil and gas, petro-chemical, chemical, power generation, power transmission and distribution sectors throughout Australia and New Zealand. A key capability for the business is in high voltage power transmission work – it has built and refurbished over 2,000km of transmission lines and numerous substations, with a value of approximately \$800m, in the last decade.

In 2012, the Energy business continued its focus on market penetration into major projects with blue chip companies. Energy has been successful in securing a number of strategic and exclusive working agreements with selected customers, original equipment manufacturers (OEMs) and specialist partners to enhance its position in the market.

The Energy business played a significant part in boosting Western Australia's gas supply by 20%, delivering works for the \$1.1b Devil Creek gas operation, 40km south of Dampier. On the back of delivering Apache Energy's Devil Creek Gas Plant, John Holland is well positioned to target further oil, gas and chemicals processing facilities. For forthcoming LNG projects, Energy has focussed on early involvement in the project life cycle to secure ongoing mechanical and electrical (M&E) projects.

In 2012, John Holland Energy was awarded the \$95m Columboola to Wandoan 275KV transmission line project in Queensland, which involves construction of 140km of double circuit 275KV transmission line, comprising of over 300 structures and 5.5km of double circuit 132KV transmission line between Wandoan South and Woleebee Creek substations for Powerlink. It is also delivering the Sheffield to Georgetown optical ground wire (OPGW) in Tasmania extending 90km and involving 189 structures for Transend.

A significant transition for John Holland during the year was the consolidation of its open cut coal mining contracts with Leighton Contractors.

Leighton Contractors, through its Mining Division, took over the contract mining and mine services arrangements for customers Isaac Plains Coal Management and Jellinbah Mining. This initiative was part of the realignment of portfolios within the Leighton Group to deliver on its strategy of developing distinctive, core competencies within its operating companies and to add value for customers.

In 2013 and beyond, the Energy & Resources business stream will capitalise on its in-house specialist capabilities and further establish strategic partnerships to secure growth.

The technical expertise we have developed in heavy industrial jetties and wharves and water/wastewater process and treatment facilities will be further strengthened, marketed and recognised as Centres of Excellence. This expertise will benefit John Holland and the broader Leighton Group, and will better position Leighton Holdings and its operating companies for securing and delivering projects locally and internationally.



Transport Services





John Holland is the only private rail operator in Australia, operating the multi-user access Country Rail Network and part of the vertically integrated Metro Trains Melbourne.

Business stream total revenue

\$1,154m

Business stream total work-in-hand

\$2.5b

Business units

Rail Australia

Aviation Services

Metro Trains Melbourne (MTM)

Country Regional Network (CRN)



Metro Trains Melbourne continued its strong operational performance, which saw the network carry more than 226 million passengers, deliver more than 14,500 train services per week and increase on-time performance by 54% to 92%.



Karl Mociak
Executive General Manager
Transport Services

Our Transport Services business stream has become a critical part of the business since its creation in 2011. It oversees our work in rail and aviation services and is looking to diversify into other modes of transport services. With revenue this year of \$1.1b and work-in-hand of \$2.5b, Transport Services is going from strength to strength.

With self-performing maintenance and operations capabilities and specialist capabilities in the full range of track, structures, facilities, traction power of overhead signalling and communication systems, John Holland is able to offer a whole-of-life approach to the construction, maintenance and operations of railway infrastructure. There are a limited number of customers in the Australian rail sector—generally one to two government customers in each region. However, we are positioning our business to work with increasing numbers of private sector customers, as driven by the resources sector.

We have extensive experience in staging construction works to suit operational requirements and pride ourselves on minimising our operational impact. We maximise productivities within network possessions, working collaboratively with network owners and operators to schedule and integrate work and customise construction methodologies to suit restricted work areas.

John Holland is an accredited rolling stock operator in all states and territories. With the largest privately owned fleet of railway maintenance and construction equipment in Australia, we manage, operate or maintain 30% of the entire Australian rail network.

We also have significant business in railway construction and maintenance contracts, with crucial knowledge of the rail operating environment. We hold railway accreditations and are able to leverage our existing capability and market presence.

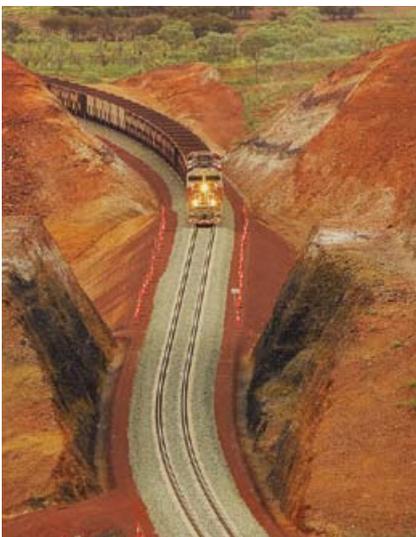
Our Transport Services business stream is strategically positioned as a rail concession provider through our existing investments in rail construction and maintenance contracts and our 30% market share in this environment.

John Holland is the only private rail operator in Australia, operating the multi-user access Country Regional Network (CRN) and part of the vertically integrated Metro Trains Melbourne (MTM).

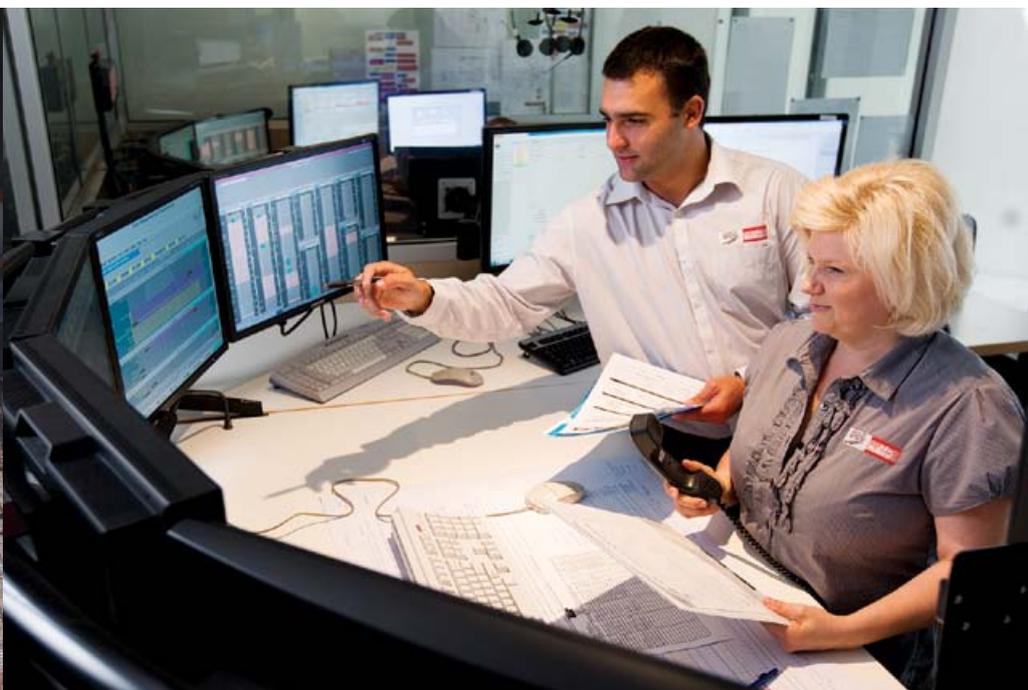
Since its inception in 2009, MTM has significantly boosted railway investment in Victoria. By the end of 2013, it is projected to reach \$2.3b investment. During 2012, MTM has continued its strong operational performance, which saw the network carry more than 226 million passengers, deliver more than 14,500 train services per week and increase on-time performance by 54% to 92%.



LEFT TO RIGHT: Nev Nichols – Chief Executive Officer, Country Regional Network. Richard Stewart – General Manager, Rail Australia. Ross Alexander – General Manager, Aviation Services. Andrew Lezala – Chief Executive Officer, Metro Trains Melbourne.



LEFT: The first ore train in Chichester, Pilbara, for the LJV consortium in Western Australia. **RIGHT:** A tamper machine on the Brookfield Rail Track Surfacing Project.



2012 marked John Holland's first year as the new manager of the CRN. The 10 year contract with Transport for NSW involves the operation, management, maintenance and renewal of 2,386km of operational passenger and freight rail lines and 3,127km of non-operational lines.

The first year of operation saw some outstanding outcomes delivered by the CRN, with extensive works completed on the network. Between January 2012 and December 2012, 135,000 sleepers were inserted, 48,560 tonnes of ballast was laid and 380km of resurfacing was completed.

Through the combined efforts of the routine maintenance and major periodic maintenance teams, work was undertaken on the Bogan Gate to Tottenham line, Griffith to Hillston line and The Rock to Boree Creek section grain lines to remove long-standing temporary speed restrictions. Some of these restrictions had been in place for more than 10 years, and with their removal come benefits such as improved transit times and increased customer satisfaction.

John Holland is now in its sixteenth year of a relationship-based contract for Brookfield Rail, which involves the provision of maintenance services for the regional railway infrastructure in Western Australia. John Holland's sustainable performance in delivering reliable railway infrastructure maintenance services is clearly demonstrated by our customer asking us to provide further value-add solutions by undertaking asset condition assessment and management with a view of extending our contract by negotiation for an additional seven years.

In our key capability of rail construction, we provide integrated solutions on complex multi-disciplined projects. Our Rail Australia business has used 2012 to further consolidate its position as the industry leader, delivering 10% more work than in 2011.

John Holland is a Rail Infrastructure Manager (RIM), as defined under the Australian Rail Safety Act, in MTM, CRN and for the Port Kembla Corporation. Being a RIM, John Holland has total responsibility for the application, modification and enforcement of infrastructure standards, asset management, asset performance, maintenance and renewal of railway infrastructure.

John Holland has more than 6,000km of railway infrastructure under this authority and has invested significantly in developing and tailoring our systems and upskilling our people.

As an example, the Port Kembla Corporation sought John Holland's support and expertise to develop and operate its railway infrastructure, recognising us as a leader in this field.

Significant regulatory changes in the railway industry have been made and continue to occur in relation to the management of worker competencies for rail safety work. John Holland has implemented a national competency management system, a system that has been tailored for the railway operations and maintenance environment, in collaboration with customers and other RIMs. This management system places Rail Australia and our CRN operation at the forefront of the railway industry in understanding railway infrastructure and competency requirements. We have the experienced staff and the management systems that provide customers with assurance in relation to the delivery of their own safety obligations and provide an increased rigour around internal rail safety performance of railway infrastructure.

Australia is experiencing record levels of investment in rail infrastructure. The financial year has seen the continued delivery of significant contracts by John Holland Rail around Australia, including the Glenfield to Leppington Rail Link, Perth City Link, Adelaide Rail Revitalisation, Regional Rail Link in Melbourne and Sydney Light Rail Inner West Extension. Major possessions and commissionings having also been successfully delivered on projects including Liverpool and Hunter 8.



OPPOSITE LEFT: In our key capability of rail construction, we provide integrated solutions on complex multi-disciplined projects.

OPPOSITE RIGHT: Operations staff on the Country Regional Network, who oversee the operation, management, maintenance and renewal of 2,386km of operational passenger and freight rail lines and 3,127km of non-operational lines.

We are Australia's premier aviation independent maintenance and repair organisation.

During these 12 months, we completed the Narngulu to Mullewa upgrade in WA, the Craigieburn Maintenance Facility and the South Morang Extension projects in Victoria, as well as multiple rerailling and resleeper projects around the country. The \$650m South Morang Expansion involved the duplication of the single track between Keon Park and Epping, and the extension of the line to South Morang. Meanwhile, the successfully completed Craigieburn Maintenance Facility is now home to one of the largest and most modern train maintenance facilities in Australia. It includes stabling roads, a train wash facility, and a jacking road for train maintenance works.

We have also won several projects in the southern states during the year, including the contract for the Adelaide Yard and Noarlunga Line Upgrade as a part of the Tracksure Joint Venture and the Lonsdale and Ascot Park Feeder and tie stations as part of the Traction Power Joint Venture.

The overarching challenge is to continue to lead the rail industry amidst continuing interest from international competitors seeking to enter the market. Our success will be dependent on maintaining consistently high standards on every job we deliver and healthy relationships with our customers. The commitment and flexibility of our people enables us to meet the challenging demands of every project we are involved with. Our vision remains that of becoming the world's leading rail contractor.

In the aviation sector, John Holland Aviation Services (JHAS) is Australia's premier independent maintenance and repair organisation. We have developed a solid customer base and serve more than 80 customers in line maintenance, hangar maintenance, ground support equipment maintenance and the overhaul of wheels and brakes.

Over the last 12 months, JHAS has restructured the organisation to better deliver against customer requirements, improve the efficiency of our business and position ourselves for growth. We have introduced lean management tools to improve our core operations, driven safety improvements to protect our workforce and evolved our quality systems to ensure regulatory compliance in everything we do.

Through these actions, we are well positioned to consolidate our existing business and win new customers. We are exploring geographical expansion within Australia as well as working with airlines coming to Australia for the first time.

During the course of the year, John Holland also welcomed the signing of an agreement with the Victorian Government to work towards creating a National Aviation Service Precinct (NASP) at the JHAS site. The precinct will co-locate key aviation services with the aim of establishing the state as a national aviation hub.

The vision for the NASP is to create an environment where local and international aviation services businesses and educational and research organisations can work together. Through the NASP, the aim is to provide a competitive offering to Australian and international airlines and other industry customers.

Transport Services is now focussing on sustainable growth, on consolidating our market penetration and increasing our product range. We plan to consolidate our national rail construction and maintenance operation as market leader and expand and diversify our business into new markets and geographies in the transport sector.



International Business



Dennis Brewer
Executive General Manager
International Business

To support our international expansion and consolidate our offshore activities, we have created a new International Business stream. With this transition, the domestic projects previously overseen by our Strategic Projects unit have transferred to the Infrastructure business stream.

During 2012, John Holland concentrated on delivering current projects with local partners and worked on bids in India and the Middle East. Two of our most significant projects for 2012 were overseen by Strategic Projects – the Airport Link project in Brisbane and Adelaide’s Urban Superway.

We have now consolidated our offshore activities into a single International Business stream. This initiative allows us to coordinate more closely with our offshore partners.

Our current work-in-hand consists of a variety of projects, from tunnelling in Hong Kong to water infrastructure in New Zealand.

In partnership with Leighton Asia, we are constructing the transport infrastructure project Contract 904, as part of the South Island Line (East) Rail project. The South Island Line (East) will be a medium-capacity railway covering approximately 7km from Admiralty Station to South Horizons Station on the south side of Aberdeen Harbour. When completed, it will provide fast and reliable railway service for communities in the south of Hong Kong Island and help ease traffic congestion at critical bottlenecks such as Aberdeen Tunnel and the central business district.

The Singapore Land Transport Authority has also engaged John Holland in joint venture with Leighton Asia for the construction and completion of the Jalan Besar Road Station and associated tunnels for Downtown Line Stage 3 (DTL3)—Contract 935. DTL3 will be an underground Mass Rapid Transit (MRT) System extending from Downtown Line Stage 1 (DTL1) Chinatown Station and terminating at the Changi Business Park. The MRT line will pass through heavily built-up and densely populated areas. DTL3 will have 16 stations with a total route-length of approximately 21km.

The international market outlook for tunnelling projects over the next five years is robust but competitive. Both Hong Kong and Singapore have excellent track records in efficiently delivering their infrastructure programs.

We are also in joint venture with Leighton Asia and Veolia for the construction of a sludge incinerator in Hong Kong.

In New Zealand, we are working with Fulton Hogan to construct the Hunua No 4 Watermain—22km of large-diameter cement-lined steel water mains in Auckland and have won a contract to provide screens to 60 rail bridges in the Auckland area.

Also in conjunction with Fulton Hogan, we also purchased a small New Zealand rail maintenance contractor, Abernethy, during the year. We believe this purchase positions us to actively participate in Kiwi Rail’s plans to outsource its maintenance operations.

We established and operate a group, in joint venture with Leighton Asia, to source fabrication and modularisation of structured steel from the Asian region to increase our competitive positioning in Australia but also other regions that the group operates in.

Recently, we re-badged the joint venture as LFM and headquartered in Thailand. This business’ purpose is to facilitate the fabrication and if needed modularisation of steel structures for work in marine and oil and gas. A number of John Holland projects have used the service to date and we intend to roll these out to the wider Leighton Group during 2013.

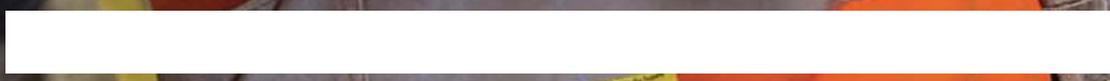
International markets of interest in 2013 include the Middle East where target market spending is expected to grow from \$80b in 2012 to \$109b in 2016. Key high-growth countries include Saudi Arabia, Qatar, Iraq and Iran. Projects in these countries would revolve around offshore platforms, subsea pipelines, marine infrastructure projects (oil tanker loading and tug boat jetties/wharves), LNG processing, oil production facilities and desulphurisation units. Key activities in the Asia-Pacific region include both onshore and offshore oil and gas separation and processing facilities.



Located in the western part of the New Territories and to be owned by the Hong Kong Government, the Hong Kong sludge digester facility is critical to the region’s wastewater treatment capacity.



Safety







Russell Cuttler
Executive General Manager
Safety and Operational Support

As the regulatory environment evolves, we are working to take a leadership approach in safety and to go beyond compliance. The safety of our people, and the communities we work in, is the foundation for everything we hope to achieve at John Holland.

With the advancement towards nationally uniform work health and safety laws, there is greater clarity and consistency around requirements and expectations. We have also taken the opportunity to evaluate and improve our organisation-wide safety programs, to set minimum standards for our high-risk activities and encourage a culture of leadership in safety.

Given the inherent risk in our industry, it is critical we play a proactive role in ensuring the safety of our people, both at a project level and at an industry level. As a business that engages subcontractors and a short-term workforce during project peaks, we need to encourage industry wide collaboration on safety. This helps to ensure that people who work with us not only have the benefits of our safety programs, but also come to the organisation prepared to not just meet industry standards but meet and comply with John Holland's requirements.

Through the Australian Constructors Association, we are contributing to work which promotes, and takes practical steps to ensure, a sustainable safety culture in the industry.

In 2012, the business made significant progress towards achieving our safety vision: to know that everyone who works with us will return home safely every day.

After starting the year in a challenging position and devastated by the impact of two fatalities in 2011, the business renewed its commitment to eradicate these serious incidents and ensure the safety of our workforce.

We recorded improvements in our safety statistics which ultimately means that fewer of our people, and those we work with, are injured in our workplaces. However, there is still work to be done.

Overall, the positive trend saw our lagging safety measures moving in the right direction with zero fatalities in 2012, a 27% decrease in Total Recordable Injury Frequency Rate and a 23% decrease in the Lost Time Injury Frequency Rate.

One of the John Holland safety objectives is that we will make safety personal, always. In 2012, we undertook a significant program of work to improve safety and encourage this sense of ownership and accountability for each employee.

We formed the Executive Safety Leadership Team to meet monthly to review safety performance within the business. Chaired initially by the Group Managing Director, this team governs and reviews safety performance and endorses group-wide safety initiatives. In particular, Class 1 incidents are reviewed and evaluated and lessons are shared throughout the organisation.

In October 2012, we released the Global Mandatory Requirements (GMRs) for safety to outline the control strategies and minimum standards for the key risks our people, and those we work with, are exposed to every day right across the business.

Prior to the launch of the GMRs, our General Managers were tasked with leading a gap analysis of each workplace to understand their current level of compliance with these standards and begin planning to close any gaps.

Encouragingly, the GMRs have been adopted with enthusiasm; however, further work to embed these requirements as 'business as usual' will be a priority for 2013.

In 2012, we initiated a diagnostic of safety in our business. This was an external, systematic review undertaken across John Holland to identify the organisational and systemic factors that are influencing safety performance in our business.

The results of the diagnostic will inform John Holland's strategic safety plan and ensure that our areas of focus are targeted and effective.

During 2012, we also implemented workplace safety valuations to ensure that safety performance is analysed with the same rigour as financial and other performance measures. This also provides our business leaders the opportunity to discuss safety performance with workplace managers on a regular basis. We are working to create a culture of care and accountability through regular engagement between the workplace and business unit leaders. The intent is for our leaders to be personally involved in safety in each of their workplaces and actively encourage and support ideas to continuously improve performance.

Our flagship safety program, Passport to Safety Excellence Program, was evaluated in 2012 to establish if it was meeting the operational needs of our business. All levels of the business were invited to contribute and we will use the recommendations for improvement to shape and inform our future plans in this area.

Looking to the future, the focus for 2013 will be on ongoing effort and sustained vigilance to ensure our safety performance continues to improve. We will progress many of the activities that began in 2012. For example, some of the strategies to embed our Global Mandatory Requirements (GMRs) for safety include releasing self-assessment tools which can be used in workplaces. We are also developing case studies which demonstrate best practice and how to achieve compliance with some of the more technically challenging aspects of the GMRs. During 2013, there will be increased focus on rolling out and embedding our health, safety and environmental behaviours across all parts of the organisation.

In order to make safety personal in a very tangible way, we are linking the individual performance of every employee with a personalised safety-related performance objective.

This multifaceted approach to improving safety forms a key part of our strategy. Critical to the achievement of our safety vision is our ongoing commitment to fitting each initiative and area of work into our overarching plan.



CASE STUDY

A healthy approach to safety

The John Holland project at Sunshine Coast University Private Hospital has taken a different approach to safety walks to deliver better safety outcomes. The project manager invites both the customers and owners of subcontractor companies working on site on his monthly director safety walk-arounds. The aim is to send a clear message that everyone is working together to ensure a safe site.

The safety walks are carried out on the morning of the monthly site safety barbeque so any follow-up can be undertaken with the site team immediately. The project manager also makes a presentation to an outstanding individual or crew for their commitment to safety, which helps create a positive improvement in culture among individuals and crews on the project.

The site team championed a focus on specific safety requirements during the tender phase with the aim of clarifying the expectations of subcontractors in the scoping documents, particularly in relation to safety. This ensures they meet the minimum standard and expectations.







People & Culture



Lisa Interligi
Executive General Manager
Organisational Development

2012 was a landmark year for John Holland in the area of people and culture as we embarked on a journey to create a high performance culture.

The foundation stones for this cultural change were the launch of our new mission, vision and values. Our five values – integrity, innovation, collaboration, accountability and care – distilled our fundamental principles, and clearly set behavioural expectations as an organisation and employees with our customers, service providers and subcontractors, partners, community and importantly, ourselves. In 2013, we will continue to embed these values to ensure that they are the DNA of our culture wherever we operate.

We recognise that our success, and the success of our customers' projects, is dependent on the performance of our people. We know from our customers that our people set us apart from our competitors. We also know that it is crucial that we are flexible and offer an environment for our 6,500 plus employees to engage, develop and receive recognition.

At John Holland, we demand a lot from our people. We are working hard to make sure that we look after our people and enable them to achieve their best with us.

Enabling and rewarding employee performance across our business was a key focus of 2012. We launched a stronger connection between reward and performance, starting with our leaders and senior managers, and this will continue to be embedded in 2013.

During the year, we built a stronger learning and development infrastructure and capability to ensure that we can on-board employees to our projects and operations efficiently and decrease time to optimum performance. We increased internal capability in learning design and the development of online learning solutions. Moving into 2013, a learning investment model will set out a role-targeted and nationally consistent schedule of learning products and services to maintain the quality and consistency of our training and ensure that our external training providers complement our values.



We reshaped our human resources services to ensure that we are providing effective support to managers and employees operating in Australia and overseas. These services include improved workforce planning, employee mobility and streamlining of process and procedures.

We recognise that productivity and performance is related to how engaged with John Holland our employees feel. Building on the 2011 staff engagement survey, we surveyed both staff and workforce for the first time in 2012. Results were pleasing with 63% of employees responding to the survey, and 83% of staff and 73% of workforce indicating that they are engaged with us.

Drivers of engagement of both our staff and workforce include safety. Encouragingly, our people feel able to speak up and are involved in decisions that impact their safety.

Our workforce indicated they want to be more involved through improved communication. Improving the two-way flow of communication and how we communicate with our workforce particularly in remote projects is a top priority and work to address this is already underway.

In 2012 we strengthened our commitment to attracting and retaining talent, and providing the opportunities for rich career experiences in John Holland.

This commitment includes attracting talented and motivated graduates through our national graduate program. We offer rigorous career development and broad opportunities to work in a range of facets of our business. Features of the national graduate program include:

- rotation into different roles throughout the business and country
- professional development opportunities and training
- a mentoring program
- ongoing networking with other graduates including a national graduate conference.

More than 3,000 applications were received, from 14 different degree streams, for the 109 graduate roles on offer in 2012. Highlights of the 2012 intake were our first Indigenous graduate, and our first graduate in New Zealand who was employed to support the John Holland Fulton Hogan partnership.

Leadership and succession were critical elements of our 2012 people and culture journey and will continue to be central to our sustainable success. A review of technical and leadership talent in our business in 2012 aimed to formally baseline and strengthen our pipeline, and provide succession coverage for critical roles.

As a member of the Leighton Group of companies, a number of our senior leaders participated in the Leighton Leadership and Development program. This program, along with a complementary John Holland leadership framework and program, will ensure that we have the calibre of talent needed to deliver effectively today and lead into the future.





Diversity



We have a strong commitment to diversity and inclusion at John Holland. We have four key areas of focus for diversity programs: culture, including Indigenous participation, gender, age and career.

The external business environment increasingly requires reporting and progress on diversity measures. The Australian Securities Exchange Corporate Governance Council continues to expand its guidance on diversity. The Workplace Gender Equality Act 2012 also defines employee gender reporting criteria.

Our commitment to diversity is based on the individual, community and business benefits that flow from encouraging and leveraging diverse perspectives. Delivering on this commitment is fundamental to our goal of being an employer of choice and will help to achieve better decision-making across our business, informed by a broader range of experiences.

Meeting regulatory requirements is essential, but we define our own targets and success and extend beyond minimum requirements in several critical areas. In addition, we work hard to meet and exceed customer expectations in relation to cultural diversity and, in particular, Indigenous participation rates.

Cultural Diversity

During 2012, we continued to implement our cultural competence learning framework based on four levels of skills and abilities, ranging from basic awareness of the issues for all employees, through to a high level of competence for senior managers. We also continued to design and deliver cultural diversity-related training for employees, with a particular focus on minimising biases and improving management capability to manage diversity.

Throughout the year, we progressed our work to ensure all policies, procedures and development programs are tailored appropriately to reflect our cultural diversity, and we sought to learn more about the cultural fabric of our employee base through voluntary cultural surveys.

Ultimately, we aim to ensure that cultural difference is respected, valued and leveraged as a competitive advantage at John Holland.

Indigenous Participation

We believe we can better support many of the communities in which we work by increasing training, employment and supplier opportunities for Indigenous people and by encouraging a greater appreciation of Indigenous cultures.

Our national Career Tracks strategy aims to provide assistance, education, training, employment and business opportunities for Indigenous people.

In 2012, we made significant progress in building our capability in Indigenous affairs, embedding Indigenous employment, community engagement and business engagement into how we do business. We recognise that there are significant opportunities for us to improve our impact.

We have a team of highly talented and experienced Indigenous Affairs Advisers in every state and territory working to provide comprehensive support to our projects and teams to help us reach our customers', governments' and our own objectives.

At the end of December 2012, 3.3% of our employees were Indigenous, and we have a number of initiatives in place to support our goal of growing our participation rate to 5%.

Through our partnership with the Jawun Corporate Program, we are also able to second specific specialist advice and skills into communities, and to enhance the employment experience of our people.

During 2012, we piloted a program in our Rail Australia business to immerse our senior leaders in local Indigenous culture, providing the opportunity to participate in community groups and understand frameworks for effective engagement. The program revolves around the four principle areas of culture, country, community and commonality.

Gender Diversity

As at January 2013, 15.4% of John Holland employees were women. This compares to a construction industry female participation rate of 11.7%, cited by the Workplace Gender Equality Agency.

In an industry traditionally dominated by men, we recognise we have a long way to go to increase female participation, but we are committed to reaching a female participation rate of 20% by the end of 2015. Our gender strategy is based on attracting, developing and retaining women at John Holland.

We were one of the first Australian construction companies to commission an enquiry into pay equity, introduce a paid parental leave scheme and recognise the value of flexible working arrangements.

During 2012 we launched our internal network, Women's Link, which encourages employees (women and men) to connect and share experiences and successes. We also held our first women's national roundtable to garner opinions and thoughts and discuss opportunities to promote careers for women.

Throughout the year we continued to partner closely with various organisations, including the National Association of Women in Construction, to encourage girls and women to pursue and establish their careers in the construction industry.

In 2013, we will be seeking to better understand why women are choosing us as an employer, and build this into our employee value proposition for use in our recruitment and retention campaigns.

Providing improved support mechanisms for women and their careers, through offering mentoring and sponsorship along with career planning assistance, will also be a focus for 2013.

Age Diversity

During 2012, we renewed our Flexible Futures Initiative to give employees over the age of 55 the opportunity to shape their own work future to suit changing circumstances.

More than 26% of our employees are over the age of 48 and we recognise that the growing number of mature-age Australians will represent a key group of potential workers to respond to the projected labour market shortage.

More generally, we continued to offer our employees options to meet changing career and lifestyle aspirations. Our national graduate program continued to attract, retain and leverage emerging capability.

CASE STUDY

Rail team experiences Indigenous life

A cross section of Rail Australia employees travelled to Mparntwe (Alice Springs) to spend three days camping, working and engaging with Arrernte and West Arrernte people to improve their understanding and awareness of the diversity of Indigenous culture across Australia.

A highlight of the trip was camping on Arrernte land in an area extending west and south from Mparntwe. The experience provided the chance to spend time with the Arrernte (pronounced Arunda) people, the traditional owners of Mparntwe, and included visits to remote communities and schools.

The program aimed to challenge the team and to reflect on current approaches to Indigenous engagement in their respective areas, and provided an opportunity for participants to improve their cultural competency. It is envisaged that the learnings from this program will provide the necessary knowledge for participants to be key change agents across Rail Australia.

Richard Stewart, Rail Australia's Tjilipi (leader) said: "I knew our level of Indigenous cultural awareness was low. I was like an expectant father waiting to see the impact that the program would have and it didn't take long! We were warmly welcomed by local custodians and given an introduction to Aboriginal culture. The most significant impact was due to hearing the stories of the Aboriginal people, their connection to land and their people. I am now much clearer on what the locals want for their communities and how we might be able to assist in realising these goals."

The Rail Australia cultural immersion program is a pilot of 'The Four Seasons' (culture, country, community and commonality), an initiative of the John Holland Career Tracks strategy. Four Seasons is aimed at increasing organisational awareness and capability to engage sensitively and productively with Indigenous groups and stakeholders in the areas where we work. It is the first in a four stage process to develop the cultural competencies needed to improve and sustain the employment, development, retention and management of Indigenous employees. The next stage will involve the Rail Australia team sharing their experiences with colleagues and promoting change in terms of engagement with Indigenous people through employment, training and appropriate engagement with traditional land owners about the impact of our projects on Indigenous land.

For 2013 and beyond, we have several age diversity initiatives planned, including developing and expanding a 'Voice of Youth' concept by establishing an annual roundtable event and ensuring better use of technology to connect to our younger workers.

We will also be creating formal channels for targeted knowledge transfer between generations.

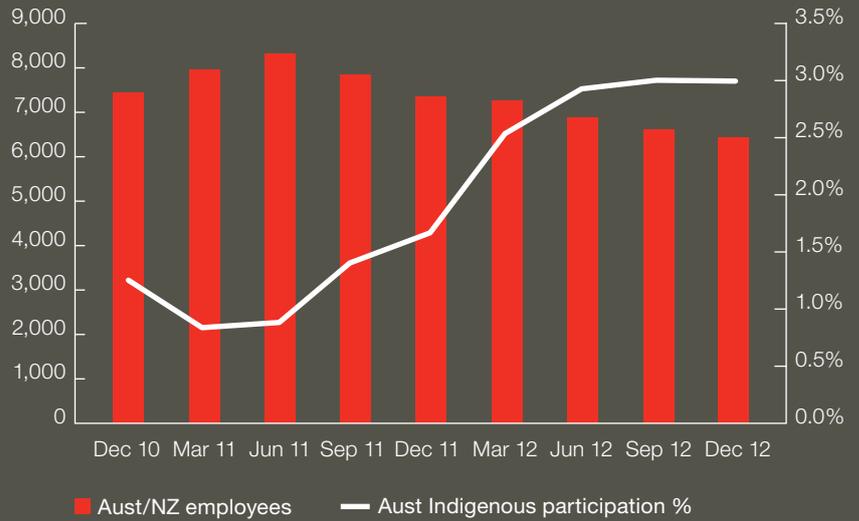
Career Diversity

We want to shift traditional thinking about careers in our industry and what constitutes career success at John Holland to open up a broader range of career opportunities for employees who are seeking new challenges.

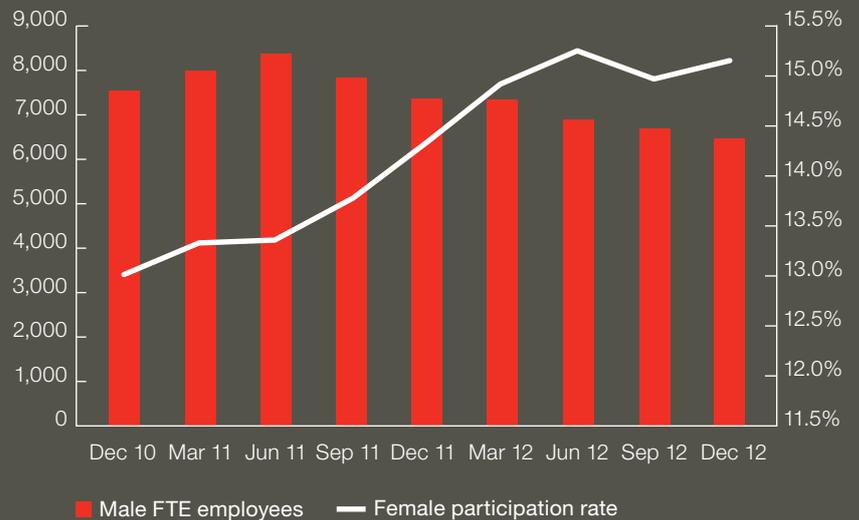
During 2012, we implemented a Career Lattice pilot program to encourage our people to stay with us throughout their careers and benefit from varied experiences across our diverse business.

The program is about promoting a range of ways to succeed in an organisation, moving up and down as well as sideways to gain new skills, versus a linear climb up a career ladder. The intent is to ensure our talented people do not have to leave our organisation in order to develop their careers.

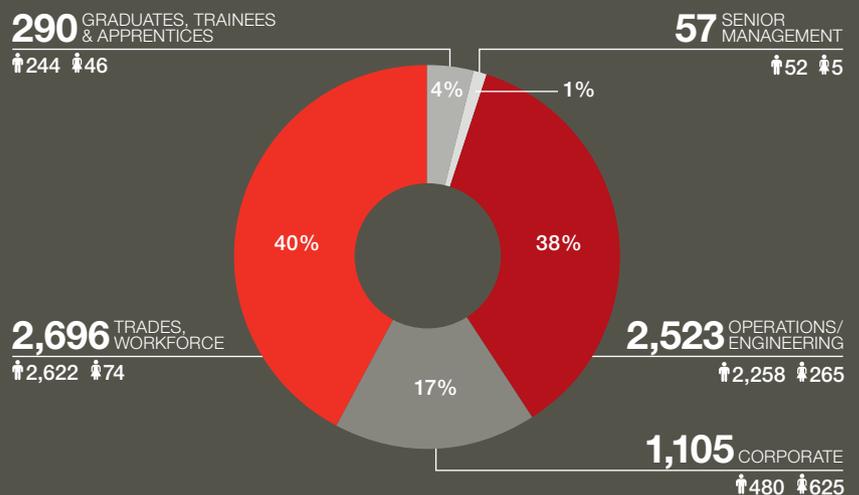
INDIGENOUS PARTICIPATION



FEMALE PARTICIPATION



JOB FAMILIES





Catherine Fitzpatrick
Executive General Manager
Corporate Affairs

We want the communities in which we work to value our presence.

Our approach to community and stakeholder engagement is about developing and maintaining long lasting partnerships and relationships. Our partnering approach is the way we do business and it is delivered through:

- Managing community impacts – project and operation based efforts to mitigate and reduce the impact of our work on local communities
- Providing community benefits – project, workplace and operation based activities that support local communities and deliver lasting benefits.

Many of our operations occur within highly urbanised areas, involving significant interaction with local communities and requiring effective management of construction challenges.

We communicate openly in all our interactions and collaborate with local communities to achieve the best results possible. Our teams have experience with various contract delivery models and a strong knowledge of what is required at each stage of construction.

We are committed to not only working with local communities throughout construction, but also to delivering lasting legacies for those communities through the infrastructure we deliver and the partnerships we build. Our objective is for every workplace and project to develop at least one community partnership over and above any contractual requirements. We do this by providing support through the contribution of funding, labour, skills or knowledge. These initiatives are undertaken in the spirit of community development, and are measured by the long term partnerships and value created by our employees for the communities in which we operate.

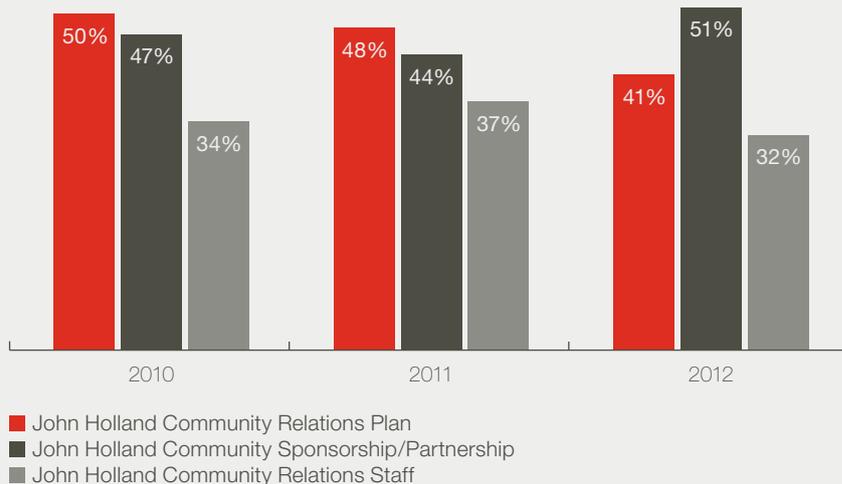


Community

During our 64 years of operation, our project teams and office staff have supported many hundreds of charities and provided countless hours and materials to create lasting amenities for communities across Australia. In 2012, we invested approximately \$376,000 in community projects.

We work with our customers to ensure projects being undertaken near local communities have community relations plans and are provided with community relations resources to lead engagement activities. In some cases these are provided by our customers and in others they are provided by ourselves. We review our active projects annually to track our community partnerships and investments against our targets. Not all projects will have specific community relations plans or staff as this is determined on a case-by-case basis.

JOHN HOLLAND PROJECT COMMUNITY ENGAGEMENT



CASE STUDY

Cessnock Correctional Centre

The Cessnock Correctional Centre project in NSW identified effective engagement with the local Aboriginal community as a key priority. The project team set about collaborating with local people and achieved an enviable overall participation rate.

The project's Aboriginal Participation Plan had initially nominated a target of 6 per cent participation by Aboriginal workers, with eight Aboriginal apprentices employed and 10 per cent of workers local to the Hunter Region. Through engaging with the local community the team was able to exceed all targets with a participation rate of 11 per cent, 15 apprentices and 48 per cent of the workers being locals.

Monthly Aboriginal Committee meetings were held throughout construction and all subcontractors on the project participated in the program. Barkuma, the local Aboriginal community centre, was especially grateful for the contribution made by John Holland as most of the opportunities created have led to additional employment since the project was completed. The project team also contributed labour and materials to construct a pergola and outdoor area at the Barkuma community house.

This program was the winner of the 2012 Sir John Holland Award for Community Engagement.

CASE STUDY

South Morang Rail

On the South Morang Rail Extension project in Victoria, a dedicated Communications and Community Relations (CCR) team worked tirelessly to generate community understanding and support for the project, to enable a compressed program to be achieved and leave a positive legacy.

Community considerations were embedded in construction planning and decision-making processes and the project team engaged the community through bus tours, commuter coffee mornings, information sessions and involvement in local activities.

Through a whole-of-alliance approach and a genuine commitment to achieving positive community outcomes, the project was not only completed 14 months ahead of schedule, but also attracted unsolicited praise and recognition for having set new industry standards.



Environment

John Holland is committed to being recognised by our employees, customers and other stakeholders as an industry leader in environmental management. Our approach is supported by our values of innovation, care and shared responsibility for positive environmental outcomes.

Our success is a result of the commitment and capabilities of our people, and having a sound environmental management system in place. The system enables the proactive identification and management of our risks and opportunities in all we do. It is through responsible designing, planning, procurement and construction practices that we are able to deliver sustainable solutions.

Over the 2012 period, there was a strong focus on key business processes such as the development of mandatory environmental standards, a structured training and development program, embedding health, safety and environmental behaviours, and improving our environmental reporting and continuous improvement process.

Looking forward, we intend to leverage the initiatives implemented on a number of our projects, making them business as usual. These include improving our procurement process of materials and suppliers, determining energy efficiency opportunities and better waste management.

John Holland continues to be an active member of the Green Building Council of Australia (GBCA), Infrastructure Sustainability Council of Australia (ISCA), Sustainable Built Environment National Research Centre (SBEnc) and a founding member of the Australian Supply Chain Sustainability School. We currently have 31 Green Star qualified staff members participating in the GBCA's continual professional development program and 8 staff members that have completed IS Foundation Training with the ISCA. We delivered three Green Star rated buildings in 2012. We are also contributing to the SBEnc's Program 1 – 'Greening the Built Environment'.

CASE STUDY

Cape Lambert Port B Phase A

This project involves the construction of a 921-metre-long jetty, 441-metre-long wharf and 18 berthing dolphins. The project faced a number of significant environmental challenges including working adjacent to and over a significant marine reserve known to be a whale and dolphin breeding area and the surrounding beaches being turtle nesting sites. In addition, the project is also located in an area of significant Indigenous archaeological value.

During the planning process for the project the WA Minister for Environment stipulated strict requirements for the project to proceed. The project has demonstrated excellent environmental management under these tight regulatory conditions and a challenging local environment. Innovations have been a key element of the project's success and they include:

- use of 'sponge blasting' as an alternative to garnet blasting when working over water to limit the risk of contamination entering the marine waters
- exclusion zones for turtles, whales and other marine life around the work area and management controls for piling and blasting works
- strict noise and dust control conditions for operations to prevent any material entering the marine waters
- control of invasive marine species through the assessment of each vessel that is used during the works.



Sustainability



We place economic prosperity, social wellbeing, the environment and corporate governance at the heart of our business strategy. We believe this will deliver long-term value for our company and increase employee engagement. Our approach also considers the expectations of our stakeholders and provides benefits to the markets and communities in which we operate.

Many of our sustainability objectives are fully embedded in our business strategy and articulated in our strategic priorities. We aim to incorporate the principles of sustainability into the full life cycle of our operations and procedures, from the initial design of our projects, through to the type of building materials used, our waste management procedures, strict governance and safety protocols and our engagement with the community.

As a strategic priority, our aim is for our sustainability approach to be fully embedded in our business to:

- produce strong and sustainable financial performance
- drive innovation
- deliver shared value for our business, our stakeholders and the environment
- be a key driver of employee engagement and customer satisfaction.

John Holland operates in a complex world with many competing influences and demands that can impact on our business and its success. We understand our relationships with our industry, the community and other stakeholders are crucial.

We are actively engaged in our industry through membership of various key forums and associations. Industry organisations we are part of and within which our people hold lead roles include:

- Australian Constructors Association
- Infrastructure Partnerships Australia
- Minerals Council of Australia
- Australian Petroleum Production and Exploration Association
- Infrastructure Sustainability Council of Australia
- The Committee for Economic Development of Australia (CEDA)
- Diversity Council Australia

Our Group Managing Director is the current President of the Australian Constructors Association and our Executive General Manager, Safety and Operational Support Services is a Board member of the Infrastructure Sustainability Council of Australia. Our Executive General Manager, Corporate Affairs sits on the Board of the Diversity Council Australia and is a member of the NSW advisory council of CEDA and the NSW Council for Women's Economic Opportunity.

We are committed to transparency through regular public reporting of our performance across key economic, environment, safety, social and governance metrics. The following section provides a snapshot of key data and Global Reporting Initiative (GRI) framework indicators for 2012.

Key area of concern: Economic	Results December 2012	Commentary
Balance sheet	Total revenue: \$3.1b* Work-in-hand: \$6.4b Gross cash: \$663m Total assets: \$1.6b Net assets: \$476m Operating cash flow: \$109m	As we look to 2013 and beyond we are focussed on building a sustainable business, with profit certainty. We have taken steps to improve our financial performance and our project delivery. We are focussed on leveraging our core competencies and being more selective about opportunities.
Five-year summary	Work-in-hand (\$m)	Revenue (\$m)
December 2012	6,412	3,135*
Six month period ended December 2011	6,933	1,705
Six month period ended June 2011	7,672	2,693
June 2010	5,307	2,483
June 2009	5,015	2,570
June 2008	4,738	1,768

* This figure excludes the Mining business which was transferred to Leighton Contractors. Mining revenue of \$333,787,000 was disclosed separately in the financial statements as revenue from discontinued operations at 31 December 2012.

Key area of concern: Social	Results December 2012	Commentary
Safety	John Holland Group <ul style="list-style-type: none"> • Fatalities: 0 • Total recordable injury frequency rate (TRIFR): 13.33 • Lost time injury frequency rate (LTIFR): 1.74 • Lost time injuries (LTI): 59.93 • Days lost to LTI: 397.05 Business streams (LTIFR/TRIFR) <ul style="list-style-type: none"> • Infrastructure: 1.49/13.26 • Energy & Resources: 1.79/8.35 • Transport Services: 2.6/18.2 	2012 saw an improvement in safety statistics. Key statistics include: <ul style="list-style-type: none"> • 0 fatalities • 27% decrease in TRIFR in 2012 • 23% decrease in LTIFR 2012

Key area of concern: Social	Results December 2012	Commentary
Employees	Total number of employees: 6,671	<ul style="list-style-type: none"> • Largest number of people are in NSW; WA and Qld are also major centres of employment. • Approximately 150 active projects at any one time. • We are operating in New Zealand, Asia, India and the Middle East to develop opportunities for new business internationally. • Employee numbers are some 10% lower than for the same time last year and nearly 20% lower than our peak in 2011. This decline is generally related to completion of the Airport Link project.
	Employment type: <ul style="list-style-type: none"> • Full time: 95.2% • Part time: 1.9% • Casual: 2.9% 	<ul style="list-style-type: none"> • Approximately 40% of our employees are workforce. • Nearly 300 (4.5%) of our employees are graduates, trainees or apprentices. • Females represented in all types.
	Gender: <ul style="list-style-type: none"> • Men: 84.5% • Women: 15.5% 	<ul style="list-style-type: none"> • More than 15% of employees are women—above the industry average. • Increase in women's participation from June 2011 (13%) to end of 2012 (15.5%).
	Turnover: <ul style="list-style-type: none"> • 16.5% 	<ul style="list-style-type: none"> • Turnover has slightly reduced (by 0.5%) from end 2011.
	Age: <ul style="list-style-type: none"> • 25 or under: 7.9% • 26–35: 31.7% • 36–45: 27.1% • 46–55: 20.4% • 56 or over: 12.9% 	<ul style="list-style-type: none"> • Majority of our employees are in the 25–35 age group and nearly 70% of all John Holland employees are under the age of 46.
	Indigenous: <ul style="list-style-type: none"> • 3.3% 	<ul style="list-style-type: none"> • The Indigenous participation rate target of 3% set for 2012 was achieved. • Over recent years, John Holland has been determined to raise awareness within the business with regard to Indigenous Australians. • More than 3% of our employees are Indigenous Australians. This is the highest level in the Leighton Group.

Energy

Key area of concern: Environmental	Results 2012		Results 2011		Commentary
	Gigajoules (GJ)	Emissions (t Co2-e)	Gigajoules (GJ)	Emissions (t-CO2-e)	
Direct Energy	3,404,886.80	247,564.60	6,904,010.80	3,404,886.80	139 project and non-project facilities were active in the 2011 calendar year period and 141 for the 2012 calendar year. For projects delivered as partnerships, the proportion of energy and emissions corresponding to John Holland's equity share of the project is reported.
Electricity	59,338.0	16,326.7	121,377.6	34,669.5	
Diesel	3,269,768.6	226,791.0	6,625,709.2	458,002.0	
Biodiesel	213.2	0	3,722.7	5.4	
Unleaded	39,138.3	2,702.6	66,306.7	4,589.3	
Jet A1	371.4	28.8	623.7	48.3	
LPG	1,417.0	84.9	1,966.0	117.8	
Ethanol Blend	12,641.1	849.2	31,922.4	2,155.9	
Oil	6,524.1	33.7	26,087.0	203.2	
Grease	901.9	3.5	1,395.1	5.3	
Solvents	485.4	10.1	776.9	13.1	
Natural Gas	14,301.0	734.1	24,123.5	1,238.3	

Water

Key area of concern: Environmental	Potable water (KL)	Non-potable water (KL)	Total water (KL)
Total water withdrawn by source 2012	775,497.85	243,169.85	1,018,667.70
Total water withdrawn by source 2011	731,125.06	523,270.33	1,254,395.39

Waste

Key area of concern: Environmental	Total tonnes disposed 2012	Total tonnes recycled 2012	Total tonnes disposed 2011	Total tonnes recycled 2011
Totals	67,835	155,096	95,847	266,962
Asphalt	33	841	12	4,685
Co-mingled recyclables	0	305	0	0
Concrete	1,387	20,807	2,175	37,684
Fill/soil	41,479	93,740	57,553	201,354
General waste	22,016	22,326	27,594	3,651
Glass	1	3	0	1
Hazardous/prescribed/classified	2,085	20	6,789	5
Liquid waste	716	1,158	1,271	579
Metals	24	9,164	12	11,754
Oil & lubricants	73	156	11	214
Paper/cardboard	1	882	2	132
Plastic	1	367	0	63
Solvents	0	0	1	0
Timber/wood	19	5,276	427	6,840
Tyres	0	51	0	0

Fines

Key area of concern: Environmental	2012 Monetary value of fines associated with Class 1 or Class 2 incidents	2012 Number of non-monetary sanctions/cases brought through dispute resolution mechanisms	2011 Monetary value of fines associated with Class 1 or Class 2 incidents	2011 Number of non-monetary sanctions/cases brought through dispute resolution mechanisms
Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	\$16,000 (\$14,500 incurred by John Holland)	1	\$33,000 (\$19,500 incurred by John Holland)	0

There were no Class 1 incidents reported during the 2012 calendar year. During the reporting period John Holland received a total of ten infringements associated with Class 2 incidents. Of these infringement notices, five were issued on the Thiess/John Holland Joint Venture on the Airport Link Project. Two were issued on the Leighton Offshore/John Holland Joint Venture in Singapore. In these cases, the monetary penalty was split between the joint venture partners on the basis of equity. One Environmental Protection Order (with no monetary penalty) was issued on the John Holland Aviation site at Tullamarine in Melbourne.

Spills

Key area of concern: Environmental	Project name	Location	Volume	Material	Result
Total numbers and volume of significant spills	Ericsson NBN Fixed Wireless Rollout Project	Maitland, NSW	10,000–15,000 L	Sediment-laden water	In the process of dewatering, a sediment basin a pump was allowed to pump sediment-laden water. There was no ongoing impact to the receiving waters.
	Sydney Opera House Loading Dock – VAPS Project	Sydney, NSW	Minor	Cement material	Installation of a cement plug. There was no ongoing impact to the receiving waters.
	John Holland Aviation Services Office, Victoria	Tullamarine, Vic	Minor	Firefighting foam	Accidental release of firefighting foam from hangar.
	Network Integration Ancillary Works (NIAW)	Adelaide, SA	706,000 L	Sediment-laden water	High pressure water released from water pipe under maintenance. There was no ongoing impact to the receiving waters.
	Gladstone LNG Materials Offloading Facility	Gladstone, Qld	600,000 L	Turbid seawater	Release of waters from dewatering bund. There was no ongoing impact to the receiving waters.
	Gladstone LNG Materials Offloading Facility	Gladstone, Qld	200,000 L	Turbid seawater	Release of waters from dewatering bund. There was no ongoing impact to the receiving waters.
	Grain Lines Resleepering	Wongan Hills, WA	900 L	Diesel	Diesel leak to ground as a result of a single vehicle accident. No ongoing impact to the environment. The contaminated soil was removed from site and disposed of at a licensed landfill.

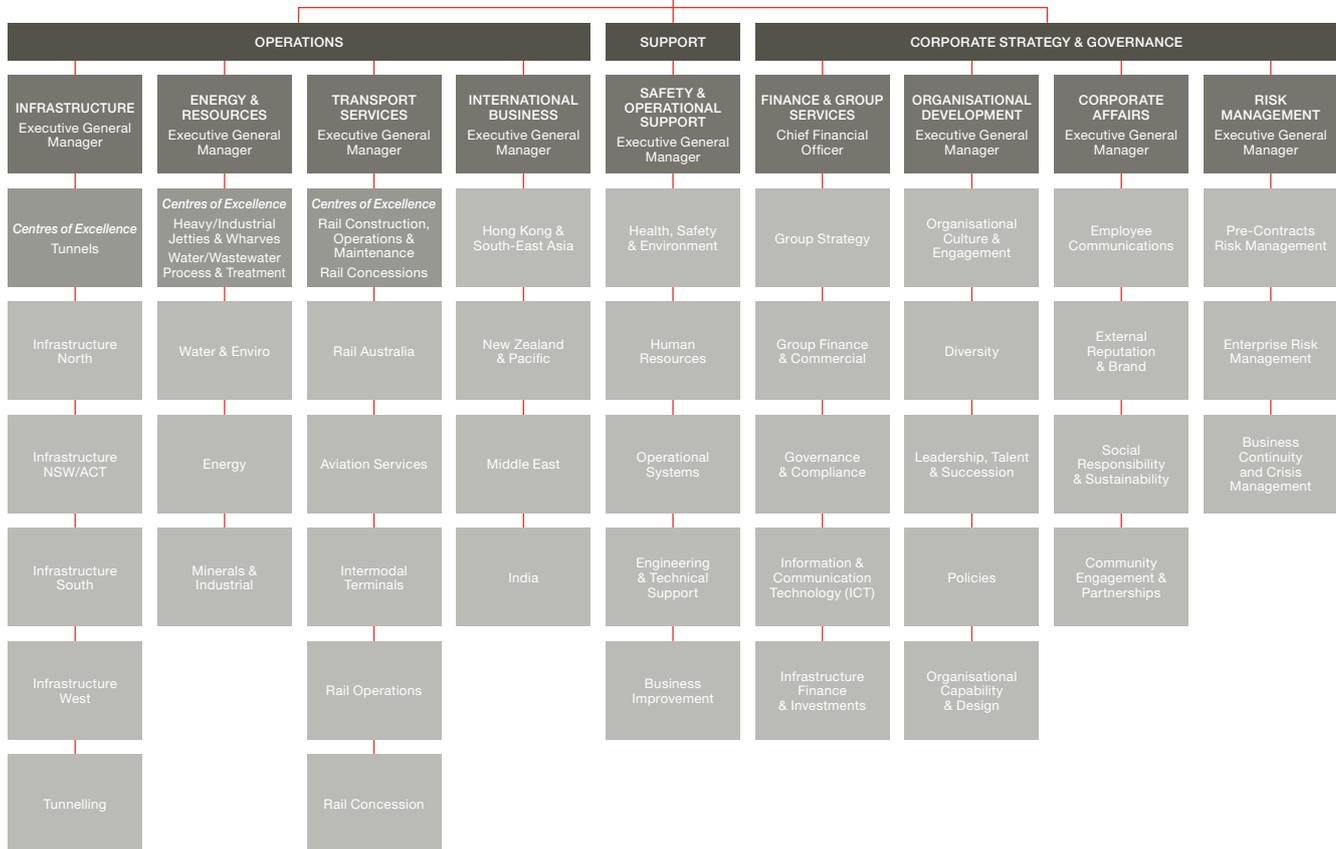
Key area of concern: Social	Results December 2012	Commentary
Community	<p>Of the 84 projects evaluated:</p> <ul style="list-style-type: none"> • 35 had a community relations plan (41%) • 27 had community relations staff (32%) • 43 had a community partnership/ sponsorship arrangement (51%) <p>Approximately \$376,000 has been invested in community projects in 2012.</p>	<p>Projects being undertaken near local communities are provided with resources as a first step towards ensuring we are equipped to deal with managing community impacts. We have assessed the percentage of current projects with community or stakeholder relations plans and the number with community or stakeholder relations employees.</p> <p>To measure our community benefit activities, we have assessed the percentage of projects with an identified community partner or local sponsorship and the approximate value of our investments in this area.</p>

Key area of concern: Governance	Results December 2012	Commentary
Ethics	Four meetings of the John Holland Ethics Committee were held in the year.	The John Holland Ethics Committee was formed in 2006. The Chairman of the committee is the Group Managing Director, and the members are the Chief Financial Officer, Group Legal Counsel, and two Executive General Managers.
	An independent contractor was engaged to conduct a review of compliance with the John Holland Code of Ethics on four projects, and at one depot and one business unit office.	Each year from 2008, the Ethics Committee has engaged an independent contractor to undertake a review of compliance with the John Holland Code of Ethics and identify the potential for fraudulent and non-ethical behaviour on projects and in business unit offices. This review includes an interview with staff on projects and in business unit offices to gauge compliance with and awareness of the code.
	Twelve allegations of non-compliance were investigated. These included alleged conflicts of interest, improper behaviour, subcontractor tender price collusion, subcontractor work at private residence/s, and bullying and harassment.	During the period, the John Holland Ethics Committee was informed of 12 allegations of practices that do not comply with the John Holland Code of Ethics. All matters reported were finalised by the Ethics Committee following an independent and or external investigation which, in some instances, resulted in the termination of staff.
Public policy	John Holland maintained a policy of conducting bipartisan relationships across governments at local, state and federal levels.	John Holland is committed to developing open, transparent and bipartisan relationships with members of parliament at the local, state and federal level, along with members of their staff, departmental officials and political parties. This reflects the impact that public policy can have on our business. We report annually on government engagement activity and have strict guidelines relating to the engagement and disclosure of lobbying activities. No success fees are paid to lobbyists and John Holland does not make any donations to political parties or causes.
	John Holland is an active participant in numerous industry associations.	As above
	Security, access and storage protocols are established and implemented by tender teams. Confidentiality agreements are signed by all staff involved in any way in tenders requiring compliance with confidentiality and probity provisions.	Procedures that uphold the requirements for security, probity, competition and consumer law and trade practices compliance and confidentiality processes must be followed in the preparation of tenders by all business units in John Holland.

Organisational Chart



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Group Managing Director



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If you have any questions or comments about this review, please do not hesitate to send them to corporate.affairs@jhg.com.au.

John Holland has taken all reasonable care in preparing this Annual Review 2012 (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 costs, 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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Design: 3-degrees.com.au

