



celebrating our heritage  
embracing change  
looking to the future

annual review | 2013



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◀ *IMAGE*  
Palmerston to  
George Town OPGW  
Tasmania



view our annual review online

A full version of our Annual Review  
is available online at:  
[johnholland.com.au/annualreview2013/](http://johnholland.com.au/annualreview2013/)

For more information, you can visit:  
[johnholland.com.au](http://johnholland.com.au)

# advisory board chairman's message

**JANET HOLMES À COURT AC**  
Advisory Board Chairman



I am delighted to introduce John Holland's 2013 Annual Review. It is with great pleasure that I reflect on the year that was and acknowledge the outstanding achievements in safety as well as the continued demonstration of innovation and technical excellence in the delivery of some of Australia's most outstanding buildings and infrastructure.

Our strong financial result in 2013 was highlighted by record revenue of \$4.78b, work in hand of \$5.53b and a solid profit performance. This all demonstrates our focus on delivering shareholder value. However, the dynamic and complex nature of infrastructure markets means that we constantly need to evolve to meet the changing needs and preferences of our customers.

The year in review was characterised by a significant redesign of the organisation to deliver benefits to our customers through operational efficiency and cost savings. This also allows streamlining of decision making to better respond to our customers' needs. As always, we rely on our values of integrity, innovation, collaboration, accountability and care to guide our decisions as we navigate our way towards our vision of transforming the industry through leadership.

## SAFETY

Safety is, and will always be, John Holland's primary objective. It is one I am deeply committed to upholding. In 2012, the organisation galvanised its commitment

to safety, I am pleased that our focus on achieving our vision in this regard has delivered outstanding results in 2013. Our Global Mandatory Requirements, coupled with the activities of the Executive Safety Leadership Team and an unprecedented emphasis on critical risk identification has resulted in a significant improvement in our safety performance. In 2013, our total recordable injury frequency rate (TRIFR) was 12.16, down from 13.33 in the previous year. Also, our lost time injury frequency rate (LTIFR) was 1.68, down from 1.74 in 2012. While the improvement is pleasing, we are never complacent about safety. Our determination to realise our vision—to know everyone will return home safely every day—is resolute.

## DIVERSITY

Diversity is another priority that I value. I am pleased that John Holland continues to show leadership in female participation. Spanning senior management, engineering and technical as well as women in trades and administrative functions, the percentage of female participation in 2013 was over 16%. This continues to be well above the construction industry average of around 12%. We are on track to realise our goal of having a female participation rate of 20% by the end of 2015.

Our diversity and inclusion platform also places a strong emphasis on involvement with Aboriginal Australians and their communities. We continue to make good progress in this regard. The Aboriginal participation rate in 2013 was 4%, steadily increasing to our target of 5%.

## COMMUNITY

I am proud that our commitment to the wellbeing of communities was again strongly demonstrated in 2013. During the year, 60% of all John Holland projects invested in the communities in which they operated, leaving a legacy that makes a positive contribution to the social fabric of the community. This was up from 51% the previous year.

The value of our community investment in 2013 was approximately \$1.13m, made up of corporate or commercial sponsorships, charitable donations and in-kind contributions.

## GOVERNANCE

In 2013, we sharpened our focus on corporate governance through the implementation of an internal audit structure that was auspiced by our parent company, Leighton Holdings. We also adopted a new Code of Business Conduct.

The ethical conduct of all our employees is fundamental to our success and business sustainability, and appropriately, extensive training was undertaken throughout the year.

## OUR FUTURE FOCUS

I am very optimistic about the future for John Holland. Building on our core competencies, and augmented by our specialist capabilities, we are well positioned to continue to expand our offerings in existing and new markets. The depth of our expertise, talent and innovation are vital ingredients of what we provide to our customers. I look forward to John Holland demonstrating great leadership in shaping the built environment well into the future. ■



IMAGE ►  
University of Tasmania  
Medical Sciences Precinct  
Tasmania

# group managing director's message

**GLENN PALIN**

Group Managing Director



**Last year was a pivotal year for John Holland. We delivered solid financial results and drove significant change in the business to become a more agile and efficient organisation. The underlying principle has been to ensure that we deliver strong and reliable results while positioning the business for sustainable growth for decades to come.**

In order to maintain our focus on core competencies, we transferred both our Communications and Mining business units to Leighton Contractors in early 2013.

Also during the year, following the acquisition by Leighton Holdings of selected construction contracts and plant and equipment from Macmahon Holdings Ltd (Macmahon), John Holland took control of eight Macmahon projects and integrated some 600 Macmahon employees into our organisation.

We continued to win and deliver a variety of major projects across Australia, both in our own right and in collaboration with other members of the broader Leighton Holdings Group, including the \$1.15b tunnelling and civil contract for the North West Rail project in Sydney. Internationally, we continued to deliver our specialist capabilities via local partnerships in Hong Kong and Singapore, and continued our joint venture partnership with Fulton Hogan in New Zealand.

Critical to our ongoing success was our transformation program to increase our efficiency and become a more agile organisation. The program built on the strengths of our business in order to derive the best results for our people, customers and shareholders.

With this in mind, we continued our focus on improving performance management systems to link reward and performance more closely. We undertook ongoing and substantial work to streamline procedures, with the aim of freeing up critical time for our people and providing greater consistency in how we work. The business also worked to refine the project management reporting framework, resulting in improved visibility and risk management.

In order to streamline our business further, better connect senior management to our projects, and ensure we deliver a competitive offering to the market, we implemented an organisational restructure, transitioning from four operational streams to three: Infrastructure, Specialist Engineering and Transport Services.

To better engage with this new structure, our operational and corporate support areas have been aligned with the revised business streams.

In 2013, our unrelenting focus on safety continued. While we achieved an improvement in our safety statistics, demonstrated by our

declining injury rates and a reduction in the number of serious incidents, we have remained vigilant in the pursuit of our vision for safety; to know everyone working with the business will return home safely every day.

We completed a diagnostic of safety across the organisation, critically evaluating our approach and identifying barriers to safety success along with opportunities for improvement. These results form part of our evidence-based approach to improving safety and have helped to shape our strategic safety priorities for 2014 to 2016.

During 2013, we continued to focus on sustainability. Given our proximity to diverse communities throughout Australia and beyond, and our direct contact with stakeholders, we know first-hand the importance of governance, transparency and engagement.

We have undertaken regular public reporting of our performance across key economic, environment, safety, social and governance metrics, providing key data and Global Reporting Initiative framework indicators for 2013.

Looking forward, we will continue with our efforts to improve efficiency. Leighton Holdings' 'stabilise, rebase and grow' strategy continues to underpin the John Holland strategic plan.

We will continue to transform our business to be able to respond to and lead within an increasingly complex and dynamic external environment. Our commitment to evolving our culture and building on the significant work undertaken in recent years on our mission, vision and values means we will stay focused on innovation and driving high performance.

Encouragingly, John Holland is positioned well to capture opportunities from the projected growth in the Australian traditional infrastructure market and we are buoyed by the confidence that we have an enviable record for delivering large and complex projects in this arena.

Along with delivering our industry-leading competencies in Infrastructure, Specialist Engineering and Transport Services to customers in Australia, we will also continue to work with our international partners to deliver our Centres of Excellence to customers abroad.

Ultimately, we will continue to focus on delivering the fundamentals safely and effectively, seeking productivity gains and ensuring our contribution to the broader Leighton Group. ■



**IMAGE ▶**  
Coolumboola to Wandoan  
South Transmission Line  
Queensland



## who we are

**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 and the Middle East.**

For more than 65 years, John Holland has shaped the landscape of many communities. Our reputation for building iconic infrastructure both in Australia and internationally puts us at the forefront of our industry. Our expertise in complex building, civil construction and technical engineering is the essence of our business. 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.

*IMAGE ▲*  
Perth Children's Hospital  
Western Australia

We have developed a suite of specialist capabilities that define our brand, and that have been the platform for our growth over the last decade. Our competitive advantage has been built by our industry-leading specialist experience in tunnelling; water, wastewater and enviro; heavy jetties and wharves; power transmission; rail construction, maintenance and operations, and rail concessions.

Above all, the company has an unwavering commitment to safety: to know everyone returns home safely every day.

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

## our mission, vision and 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, and by 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. ■

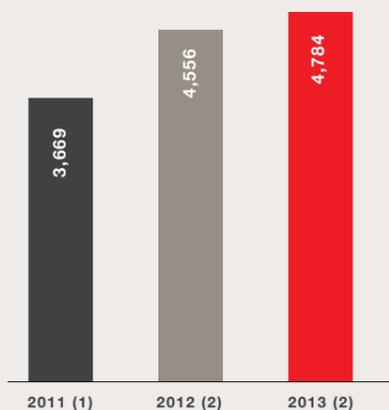
# highlights

As at 31 December 2013, John Holland had 5,794 employees working at offices and project sites mainly across Australia, New Zealand and Asia. The total revenue earned during 2013 was \$4,784 million.

## FINANCIAL

### REVENUE

(\$m)



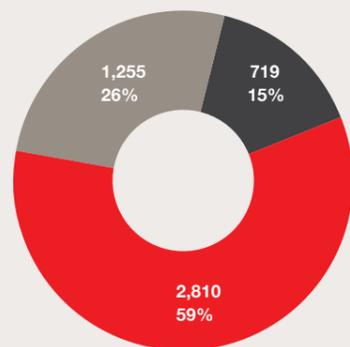
Note on the charts: Revenue includes amounts in respect of John Holland Group Pty Ltd's (JHG) share of revenue from joint arrangements (both proportionately consolidated joint operations and equity accounted joint ventures) and equity accounted associates.

(1) Revenue is for the 12 months ended 30 June.

(2) Revenue is for the 12 months ended 31 December (reflecting JHG changing its financial year end from 30 June to 31 December – as a result, JHG had a shorter, six month transitional financial year from 1 July 2011 to 31 December 2011 (not detailed in the table) before reverting to a 12 month financial year on 1 January 2012).

### REVENUE BY STREAM

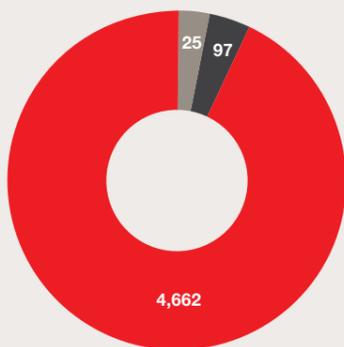
(\$m)



■ INFRASTRUCTURE  
■ TRANSPORT SERVICES  
■ SPECIALIST ENGINEERING

### REVENUE BY GEOGRAPHY

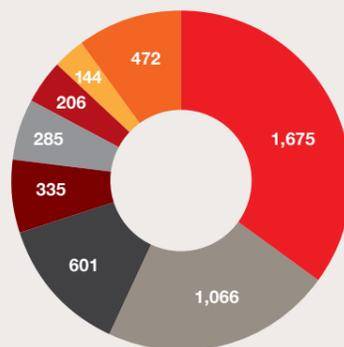
(\$m)



■ AUSTRALIA  
■ NEW ZEALAND & PACIFIC  
■ ASIA

### REVENUE BY MARKET SECTOR

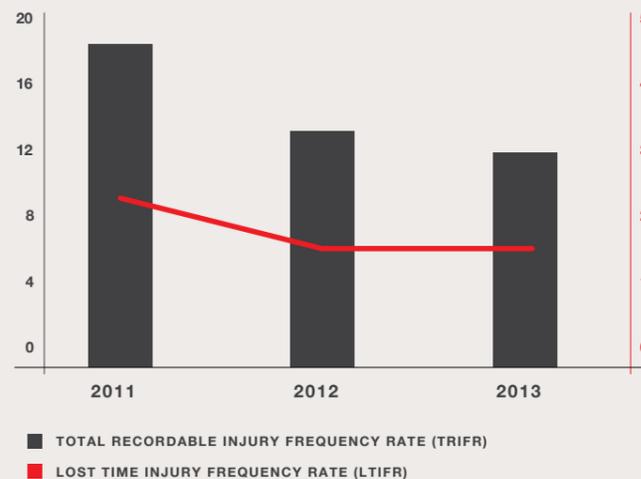
(\$m)



■ RAIL  
■ OIL & GAS  
■ RESOURCES  
■ HEALTH  
■ WATER & WASTE WATER  
■ DEFENCE  
■ OTHER

## SAFETY

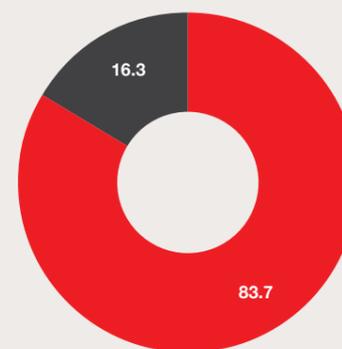
### INJURY FREQUENCY RATES



## PEOPLE & CULTURE

### EMPLOYEE GENDER

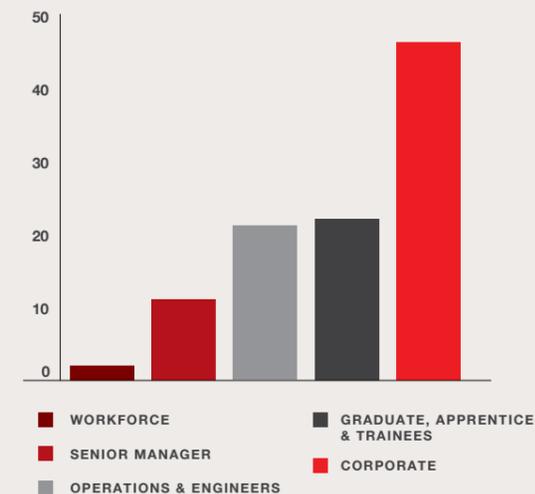
(% total employees)



■ MALE  
■ FEMALE

### FEMALE PARTICIPATION

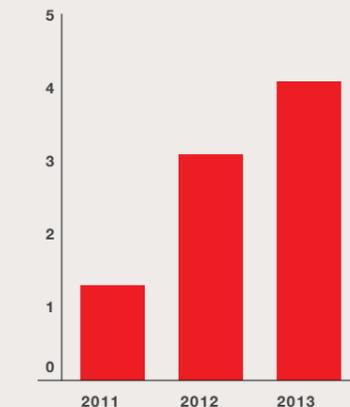
(% female employees within job category)



■ WORKFORCE  
■ SENIOR MANAGER  
■ OPERATIONS & ENGINEERS  
■ GRADUATE, APPRENTICES & TRAINEES  
■ CORPORATE

### INDIGENOUS PARTICIPATION

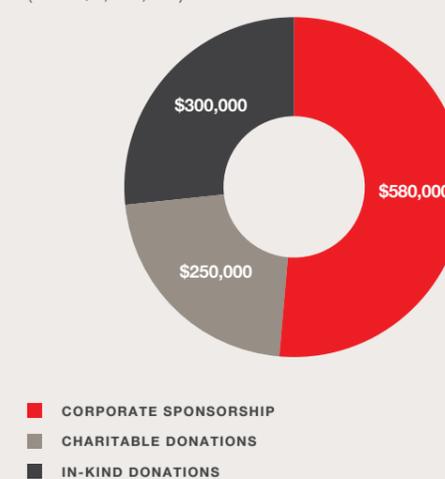
(% total employees)



## COMMUNITY

### INVESTMENT

(Total: \$1,130,000)

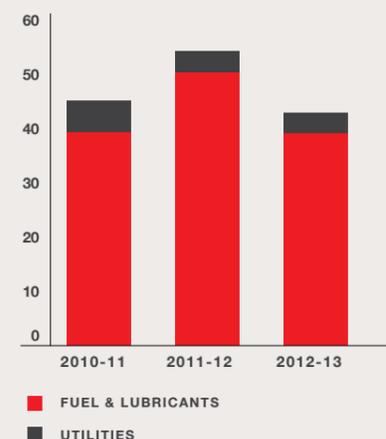


■ CORPORATE SPONSORSHIP  
■ CHARITABLE DONATIONS  
■ IN-KIND DONATIONS

## ENVIRONMENTAL

### GREENHOUSE GAS EMISSIONS

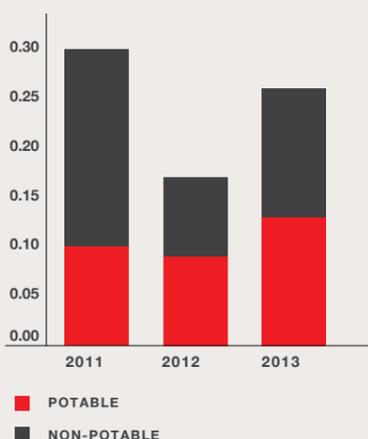
(kg CO<sub>2</sub>-e / \$)



■ FUEL & LUBRICANTS  
■ UTILITIES

### WATER USE

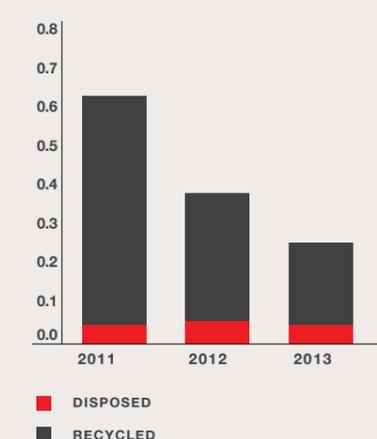
(litres / \$)



■ POTABLE  
■ NON-POTABLE

### WASTE & RECYCLING

(kg / \$)



■ DISPOSED  
■ RECYCLED

infrastructure





# infrastructure



**CHRIS EVANS**  
Executive General Manager, Infrastructure

A strong internal collaboration model enables John Holland to complement the core competencies within the Infrastructure stream with the specialist engineering capabilities of the wider Group, creating value for our customers.

The Infrastructure stream is at the core of John Holland's business and successfully delivers projects across Australia in a broad range of markets and sectors including defence, health, education, non-process infrastructure, roads and bridges, transport and social infrastructure, civil earthworks and structures. A strong internal collaboration model enables John Holland to complement the core competencies within the Infrastructure stream with the specialist engineering capabilities of the wider Group, creating value for our customers.

As at December 2013, the Infrastructure stream generated \$2,810m in revenue (2012: \$2,270m), contributing 59% of the total Group revenue. Work in hand stood at \$2,915m (2012: \$2,835m), contributing 53% of the total Group work in hand.

*IMAGE  
PREVIOUS PAGE*  
Enlarged Cotter Dam  
Australian Capital  
Territory

*IMAGE* ◀  
Sydney Opera House  
New South Wales

# celebrating achievements

**In 2013, we maintained our enviable record of delivering, and being awarded, high-profile projects in a broad range of sectors and markets across Australia. From new rail and road infrastructure to significant projects in the health, education and resources arenas, our Infrastructure stream continues to perform strongly in all states and territories.**

Our national infrastructure capability is showcased in the Australian Capital Territory where we delivered a program of works for ACTEW Water as a construction partner in the Bulk Water Alliance. Valued at approximately \$600m, the program consists of four separate projects: the enlarged Cotter Dam, construction of the Murrumbidgee to Googong Water Transfer Pipeline, upgrade of the Googong Dam Spillway, and new pumping facilities at the Murrumbidgee River. Construction of Cotter Dam was completed in October 2013, increasing the ACT water storage capacity by 35%, and securing the water supply for the ACT and surrounding regions in the future.

This project earned four industry accolades: the Engineering Excellence Award from Engineers Australia (Canberra Division), a Highly Commended Award at the recent 2013 Awards for Excellence in Concrete, the Environmental Excellence Award from the International Erosion Control Association, and the Australian Water Association's National Program Innovation Award.

In 2013, we also continued our work on one of the most iconic buildings in Australia. John Holland is responsible for the excavation and construction of the new underground loading dock and upgrade of the forecourt roadway as part of the Vehicle Access and Pedestrian Safety project for the Sydney Opera House Trust. Valued at just over \$100m, this contract forms part

of the overall \$152m upgrade of the Sydney Opera House, and is the most significant work undertaken at the Opera House since its opening in 1973. Both the Infrastructure and Specialist Engineering streams are justifiably proud of this complex undertaking. John Holland's expertise in tunnelling and civil building has delivered the work in line with world heritage listing sensitivities while minimising disruption to performances, events and the more than eight million people who visit the Opera House each year. ■

# year in review

## defence

**John Holland's relationship with the Department of Defence has grown over 40 years, strengthened by our proven ability to undertake complex and challenging building and engineering works on live, fully operational Defence bases, on time and on budget, without disrupting critical activities and services.**

In 2013, John Holland won the contract to deliver the \$112m Robertson Barracks Defence Logistics Transformation Program (DLTP) Works Package 4 in the Northern

Territory. During the year, we continued to deliver works for the DLTP program in New South Wales and the \$800m Enhanced Land Force (ELF) 2B facility in Brisbane, the largest standalone building project in Defence's history. Successfully operating on a large, fully functioning military base demonstrates our ability to plan and deliver complex outcomes in an uncompromising, operational military environment. ■

**IMAGE ▶**  
Enhanced Land Force Stage 2B  
Queensland





## INFRASTRUCTURE

### health

In the health sector, we are a leading contractor in the planning, design and development of hospitals, as demonstrated by our appointment as managing contractor on the \$1.2b Perth Children's Hospital. This landmark project represents the largest building project John Holland has undertaken in Australia.

Construction began in January 2012 and is due for completion in 2015. A particular feature of our work on this project is our use of Building Information Modelling (BIM) techniques where we produce 3D designs integrating key information such as the construction program and equipment specifications into the models. BIM provides a platform to minimise customer costs during construction and operational phases.

Our work on Perth Children's Hospital follows our successful delivery of the upgrade of the Joondalup Health Campus also in Western Australia for Ramsay Health. Joondalup was delivered ahead of schedule with minimal disruption to staff, patients and visitors.

Also completed during the year, and also in Western Australia, the 21,000m<sup>2</sup> Albany Health Campus was built over four levels and includes an Emergency Department, Inpatient and Community Mental Health Units, Cancer Centre, Surgical and Medical Inpatient Units, Pathology and Clinical Support areas. A significant initiative associated with the project was the focus on reducing the amount of waste material accumulated during the demolition phases. As a result, demolished materials from the existing hospital site were either reused or sold in order to reduce the amount of waste destined for landfill.

Our leadership in this regard is also reflected in our work on Ramsay Health's Sunshine Coast University Private Hospital in Queensland, completed in September 2013, and the initial planning phase for the Royal Hobart Hospital, which was awarded by the Tasmanian Department of Health and Human Services. ■

### education

In the education sector, John Holland is head contractor for the construction of the new \$180m flagship home for the University of Sydney Business School. This contract award further recognises our position as a leading provider of educational facilities in Australia. Located in the inner-city district of Darlington, the new precinct will be integrated into the local community and will contribute to the revitalisation of this area when construction is completed.

A notable feature of our team is that one third of our onsite team is female, and our first female apprentice signed on during the year. Construction is expected to be completed in early 2015. Building in an urban area requires us to be proactive in our community engagement and environmental management. From the start of this project, our team has anticipated community concerns and needs, designing construction methodologies to minimise community and environmental impacts. We have actively sought stakeholder feedback and have strived to achieve high satisfaction ratings in the communities in which we work.

The Queensland University of Technology Creative Industries Precinct Stage 2 will provide a state-of-the-art facility for teaching and research in the visual and performing arts. Currently, creative arts disciplines are spread throughout the University's Kelvin Grove Campus in Brisbane. On completion in 2015, the Stage 2 facilities will include a myriad of specialist teaching and performance venues from dance, drama and music to sound recording studios, and visual art and design.

In Tasmania, in partnership with local construction company Fairbrother, we have successfully delivered two medical buildings for the University of Tasmania's Medical Science Precinct. These buildings are now iconic structures in their own right in the Hobart central business district. The partnership also delivered the Institute for Marine and Antarctic Studies project, earning the Green Building Council Australia's 5-star rating for environmental excellence. ■

IMAGE ◀  
Perth Children's Hospital  
Western Australia

## non-process infrastructure

**Our work delivering non-process infrastructure on high-profile projects in the oil and gas sector such as Gorgon and Wheatstone is extremely challenging both in terms of the delivery expectations of our customers and the physical environment.**

The project on Barrow Island in Western Australia for Chevron's Gorgon Project involves delivery of essential infrastructure in the buildings, operations and administration areas, including the construction of the operations centre and the associated laboratory. Strict quarantine and environmental requirements are in place to protect the A-class nature reserve. On Wheatstone, we were engaged to deliver both the permanent operations buildings as well as the construction camp.

These projects are being delivered in one of the most remote areas in Australia and underscore the commitment and tenacity of our people to deliver under challenging circumstances.

In the Northern Territory, we have been heavily involved in the INPEX-managed Ichthys LNG project, delivering the main civil works during the initial stages. The civil contract is the biggest earthworks project undertaken in the Northern Territory, and represents a new benchmark for the size and complexity in the Territory. The contract reflects John Holland's strategy of aligning closely with major EPC (engineering, procurement and construction) contractors in the oil and gas sector to offer reliable contracting solutions. ■

IMAGE ▼  
Urban Superway  
South Australia

## roads and bridges

**Our Infrastructure stream celebrated significant achievements in Western Australia in 2013, despite a changeable and challenging market.**

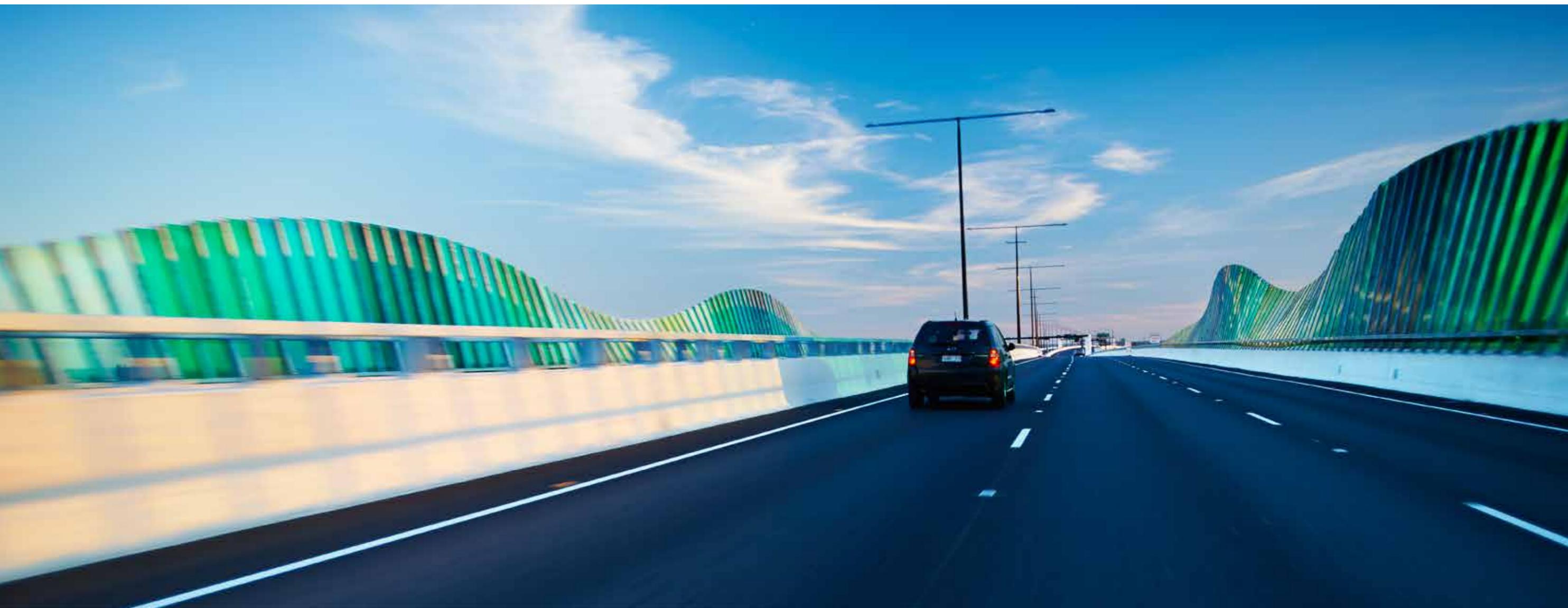
The mining boom in the state's north west continues to drive substantial growth in and around the town of Port Hedland. During 2014, we expect to complete the \$260m Great Northern Highway Realignment project which will deliver improvements in road safety, reduce congestion, and improve access around the harbour and industrial areas.

In South Australia, the South Road Superway is both an engineering achievement for John Holland and an enabling infrastructure project for the community. While major works on the southbound carriageway are complete, future work on Superway will see an improved corridor through and within metropolitan Adelaide, providing stronger connectivity for

the community. This substantially completed project represents one of South Australia's most complex engineering road construction projects to date.

In Queensland, John Holland was contracted to rebuild Brisbane's Riverwalk. Some 3,000 people used this walkway daily before it was washed away in the devastating 2011 floods. The \$72m works are due for completion in mid-2014.

Further north, in Central Queensland, John Holland secured the Yeppen South project in late 2013 to construct an elevated crossing of the Yeppen floodplain. Our success in winning this project was based largely on our extensive experience in similar projects around the country. Our approach to precasting and direct delivery of some of the in situ works demonstrated the commitment to innovation that is inherent in so many of our projects. ■



## transport infrastructure

**Our footprint in New South Wales is strengthening with major infrastructure projects on the horizon, particularly in the transport infrastructure sector. Utilising our civil and building capability, and drawing on rail, tunnelling and other specialist capabilities from Specialist Engineering and Transport Services streams, we are well placed to capitalise on these opportunities and provide a depth of expertise to better meet the needs of our customers.**

We are on course to deliver the South West Rail Link six months ahead of schedule. The new twin-track passenger rail line from Glenfield to Leppington via Edmondson Park in Sydney's south west, features two new stations at Edmondson Park and Leppington. In a highly competitive transport infrastructure market, we have demonstrated our leadership in professional management of the environmental and community impacts of this project, and in our ongoing commitment to partnering with the community in the delivery of legacy projects.

The North West Rail Link, the largest public transport project currently underway in Sydney, is another complex infrastructure project with both rail and tunnelling components. John Holland will play a significant role in the project as part of a joint venture to construct 15 km tunnels (the longest rail tunnels ever built in Australia) and excavate new underground stations. The project also includes the excavation and civil works for five of the eight new stations and two service facilities.

In Western Australia, in the Perth area, our work has been truly transformational. We were involved in the first stages of the Perth City Link project that involved sinking the Fremantle Rail Line to help reconnect the CBD with the Northbridge entertainment precinct. The underground tunnelling work completed beneath the historic Horseshoe Bridge is a remarkable technical achievement.

In Victoria, the Victorian Government introduced a number of grade separations to free up blockages caused by road/rail interfaces, thereby improving traffic flow and productivity. Our work on the fast-tracked grade separation

and station construction for the Springvale Road Rail Alliance, and our extension of the rail line at South Morang, led to a further win on the Mitcham and Rooks Roads Grade Separation project in 2013. This project highlights our ability to operate in live environments, to build good relationships with customers, to adhere to tight schedules and to develop strong logistical planning solutions. Our work on the Regional Rail Network dealt with similar challenges related to complex rail infrastructure. ■

## other social infrastructure

**The \$232m Eastern Goldfields Regional Prison project involves construction of a new state-of-the-art 350-bed prison at Kalgoorlie that will cater for prisoners of both genders across all security ratings. In a first for the region, the new prison will be designed to engage Aboriginal prisoners in culturally appropriate programs and courses. We expect to complete the project for the Western Australian Department of Treasury and Finance in 2015.**

In 2013, John Holland was appointed head contractor for the Newcastle Court House project. The new \$94m courthouse facility will provide the largest and most technologically advanced New South Wales court complex outside Sydney, and encompasses a seven-storey 12,000m<sup>2</sup> building with 10 courtrooms and two tribunal rooms. An environmentally responsible design will reduce the carbon footprint of the building.

In Melbourne, work is underway on the high-profile renovation of the state-of-the-art State Coronial Services Centre at Southbank, expanding and refurbishing the existing facilities while ensuring all critical functions of the centre remain operational during the construction. ■

# future focus

**Health and defence remain a strategic focus and we will continue to build on our discrete expertise in these areas, delivering it more efficiently across the country. Public transport—a key to the future sustainability of communities—will form a major component of our infrastructure market across the eastern seaboard and into Western Australia. Our delivery of the current extension of the Inner West Light Rail Extension in Sydney also puts us in a strong position to capitalise on developments in this market nationwide.**

Our drive for using innovative technology to deliver on customer and industry demand and will put us at the forefront of the markets in which we operate. In the building, civil and engineering markets, we are examining the use of new high-strength, lightweight materials and we expect to see prefabrication and modularisation becoming increasingly important to the efficient delivery of infrastructure.

We continue to strive for an outstanding safety record. Notable successes in 2013 followed an increasingly active involvement of the leadership team, with strong results delivered across the business.

Work in Singapore and Hong Kong has facilitated our entry into strong markets with Leighton Asia India and Offshore (LAIO). It also speaks volumes about how our highly committed team, drawing on specialist capabilities from other areas of the business, has the ability to expand our horizons.

In the future, we expect to continue supporting the success of the Leighton Group in Asia as we use our defined skills within the broader engineering and building market to assist with market access and the securing of quality prospects. ■

IMAGE ▼  
Joondalup  
Health Campus  
Western Australia



specialist  
engineering





# specialist engineering

## **BRENDAN PETERSEN**

Executive General Manager, Specialist Engineering



**The Specialist Engineering stream is John Holland's portfolio of specialist capabilities. The stream boasts a proven track record of delivering complex process and engineering projects in a diverse range of market sectors in Australia, New Zealand, Hong Kong and Singapore.**

In 2013, the changing capital investment cycle in the Australian energy and mining sectors prompted a review of the previous Energy and Resources stream. This strategic review led to the formation of the new Specialist Engineering stream - a consolidation of the former Energy and Resources business units Water and Enviro, Energy, and Minerals and Industrial businesses which, together with the Tunnelling business, form a new portfolio of all specialist capabilities in one business stream.

As at December 2013, Specialist Engineering generated \$719m in revenue, contributing 15% of the total Group revenue. Work in hand stood at \$413m, contributing 7% of total Group work in hand.

*IMAGE ◀  
& PREVIOUS PAGE*  
Cape Lambert  
Marine Works  
Western Australia

## celebrating achievements

Our highlight for 2013 was the outstanding improvement in our safety performance. An unprecedented focus on critical risk identification and the implementation of our Global Mandatory Requirements contributed to a 40% reduction in high-potential incidents, a 35% reduction in lost time injury frequency rate (LTIFR) and a 20% reduction in total recordable injury frequency rate (TRIFR). This excellent outcome was the result of strong leadership from all senior leaders, and robust accountability driven by our project teams.

In 2013, Specialist Engineering achieved recognition within the Leighton Group by being selected to host three Centres of Excellence in the disciplines of Tunnelling, Water and Wastewater Treatment, and Marine Structures.

Tunnelling successfully continued to expand its international footprint. In joint venture with Leighton Asia, India and Offshore (LAIO) we were awarded a contract worth \$329m by the Singapore Land Transport Authority for the Thomson Line project. This is the second tunnelling contract that we are undertaking in Singapore.

Water and Enviro successfully completed and commissioned a number of wastewater and sewerage treatment process plants in Queensland, New South Wales and Victoria, and successfully reached preferred position on waste-to-energy projects and the environmentally sustainable horticulture project, Sundrop Farms.

Technical innovation was a key focus for our Energy and Minerals and Industrial businesses. The Energy business safely and efficiently completed complex heli-stringing and heli-tower erection activities in live high-voltage environments in Tasmania and Central Queensland. Minerals and Industrial implemented leading-edge design and delivery construction systems to bring the massive Cape Lambert iron ore marine facility to completion and pioneered the use of a range of innovative industry-leading technologies for painting solutions in sensitive marine environments.

We are proud to have recently won the 2014 Australian Construction Achievement Award for the Cape Lambert Marine Works project. ■

## year in review

The year involved the rebasing of the John Holland business to align with the broader Leighton Holding strategies. As such, the mining business which was previously housed in the Energy and Resources stream, was successfully transitioned to Leighton Contractors Pty Ltd.

This initiative supported the Leighton Group's move to realign its portfolio and to deliver on its strategy of developing distinctive, core competencies within its Operating Companies. It is also consistent with Leighton's long-term business strategy in the coal and iron ore contract mining market. ■

IMAGE ▼  
Kowloon  
Southern Link  
Hong Kong





**SPECIALIST  
ENGINEERING**

water & environment

**John Holland is a market leader in the provision of water treatment processes to the Australian water sector, and continues to develop its strong international reputation in South-East Asia. Since 2000, John Holland has delivered more than 75 projects, servicing public utilities and private enterprise across Australia, New Zealand and Hong Kong.**

In 2013, Water and Enviro continued the successful implementation of diversification strategies to meet the changes and new opportunities occurring in the domestic market. Part of this strategy is to support water authorities with their long-term capital works programs. During the year, our contracts with both the Priority Sewerage Program (PSP) Alliance in New South Wales with Sydney Water, and the Barwon Water Alliance in Victoria were extended to include further scope of works.

In Sydney, John Holland was awarded a third contract extension for the PSP to deliver additional sewerage works to six communities in environmentally sensitive areas. We are delivering program and project management services, as well as design, procurement, delivery and commissioning works. Stage 3 of these works, with a total budget of approximately \$150m, will be delivered over the next two years. The original scope of work has significantly increased from an initial three-year program to works and services over nine years. This is a testament to our ongoing successful performance, flexibility of the Alliance and relationship with Sydney Water.

In the year under review, we also completed the West Camden Water Recycling Plant for Sydney Water. The construction and commissioning of the new sludge digester and upgrade of two existing digesters caters for the rapid population growth forecast in South West Sydney.

In Victoria, we are engaged in an alliance with Barwon Water to deliver a \$370m program of works over a five year period. The works represent the largest capital investment program in Barwon Water's history, with the delivery of more than 120 individual projects over 8,000 km<sup>2</sup>.

During the year, our Water and Enviro business moved into the broadscale agricultural and irrigation sector. Our role in the Murrumbidgee Irrigation Area Renewal Alliance sees us planning, designing and delivering water capture and distribution modernisation projects in the Murrumbidgee area of New South Wales.

Our highly successful approach to working within alliances fits particularly well within this sector. Our customers in this mature market value the benefit of engaging with an engineering and construction expert such as John Holland in the design and development of programs of works.

Internationally, our Water and Enviro business continues to support Leighton Asia to deliver vital sludge incineration works. We are providing the design, construction, testing and commissioning of the new \$660m Hong Kong Sludge Treatment Facility for the Hong Kong Environmental Protection Department. The facility is critical to the region's wastewater treatment capacity and, at 2,000 metric tonnes capacity per day, will become the largest sewage sludge incineration facility ever built. In the Middle East, John Holland has also teamed successfully with Habtoor Leighton Group (HLG) to qualify to bid for water treatment projects in both Saudi Arabia and Qatar. ■

**IMAGE ▲**  
West Camden  
Water Recycling Plant  
New South Wales



**SPECIALIST  
ENGINEERING**

tunnelling

**Our internationally recognised tunnelling division continues to lead the underground industry, and has a proud heritage as the only Australian contractor with a dedicated tunnelling Centre of Excellence that has operated since 1966. Since 1996, our tunnelling division has completed 271 km of tunnels across seven countries and has a further 36 km of tunnels under construction.**

In 2013, our international work continued to grow securing our second contract in Singapore on the Thomson Line rail extension in joint venture with LAIO. In the near term we will have five tunnel boring machines (TBMs) in Singapore, which brings our total of TBMs commissioned over the last 10 years to 36 and builds on a strong position in Singapore with over 250 km of tunnels planned to come to market within the next 10 years.

In Hong Kong excavation of the South Island Line ('Contract 904') is nearing completion and is validation of John Holland's innovation value providing benefits to our customers. Double and triple deck loading blasting techniques were

introduced to Hong Kong and are now being replicated by the industry. Building on the NCE/ITA International Tunnelling Contractor of the Year award in 2012, John Holland was shortlisted for the 2013 International Tunnelling Technical Innovation of the Year award.

Locally, innovation contributed to the winning of the \$1.2b North West Rail contract as part of a joint venture including 15.5 km of twin tunnels and five of the eight stations as part of the overall project. Other innovative solutions include the introduction of cast-in gaskets for the segmental lining, and the use of Main Beam TBMs for rapid decline excavation for the resources sector. These innovations build on our impressive list of 'firsts' that maintain John Holland's position as leader of the underground construction industry.

Excavation on our Woolloongabba project in Brisbane was completed in 2013. This project included multiple long drives, one of which—a 458 m curved pipe jack drive using glass reinforced plastic pipes—the longest in the southern hemisphere. ■

*IMAGE* ◀  
South Island Line  
(East) Rail Contract 904  
Hong Kong

*IMAGE* ▶  
Perth City Link  
Western Australia



energy

Over 2013, our Energy business consolidated its position as a leader in the high-voltage transmission line sector with the successful completion of a number of high-risk and complex projects.

In Tasmania, two particularly high-risk projects notably achieved safe completion: the Sheffield to Georgetown project and the Palmerston to Georgetown project on behalf of Transend Networks. These projects involved heli-stringing and heli-tower erection in live high-voltage environments. They also demanded advanced levels of planning, communication and engagement with the local stakeholders and community.

IMAGE ▶  
Palmerston to  
George Town OPGW  
Tasmania

In South West Queensland, a highlight was the successful construction of the \$108m Columboola to Wandoan South Transmission Line on behalf of Powerlink. The project's

location in the Western Downs region supports the strong local growth driven by energy and resource developments, and the transmission line will provide additional electricity infrastructure to meet the region's forecast electricity demands.

John Holland is proud to employ the most highly skilled transmission line workforce in Australia. We have built this capability over recent years in response to the trend of a declining linesman skills-base in Australia.

Over 2013, Energy also played a critical role in partnering on infrastructure and process projects in the oil and gas and minerals sector, deploying specialised electrical engineers, delivery managers and a self-perform workforce for the electrical and instrumentation components of projects. ■

IMAGE ▼  
Columboola to Wandoan  
South Transmission Line  
Queensland



## minerals & industrial

In 2013 our Minerals and Industrial (M&I) business was dominated by a high level of operational activity in the marine sector. The largest project undertaken was the Cape Lambert Port B project for Rio Tinto in the Pilbara region of Western Australia. The work awarded to John Holland included a 920 m jetty, a 820 m in-line four berth wharf, berthing dolphins and shiploading facilities. The total value of the contract is over \$650m and is on schedule for completion in the third quarter of 2014.

IMAGE ▶  
Marine Works  
Gladstone  
Queensland

IMAGE ▼  
Wiggins Island  
Coal Export Terminal  
Queensland  
(photograph courtesy  
of Murray Ware)

In Gladstone, Queensland, our M&I business is leading the delivery of multiple contracts at the Curtis Island precinct, where we have designed

and built export jetties, wharves and material offloading facilities. In total, five contracts are underway and are due for completion in 2014.

Our M&I business has consolidated our position in the mining infrastructure and minerals processing sector with our work on the Wiggins Island Coal Export Terminal (WICET) in Gladstone. The \$240m contract for the construction of Stage 1 stockyard works for WICET will provide more than 80million tonnes per annum of additional coal export capacity through the Port of Gladstone. ■



## future focus

**The future focus for Specialist Engineering is to develop and deploy best-in-class technical expertise for current and new specialist capabilities with which we can assume a leading market presence. We will continue to garner industry recognition through leadership and innovation.**

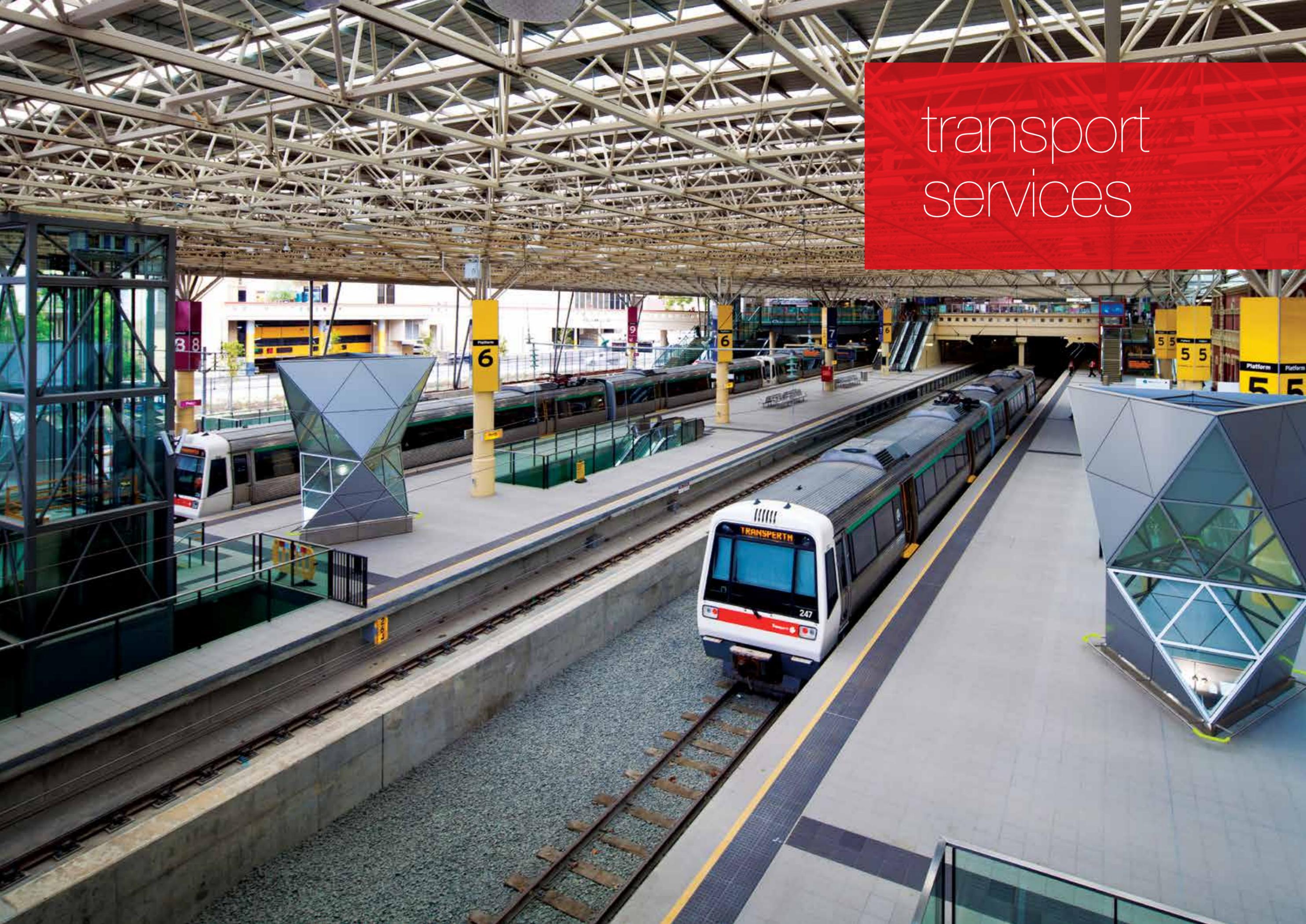
Taking a sectoral perspective, the tunnelling construction market is showing positive signs of strong growth. In 2014, we anticipate a pipeline of projects with a total contract value in excess of \$35b expected to come to market in the next five years.

Similarly, we expect the oil and gas market to remain buoyant (albeit contracting) through 2014 and 2015 in both Western Australia and Queensland. Building on our strong brand presence and reputation for reliable delivery, we are well positioned to consolidate our position in the power generation and

transmission sectors and to extend our services in the oil and gas sector. We will continue to work with major domestic gas companies such as Santos, Apache, Origin, INPEX and QCG to deliver specialised structural, mechanical and electrical installation work associated with gas processing and compression projects, and to deliver water treatment solutions to the CSG industry.

Finally, in the water sector, while we see domestic new capital investment remaining subdued, we will be looking to capitalise on our experience in facility renewals and expansions, and to continue working closely with our key customers to optimise their water assets over longer terms. Internationally, we see a range of water and waste treatment opportunities emerging in a number of countries in South-East Asia. ■

transport  
services





# transport services

## KARL MOCIAK

Executive General Manager, Transport Services



John Holland is a market leader in the provision of railway construction, maintenance and operations services to the Australian transport sector. With self-performing construction, maintenance and operations capabilities, and specialist capabilities in the full range of track, structures, facilities, power, overhead traction, signalling and communication systems, we are able to offer a whole-of-life approach to the construction, maintenance and operations of railway infrastructure.

As at December 2013, the Transport Services stream generated \$1,255m in revenue (2012: \$1,154m), contributing 26% of the total Group revenue. Work in hand stood at \$2,211m (2012: \$2,520m), contributing 40% of total Group work in hand.

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

Over the year, we realised a significant improvement in safety performance with proactive management of critical risk preventing an escalation of incidents and resulting in a reduction of injuries. This excellent outcome is the result of strong leadership from the Executive, and robust accountability driven through the projects via workforce supervision and the implementation of initiatives such as the Global Mandatory Requirements. While recognising this achievement, we remain focused on our vision for safety: to know everyone will return home safely every day.

*IMAGE  
PREVIOUS PAGE*  
Perth City Link  
Western Australia

*IMAGE ◀*  
Inner West  
Light Rail Extension  
New South Wales  
(published with  
the permission of  
Transport for NSW)

# celebrating achievements

**In 2013, we continued our success in the sector with the award of Sydney's Inner West Light Rail Extension. Consistent with our strategy of offering integrated end-to-end solutions to our customers, this achievement will enable us to move into new areas of activity such as light rail design, construction and operations and management (O&M).**

One of the most significant milestones achieved during the year in review was the commencement of our Train Operations initiative. Three refurbished diesel-electric locomotives have been leased for the new operation, along with the purchase of 20 remote controlled ballast wagons and two ballast plough wagons. These trains will haul ballast, rail and sleepers initially across the Country Regional Network (CRN) in New South Wales.

We were also delighted to be recognised as the Leighton Holdings Centre of Excellence for rail in 2013. ■

Our ability to understand the specific needs of each of our customers enables us to provide innovative and flexible solutions and specialist service offerings in response to market pressures and customers' needs.



IMAGE ▼  
Work Trains  
New South Wales

# year in review

**The year in review marked John Holland's second year as the new manager of CRN on behalf of the New South Wales Government. The 10-year contract with Transport for New South Wales involves the network operation, management, maintenance and renewal of 2,386 km of operational passenger and freight rail lines and 3,127 km of non-operational lines.**

This follows on the success of the first year of operation, which saw some outstanding outcomes delivered by the CRN team.

Our continued investment throughout the year saw over 234,000 sleepers installed, level crossings upgraded, ballast rectification and track geometry improvements. Availability of the infrastructure for service operation continues to improve, reaching more than 97%, while more than 19,000 trains operated over the network, including 4,500 passenger trains carrying over half a million passengers.

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

## track construction

Track construction has been a core capability of John Holland for 40 years. This includes the delivery of major track construction to every state and territory across Australia in major cities, suburban areas, regional and remote country locations.

We have delivered some of the most significant and complex rail projects across Australia's capital cities, including delivery of the Glenfield to Leppington Rail Link in Sydney, Adelaide's rail revitalisation, Mitcham Rooks Road Grade Separation, Victoria, PTA Clarkson to Brighton, and Perth City Link, Western Australia.

In Western Australia, John Holland has established an enviable reputation for the delivery of track maintenance, asset renewal and construction projects, including ballast cleaning of BHP Billiton Iron Ore's main line between Port Hedland and Newman.



## signalling and communications

John Holland's significant capability in signalling, communication and control systems enables us to be involved in possession work for track renewals in order to disconnect, reconnect and test signalling equipment upon completion. In 2013, the signalling team was involved in projects such as the extensive signalling for Regional Rail Link Package A and B and the Inner West Light Rail Extension.

## overhead wiring and traction power

The strength of John Holland's capability in overhead wiring and traction power was demonstrated by our ability to perform overhead wiring works for new construction on Glenfield to Leppington Rail Link and North Strathfield Rail Underpass, New South Wales, Wellington Overhead Traction Upgrade, New Zealand and Perth City Link, Western Australia.

## brownfield operations

During the year in review, John Holland delivered two of the most complex sections of Regional Rail Link in Victoria. These packages were the only brownfield operating environment sections of the entire project. In New South Wales we also delivered Sydney's Inner West Light Rail Extension project, converting the existing rail corridor to suit light rail and modifying the interchange with the operating railway line.

In Western Australia, we continued the Brookfield Rail Infrastructure Maintenance Program and Brookfield Grain re-sleepering project. The re-sleepering project involves extensive track surfacing of approximately 676 km and a commitment to local communities along the rail corridor.

## rail operations and maintenance

John Holland is the only private rail operator in Australia, operating the multiuser access CRN and part of the vertically integrated Metro Trains Melbourne (MTM).

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

Since its inception in 2009, MTM has significantly boosted investment in railway infrastructure in Victoria, which is projected to reach over \$2b by the end of 2014, following development and improvement initiatives that have been undertaken under the franchise.

During 2013, MTM continued its strong operational performance, reliability and availability, and continues to improve with on-time performance now at 92%. The operation carries more than 25 million passengers and delivers more than 14,500 train services per week. MTM was recognised by Infrastructure Partnerships Australia as the 'Rail Operator of the Year' in 2013.

## rail infrastructure manager

John Holland is a Rail Infrastructure Manager (RIM), as defined under the Rail Safety National Law (RSNL), in MTM, CRN and for the Port Kembla Corporation. As such, we have total responsibility for the application, modification and enforcement of infrastructure standards, asset management, asset performance, maintenance and renewal of railway infrastructure.

With more than 6,000 km of railway infrastructure under this authority, we have invested significantly in developing and tailoring our systems and up-skilling our people. Recognising John Holland as a leader in this field, the Port Kembla Corporation sought our support and expertise to develop and operate its railway infrastructure.

Significant regulatory changes in the railway industry continue to occur in relation to the management of worker competencies for rail safety work. We have implemented a national competency management system tailored to the railway operations and maintenance environment, in collaboration with customers and other RIMs. This management system

places us at the forefront of the railway industry in terms of understanding railway infrastructure and competency requirements.

Australia continues to enjoy record levels of investment in rail infrastructure. As such, the 2013 financial year saw John Holland continuing the delivery of significant contracts, including the Glenfield to Leppington Rail Link, Liverpool reconfiguration, Perth City Link, Sydney Light Rail Inner West Extension and the Infrastructure Partnerships Australia 'Project of the Year' for 2013 Regional Rail Link in Melbourne.

Major projects in Western Australia in the same period include, Roy Hill Track works, Mitcham / Rooks Road Grade Separation, and BHP Ballast Cleaning.

Major projects in Victoria in the procurement pipeline include:

- The North West Rail Link, Operate/Trains/Systems PPP which, if won, will place John Holland at the forefront of rail O&M service provision in Australia
- Sydney Light Rail (CBD) which, if won, will reinforce John Holland as a major light rail vertically integrated constructor and O&M partner
- Dandenong corridor capacity upgrade in Melbourne—an unsolicited \$2.5b Public Private Partnership.

## aviation

In the aviation sector, John Holland Aviation Services (JHAS) continued to provide services at most major international airports throughout Australia, with additional narrow body hangar access in Perth and Auckland.

However, over the last 12 months, the aviation sector has gone through significant change, and competitive pressure from overseas suppliers has been substantial. Consistent with our strategy to 'stabilise, rebase, and grow', these conditions have led to the decision to cease operations at JHAS. John Holland's focus will be purely on our infrastructure, rail and specialist engineering capabilities. ■

IMAGE ▲  
Regional Rail Link  
City to Maribyrnong River  
Victoria

## future focus

Over time, we have strategically evolved our suite of services to meet our customers' changing needs. As a result, John Holland offers unparalleled innovative and flexible services across our core capabilities of track construction, signalling and communications, overhead wiring and traction power, engineering services, as well as brownfield operations.

However, as the market and economic environment in which we operate continues to transform, so must we. In response, we will expand our suite of services to include:

- asset management
- predictive modelling of rail assets and optimised maintenance spend planning
- operational modelling and optimisation
- wheel and rail interface expertise
- rolling stock engineering capability.

We will also harness our proprietary intellectual property by the registration of rail technology patents.

The focus for John Holland's rail operations is expanding our services via the development of private regional opportunities throughout Australia. We will also leverage our work train services to a broader base of customers and further develop haulage of bulk commodities for third parties, with particular emphasis on local and offshore resource mining activities. ■

**IMAGE ▶**  
Downtown Line  
Stage 3 Contract 935  
Singapore

**IMAGE ▼**  
Regional Rail Link  
City to Maribyrnong River  
Victoria





## marine structures

John Holland is the Australian market leader in marine structure construction. Since 2005, we have completed work in the private and public sectors across the country. We specialise in heavy marine structures—in the delivery of berths, terminals, unloading and auto-loading systems, jetties, terminal upgrades and expansion, and ship-loader installation.

In partnership with leading offshore marine construction equipment owners and operators and design companies, we offer EPC/Design and Construct solutions encompassing detailed design, layout, temporary works engineering, constructability analysis, modularised fabricated assemblies of material handling and transfer and loading systems. Our capabilities enable us to ensure the safe delivery of projects via self-perform multi-disciplinary supervisory and construction teams.

Our marine teams have pioneered a number of engineering innovations. These include the use of a range of environmentally sensitive solutions for painting and surface protection, and the use of sponge blasting techniques that provide environmentally friendly results in delicate marine areas.

**IMAGE ▲**  
Cape Lambert  
Marine Works  
Western Australia

**IMAGE ▲**  
West Camden  
Water Recycling  
Plant  
New South Wales

**IMAGE ▲**  
Northern  
Sewerage  
Project  
Victoria



## water and wastewater treatment

As market leader in the provision of water treatment processes to the Australian water sector, John Holland is developing a reputation in South-East Asia and the Middle East. Since 2000, we have delivered more than 75 projects servicing public utilities and private enterprise across Australia, New Zealand and Hong Kong.

We have successfully delivered over 40 brownfield sewage treatment upgrades and capacity expansions. Our experience with operations and maintenance, our process design capability, the ability to effectively manage project interfaces and cooperate with operational personnel during the upgrade ensures full discharge licence compliance.

We have an enviable record in the construction, operation and maintenance of numerous Australian water treatment plants, and we are renowned for working with our customers to create unique and genuinely innovative solutions based on the particular needs of their business, their local environment and the requirements of their local community.



## tunnelling

John Holland possesses Australia's largest in-house tunnelling capability and has a well-deserved reputation as the leading provider of underground construction services in Australia and the Asia-Pacific region.

Since 1996, we have completed 271 km of tunnels across seven countries. Through hard, soft and mixed ground conditions. Our capabilities and experience cover driven tunnels, cut and cover tunnels, declines and shafts. We are at the frontier of tunnelling technology and expertise, which enables us to offer world-class tunnelling capabilities to our national and international customers.

John Holland leads the underground construction industry with many Australian firsts, such as:

- first use of Tunnel Boring Machines (TBM): Slurry, Hard Rock, EPB, DSG
- back-loading cutters on TBMs
- shaft boring machines
- gyro-guidance systems for TBMs
- advanced guidance systems on robotic bolters, drilling jumbos and roadheaders

- steel fibre reinforced tunnel segments and diaphragm walls for shaft construction
- immersed tube tunnel methods
- trapezoidal segmental linings
- variable arch tunnel lining formwork for varying lane configurations spanning 17 m to 30 m in width.
- cast in gaskets for segmental linings.

In Hong Kong, Leighton Asia in joint venture with John Holland was the first contractor to introduce:

- Mixshield TBMs,
- permanent sprayed concrete linings
- double and triple deck loading for drill and blast methods in a dense urban environment.

John Holland has achieved significant growth in the tunnelling industry in recent years using our expertise to deliver projects locally, in New Zealand and South East Asia. We are well placed for further expansion while maintaining our commitment to excellence in underground construction.



## rail construction

John Holland's rail business has a proven record of delivering rail infrastructure projects from inception to commissioning throughout Australia and internationally. In our key capability of rail construction, we provide integrated solutions on complex multidisciplinary projects.

We have integrated delivery capability in the full range of track, structures, facilities, power, traction, signalling, control and communication signalling, and control and communication systems. We offer construction, operations and maintenance in greenfield and brownfield environments.

As an accredited rail operator, we recognise the imperative of revenue operation and the importance of integrated planning of infrastructure works that affect normal services. We offer project staff with extensive experience in staging works to suit operational requirements. We have developed construction methodologies, and introduced innovation planning and practices to deliver award-winning outcomes in these complex operational environments.

IMAGE ▲  
Roy Hill Iron Ore  
Western Australia

IMAGE ▲  
Work Trains  
New South Wales

IMAGE ▶  
Metro Trains  
Melbourne  
Victoria

## rail operations & maintenance

John Holland offers a whole-of-life approach to the operations and maintenance of railway infrastructure. We are able to assist customers in determining their base railway infrastructure needs and in the preparation of upgrading and maintenance strategies and programs.

Accredited as a Rail Transport Operator in all of the Australian state and territory jurisdictions, we are experienced in the integrated planning requirements of public transport infrastructure. We understand the requirements of a vertically integrated railway operation, and the imperatives of operating a railway network, revenue and patronage forecasting, safety and performance.

Our strength in railway maintenance and operations includes self-performing capabilities in trackwork, signalling and communication systems, integrated planning and train operations. The business has the largest privately owned fleet of railway maintenance and construction equipment in Australia, and over the years, we have introduced new technology and the latest purpose-built railway equipment into the Australian market.

## rail concessions

John Holland is the only private rail operator in Australia, responsible for the asset management and operation of the CRN in NSW, and the operation of the vertically integrated MTM. We are an integral part of the MTM team, working in partnership with the Victorian Government and regulatory authorities to integrate timetables, transport modal interchanges and ticketing between rail, bus and tram. John Holland is accredited as a Rail Transport Operator in all of the Australian state and territory jurisdictions.

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



## chief financial officer's message

**DARRYN RAY**  
Chief Financial Officer



**IMAGE ▶**  
Regional Rail Link  
City to Maribyrnong River  
Victoria

**We enter 2014 on the platform of a strong financial performance in 2013, reflected in solid cash flow, profit performances, and record revenue of \$4.78b. At year end the balance sheet reflected \$926m of cash assets (2012: \$663m), net current assets of \$461m (2012: \$344m) and net assets of \$653m (2012: \$476m). Work in hand stood at \$5.5b (2012: \$6.4b).**

Restructuring activities largely completed during the 2013 year have provided the framework for a leaner and more agile John Holland. We divested our capital-intensive Mining Services business to Leighton Contractors, reducing our funds employed and enhancing our working capital position. Throughout the year, we have continually reviewed and overhauled our overhead structures to better support our operating business.

During the year, we also completed the acquisition and integration of selected construction contracts and plant and equipment from Macmahon Holdings Limited. Our core construction business and presence in the Northern Territory has been further strengthened by the eight construction projects and 600 employees welcomed as a result.

Our parent company, Leighton Holdings, focused on '5 Fundamental Things' (5 FTs) throughout 2013. This focus was reflected in our own program of work in the key areas of Management Structures, Global Business Services, Strategic Procurement, Asset Management and Working Capital Management. A number of other business improvement initiatives have also been implemented.

In order to support all staff to meet their disclosure obligations, registers are maintained of declared conflicts of interest and grievances reported by staff. An independently managed Speak Up Line is available to report ethical issues, and can be accessed by both Australian and internationally based employees.

With respect to public policy, 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. While John Holland is an active participant in numerous industry associations, 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 donate to political parties or causes.

Confidentiality processes must be followed in the preparation of tenders by all business units in John Holland. As such, we have established security, access and storage protocols, which are implemented by tender teams in order to uphold the requirements for security and probity as well as compliance with competition and consumer law and trade practices provisions.

In further support of this requirement, confidentiality agreements are signed by all staff involved in any way with tenders.

### MANAGEMENT STRUCTURES

The recent management restructure not only delivers the enhanced operational capabilities referred to by our Group Managing Director,



but also enables a more efficient use of overheads across the business. This has resulted in closer relationships, and more effective engagement, between Executive General Managers and their Finance and Commercial support teams, as well as a reduction in the overall cost base of the business. It has also led to improved operational decision making as senior leaders work more closely with our projects.

### GLOBAL BUSINESS SERVICES AND STRATEGIC PROCUREMENT

John Holland recognises the increasingly challenging global environment in which it is operating, and continually seeks to increase its competitiveness and drive value for customers and shareholders. Together with the broader Leighton Holdings Group, leveraging scale and global reach were two initiatives commenced in 2013. Continuing throughout 2013 and accelerating in 2014, our focus on strategic procurement has enabled us to realise further cost savings across the Group.

### ASSET MANAGEMENT

We continue to seek efficiencies in our capital cost base, and ensure that our discretionary capital spend is channelled to the strategic drivers of the business. Completing the sale of our Mining Services business in 2013 (effective 1 January 2013) significantly reduced our capital investment, both in terms of current funds employed and future capital expenditure requirements. In addition, our new asset management system implemented during 2013 has delivered a greater level of focus on individual asset performance and has improved the portfolio view of both our near term and strategic asset requirements.

### WORKING CAPITAL MANAGEMENT

Maintaining an appropriate balance sheet size and structure to support the business and provide confidence to our customers remains a key priority. As noted earlier, cash flow and profitability in 2013 were strong, but focus in these areas remains. Enhanced work procurement practices were implemented during 2013. The focus on revenue growth has been moderated and replaced by a focus on quality of earnings.

### CORPORATE GOVERNANCE

Reflecting our commitment to creating and maintaining robust governance systems, 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. In 2013, four meetings of the John Holland Ethics Committee were held. During the year, the Code of Ethics was replaced by a new Ethical Behaviour Policy and a Code of Business Conduct was published.

A training program on the Code of Business Conduct was delivered to all employees. This training was conducted either by face-to-face training for those employees in high-impact roles, an online e-learning training module for other employees and tool box talks for our workforce. At year end, 94% of staff and 56% of workforce had completed the training. It is a mandated requirement for employees to complete an update of training every two years.

The Ethics Committee presided over a review of fraud and corruption. The review was

conducted in three stages covering a desktop review of existing documentation, a workshop on fraud and corruption risks, and a review of specific projects.

#### COMMERCIAL SUPPORT

To ensure all projects continue to be delivered on a foundation of strong commercial acumen, we continue to reinvigorate and enhance our project commercial support services across the company. Improvements include project systems, increased resourcing to support project start-up, ongoing mentoring, and the enhancement of training tools and materials.

#### INFORMATION AND COMMUNICATION TECHNOLOGY

With changes in the information and communication technology landscape, such as the growing digital economy, cloud computing, proliferation of specialised apps and social media, ICT remains at the forefront of our innovation strategy to enhance productivity. Our projects continue to benefit from our focus on mobile-enabled work practices that improve the delivery and accessibility of efficient and quality information. We are constantly striving to streamline our use of technology across the company to improve personal computing efficiency, which when combined with our Virtual Desktop rollout in 2014, will truly enable our employees to embrace mobile working.

IMAGE ▼  
Regional Rail Link  
City to Maribyrnong River  
Victoria

#### INTERNAL AUDIT

Our internal governance arrangements were strengthened during 2013 as the Leighton Holdings-led internal audit structure was

implemented. We will benefit from the appointment of dedicated internal audit resources embedded in John Holland to assist us in ensuring that our business operates in accordance with our best practice processes and protocols.

#### OUTLOOK

The pipeline of project opportunities is strong, with a number of large infrastructure projects currently being bid or expected to come to market in the near term. As this is a traditional area of strength for John Holland, we remain optimistic about our chances of success, and focused on delivering projects that meet our customers' expectations.

While the changes have been many during 2013, the transformation journey is far from complete and we remain focused in 2014 on delivering on our key objectives around improving working capital management, efficient and better delivered support services for our projects, and setting the foundations for the next growth phase of John Holland. The challenges inherent in our current operating environment are well understood and we are well placed to meet these challenges and ensure that our business continues to be underpinned by strong financial fundamentals. ■



# risk management

#### GREG CAIN

Executive General Manager, Risk Management



#### Informed and astute risk management is fundamental to the commercially prudent conduct of our business.

In 2012, in order to consolidate risk reporting we amended our standardised risk assessment, management and reporting framework to mirror the framework used by our parent company. 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 via our Centres of Excellence.

In 2013, we consolidated the risk management function in order to drive better visibility of risks—particularly those that potentially threaten multiple areas of the business. We also restructured the risk management area to drive efficiency and monitor the effectiveness of risk mitigation measures.

Going forward, this will mean that John Holland has the skills, systems, controls and processes to clearly identify and manage the risks that are brought into the business via its activities in operations and support areas. Success in this area will be evidenced by the ability to manage risks to the appropriate level within the business, and to control risks to improve business performance. The indicators of that success will be the development of a strong and sustainable business by applying leading-edge risk management practices, and the delivery of business continuity and effective communications within the risk management environment.

#### PRE-CONTRACTS RISK

The Pre-Contracts Risk stream focuses on the three key areas of assurance, approvals management, and processes and systems.

#### ENTERPRISE RISK MANAGEMENT

We are continuing to enhance our risk management processes with the development of an integrated Enterprise Risk Management (ERM) system and processes. ERM will allow us to achieve our strategic objectives by identifying and managing key risks and opportunities applicable to all parts of our business functional areas, covering projects from start to end and from the front lines to senior management levels. The team also supports our key tenders and projects with advanced time and cost risk modelling.

#### BUSINESS CONTINUITY AND CRISIS MANAGEMENT

The Business Continuity and Crisis Management stream is responsible for the development of systems and a culture that supports resilience in the face of crisis or significant incident. This stream is responsible for both the development of an appropriate business continuity management framework and the ongoing support of our crisis and incident management systems. This stream also manages the integration of John Holland's crisis management system with Leighton Holdings crisis management requirements.

#### INDEPENDENT PROJECT REVIEW

The Independent Project Review function undertakes structured reviews of our live projects at predetermined stages of completion in order to assess the project's progress against its objectives. This Group also participates in Leighton Holdings' sponsored independent project reviews of our live projects.

Bringing this Group under the Risk Management stream equips us to provide a more holistic view of risk management within John Holland, and to communicate lessons learnt from delivery through to Pre-Contracts in support of securing new and profitable work. ■

# safety

**At John Holland, we are committed to our safety vision: to know everyone will return home safely every day.**

Our challenges reflect those of the broader industry, and we are continually striving to identify new ways to improve our safety performance. This work can encompass the refinement of existing processes or the introduction of a new process or innovation.

In early 2013, in the pursuit of improved safety performance, we completed a diagnostic of safety in our business. This diagnostic critically evaluated our approach, and identified barriers to safety success and areas for future focus. The results from this diagnostic are driving an evidence-based approach to improving safety across John Holland, and have helped us to shape our strategic safety priorities for 2014–2016.

Since our people play a pivotal role in improving our safety performance, 2013 began with Safety Leadership Workshops held across the business and attended by 300 of our leaders. The workshops ensured that we started the year with a shared understanding of the state of safety within the business. We also took the time to explore and discuss challenges in the field that are seen as barriers to safety excellence.

Bringing together over 120 Health and Safety Representatives (HSRs), our 2013 HSR forums focused on skills development in a simulated environment. Our HSRs met at the Master Builders Building Leadership Simulation Centre in Melbourne in April. The centre, which is the first fully integrated training facility for the industry, uses 3D technology on a 15 m panoramic screen and houses replica site sheds. A team of trained actors provided scenario-based



role-plays that immersed our HSRs in an ultra-realistic virtual workplace.

Following the launch of our Global Mandatory Requirements (GMRs) for Safety in 2012, we continued to embed the requirements across our operations. Embedding activities included the introduction of awareness training for our employees, which has since been completed by over 5,500 people. To ensure a consistent safety message, the same training is available to subcontractors working on our projects. GMR compliance assessments were introduced to all workplaces, allowing the reporting and trending of GMR compliance across the business.

In 2013, our safety results again showed improvement. We achieved our total recordable injury frequency rate (TRIFR) target, and we recorded a 15% reduction in serious incidents. This means we are reducing the number of times that our people are exposed to the potential of a significant incident and injury, but there is still work to do be done.

In 2014, we plan to further enhance, embed and improve the processes and procedures already in place to eliminate serious incidents and reduce our injury rates.

We will continue to focus on our GMRs for safety, which were developed to outline the control strategies and minimum standards for managing the highest risks found in our workplaces. We are also committed to a set of Health, Safety and Environment (HSE) behaviours that we expect our people, and those we work with, to display every day.

When applied together, the GMRs and the HSE behaviours clearly outline our operational and behavioural expectations.

Another focus area will be the streamlining of our systems to ensure that they meet the needs of our diverse business. Enhancements will draw on technology to improve efficiency, productivity and connectivity.

In 2013, the concerted efforts of the business helped to improve our safety performance, and we aim to see this trend continue throughout 2014. ■

# sustainability



**We are strongly committed to creating a sustainable future. Our approach places economic prosperity, social and community wellbeing as well as the environment at the heart of everything we do. This ensures balanced decision making with results that benefit our customers, employees and shareholders, as well as ensuring that we add value to the communities in which we operate.**

Sustainability imperatives have increasingly become a key consideration for businesses in the process of creating value for customers, shareholders, employees, communities and other stakeholders. For John Holland, sustainability is about having a positive and engaging approach to economic, social and environmental platforms. In this way, we will remain both relevant and resilient, achieving greater employee engagement and improved customer satisfaction. Only by being truly sustainable can we realise our vision of transforming the industry by leadership.

The way we deliver to our customers, look after our people and care for the community and environment is determined by our sustainability commitments. Delivering a high-performance culture goes hand-in-hand with fostering a work environment that shows genuine care for people, especially in a business powered by people.

We understand that our relationships with our industry, the community and other stakeholders are crucial. We are actively engaged in our industry via membership of various key forums and associations. Industry organisations in which we play a key part include:

- Australian Constructors Association
- Infrastructure Partnerships Australia
- Mineral Council of Australia
- Australian Petroleum Production and Exploration Association
- Infrastructure Sustainability Council of Australia

- The Committee for Economic Development of Australia
- Diversity Council Australia
- Australian Construction Supply Chain Sustainability School
- Sustainable Built Environment National Research Centre

Our Group Managing Director is the current President of the Australian Constructors Association, and our Executive General Manager, Operational Support is a Board Member of the Infrastructure Sustainability Council of Australia.

We currently have 16 Green Star-qualified staff members participating in the Green Building Council of Australia's (GBCA) continual professional development program, and 11 staff members that have completed IS Foundation Training with the Infrastructure Sustainability Council of Australia (ISCA). We also contribute to the SBEnrc's Program 1 – 'Greening the Built Environment'.

John Holland has been recognised for achievements and sustainability initiatives. Industry awards not only acknowledge our dedication to sustainable innovative solutions, but also motivate us to continue to expand the boundaries of what is possible when developing and delivering these solutions. This is what differentiates us from our competitors, and ensures that we deliver long-term value for our shareholders, customers, employees and communities as we continue to perform with the future in mind.

We show our commitment to transparency by the regular public reporting of our performance across key economic, environment, safety, social and governance metrics. ■

# people & culture

**During 2013, our journey continued with the development of an agile, high-performing and diverse organisation that is committed to its values in pursuit of the John Holland vision and mission.**

We are committed to fostering a culture that leads to superior and sustainable returns, and to shaping organisational behaviour that encourages performance, innovation and agility. Our values of integrity, innovation, collaboration, accountability and care are linked to reward, performance management and development, and employee engagement. In 2013, we continued our practice of linking employee performance with our leaders and senior managers. We rolled out this linkage between our values, and defined behavioural expectations and performance across the business. Our values are part of our cultural DNA, wherever we operate.

We recognise that our success, and the success of our customers' projects, are dependent on the performance of our people. We know from our customers that our people set us apart from our competitors. We also know the crucial importance of being flexible and offering an environment in which our employees are able to engage, develop and receive recognition.

Productivity and performance reflect our employees' level of engagement within John Holland. Over the past three years, John Holland has conducted an employee engagement survey that captures opinions and attitudes in a number of categories to determine the level of engagement. In 2013, the employee response rate to the survey increased to 67%, from 63% in 2012.

The results for 2013 indicate that values and associated behaviours are well understood

by employees, with a total of 86% favourable scores for staff and 72% favourable scores for workforce in response to the statement, 'I believe the John Holland values of Integrity, Innovation, Collaboration, Accountability, and Care are clear'.

We continue to embed a high-performance culture by enabling managers to lead better performance discussions with their teams. Over 800 employees attended performance and development workshops. Manager sessions included a greater focus on education and managing the change to the new performance rating scale, which includes key performance indicators (financial and non-financial) as well as values-based behaviours.

The John Holland 'Awards for Excellence' event recognised high performance. In 2013, nominees and award winners were announced at a gala dinner, and a professional development session was hosted for all finalists.

Our focus on Learning and Development (L&D) was further strengthened during the year as the L&D function continued to support operational excellence by designing, procuring and implementing learning tools that could be delivered in an innovative way. Thirty-six new online learning modules, including our first organisation-wide, mandatory training modules, were delivered, resulting in a significant uptake of learning by staff.

In 2013, we also met our ongoing commitment to maintaining the necessary technical skills and professional accreditations of employees. The John Holland Registered Training Organisation (RTO) that governs our quality-training framework issued 4,867 Statements of Attainment for units of competency on our scope of registration. The Industry Skills Council recognised our



commitment to skilling new entrants and existing workers in the resources and infrastructure industry by awarding John Holland the Skills DMC Chairman's Award in 2013.

During the year, we strengthened our commitment to attracting and retaining talent, and providing rich career experiences in John Holland. This commitment includes attracting talented and motivated graduates via our national graduate program. This program offers broad opportunities to work in many facets of our business, and provides rigorous professional development, mentoring and networking activities.

Identifying and developing our pipeline of leaders with the values, skills and attitudes necessary to lead John Holland today and into the future is critical to our people and culture. In 2013, we extended the scope of talent management and succession planning across all John Holland Operations, Support, Strategy and Governance areas. We identified our high-potential employees, and put in place a talent pool acceleration process to identify, develop and implement career and leadership opportunities for each high-potential employee.

In this way, we will strengthen our overall pipeline of talent, and provide succession coverage for all critical roles.

As a member of the Leighton Holdings Group of companies, a number of our senior leaders participated in the 2013 Leighton Leadership and Development program. This program, together with the John Holland leadership framework and talent development approaches, will ensure that we have the calibre of talent needed to deliver effectively today and lead into the future.

As part of John Holland's drive for organisational efficiency, operational performance and accountability, an organisational design and cross-business stream consolidation of resources was undertaken in 2013, with the final structure operational in 2014. The changes were part of our journey towards a learner, agile and more efficient structure that will meet business and market requirements. ■

# diversity & inclusion

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

The new reporting obligations in the *Workplace Gender Equality Act 2012 (Cth)* are now operational. Non-public sector employers with 100 or more employees are required to report annually to the Workplace Gender Equality Agency against a set of gender equality indicators. Reports for the April 2013 to March 2014 reporting period are due in May 2014.

In addition to meeting regulatory requirements, our commitment to diversity is strengthened by the individual, community and business benefits that flow from encouraging and leveraging diverse perspectives. We have defined targets for gender and Indigenous participation, and our strategies include attracting and retaining talented women in our business, building sustainable opportunities for Indigenous participation and providing flexibility to assist employees over the age of 55 to shape their work future to suit changing circumstances.

## CULTURAL DIVERSITY

During 2013, we continued to develop our cultural competence framework and rolled out a pilot for Unconscious Bias training aimed at minimising bias and improving the ability to manage diversity. We also continued our general cultural awareness program with the development of an online training module, 'Introduction to Diversity', which will be made available in 2014.

Our approach is to develop a cultural competency that will facilitate interaction with international partners and markets by providing general cultural awareness e-learning to project and non-project employees. Our aim is to ensure that cultural difference is respected and valued at John Holland.

## INDIGENOUS PARTICIPATION

Our national Career Tracks strategy aims to provide assistance, education, training, employment and business opportunities for Indigenous people. We can better support many of the communities in which we work by increasing opportunities in these areas and encouraging a greater appreciation of Indigenous cultures. Our focus is on developing mutually respectful partnerships with local Indigenous community organisations, recognising the importance of cultural protocols when starting a new project, and building the cultural competence of our management and staff across our projects.

Our target for Indigenous participation is 5%. At the end of December 2012, 3.3% of our employees identified as Indigenous and in 2013, the figure was over 4%.

Specific events include staff participation in cultural awareness sessions in order to build an understanding of our Career Tracks strategy and improve the communication of Indigenous issues. A cultural tour that was included in the 2013 Excellence Awards saw all finalists board the Tribal Warrior 'Mari Nawi' boat for a tour of Sydney harbour and an opportunity to learn more about Aboriginal culture and participate in an Indigenous celebration.

In 2014, we will continue to focus on Indigenous engagement in key sectors, markets and geographies with the aim of developing long-term relationships with Indigenous groups.



### GENDER DIVERSITY

As at 31 December 2013, 16.3% of John Holland employees were women. This compares to a construction industry female participation rate of 11.9%, as reported by the Workplace Gender Equality Agency.

In an industry traditionally dominated by men, we recognise that 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. Throughout 2013, we continued to work closely with various organisations to encourage girls and women to establish and pursue careers in the construction industry. Women's Roundtable forums discussed topics such as flexible working arrangements, improving female connections, and supporting female career development opportunities.

In 2014, we will focus on our employee value proposition for use in our recruitment and retention campaigns and we will provide improved support mechanisms for women and their careers by offering mentoring along with career planning assistance.

### AGE DIVERSITY

We continue to offer our employees options to meet changing career and lifestyle aspirations, to expand our 'Voice of Youth' concept, and ensure better use of technology to connect to our younger workers.

In 2013, we used our communication channels to target knowledge transfer between generations, and to support International Youth Day. As part of an initiative to identify a key question or theme important to the future success of the business, all staff were invited to 'Ask a Big Question'. Employees aged 30

and under were encouraged to provide a solution to the 'Big Question', which was, 'In what ways can John Holland innovate and utilise technology to become carbon neutral by 2030?' There were 57 submissions received in answer to the challenge.

The questions prompted all employees to think about the sustainability issues facing John Holland (for example, waste minimisation, renewable energy, offsets), and encouraged them to collaborate in developing innovative ways to become carbon neutral by 2030.

The next phase is 'The Pitch', which we will roll out in 2014. Employees who provided potential solutions to the Big Question will collaborate in the development of a business case for their submission, which they will present to the operational Executive Leadership Team. We intend to implement the winning business case or cases in the day-to-day operations of the business.

For 2014 and beyond, we will continue with several age diversity initiatives and improve the use of technology to connect to our younger workers.

### CAREER DIVERSITY

We will encourage employees to manage their careers actively to support a sustainable organisation. We continue to drive leadership capabilities and development opportunities, and continue to shift traditional thinking about careers in our industry, and about what constitutes career success at John Holland.

In 2013, we finalised the Career Lattice pilot program in which over 100 staff were invited to participate in workshops and use online career development tools. A survey was conducted in late 2013 to assess the effectiveness of the program. Improvements will be implemented in 2014 and the amended approach will be available to all John Holland employees in 2014. ■



# community



**We understand that the way we care for our community is critical to the success of our customers and our business. This drives our objective to develop and maintain long-lasting partnerships and relationships.**

Our partnering approach is at the core of how we do business, and is delivered by:

- 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.

We are committed to not only working with local communities throughout construction, but also to delivering lasting legacies for those communities in the form of 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 via funding, labour, skills or knowledge. These initiatives are undertaken

in the spirit of community development, and are measured by the value we create for the communities in which we operate.

During our 65 years of operation, our people have supported many hundreds of charities, worked countless hours and contributed many materials to create lasting amenities for communities across Australia. In 2013, our community investment across Australia totalled \$1.13m. These investments took the form of assistance to schools, community groups and healthcare organisations. We review our active projects annually to track our community partnerships and investments.

Many of our operations occur within highly urbanised areas, involve significant interaction with local communities and require effective management of construction challenges. We communicate openly in all our interactions, and collaborate with local communities to achieve the best results possible for everyone.

We work with our customers to ensure projects undertaken near local communities have community relations plans and are provided with community relations resources to lead engagement activities. ■

## case studies

### PARTNERSHIP WITH THE LOCAL SCHOOL

The team on the Esperance Port Access Corridor (EPAC) project in Western Australia formed a valuable relationship with one of the town's local schools.

During the establishment phase, the project team identified an undeveloped pocket of land adjacent to the project corridor. This land, owned by the Esperance Anglican Community School, was the perfect location for a site compound for storing equipment and prefabricating precast concrete panels.

The project team approached the school, and the two parties agreed that in return for the use of the land, the team would construct a new school oval, maintenance shed and water bore on project completion.

The proximity of the laydown area to the project corridor reduced the haulage of materials and provided space for the project to set up its own precast yard, which increased local resource usage. This enterprising partnership resulted in a substantial benefit to John Holland, the school, local businesses and the wider community.

### SUPPORTING CHILDREN WITH LIFE-THREATENING ILLNESSES

The Glenfield to Leppington Rail Link (GLRL) project raised more than \$130,000 for the children's hospice, Bear Cottage in Sydney. Bear Cottage nurses, other health workers and volunteers create a home-from-home and provide quality respite care for children with a life-limiting illness, and their families.

The Glenfield to Leppington project team worked tirelessly to raise money from barbecues, donations from staff and the workforce, and sales of Bear Cottage merchandise. The money raised was used to fit out Bear Cottage's nursing hub and allied health services room, providing new work areas and storage space.

# environment

**John Holland recognises the importance of environmental sustainability, and we are committed to conducting business in a way that promotes environmental values. We intend to be recognised by our employees, customers and other stakeholders as an industry leader in environmental management, and will build our credentials by targeting more environmentally sustainable outcomes from the projects we deliver.**

By giving strategic focus to environmental sustainability, we will achieve the best outcomes for our business. We can, through design and construction methodology of buildings and infrastructure, reduce the resources and materials we use and impact to biodiversity.

By achieving the best possible environmental outcomes in the work that we do, we can enhance not only the environment in which we live and work, but also the longevity of our business, and the reputations and financial outcomes for ourselves and our customers.

John Holland's environmental strategy will be implemented via an action plan that is designed to realise our long-term aims of the sustainable use of natural resources, supporting biodiversity conservation and minimising our impact on ecosystems. Together with measures that enhance our operational efficiency and sharpen our market competitiveness, we are securing the long-term prosperity of our business.

In 2013, we improved our environmental management system by integrating environmental sustainability initiatives with the project delivery cycle. Our system evolution is part of an overall drive to provide more streamlined and user-focused processes, procedures and tools via our Integrated Management System.

We also advanced several programs that leveraged initiatives from our projects and made them 'business as usual'. These included improving our procurement process of materials and suppliers, determining energy efficiency opportunities, and better waste management.

Our 2013 environmental results showed marked improvement, with our environmental incident frequency rate (EIFR) decreasing from 0.46 in January to 0.05 in December. This achievement highlights the concerted efforts of our employees, skill of our environmental staff and improvements to our management system.

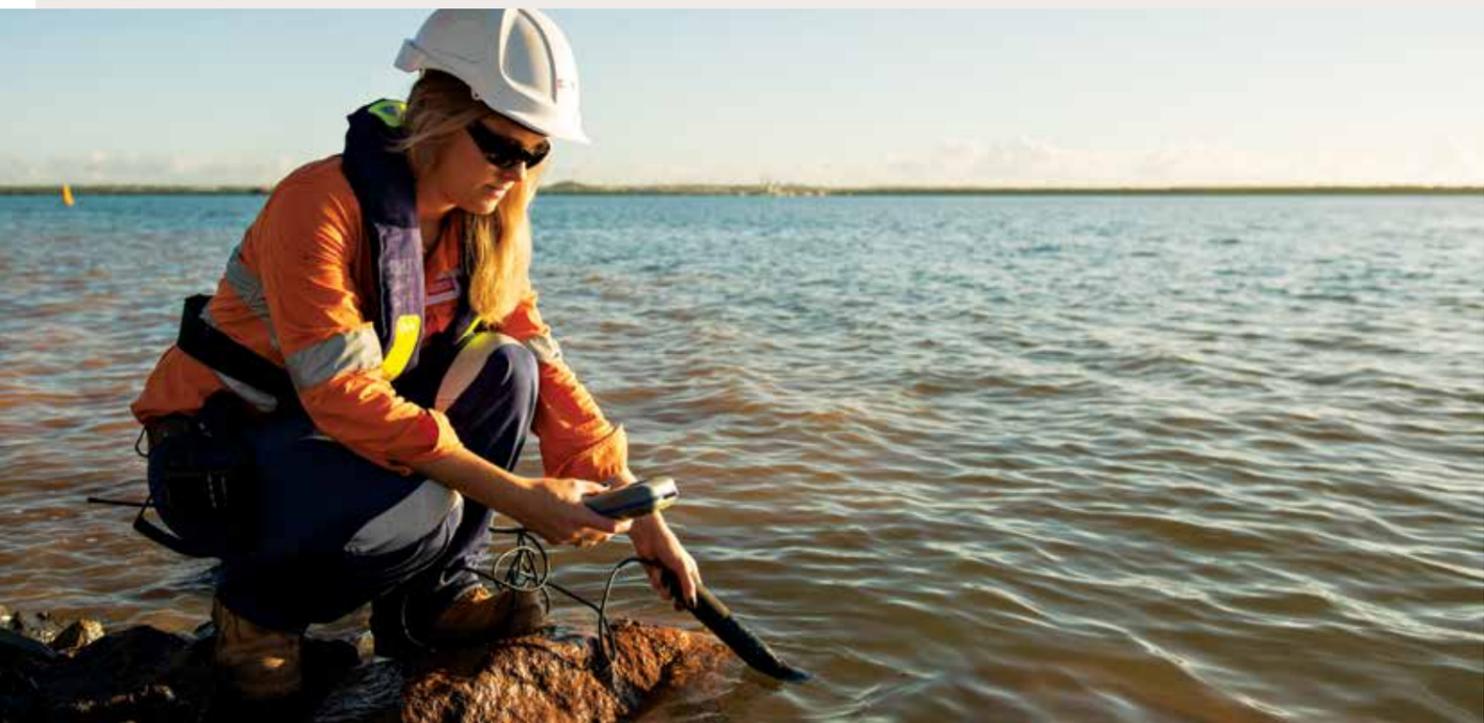
In 2013, we expanded our influence with continued active participation in industry-leading forums, including Green Building Council of Australia (GBCA), Infrastructure Sustainability Council of Australia (ISCA), Sustainable Built Environment National Research Centre (SBEncr) and we are a founding member of the Australian Construction Supply Chain Sustainability School. ■

## fines

During the 2013 calendar year, there were no Environmental Infringements received and no Class 1 incidents reported.

## spills

Month	Project name	State	Volume	Material	Description
Feb. 2013	John Holland Aviation Services	WA	1000 L	Jet-A1	During removal of a fuel-metering unit, a fuel shut off valve failed to close causing a discharge of aviation fuel. The shut off valve was activated manually and the spill was cleaned up.
Mar. 2013	B828 - DLTP (Defence Logistics Transformation Program)	NSW	Not specified	Sediment-laden water	Sediment basin overtopped following a rain event greater than design capacity. This resulted in an uncontrolled discharge of sediment-laden water, erosion to basin wall and damage to downstream erosion and sediment controls. There was no ongoing impact to the receiving waters.
Mar. 2013	1074 - Bulimba Creek Trunk Sewer Upgrade	QLD	Not specified	Sewage	During connection of a new sewer line to the main line, a sewer overflow occurred from two upstream manholes, which then entered Bulimba Creek.
April 2013	4118 - Gladstone LNG Jetty	QLD	Minor	Concrete	Concrete spill during works over water. The concrete pump was turned off immediately and the majority of the spill was contained.
April 2013	4121 - APLNG Jetty Project	QLD	Minor	SikaBoom (expandable foam)	During works over water, approximately 100 g of expanding foam was discovered to have spilt on mudflats below. There was no ongoing impact on the receiving waters.
May 2013	T102 - Darwin Marine Supply Base	NT	Minor	Hydraulic oil	Equipment leak resulted in hydrocarbon spill to marine surface. Works ceased, spill was contained and cleaned up. There was no ongoing impact on the receiving waters.
June 2013	COTR - ACTEW BWA Area - Enlargement Of The Cotter Reservoir Project	ACT	Not Specified	Water	Turbid water was observed entering the Cotter River from a recently decommissioned sediment basin. There was no ongoing impact on the receiving waters.
June 2013	RRLA - RRL Package A	VIC	Minor	Polystrippa Active	Contaminated runoff bypassed a geo-fabric lined plate and entered stormwater drains. Contaminated water was removed from the drain and there was no ongoing impact on the receiving waters.
Aug. 2013	C260 - Riverwalk Reconstruction	QLD	Minor	Saw cutting discharge - alkaline substance	A minor amount of concrete slurry entered the Brisbane River during works over water. Works ceased and the affected area cleaned up. There was no ongoing impact on the receiving waters.
Sept. 2013	ELF2B - Enhanced Landforce Stage 2B	QLD	600 m <sup>3</sup>	Stormwater	During a heavy rainfall event, the basin temporary outlet plug was washed away releasing turbid waters to Sunny Creek. Water within the basin was treated immediately and additional sediment controls were installed. There was no ongoing impact on the receiving waters.
Oct. 2013	B828 - DLTP (Defence Logistics Transformation Program)	NSW	216 m <sup>3</sup>	Sediment-laden water	Turbid water from a sediment basin entered ANZAC Creek. The impact was contained to a small, localised area within the project boundary. Sedimentation was short-term and less than 24 hours.





## case study

### UNIVERSITY OF TASMANIA'S MEDICAL SCIENCE PRECINCT

#### DRAWING ON NATURE

The University of Tasmania's Medical Science Precinct (comprising two distinct projects, Medical Science 1 and Medical Science 2) is the home for the Faculty of Health Science School of Medicine and the Menzies Research Institute of Tasmania. The Medical Science Precinct provides a range of leading-edge research facilities, including a dedicated QC2/PC2 laboratory floor, specialist medical teaching laboratories and general teaching spaces.

The Medical Science 2 project achieved a 5-star Green Star Education design rating. The John Holland Fairbrother Joint Venture completed Medical Science 1 in 2009 and Medical Science 2 in May 2013.

The striking facades of both buildings draw on natural themes, such as Hobart's mountains and waterways, and elements of bio-medical research, such as cell structures. The building facades aligned with the topography and the contours were extruded as sunshades and combined with the concrete lattice frame.

A number of key sustainability practices were utilised throughout the precinct including:

- thermal insulation break in precast panels (thermomass)
- high performance glazing systems
- extensive contoured sun shading
- rain water storage for use in toilets and landscape irrigation
- outgoing water treatment
- enhanced daylight and amenity to internal office environments
- sustainable materials selection.

## case study

### HONG KONG WASTE INCINERATOR MAKING ENERGY FROM WASTE

In joint venture with two other parties, John Holland is delivering vital sludge incineration works in the design, construction, testing and commissioning of a new \$660m Hong Kong Sludge Treatment Facility for the Hong Kong Environmental Protection Department.

The facility will be self-sufficient, using the heat produced from the incineration process to produce steam to drive turbines capable of generating 14 megawatts of electricity, which is more than enough to cover the plant's energy needs. Surplus electricity will be available for export to the external power

network. The incinerator's flue gas treatment lines comply with international emission and air quality standards.

A seawater desalination plant supplies the facility with up to 600 cubic metres of desalinated water per day while wastewater is recycled at the site to help protect the environment.

The facility's facade is a beautiful and striking waveform architectural design inspired by the surrounding waterfront environment in the western part of Hong Kong's New Territories. The design is complemented by a landscaped garden and eco-habitat for water birds.



# directory

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## further information

If you have any questions or comments about this Review, please do not hesitate to send them to [external.affairs@jhg.com.au](mailto:external.affairs@jhg.com.au)



John Holland has taken all reasonable care in preparing this Annual Review 2013 ('the Review') and believes it is correct in material aspects. 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 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.



## annual review 2013

Cover image features the construction of Urban Superway, Adelaide. Built by John Holland, this was South Australia's first elevated roadway. At a cost of \$842m, it stands as the biggest single investment in a South Australian road project and the state's most complex engineering road construction project to date.



## financial report 2013

Cover image features the completed Urban Superway, Adelaide. Constructed by John Holland, Urban Superway's southbound lanes opened on 31 January 2014, followed by the opening of the northbound lanes on 13 March 2014.

