



TRANSFIELD
SERVICES

Transfield Services Limited

Health, Safety, Environment and Community Report 2004

Beyond the Bottom Line



CONTENTS



Brisbane Ferries



Resolve Change Services



TransLink Operations



TGE Energy Services



Transfield Services RIC



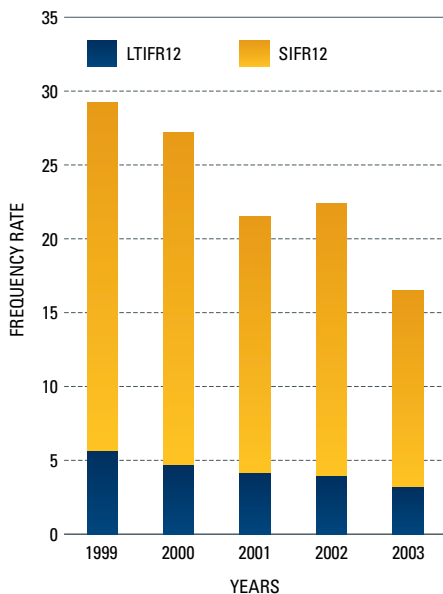
Transfield Worley Services



Yarra Trams

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HIGHLIGHTS AND ACHIEVEMENTS



- **Formed Resolve Change Services, a Joint Venture between Transfield Services and Resolve Australia, to facilitate the cultural and behavioural Agents of Change program**
- **51 sites achieved significant Lost Time Injury free milestones**
- **2003 Telstra Vendor Award winner in the category of 'Innovation – Environmental'**
- **Launched a Community Support Program at Puckapunyal, Victoria**
- **A 20 per cent reduction in the Group Lost Time Injury Frequency Rate (LTIFR12)**
- **A 26 per cent reduction in the Group Serious Injury Frequency Rate (SIFR12)**
- **Joined the New Zealand Business Council for Sustainable Development**
- **A 10.2 per cent reduction in Group Workers' Compensation costs**
- **Formed the HSE Board Committee**

MANAGING DIRECTOR'S STATEMENT



It gives me great pleasure to present our third Transfield Services' Health, Safety, Environment and Community Report, Beyond the Bottom Line, for 2004. Transfield Services offers tailored outsourcing solutions designed to enhance the performance and value of our clients' assets and businesses. As a leading provider of operations and maintenance services, we recognise that our role is to lead by example and ensure that our activities are conducted in a socially responsible manner.

Transfield Services places the highest priority on achieving world-class performance in the areas of health, safety and environment (HSE) and forming Community Partnerships. In 2003, we continued our efforts to improve on these important areas of our business.

Beyond the Bottom Line is the scorecard of transparent public accountability we use to monitor our progress toward achieving HSE excellence. I would welcome your feedback on the Report and, more generally, on our HSE and Community performance.

Transfield Services continues to grow rapidly and we recognise that there can be challenges in maintaining an appropriate focus on HSE under such conditions. Accordingly, we have established the HSE Board Committee to ensure health, safety and environment continues to receive the highest attention.

In New Zealand we have joined the New Zealand Business Council for Sustainable Development (NZBCSD) - a coalition of businesses united by a shared commitment to sustainable development through economic growth, environmental protection and social progress. The NZBCSD is a part of the World Business Council for Sustainable Development.

Transfield Services understands the importance of all employees sharing our company's commitment to HSE best practice. In 2002/2003, we undertook the first of a series of biannual HSE Culture Surveys within the company. The results provided us with a greater understanding of our employees' perceptions and helped us identify ways in which future programs and processes could contribute to a positive and sustainable working environment.

In 2003, we took a significant step toward further demonstrating our community relations commitment by developing a Community Support Program which was launched at the Puckapunyal Army Base in Victoria by The Hon. Fran Bailey, Parliamentary Secretary to the Minister for Defence. Developed as part of our partnership with the Corporate Citizenship Unit at Deakin University, Transfield Services will gradually roll out the program to other communities in which we operate as part of our commitment to building sustainable communities alongside sustainable business.

Transfield Services' Alliances/Partnership model extends to our HSE activities. In 2003, we formed a joint venture with Resolve Australia Pty Ltd to further develop and implement the successful Agents of Change leadership development and behavioural-based safety program. We will share this learning with our client organisations.

It was gratifying that our HSE performance was officially acknowledged by a number of external organisations in 2003. We were delighted to win Telstra's Vendor Award in the 'Innovation - Environmental' category for our development and implementation of a Wildfire Risk Mitigation Strategy.

In South Australia, we were honoured to win the prestigious 'OneSteel Trak-Loc Safety Award' awarded by the Permanent Way Institution in recognition of the proactive Occupational Health and Safety initiatives we undertook on our South Australian Rail contract.

While we are pleased with the progress we made in 2003 towards achieving our HSE and Community objectives, we realise that there is no room for complacency and always room for improvement. Transfield Services will continue to pursue strategies and practices to maximise our performance in 2004 and beyond.

A handwritten signature in blue ink, appearing to read 'Peter Watson'. The signature is stylized and fluid, with a long horizontal stroke at the end.

Peter Watson
Managing Director

COMPANY PROFILE AND VALUES

Transfield Services is a leading provider of operations, maintenance and other asset management services in 11 industry sectors, with some 80 contracts across Australia, New Zealand and Malaysia. Our clients include major national and international companies, as well as federal, state and local governments. The company is publicly listed and included in the Standard and Poor's/Australian Stock Exchange 200. Transfield Services has more than 5,500 employees, over 8,000 contractor personnel and a turnover in 2002/2003 that exceeded \$1 billion.

In 2003, the outsourcing market for our services continued to show strong growth, driven by the need for organisations to achieve cost savings and operational improvements. We continued to pursue new client relationships by responding to invitations from clients as well as by proactively offering outsourcing services to new clients.

We entered into a number of new relationships and contracts in 2003. These included our appointment as prime contractor for the replacement of Telstra's Cable Plant Records system and the formation of a joint venture with Colonial First State Property - called Five D - to provide an integrated property and facilities management service for large corporations covering retail, commercial and industrial property facilities. We also won the contract to provide maintenance services to Transit New Zealand's Auckland North network, provide Consolidated Contract Maintenance Services to Santos in the Cooper Basin and operate and maintain Brisbane City Council's fleet of ferries and rivercats in conjunction with joint venture partner Transdev.

Transfield Services also managed the maintenance shutdown of WMC Resources' Olympic Dam Smelter, signed the contract for the development, operation, maintenance, strategic direction and ownership of a 260 megawatt Power Station in Kemerton, Western Australia and was awarded a contract by the New South Wales Government to operate and maintain the Lane Cove Tunnel which will be designed, built and funded by the Lane Cove Tunnel Consortium.

Transfield Services is committed to the health and safety of our employees, contractors and clients and shows regard for the impact of business activities on members of the broader community. In addition, our activities are conducted in consultation with the community and in an environmentally sustainable manner.

Two of our key objectives are:

No injuries to anyone – any time

We believe that all incidents are preventable. We are committed to identifying hazards, reducing risks and preventing incidents with the objective of zero harm. Continual development of our culture is the key to achieving our vision.

Respect the community and the environment

We are proud of the contribution we make to society. We acknowledge our responsibilities to be an effective community partner and to treat the environment with respect.

These objectives are the cornerstone of our commitment to continual improvement in the fields of health, safety, environment and the community and form the basis for our corporate policies.



Chief Operating Officer's Statement

Transfield Services Health, Safety, Environment and Community performance continues to improve. Whilst our performance is better than where it was 12 months ago, it is still not acceptable that our employees and contractors are getting hurt. Our efforts to reduce injuries, safeguard the environment and benefit the communities in which we work must be increased in 2004 so that we can continually improve our performance and remain the leader in providing sustainable, innovative and value adding operations and maintenance services to our clients.

Leadership that is 'felt' by our managers and supervisors is the key that in turn will instill a health, safety, environment and community orientated culture in our workplaces. We should never be satisfied with our performance, as we can always improve. No employee should ever be injured at work, 'Life and limb' and family should never be sacrificed in the process of getting a job done. My personal commitment to health, safety, environment and community is to become more involved with our Operational Management System, participate in system audits across the business, conduct site HSE observations, ensure corrective actions are addressed within designated timeframes and actively support improvement initiatives as they arise.

2003 is now behind us. It saw many improvement initiatives implemented and resulted in individual sites receiving external recognition for outstanding health, safety and environment achievements and their contribution to the community. In 2004, I challenge all employees to focus more closely on reporting hazards, preventing incidents and building community relationships. It is only through vigilance, dedication and effective communication that we can achieve 'no injuries to anyone - anytime' and demonstrate 'respect for the community and the environment'.

A handwritten signature in blue ink, appearing to read 'Joseph Sadatmehr'.

Joseph Sadatmehr
Chief Operating Officer

Transfield Services' Locations and Lost Time Injury Free Milestones

Operational Services

- 001 New South Wales Head Office
- 002 New Zealand Office
- 003 Queensland Office
- 004 Victorian Office
- 005 Western Australian Office
- 006 Malaysian Office

Joint Ventures

- 101 TransLink Operations
- 102 Transfield Services RIC
- 103 TGE Energy Services
- 104 Brisbane Ferries
- 105 Five D
- 106 Resolve Change Services
- 107 Transfield Worley Services - NZ
- 108 Transfield Worley Services - WEL
- 109 Yarra Trams

Defence

- 201 Corporate Services Infrastructure - WA
- 202 Hunter Valley Defence
- 203 Garrison Support SA
- 204 Garrison Support VIC
- 205 Garrison Support WA

Facilities Management

- 301 Dept. of Planning and Infrastructure WA
- 302 BP Office Services
- 303 NSW Schools - Newcastle/Taree
- 304 NZ Housing
- 305 QANTAS
- 306 Rottnest Island
- 307 ACT Housing
- 308 Hamersley Iron
- 309 NSW Police
- 310 NSW Schools - Lismore/Tweed/Ballina
- 311 NSW Schools - Mechanical Services - Newcastle SSU
- 312 Acacia Prison
- 313 WA Police
- 314 Woodside Energy Limited
- 315 CBA Retail
- 316 Corporate Property Services
- 317 Dept. Administration and Infrastructure Services SA
- 318 Mornington Peninsula Shire
- 319 NSW Housing
- 320 Transfield Services Response Network

Mining and Process

- 401 Mt Isa Workshop
- 402 Pasmaico Century Mine
- 403 Queensland Nickel
- 404 BlueScope Steel
- 405 Mackay Sugar Mills
- 406 REB Engineering
- 407 Sugar Australia

Oil and Gas

- 501 Mobil Altona Refinery
- 502 Queensland Brewery
- 503 Caltex Lytton Refinery
- 504 Mobil Adelaide Refinery
- 505 Coatings - SA
- 506 Coatings - NSW
- 507 Shell Malaysia Refinery
- 508 Caltex Kurnell Refinery
- 509 Qenos
- 510 Shell Clyde Refinery
- 511 Santos
- 512 WMC Resources - Olympic Dam Smelter

Power and Water Treatment

- 601 Yan Yean Water Treatment Plant
- 602 Macarthur Water Treatment Plant
- 603 Townsville Power Station
- 604 Collinsville Power Station

Rail

- 701 Brisbane Airport Rail Link
- 702 New Southern Rail
- 703 SA Rail
- 704 Tranz Rail

Telecommunications

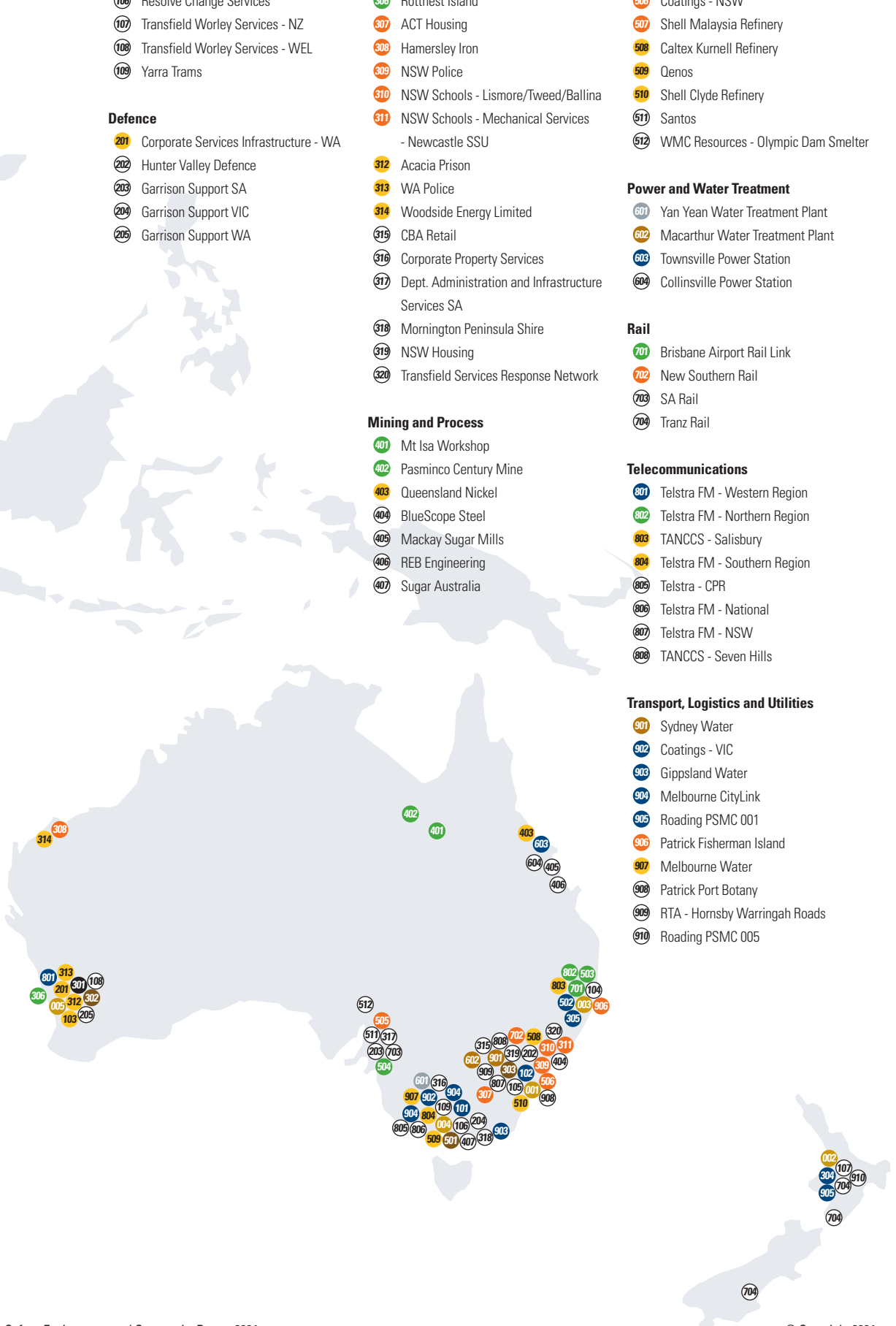
- 801 Telstra FM - Western Region
- 802 Telstra FM - Northern Region
- 803 TANCCS - Salisbury
- 804 Telstra FM - Southern Region
- 805 Telstra - CPR
- 806 Telstra FM - National
- 807 Telstra FM - NSW
- 808 TANCCS - Seven Hills

Transport, Logistics and Utilities

- 901 Sydney Water
- 902 Coatings - VIC
- 903 Gippsland Water
- 904 Melbourne CityLink
- 905 Roding PSMC 001
- 906 Patrick Fisherman Island
- 907 Melbourne Water
- 908 Patrick Port Botany
- 909 RTA - Hornsby Warringah Roads
- 910 Roding PSMC 005

Years LTI Free

- 10+ Years
- 9 Years
- 8 Years
- 7 Years
- 6 Years
- 5 Years
- 4 Years
- 3 Years
- 2 Years
- 1 Year
- 0 Years



Health, Safety, Environment and Community Personnel Structure



Joseph Sadatmehr
Chief Operating Officer

Transfield Services invests in Health, Safety, Environment and Community professionals to assist in company strategy and development, and provide support and advice to line management who have day-to-day responsibility for operational health and safety, protection of the environment and furthering relationships with the community.



Angelo De Angelis
General Manager
Operational Services



David Bond
National HSER Manager



Neil Birtchnell
National Customer
Service Manager



John Prince
Community Partnerships
Manager



Andrew Reynolds
National HSE Coordinator



Tony Hunt
National Environment
Manager



Keith Rolls
HSE Manager - Projects



Gordon Kilmaster (VIC)
**Defence, Power
and Utilities**



Phillip Wharram (WA)
Facilities Management



Brad Brown (QLD)
Mining and Process



Scott Frazer
Telecommunications



Robert Banks (NSW)
Oil and Gas



Kane Kowalczuk (SA)
**Transport, Logistics
and Rail**

Nicola Devlin
Eifion Peters-Hughes
Amanda McCaughey
Glenn Terhorst
Trent Wavish

Adam Forster
Paul Healy
Andrew Lange
Peter McDiarmid
Bryan Nielsen
Brett Taylor
David Whitelaw

David Armstrong
Sue Bartlett
Glen Cowling
Nathan Cracknell
Craig Delaney
Roy Ford
Noel Gower
Jan James
Keven O'Sullivan
Nathan Smith
Mick Storch
Phil Torpy
Allison Williams
Guy Yeldham

Seamus Finneran
Jon Moyses
Paul Southwell

Julie Butchart
Norm Coleman
Eric Dawe
Guy Flower
Rhonda Hedger
Nichole Perry
Gilbert Rectin
Mark Rowles
Selvarajah A/L Kathiravelu

Greg Hackett
Annabel Kempe
Peter McGeever
Michael Murphy
Jeff Palmer
Melanie Richardson
Scott Sargent

Industry HSER Managers

HSE Coordinators



Brisbane Ferries

Jason Grey



Five D

Andrew Luk



Resolve Change Services

Lisa Woodlock



TransLink Operations

Glenn Birthisel



TGE Energy Services

Ken Griffiths



Transfield Services RIC

David Farrar-Roberts



TWS - WEL

David Tooth



TWS - NZ

Colin Mercer



Yarra Trams

Kim Price

Joint Ventures



Trevor Sloggett

Workers Compensation
Analyst

Lenore Flint (NSW)

Workers Compensation
Case Manager

Pamela Sheehan (SA)

Claims Administrator

Workers Compensation

OUR MAJOR OBJECTIVES IN 2003

Objective	Target	Stretch Target	Result
Reduction in 2002 SIFR12	17.9 (20 per cent reduction).	16.8 (25 per cent reduction).	16.5 (26 per cent reduction).
Reduction in 2002 LTIFR12	3.2 (20 per cent reduction).	3.0 (25 per cent reduction).	3.2 (20 per cent reduction).
Complete HSE Management System Audit for each contract	55 Audits completed within the group.	100 per cent participation of all nominated senior managers in audits as per schedule.	As a result of re-aligning our management systems to AS/NZS 4801 and ISO 14001, the system audits were deferred for a period of four months in order to allow the contracts time to implement the changes in preparation for external certification. In all, 21 audits were completed.
External certification of management systems	AS/NZS 4801:2001 Occupational health and safety management systems.	AS/NZS ISO 14001:1996 Environmental management systems.	Our management systems were further developed to align with the requirements of AS/NZS 4801 and ISO 14001. Certification Audits by external auditors for both Standards is set for 1st quarter 2004.
Provide ongoing education programs that generate a culture of environmental sustainability and excellence	Level 1 and 2 environmental training to be provided to 85 per cent of all Contract Managers and Supervisors.	Level 1 and 2 environmental training to be provided to 100 per cent of all employees.	A decision was made to combine the level 1 and 2 environmental training contents with the existing Workplace Safety Handbook and Quality requirements. A team has been working on this initiative with completion due in 2004.
Implementation of Electrical Safety Awareness Packages	Packages rolled out within nominated implementation timeframes.	Electrical Safety Awareness Package rolled out to Joint Ventures.	All contracts commenced before 1 January 2003 have completed the Electrical Safety Awareness Package. Contracts that commenced during the year are scheduled to complete this initiative in 2004. Joint Ventures have expressed interest in implementing the Electrical Safety Awareness Package with some commencing in 2004.
Implementation of Energy Management Awareness Packages	Develop Energy Management Awareness Packages.	20 per cent reduction in energy use.	Due to the nature of Transfield Services' operations across more than 80 contracts controlled by our clients, it was not possible to determine a baseline for current energy use. Energy management initiatives have been implemented at a select number of our operations.

Towards the end of 2002, objectives and targets were established to continue driving improvements in our HSE performance. The objectives and targets are based on:

- System improvements
- Prevention of incidents
- Education and training of personnel
- Implementation of improvement initiatives
- Compliance to statutory, company and best practice standards
- Strengthening community relationships

Industry	2002 SIFR12	2003 SIFR12 Target	2003 SIFR12 Actual	Percentage Reduction Target	Percentage Improvement
Operational Services	5.1	4.9	1.6	5	69
Facilities Management	12.7	10.8	6.8	15	46
Telecommunications	11.8	10.9	7.7	10	35
Oil and Gas	13.4	12.1	11.8	10	12
Defence	28.1	21.1	15.1	25	47
Transfield Services	22.4	17.9	16.5	20	26
Transport, Logistics and Utilities	24.3	22.4	17.4	15	28
Mining and Process	27.1	19.9	29.4	25	-8
Power	78.0	46.8	31.2	40	60
Rail	35.9	26.9	31.6	25	12

OUR MAJOR OBJECTIVES FOR 2004

From the results we achieved in 2003, the HSE Board Committee has devised objectives and targets to again challenge all employees to continually improve our health, safety, environment and community performance.

Objective	Target
Reduce 2003 injury frequency rates by 20 per cent.	<ul style="list-style-type: none"> 20 per cent reduction in LTIFR12 20 per cent reduction in SIFR12 20 per cent reduction in AIFR12
Improve Line Management leadership, participation and accountability in Quality, Health, Safety and Environmental Management.	<ul style="list-style-type: none"> Participation of all Executive and Senior Managers in one Management System Audit. Develop and roll out a site management (leadership) team coaching program for selected operations. Greater than 90 per cent of Corrective Preventive Action Requests closed in less than 60 days. Greater than 90 per cent of all HSE incident corrective actions closed out within the nominated timeframe.
Achieve a pro-active approach to HSE management through the development and implementation of improvement initiatives.	<ul style="list-style-type: none"> Roll out an Incident Management System (IMS) to all sites. Delivery of Incident Investigation and IMS training program to all sites. Roll out of an Employee Well-being Policy, procedures and training package to all sites.
Raise risk management awareness and further develop a 'Think Risk™' culture.	<ul style="list-style-type: none"> Roll out a Risk Management System to all sites. Delivery of risk training to all risk and portal champions. Site specific risk assessments and profiles to be developed for all contracts.
Provide a systematic and integrated approach to QSE management that is externally audited and certified.	<ul style="list-style-type: none"> Achieve AS/NZS 4801 (Safety) and ISO 14001 (Environment) certification and maintain our current ISO 9001 Quality Certification.
Involve the families of employees in elevating HSE awareness at work and at home.	<ul style="list-style-type: none"> Conduct a family HSE awareness day at all regional centres.
Engage our employees in a company-wide environmental initiative that has local community benefits.	<ul style="list-style-type: none"> Participation in the 'Clean Up Australia' day (Tuesday 2 March 2004).
Expand our community partnership program across sites and industries.	<ul style="list-style-type: none"> Establish a community partnership program at four Defence sites and two in new industry sectors.
Establish a management tool for reporting local economy investment within Defence.	<ul style="list-style-type: none"> Report the level of investment back into the local economy at each of the Defence sites where Transfield Services is contracted.

To achieve our overall Transfield Services objective of a 20 per cent reduction in Serious Injury Frequency Rate, a weighted percentage has been levelled against each industry based on their 2003 performance. Better performing industries will make incremental improvements as they are already performing better than the Transfield Services SIFR12. However, the challenge to achieve a 20 per cent reduction across the company means that some industry sectors will need to deliver greater reductions in serious injury levels.

Industry	2003 SIFR12	2004 SIFR12 Target	Percentage Reduction
Operational Services	1.6	1.5	5
Facilities Management	6.8	6.1	10
Telecommunications	7.7	6.9	10
Oil and Gas	11.8	10.0	15
Defence	15.1	12.8	15
Transfield Services	16.5	13.2	20
Transport, Logistics and Utilities	17.4	13.4	23
Mining and Process	29.4	20.6	30
Power	31.2	21.8	30
Rail	31.6	22.1	30

THE FUTURE

2003 has seen the introduction of a wide range of initiatives, all of which are designed to drive us toward our ultimate goal of zero harm.

Our systems have evolved to meet the challenges and needs of a business that has continued a rapid growth profile across an increasingly diverse client base. This evolution however has occurred with a controlling influence that has maintained the simple but sound philosophy of understanding our business, identifying hazards and implementing effective controls. These systems will be tested in 2004 with Triple Certification audits scheduled for February. This will be an exciting process as we see ongoing external certification of our Safety and Environmental systems as an essential step to ensure we maintain a consistent approach to all activities across the business.

The vision for 2004 is improvement through consolidation of recent initiatives with an ever-increasing focus on behaviour. The past year has seen a range of initiatives develop and mature, including the:

- Incident Management System
- Rollout of HSE Systems for Triple Certification
- Electrical Safety Awareness program 'Take Five - Is it Live?'

To achieve full benefit from these initiatives there must now be significant effort placed on incorporating these programs into our day-to-day operations.

In support of the consolidation process there will be a range of activities that continues to target behavioural factors. These activities will reach the heart of all Safety and Environmental issues and target the barriers to true excellence in performance. These activities will include:

- Further development of Agents of Change, tailoring the program to meet site-specific issues.
- Contract Management HSE Leadership Initiative that has arisen from the SAFEmap survey results.

- An expansion of Transfield Services very own South Australian and Queensland HSE Theme Days. From 2004 onward, HSE Theme Days will run concurrently on a single day in all major regional centres.

The coming year will continue to provide challenges, particularly through the ongoing growth of the business and the ever changing dynamics of the industries that we service. We will meet these challenges with vigour, keeping our eyes on our goal of zero harm.



Photos taken at the 2003 South Australian HSE Theme Day

CASE STUDY

Transfield Services and Pasmaingo Joint Sponsorship of NAIDOC 2003



Transfield Services has directly sponsored a number of community programs over the past twelve months. One such program jointly sponsored with Pasmaingo at Century Mine was the National Aboriginal and Islander Day of Celebration (NAIDOC) program.

This two-day sports and education program involved 60 indigenous children who travelled to the mine from neighbouring Gulf Communities to take part in activities facilitated by Tarkyn Lockyer, Vice Captain of the Collingwood Football Club, and Anthony McDonald, former player for the Melbourne Football Club.

As a result of this NAIDOC 2003 event, Transfield Services has, with further stakeholder involvement, developed a Regional Indigenous Communities Program with the following objectives:

- Better understand the cultural differences and diversities of indigenous communities throughout the region through dialogue, engagement, cooperation, partnership and achieving shared objectives.
- Better prepare young indigenous people, initially from the Gulf Communities, for apprenticeships and/or traineeships with Transfield Services within the region and beyond.

Transfield Services views the formation of sustainable Community Partnerships as a journey we have only just begun. Through the ongoing partnership with Deakin University and consultation with the communities in which we operate, we aim to continue this journey to further develop our Community Partnership programs across all sites and industries and look forward to reporting our progress over the next twelve months.

IMPROVEMENT INITIATIVES



Transfield Worley Services Best Practice HSE Focus Group



The Transfield Worley Services Best Practice (TWSBP) HSE Focus Group aims to continually and significantly improve health, safety and environmental performance in the petrochemical and heavy industry sector. This Focus Group typically meets every four months to determine best practice for prevention of incidents and reduction of costs to the industry. This is achieved through ongoing development and implementation of industrial safety improvement initiatives.

This Focus Group has member participation and support from the following organisations:

- BlueScope Steel
- Caltex Refining
- Contract Resources
- Huntsman Chemicals
- Mobil Refining
- New Zealand Refining Company
- Qenos
- Saunders International
- Shell Australia Refining
- Shell Malaysia Refining
- Shell Todd Oil Services, NZ
- Transfield Worley Services
- Western Mining Corporation
- Woodside Petroleum

The Focus Group has delivered significant achievements including:

- Establishment and utilisation of the TWS HSE Best Practice Website;
- Development of a TWSBP Statistical and Analysis Benchmarking database;
- Establishment of the HSE discussion board for group problem solving;
- The sharing of Company Induction processes and programs for the benefit of all member companies; and
- The creation of an effective network of HSE professionals from across the participating member companies.

Key areas identified for further group development are:

- Training and Site Access Systems for the petrochemical and heavy industry sectors within Australasia
- Development of an overall Industry-Group Orientation program
- Development of Group Training Packages including Confined Space Entry, Breathing Apparatus, Work at Heights, Hazard Identification, Health and Hygiene, Manual Handling and Ergonomics.

Transfield Services Driver Feedback



As part of Transfield Services' ongoing commitment to continually improve workplace safety and protect the well-being of the communities in which we operate, an initiative aimed at the drivers of our large vehicle fleet was developed. The safe driving initiative was launched on 1 December 2003.

A sticker displayed on the rear of every vehicle carries the message 'Transfield Services Values Safe Driving' and encourages feedback from the public on any driver-related issues. The 1800-SAFELY number in Australia and the 0800-SAFELY number in New Zealand provide an opportunity for the public to report, on a 24 hour basis, any action/behaviour of our employees.

Employee Well-being

Throughout 2003, the National HSE Focus Group developed an Employee Well-being policy and Drug and Alcohol and Fatigue Management procedures.

The goal of the Employee Well-being policy is to provide a safe and productive workplace free from risk of harm created through employees who are unfit for work and also address the effects of drugs (prescribed and non-prescribed), alcohol, fatigue, stress and hours of work.

The well-being initiative aims to address employee awareness about balancing work and family life in the context of healthy living. Prior to the company-wide implementation of this policy, an awareness program will be rolled out in 2004.

Organisational Development

In 2003, Transfield Services invested further in the development of its employees and the organisation's culture by establishing an Organisational Development (OD) team. The OD team has begun formulating strategies to enhance the effectiveness of our people and business partners in a range of areas including Health, Safety and the Environment. The strategies are:

- Ensuring that talent is ready in the right place at the right time. This will ensure that the focus on HSE is maintained as the organisation grows.
- Ensuring that Transfield Services retains the right staff with the required capabilities to deliver strategic objectives. This will reinforce the right behaviours and build on our current capability in this area to drive our business forward.
- Build higher levels of effectiveness in service relationship management among our managers. This will ensure that our current HSE talent is enhanced and shared across the organisation.
- Move delivery of all facets of 'our product' in human resources to 'Best in Class'. This demonstrates Transfield Services' commitment to delivering best practice.
- Establish rewards, recognition and incentives to reinforce desired behaviours. Establishing reward and recognition programs that drive high performance and reinforce the behaviours required for success, is fundamental to ensuring we foster the right culture, talent and focus on HSE.

The Learning and Development team within OD has continued to ensure that day-to-day and strategic development requirements are met with a return on investment to employees and the company.



Our Alliance with the University of Ballarat and the Centre for Business Solutions in Western Australia is now in its fourth year and continues to grow and provide educational and development opportunities for our employees.

In New Zealand, we continue to build our relationship with Compentez, which provides tailored training solutions and opportunities for our Rail employees and is exploring becoming a Private Training Enterprise (PTE).

Other significant developments undertaken this year by our Learning and Development team have included implementation of a graduate development program, enhancement of the company's mentoring program and the provision of recommendations for a new apprenticeship program.

We have also expanded our South Australian-based Registered Training Organisation (RTO), approved under the Australian National Training Authority to include REB Engineering, a new division of Transfield Services that is located in Mackay, Queensland. As an RTO, REB Engineering can now deliver Generic Coal Induction Training and other short courses to employees in Mackay and the surrounding region.



RTO status has brought ongoing benefits to our employees, clients and business in South Australia. In New Zealand, it has provided significant value to training activities undertaken in conjunction with Tranz Rail. We are confident that REB Engineering's RTO status will deliver similar benefits.

Risk Management System

Transfield Services has developed a Risk Management System to complement the company's Risk Management Manual and Toolkit, with the objective of instilling a 'Think Risk™' culture across the company.

This database houses risk assessment and action plans that provide a comprehensive analysis for risk management with key imperatives including:

- Enterprise-wide risk management identification and reporting;
- Incorporation of risk management into everyday organisational management;
- Auto escalation of risk elements when allowable thresholds are exceeded; and
- Exception and trend analysis reporting to Executive Management and the Audit and Compliance Board Committee.

This application is an important initiative that will assist with identifying, assessing and reporting on all potential risk-related outcomes fundamental to the company's risk management practice.

HSE Board Committee



From Left to Right: George Everson, Steve MacDonald, Rocco Riccardi, Bernard Wheelahan, Guido Belgiorino-Nettis, Angelo De Angelis, Peter Watson, Tony Hunt, Joseph Sadatmehr

To formalise our commitment to HSE, the company established an HSE Board Committee in 2003. Under its Charter, the Committee's duties include to:

- Ensure comprehensive safety strategies are put in place to eliminate injuries;
- Review the company's HSE performance and ensure appropriate action is taken;
- Ensure that systems and policies are implemented, regularly monitored and comply with legislation;
- Review high-level risks and develop plans to mitigate these risks; and
- Benchmark the company's performance against industry and leading organisations.

The actions of the Committee provide an absolute demonstration of commitment, at the highest level, to strive for excellence in managing the operations' HSE risks.

HSE Board Committee Leadership

Bernard Wheelahan, the HSE Board Committee Chairman, has extensive experience in HSE management through his current Chairing of the Bass Strait Oil Company and of Pacific Hydro Limited and as a Director of the Gribbles Group Limited. Bernard has held the position of executive and non-executive director of public and private companies in Australia and internationally in the resources and major project development sectors.

Bernard has previously been Chairman of the HSE Board Committees of Normandy Mining Ltd, Shell Venezuela S.A., and of the Australian Petroleum Production and Exploration Association. He has also been a member of the HSE Board Committees of Woodside Petroleum Ltd, and of Shell Australia Limited.

Community Partnerships

Transfield Services recognises the benefits of Corporate Citizenship and Community Partnerships can deliver in helping to better understand the wider objectives of the communities in which we operate. This approach to business is seen as best practice for sustainable employee and community trust and support.

This community involvement extends to internal and external stakeholders, as Transfield Services is committed to building long-term strategies and relationships across all those industries and communities in which it operates.



In November 2002, Transfield Services entered into a partnership with Deakin University and its Corporate Citizenship Research Unit under the direction of Professor David Birch. The objective of this partnership is to develop leading-edge best practice policy and corporate social responsibility practices.

This partnership will heighten our awareness of the potential social impact of our presence within communities and ultimately generate greater community stakeholder influence on shaping and changing the business environment.

The main focus of our partnership with Deakin University and the Corporate Citizenship Research Unit is to establish community support programs within the Defence and Mining and Process industries. This involves extensive stakeholder dialogue to identify local and regional issues, which may affect or influence the community and develop support programs tailored to those specific issues.

Quality, Safety and Environment System

Transfield Services' integrated Quality, Safety and Environment System, which incorporates risk management processes under a single auditable and functional management system is identified as the company's Operational Systems Manual (OSM).

The great advantage of the OSM is that the company's health, safety and environmental disciplines are seamlessly integrated into a 'stand-alone' management system. This unified approach uses common procedures, processes and personnel for the delivery of a sound operational management system to control HSE risks within the workplace.

The OSM is currently certified against ISO 9001 for Quality Assurance and Transfield Services will seek external certification against AS/NZS 4801 Occupational Health and Safety and ISO 14001 Environment Standards in early 2004.

Transfield Services' HSE management system is based on the following processes:

- Identification, assessment and control of HSE risks and issues.
- Setting objectives and targets to address the identified risks and issues.
- Ongoing training to maintain and reinforce awareness of the identified risks and issues.
- Regular audit and review of the controls, effectiveness and reporting against the performance measures incorporated in the objectives and targets.
- Investigation and root cause analysis of incidents and non-conformances to identify appropriate corrective and preventive actions for incorporation into the HSE management system.
- Formal annual review and re-evaluation of the entire process, in effect restarting the process.

Employee HSE Culture Survey

The first of the biannual company-wide HSE Culture Surveys was completed during the reporting period 2002/2003. The survey involved 2,665 employees across 11 industry sectors and 45 contracts. The purpose of this survey was to measure and benchmark Transfield Services' current health, safety and environmental culture.

Key objectives of this survey include the:

- Identification of strategic strengths, limitations and opportunities in the organisation's HSE culture.
- Comparison of perceptions and attitudes of Transfield Services' employees, contracts and industry groups, both within the company and against an Australian industry benchmark.
- Establishment of a baseline for future surveys so that changes in perception and attitude trends can be measured.
- Recommendation to management on specific actions, initiatives or systems to contemplate for implementation (based on the identification of employee issues through the survey).

Administered by an external provider specialising in the area of HSE culture, the findings have provided Transfield Services with a greater understanding of our HSE Culture. This has enabled the company to identify opportunities for the delivery of future HSE programs and processes ensuring a sustainable and positive working environment.

Sustainable Development - Our Commitment to Making a Difference



Transfield Services (New Zealand) Ltd recently joined the New Zealand Business Council for Sustainable Development (NZBCSD). The NZBCSD is a coalition of leading businesses united by a shared commitment to sustainable development through economic growth, environmental protection and social progress.

As a member of the NZBCSD, Transfield Services becomes part of an integrated partnership of the World Business Council for Sustainable Development, a coalition of 1,560 international companies with members drawn from more than 30 countries and 20 major industry sectors.

The mission of this coalition is to provide business leadership as a catalyst for change toward sustainable development and to promote eco-efficiency, innovation and responsible entrepreneurship.

Transfield Services (New Zealand) Ltd is actively involved with the Council and participates in regionally topical workshops sharing improvement initiatives with members of the community. Our membership also provides the opportunity to utilise the 'Business Guide to Sustainable Development Reporting and Sustainable Development Guidelines 2002' in order to review and make recommendations on current health, safety, environmental and community related strategies.

Cultural and Behavioural Change Initiative



In October 2003, Transfield Services formed a Joint Venture with Resolve Australia Pty Ltd, called Resolve Change Services, to further develop and implement our cultural and behavioural Agents of Change (AOC) program. The program has key micro, macro and company-wide safety deliverable outcomes.

Resolve Change Services will build on the strong relationship between both parent companies, acting as the delivery arm for a range of core services, including the AOC leadership development and behavioural-based safety program.

This program differs from the more traditional concept of organisational change in which change is largely dependent on a top-down management drive. As a leadership development program, AOC engages the commitment and expertise of 'front line' middle managers, supervisors and team leaders to expand their leadership skills in order to implement relevant safety-based projects and 'coach' employees to produce safer behaviours.

Within an AOC framework, members of senior management retain a critical function but with a shift in role to becoming sponsors who support and partner participants in generating and leveraging real and sustainable improvements at their workplaces. AOC also facilitates the ongoing development of Safety Leadership Groups in the form of Continuous Improvement Teams to spread and sustain the impact of AOC innovations across whole work sites.

Annual HSE Drawing Competition and Calendar



Cover illustration by Nikolai Ilich (age group 10-12)

For the fifth consecutive year, Transfield Services has sponsored the annual Calendar Drawing Competition open to the children of our employees from Australia, New Zealand and Malaysia.

Thirteen drawings (one for each month and one for the cover) are selected and incorporated into this calendar with the aim of educating our employees, clients and members of the public on Health, Safety, Environmental and Community themes.

The 2004 Calendar incorporates themes such as electrical safety, energy saving and greenhouse gas emissions and eye safety. The children's creative drawings provide the opportunity for them to effectively identify and demonstrate their understanding of safety and environmental hazards both in the workplace and at home.

The calendar is distributed to our employees and clients as a way of reinforcing our safety, environment and community values.



Peter Watson in Malaysia presenting Teong Moi Chin with a prize for her drawing (age group 7-9)

Vehicle Safety Initiatives

Following Transport Accident Commission findings that road crashes are the most common form of work-related fatalities, injuries and absence from work in Australia, Transfield Services is proposing to fit as standard Anti-skid Brake Systems (ABS) and driver airbags to all company vehicles where possible.

The obvious benefit of fitting ABS and airbags is the increased safety for our employees who drive our company vehicles, some in excess of 60,000 kilometres per year. It has been proven that ABS adds significantly to the chance of keeping control of a vehicle in an emergency situation and therefore avoiding an accident. Likewise, airbags save lives and reduce injury if a serious accident does occur. Statistics show that serious head injuries are reduced by over 50 per cent if the vehicle is fitted with airbags.

Transfield Services is also considering having cruise control and 'black boxes' installed in company vehicles that reside in remote locations or travel significant distances each year. The positive effects of cruise control include governing fuel consumption, which benefits the environment, and also leads to improved road safety.

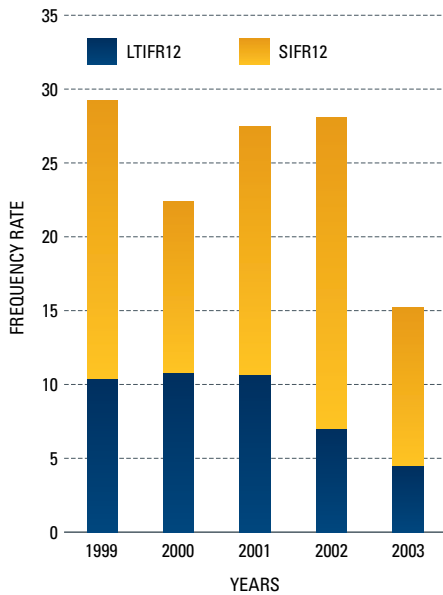
'Black boxes' monitor a vehicle's location, speed and other information and can alert emergency services in the event of a crash, reducing response times.

The fitting of these features demonstrates Transfield Services is serious about using technology to improve vehicle safety and prevent our employees from being hurt.

INDUSTRY OVERVIEW



DEFENCE



In 2003, the Defence HSE Focus Group developed and delivered improvement initiatives to all Defence contracts and strengthened our relationship with contractors.

Transfield Services has also implemented a community partnership initiative as part of its Garrison Support Services' commitment to the Puckapunyal area in Victoria. It is intended that this local community initiative will be replicated across other operations in 2004.

Significant development of our HSE strategy has improved our approach to contractor management. One such improvement was the rationalisation of all HSE documentation. This process included streamlining the Defence Operational Systems Plan and all associated procedures and forms to provide a consistent approach across Defence.

The formation of the Directorate of Safety Management, Corporate Services and Infrastructure Group (CSIG) has provided significant assistance in progressing the management and reporting of workplace incidents and injuries.

The CSIG expressed confidence in our ability to deliver environmental projects to our Comprehensive Maintenance Contract (CMC), ranging from weed-spraying to the management of the Defence Environmental Management System.

The CSIG conducted an audit of the CMC Health and Safety Management System in Western Australia in December 2002. The auditors identified this system as the benchmark because of its high quality and it has now been implemented on all CMCs across Australia.

The Agents of Change program commenced in May at Garrison Support Services in Victoria. Three stages of this program over an 18-month period assisted team leaders and supervisors in the workplace to expand their leadership skills in order to implement relevant safety-based work projects and coach employees to produce safer behaviours. To date, participants have successfully completed Stage One of this program and have presented their project initiatives to Transfield Services, Defence personnel, and contractor management.



The Senses Foundation awarded the Teresa Way Award to Garrison Support Services in Western Australia in recognition of the generous donation Transfield Services made to people who are 'deafblind'. The Senses Foundation provides communication services, accommodation, training, respite and recreation to deafblind people and their families, friends and carers.

Defence in 2004 will focus on further developing the relationship with the Directorate of Safety Management CSIG to encompass all aspects of HSE Management on Defence contracts and to ensure that the documented HSE Management System is finalised and readily available for immediate integration into existing and future contracts.

CASE STUDY

Community Partnership at Puckapunyal



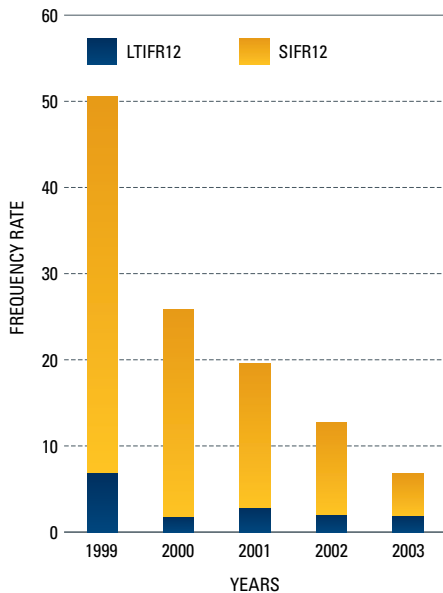
By engaging key stakeholders in the community, a number of local and regional issues were identified within our Garrison Support Services contract with the Department of Defence at Puckapunyal in Victoria.

A Community Support Program, launched by the Hon. Fran Bailey, Parliamentary Secretary to the Minister of Defence, has been developed to address specific local issues. Activities have included:

- Coordinating homegrown activities by our site managers on the base working closely with key stakeholders in the community. These are local community needs that can potentially be resolved with assistance from Transfield Services. Examples include: maintenance of grounds at the primary school or kindergarten and assistance with school holiday programs.
- Developing a Community Partnership with the Central Ranges Local Learning and Employment Network. This formal partnership, endorsed by a Memorandum of Understanding, aims to increase the employment skills of young people in the community through education and training.
- Building investment strategies for the local economy and engaging in community development through strategic procurement and resource sharing.

Our objective is to develop long-term sustainable Community Partnerships with our Garrison Support Contract and the Puckapunyal community. Transfield Services will continue to build stronger relationships to further understand the community's wider objectives. We have formed a community reference group, which will continue to monitor and evaluate our program and provide important local knowledge.

FACILITIES MANAGEMENT



Our 2003 HSE improvement initiatives for Facilities Management (FM) were delivered through employee training in understanding 'safe' and 'at risk' behaviour, recording of job/task observations by supervisors and employees and identifying measurable Key Performance Indicators (KPIs) including:

- Workplace inspections
- Participation in HSE Committee meetings and incident investigations
- Facilitation of toolbox meetings
- Provision of training budgets

During 2003, the FM HSE Focus Group developed an industry-specific Operational Systems Plan (OSP) tailored to meet FM requirements. The OSP includes a map to guide the user through the Management System and hyperlinks to the most current documentation.

Other initiatives implemented in 2003 included the completion of Certificate IV in Workplace Training and Assessment by all HSE Coordinators, conducting Risk Management Workshops on all contracts and the review and redesign of the Job Analysis process.

The implementation of programs for goal setting and encouraging feedback from employees, contractors and clients has resulted in significant achievements and recognition of our FM contracts. Woodside Energy Limited, Rottne Island and the Department of Planning and Infrastructure, WA received Industrial Foundation for Accident Prevention Awards after completing six months LTI free between January and June 2003.



We actively monitor issues within the context of fostering an environment of continual improvement and educate our employees and contractors as to the correct procedures to follow with regard to their own personal safety and that of others. In August 2003, a Prohibition Notice was issued to the Department of Administration and Infrastructure Services (DAIS) contract, South Australia, by Workplace Services to stop the installation of wall panels, which contained sealed asbestos within transportable buildings.

In October 2003, Workplace Services issued a Prohibition Notice to DAIS after a licensed contractor commenced work during school hours to remove asbestos from a school building earmarked for demolition. As they arise, HSE issues are communicated to all employees and contractors to raise awareness of and provide guidelines for future behaviour.

The focus for 2004 is to develop and implement an incentive program based on performance against the company's KPIs, develop and implement an initiative for energy management and create an FM-specific induction.

CASE STUDY

Effective Energy Management



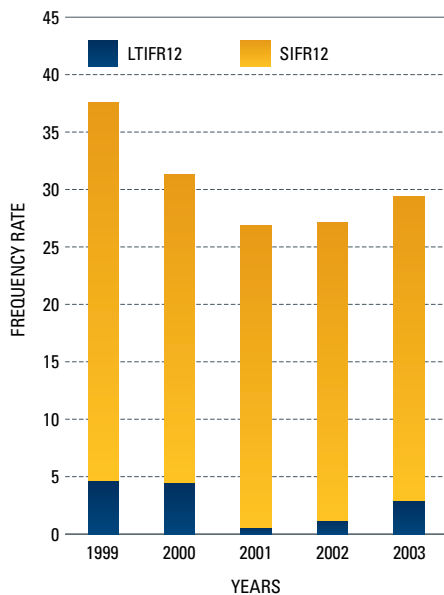
In November 2003, Transfield Services implemented an Energy Efficiency Project by upgrading the lighting control system of our Malvern Office in Victoria. Supported by quantified recommendations for energy conservation measures, the focus of this project was to achieve an overall reduction in energy consumption, resulting in significant reductions in greenhouse gas emissions and energy costs.

In consultation with Energy Conservation System Pty Ltd, the Managed Lighting System (MLS) was installed in most work and functional areas of the building. This occupancy-based lighting control system makes use of motion detection to switch lights on and off and is one of the most efficient forms of lighting control available.

The MLS consists of a number of passive infrared motion detectors, which communicate with each other, ensuring lights are switched on only when someone is present within their zone. In this way, minimum number of lights are switched on at any given time and consequently, energy consumption for lighting is significantly reduced.

Apart from the functional and convenient applications this MLS offers, it also significantly reduces greenhouse gas emissions by 187.7 tonnes per year and energy consumption by 127,976 kWh per year for lighting, approximately a 60 per cent saving. This translates into an overall 20 per cent reduction in energy consumption for the entire building and will result in a substantial cost reduction.

MINING AND PROCESS



Effective risk management at the task level continued to be a major focus of Mining and Process in 2003. In addition to the use of the existing Job Analysis procedure, a number of alternative processes were developed. New procedures included the SLAM initiative introduced at REB Engineering that requires personnel to Stop, Look, Assess and Manage all hazards prior to commencing work.

In 2003, the LTIFR12 increased to 2.9 and the SIFR12 also increased to 29.4. It is recognised that these increases resulted from the addition of new contracts and acquisitions. The feasibility of a negative impact was foreseen during the business development stage and transition plans were developed to manage the outcome. The implementation of these plans has already delivered significant improvements and this is expected to continue in 2004.

Another initiative undertaken by the Mining and Process HSE Focus Group in 2003 was the development of a new HSE Transition Plan to standardise the contract commencement process. This plan will assist in managing growth in Mining and Process and speed the transition of new contracts to a Transfield Services' HSE culture.

The Plan was successfully trialled for the Mackay Sugar Alliance transition. At the commencement of the Mackay Sugar Alliance it was determined that the systems must include workforce participation in the risk assessment process. Three key initiatives included:

- Job Starts
- Job Analysis and
- Job Observations

These initiatives complement each other to provide an appropriate level of risk management prior to the commencement of any task, along with an auditable trail to confirm the effective operation of the process. These efforts, combined with a 'One Team' approach, have achieved significant improvements in HSE performance.

The Mining and Process HSE Focus Group has identified the development of an Industry Operational Systems Plan as a key initiative for 2004.

CASE STUDY

WMC Resources Olympic Dam Shutdown



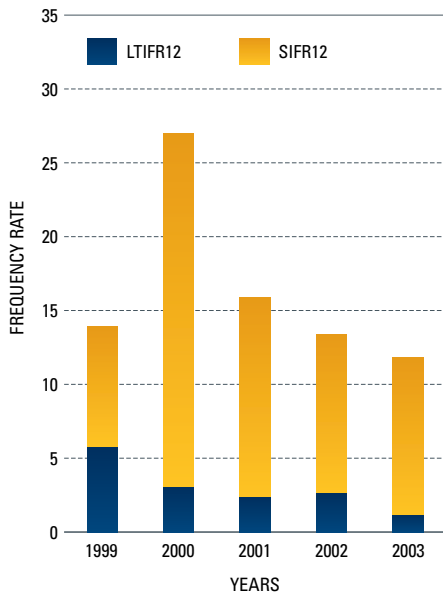
Our record of safely completing shutdowns continued, culminating with the 2003 Smelter Shutdown at the Western Mining Corporation (WMC) Olympic Dam site during the months of August and September. Shutdown projects are an ongoing part of Mining and Process. This shutdown was reported as the largest single shutdown project in Australia with over 980 personnel working in excess of 380,000 hours.

Planning commenced almost twelve months prior with a management team based on site. The development of the HSE Management System involved a team approach between Transfield Services and WMC. This planning included the development of an Operational Systems Plan, preparation of Task Hazard Analysis, risk assessments of the shutdown scope and individual plant areas and development of training and induction programs. The key elements of success included:

- Seamless alignment through the integration of the Transfield Services Operational System Plan with the WMC HSE management requirements;
- A 'One Team' approach between Transfield Services and WMC through all aspects of shutdown planning and execution;
- An intensive two day training and familiarisation program for all personnel prior to commencement;
- High levels of communication and workforce consultation through daily toolbox and weekly HSE Committee meetings; and
- Over 3,000 random breath tests and 120 random drug screens during the shutdown period resulting in 98.2 per cent fitness for work compliance.

The HSE performance for the project delivered a LTIFR12 of 1.8 and a SIFR12 of 9.0. In addition, there were no environmental incidents recorded. 'Safe Days' - a safety initiative for the number of days Serious Injury Free - was introduced, and raised \$40,000, which was donated to the Royal Flying Doctor Service.

OIL AND GAS



Oil and Gas achieved a significant improvement in HSE performance in 2003. This result reflected the effectiveness of our Shutdown HSE Plan, which is now being used across all sites. A detailed closeout report is also prepared at the conclusion of each shutdown so that knowledge and learnings can be captured and shared.

Another significant achievement by the group in 2003 was the development of a comprehensive risk management tool to assist sites to identify and control risks arising from pre-planning.

Shutdowns were successfully completed Serious Injury free at the following refineries:

- Caltex Kurnell 23,000 hours
- Caltex Kurnell 56,000 hours
- Caltex Kurnell 80,000 hours
- Caltex Lytton 15,000 hours
- Mobil Altona 30,000 hours
- Mobil Altona 40,000 hours
- Shell Clyde 28,000 hours
- Shell Malaysia 50,000 hours

Other measures to assist injury prevention included the addition of tool holders to support flogging spanners and prevent impact with hands, and lanyards to secure tools from falling from height.

Additional measures adopted by Oil and Gas during the year included:

- Commencement of the Agents of Change program at Shell Clyde;
- Development of Safe Acts Observations at all shutdowns;
- Rolling out SAFEmap Action Plans across all sites; and
- Completion of the 'Take Five - Is it Live?' Electrical Awareness Program on all sites.

The group also developed an educational tool to better equip line managers and supervisors to manage HSE and industrial relation issues.

In 2003, Oil and Gas marked the success of its shutdowns by making donations to a number of community organisations. These included Camp Quality, Canteen and the Make a Wish Foundation.

Next year, one of the Group's targeted initiatives is the development of an Oil and Gas Operational Systems Plan to standardise HSE management across the industry.

CASE STUDY

Caltex Shutdown Success is Shared with the Make a Wish Foundation

After the successful completion of the 'CDU Cluster' Shutdown at Caltex Oil Refinery, Kurnell, in October 2003, the team raised and donated almost \$16,000 to the Make a Wish Foundation, a charity that grants wishes to children with life-threatening medical conditions to enrich their lives with hope, strength and joy.

With no LTI's recorded, Transfield Services successfully completed the cluster of shutdowns, which involved a workforce of more than 280 employees and 300 contractors completing 158,500 hours.

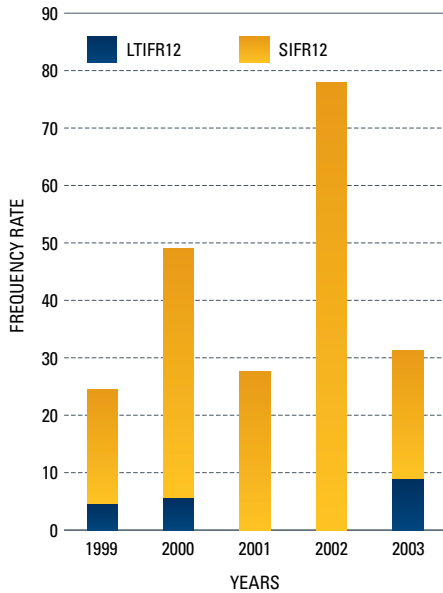
Traditionally, Transfield Services marks the completion of major shutdowns by making a donation to a charitable organisation, thus supporting the local community in which we often become closely involved. The donation also ties in with the 'Safety Incentive Program' whereby money is raised for each day of the shutdown that is Treatable Injury free.

Ultimately, the success of this shutdown was attributable to the highly committed work crews and effective communication between teams, supervisors and management. The strong affiliation between Transfield Services and Caltex Oil Refineries towards our 'no injuries to anyone anytime' objective demonstrates the shared goal of a safer work environment for all employees.



Through the Make a Wish Foundation, the CDU Cluster Shutdown Team made a donation to Marie and her family so that she could fulfil her dream of travelling to Queensland to swim with the dolphins.

POWER



Power achieved a significant improvement in HSE performance, which resulted in a SIFR12 reduction of 60 per cent. This was highlighted in the successful completion of four shutdowns at Collinsville Power Station (CPS) in August and September without Serious Injury, and the continued injury-free performance since commissioning in December 1999 of the Townsville Power Station (TPS). This achievement is further highlighted by the increased site activity with the commencement of a major expansion.

Work began in August to convert TPS from a 'peak load' to a 'base load' plant that will be fuelled by environmentally friendly coal seam methane gas supplied through the Enertrade gas pipeline from the Bowen Basin in central Queensland. Following the redevelopment, TPS will provide a constant 220 megawatts of low cost electricity to the North Queensland market.

In June, the Queensland Environment Protection Authority conducted a compliance audit at TPS, focusing on storm water and waste management. Their findings indicated conformance with all legislative environmental requirements.

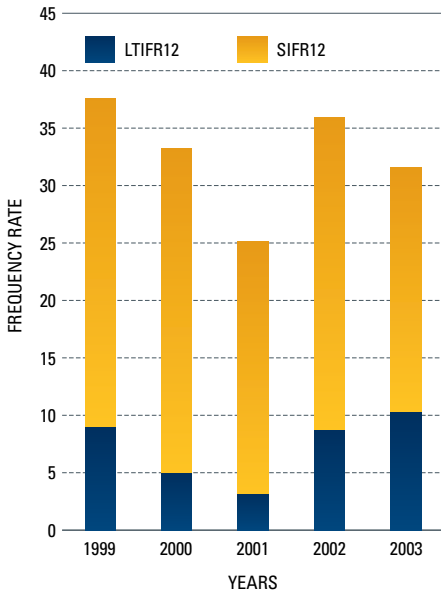
After becoming sole owner of CPS in October 2002, the challenge was to transform CPS into World's Best Practice in all aspects of operation including HSE. A new theme was adopted of 'Our People, Our Power' and this message has been behind the following initiatives:

- Hosting site visits from Glenden High School, St Catherine's College (Proserpine) and Queens Beach Primary School.
- Enhancing site security and providing all staff with first aid training.
- Fulfilling the requirements of and obtaining an asbestos removal licence.
- Working towards creating a training facility for Australian and overseas power station operators.

The focus for Power in 2004 will be to develop an industry-specific Operational Systems Plan that will form the basis of a robust HSE management system to be adopted across all sites and provide a foundation for the Transfield Services' peak load Kemerton Power Station in Western Australia, where construction is due to commence in 2004.



RAIL



In 2003, Rail continued to work on improving its HSE performance through training employees, staying abreast of legislative changes and implementing improvement initiatives.

Brisbane Airport Rail Link formed an Alliance with Airtrain, which has led to a closer working relationship between the two and a consolidated approach to HSE management. An example of this was the jointly undertaken risk assessment conducted to control incidents where trains were not stopping on the marks and a carriage would come to rest past the end of the platform. This created a potential risk to passengers who could still open train doors where there was no platform. To solve the problem, fencing was erected, extending out from the station platforms at both the Domestic and International Terminals.

Airport Line relocated the chemical dosing station from below the international platform into the nearby plant room. This removed the requirement to manually lift and pass down containers. A second initiative involved alleviating the risk of people falling into a manhole whose cover had to be removed to allow water samples to be taken. The solution involved removing a small corner of the large manhole. Due to station operations, it was also necessary to undertake the task within a limited timeframe. To allow swift access for the monitoring equipment, a small corner of the large manhole cover was removed, providing an effective solution.

Tranz Rail in New Zealand implemented an initiative that now sees credit card sized tags attached to all plant and equipment that clearly identify the required personal protective equipment to be worn when operating. Where it is not possible to attach tags, stickers are used. Tranz Rail employees are also taking up and successfully completing the nationally recognised Rail Maintenance Certificate. A new skills matrix is also in place to track employee progress against the unit elements.



The South Australian Rail contract won the prestigious 'OneSteel Trak-Lok Safety Award' run by the Permanent Way Institution (PWI). The 'Permanent Way' is the entire rail track corridor, including the track access and infrastructure. The 'OneSteel Trak-Lok Safety Award' is presented for commendable achievement and/or initiative in the field of Occupational Health, Safety and Welfare. The SA Rail application was based on a number of proactive Occupational Health and Safety initiatives that had been rolled out over the last 12 months. Particular emphasis was placed on the 'Take Five - Is it Live?' initiative.

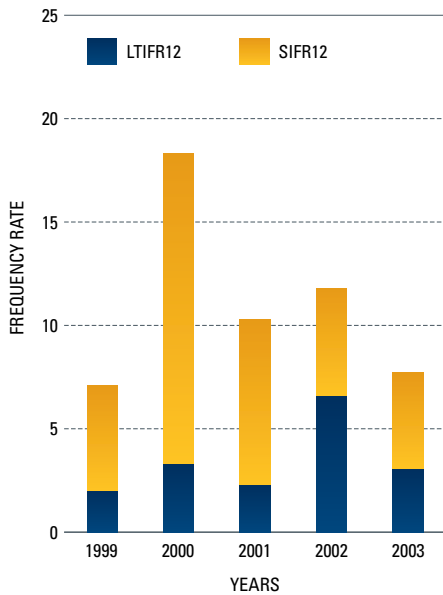
On the SA Rail contract, Transfield Services was chosen by the Australian Rail Track Corporation to develop and implement quality and training documents relating to the Defined Interstate Rail Network Code of Practice for Track and Civil Management. This required the review and realignment of more than 100 SA Rail training packages to ensure regulatory and Transport and Distribution Training Rail Civil Infrastructure 2002 compliance. Throughout the year, over 240 employees across 2,500 kilometres received training in manual handling, heat stress, infectious diseases, fire management, personal protective equipment, environmental awareness and the Safework Code of Practice.



The Department of Labour - Occupational Safety and Health Service in New Zealand issued an Improvement Notice requiring Tranz Rail to show processes for training and supervision of those using water-blasting units and that a correct means of starting the unit be always available.

Following the commencement of the Agents of Change program at both SA Rail and Tranz Rail, the challenge for 2004 is to develop a Rail Operational Systems Plan, reduce the occurrence of 'white finger' vibration type injuries and for Tranz Rail to apply for membership of the Accident Compensation Commission Partnership Program.

TELECOMMUNICATIONS



Telecommunications has had a strong year with a number of health, safety and environment highlights. With the revision of the Telstra Projects contract risk profile in consultation with stakeholders, and the regular use of mobile phones for distributing safety alerts quickly and efficiently to field personnel using SMS technology, 2003 concluded with a positive end result. Telstra Facilities Management (FM) also maintained certification against AS/NZS 4801 and ISO 14001.

Transfield Services was involved in the development of the Client Management System, referred to as Working in Network Sites (WINS), which outlines specific property and building infrastructure requirements and an asbestos management initiative.

Telstra acknowledged Transfield Services' achievements in the area of Environment this year through the awarding of the 2003 Telstra vendor category of 'Innovation - Environmental'. Transfield Services was selected as the winner for the development and implementation of a Wildfire Risk Mitigation Strategy for Telstra.

Other achievements for 2003 include compliance against Telstra audit requirements, the implementation of contractor HSE monthly reporting, ongoing contractor audits and the development and revision of the Transfield Services and Telstra induction package.



It is with sadness however that we report that a contractor on the Telstra FM contract was fatally injured in an electrical incident at the Undercliffe Telephone Exchange in NSW. The incident occurred on a capital works project that involved the removal and replacement of 240 volt cabling associated with an exit and emergency lighting system.

The focus of the Telecommunications HSE Focus Group for 2004 is to continue to initiate more effective contractor communication, proactive task-related risk management and stringent auditing practices as a means to continue developing and implementing HSE improvements.

CASE STUDY

Transfield Services Wins Telstra Innovation - Environmental Award



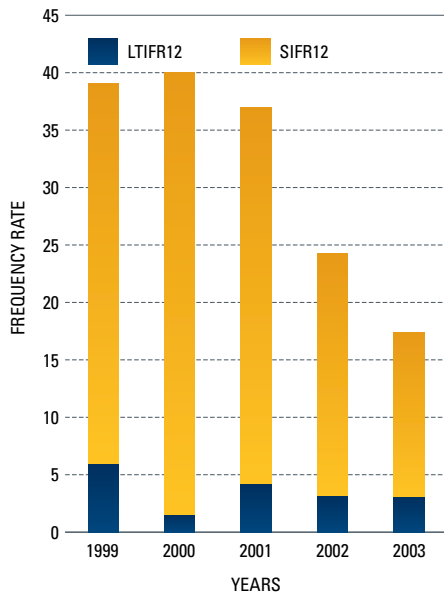
Telstra acknowledged Transfield Services' achievements in the area of Environment this year, through the awarding of the 2003 Telstra Vendor Awards in the category of 'Innovation - Environmental'.

Transfield Services was selected as the winner for the development and implementation of a Wildfire Risk Mitigation Strategy for Telstra. Telstra recognised that 'Transfield Services demonstrated commitment, excellence and leadership in environmental performance' in developing and implementing this strategy.

Transfield Services' Wildfire Strategy included a review of data from the Bureau of Meteorology and other relevant authorities to assist in monitoring those factors which contributed to wildfires. The data is then used to identify areas likely to be affected by wildfire, after which risk mitigation activities can be initiated to help ensure those sites at risk are appropriately protected before and during the onset of wildfire conditions.

The strategy proved its value during severe wildfires in New South Wales, the Australian Capital Territory, Victoria, Tasmania and Western Australia, where it minimised the adverse impact of the fires on Telstra assets and services in a way which would not have been possible with traditional fire prevention measures.

TRANSPORT, LOGISTICS AND UTILITIES



The Lost Time and Serious Injury Frequency Rates were reduced in 2003 from those recorded the previous year. This result was delivered through a range of methods, including provision of training and implementation of targeted initiatives such as site-specific Operational Systems Plans. A number of new and refresher training courses were delivered at Melbourne CityLink including high voltage, confined space entry, team leadership, worksite control and traffic management, safe use of chainsaws, brush cutters and concrete cutters. Gippsland Water also trained employees in the safe use of chainsaws, which now sees fallen material on bush tracks cleared more efficiently.

Operations on the Melbourne Water contract commenced on 1 July 2003, with HSE inductions and Job Analysis training successfully delivered to all employees.

In contrast, the Sydney Water contract has been in operation since 1995 and achieved an eight year LTI free milestone in 2003, which is the operational benchmark for LTI free performance. Since contract commencement, Transfield Services employees have driven in excess of four million kilometres of predominantly city roads without any serious vehicle incidents.

All New Zealand contracts including the Performance Specified Maintenance Contract (PSMC) 001 and PSMC 005 Road contracts had the Cancer Society deliver the Sunsmart message as a reminder of the potential effects of exposure to UV radiation when working outdoors and the protective measures required to be taken. Ergonomic assessment of office-based employee workstations was conducted across New Zealand operations and improvement strategies were implemented to prevent overuse injuries.

Statutory involvement in May saw WorkCover Victoria issue an Improvement Notice to Melbourne CityLink relating to the unsafe use of ladders on tolling gantries. The only fine Transfield Services incurred in 2003 was \$10,000 for breaches of the New Zealand Health and Safety in Employment Act 1992. The fine related to an employee who received burns to the upper torso and head after being involved in an 11-kilovolt-flashover incident at Vector Energy while changing out an air brake switch under live line procedures on 3 April 2002. The investigation revealed that due to inadequate supervision of the live line mechanic, a variation in the safe system of work was allowed to occur whereby only one level of insulation was used instead of the required two.

Water and Road Operational Systems Plans are the focus for 2004, with site documentation being consolidated into a more robust industry wide version. A New Zealand HSE Focus Group comprising of Transfield Services and Transfield Worley Services members will play an active role in 2004 to drive HSE improvement across the country.

CASE STUDY

Rock Cutting and Stabilisation Project

Transfield Services has maintained its excellent safety record on the Roads and Traffic Authority contract. In December 2003, work was completed at a potentially dangerous site known as 'Cut Rock' located in the outer western Sydney suburb of Kurrajong Heights in New South Wales.

This site posed a threat to passing traffic on an arterial road and was rated in the top five high-risk areas in the State with the chances of a landslide highly probable. However, with the expertise and skill used by Transfield Services and with no LTI's recorded, this Rock Cutting and Stabilisation Project was an outstanding success.

The project involved three stages of operation over a six-month period and was systematically executed in seven sections on the precarious mountain slope. It was decided the best method of preventing loose rocks and debris from falling on this arterial road would be to erect a three metre-high cabled barrier fence running 2.5 kilometres.

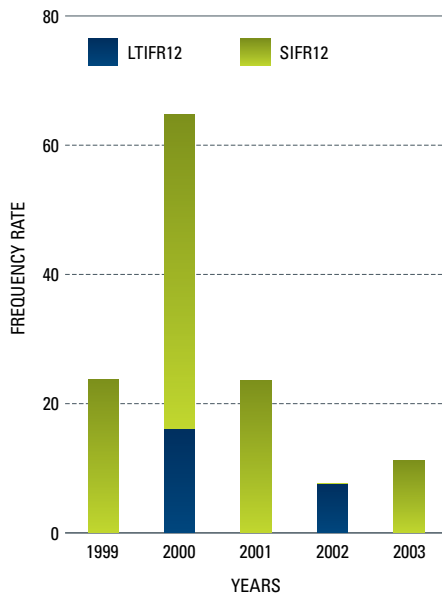
The first stage of the project involved setting up a site camp at the top of the ridge to remove all the loose rocks and debris. Using explosives, the Rock Firers, more commonly known as 'Powder Monkeys', worked most of the time from ropes and harnesses to drill and set their charges in a bid to loosen the dangerous rocks for easier extraction. Eight weeks later, the first stage of this project was complete.

The site camp was then relocated to the base of the ridge before the second and third stages were executed. Hand-held pneumatic drills and jackhammers were skillfully operated on the steep sloping ridge to make possible the excavation of 91 postholes. A 90 tonne crane was used to place the reinforced concrete and construct very sturdy and sizable footings of 1.2 metres wide by 1.8 metres deep.

With the successful injury free completion of this project, Transfield Services is looking ahead to 2004 for the next Rock Cutting and Stabilisation Project at Roseville in Sydney's northern suburbs.

JOINT VENTURES OVERVIEW





Transfield Services General Electric (TGE) recognised safety performance had remained constant over the past twelve months and adopted a strategic policy shift from HSE behaviour to a culture focus. The new 'culture-based' HSE program was introduced into TGE Energy Services and was facilitated by the Joint Venture partner General Electric. The program encourages a team approach to HSE with management and employees working together to meet shared goals.

The TGE Energy Services Injury Prevention program continues to focus on five key high-risk operational activities:

- Electrical;
- Confined space entry;
- Working at heights;
- Manual handling; and
- Environmental compliance.

Technology investment through the Quality program continues to reduce Occupational Overuse Syndrome risks. Exercise sessions are utilised to educate employees as a part of the Injury Prevention program.

The focus for 2004 will be to continue developing the HSE culture, reduce waste generation by 20 per cent and introduce 'Lean Manufacturing', the process of manufacturing flow to improve work efficiency, while reducing HSE risk.

TransLink Operations (TLO) operates and maintains the Melbourne CityLink tollway, the largest infrastructure project undertaken in Australia since the Snowy Mountains Hydro Electric Scheme. TLO has successfully managed on behalf of Transurban in excess of 6,800 roadway incidents during 2003, including two fatalities, 36 environmental incidents and 253 accidents, with an average response time of less than five minutes, while maintaining its own injury-free performance since operations commenced in 1999.

Throughout 2003, TLO continued to demonstrate HSE excellence through its dealings with customers, Transurban, the Victorian Statutory Authorities and the community. TLO continued this trend with certification to AS/NZS 4801 in December 2003 and achievement of Accredited Licensee status from the Victorian Environment Protection Authority (EPA). These achievements combine well with existing excellence in HSE management through the retention of SafetyMAP and ISO 14001 certification.

TLO has continued to work with the Community and the Victorian EPA to reduce greenhouse gas emissions, recycle wastewaters and minimise other wastes. It has also received expressions of Community satisfaction with TLO's management of emissions to air from the CityLink tunnels.

In 2004, the focus will be on improving the safety of tow truck operations on freeways in consultation with the Victorian Taxi and Tow Truck Directorate, developing measures to improve the transport of cattle through the CityLink tunnels in consultation with the Victorian Transport Association and working with the Victorian EPA, the Community and Transurban to reduce greenhouse gas emissions from CityLink operations and to improve the operation of the tunnel's ventilation system.

CASE STUDY

Cattle Truck Rollover

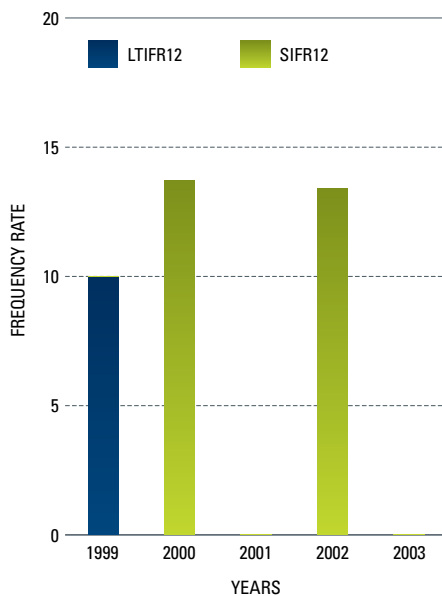
At times, emergency situations arise which are a little more unusual than the norm. The failure of a cattle truck to take the turn onto the Bolte Bridge from the Westgate Freeway, rolling over and losing half its load of 60 prime breeding cattle in the middle of Melbourne's largest traffic interchange, was just such an exception. A quick response by TransLink Operations, CityLink and Emergency Services skilfully averted a potential disaster.

Around midday one Saturday in October 2003, potential chaos was averted as the Surveillance and Incident Response Officer on site diverted the cattle away from CityLink and Westgate Freeway traffic, detaining some of the cattle in the compound of a nearby transmission tower.

Coinciding with this response, TLO and the Emergency Services teams diverted traffic away from the incident and organised a second cattle truck to collect the thirty disorientated but thankfully unharmed cattle that were stranded in the damaged truck.

The remaining 26 stray cattle were by now six kilometres away from the scene of the accident. Using all of TLO's onsite resources, and after four hours of hard work, the cattle were finally loaded onto a waiting truck using water-filled barriers and much vocal exertion. In very difficult circumstances, TLO and contractors managed to successfully control this incident and achieve the timely reopening of CityLink with minimum asset damage and inconvenience to travellers, while ensuring the welfare of the cattle.

Transfield Services RIC

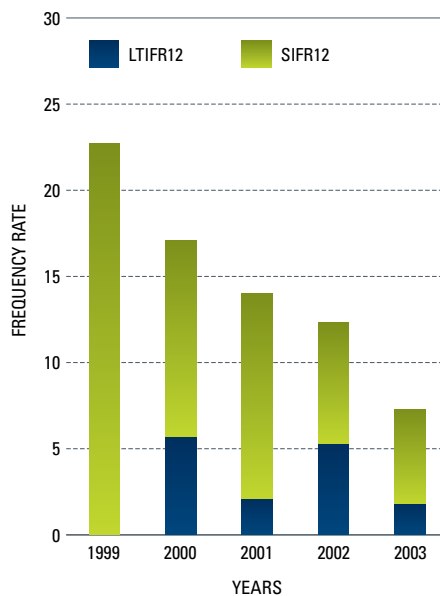


Transfield Services Rail Infrastructure Corporation (RIC) in New South Wales has continued to improve its HSE performance from that achieved in 2002. This has been achieved through increasing workshop lighting and painting selected walls white to brighten the areas, reducing trip hazards in the test bay by burying cables in covered floor trenches and installing remote speed sensing to more safely test machinery.

Other initiatives have included rationalising the quantity of slings and lifting equipment to more easily control their use and testing, fitting out a dedicated room with first aid equipment and targeting housekeeping in the workshop by cleaning out unnecessary equipment, repainting the walkways and clearly defining areas of potential hazard.

To continue improving HSE performance in 2004, the 'Take Five - Is it Live?' Electrical Safety Awareness program is planned for implementation, waste reduction and recycling initiatives will be investigated, workshop lighting will be further improved and technician exposure to remote monitoring equipment under test will be reduced.

Transfield Worley Services - New Zealand



Continuing improvement in HSE performance at Transfield Worley Services – New Zealand is attributable to completing targeted initiatives efficiently and effectively. The focus has been on applying initiatives and not on producing new safety programs. Each year, initiatives are further developed, though keeping the original themes of:

- Toolbox and HSE meetings - ensuring these are informative and current.
- HSE training - ensuring that the workforce has current competencies for the task.
- Behaviour based programs - the 'Safe Act Reinforcement' project commenced in June 2002 and resulted in the workforce completing over 250 observations each month and giving appropriate feedback to their fellow employees.
- Completing hazard reviews, both formal Job Safety Analysis and informal Step Back 5x5, to a higher standard with coaching in the identification and recognition of hazards.
- Supervisors involved at the work front.

Perhaps the biggest factor in the 'step change' in safety performance in 2003 was the 'Accountability for Safety' and 'Fair Culture' programs implemented by two Transfield Worley Services clients - New Zealand Refining Company and Shell Todd Oil Services. These programs were developed from the initiative 'Just Culture' developed by Shell for use in the oil and gas industry in the North Sea.

The program outlines the basic safety principles for working on the sites and the behaviours expected - to work safely, to look after yourself and others and to follow all rules and procedures. 'Fair Culture' allows an appropriate response to be taken where there is non-compliance with the safety principles and is a move away from the 'no blame' culture that had developed to encourage the reporting of incidents. These initiatives have resulted in ongoing improvement in HSE performance.

2004 will see further embedding of the tools and initiatives, with each quarter having a specific theme that will be expanded on during toolbox and HSE meetings:

- 'Sustainable development' through energy and waste management and water usage.
- 'Embed the Tools' where there will be further focus on hazard management and 'Fair Culture'.
- 'Off the Job Health and Safety' has an effect on our performance at work.
- 'Driving Safely' as this is one of our higher risk activities.

CASE STUDY

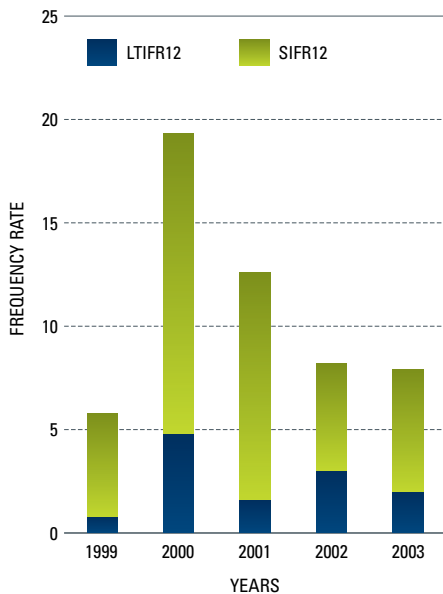
Carbon Dioxide Absorber Column Replacement



In 2003, Transfield Worley Services safely delivered project and maintenance activities across all New Zealand contracts. An achievement worth noting was the carbon dioxide absorber column replacement at the Natural Gas Corporation plant in Kapuni, South Taranaki.

This 20-metre tall and 1.8-metre wide vessel was located within the centre of the plant making access difficult. After realising a crane could not transport the column to the desired location through a maze of active pipelines and critical processing plant, the task of dissecting the vessel into two sections using high pressure abrasive waterblasting was carried out. Once the two sections were lifted into place by a 200 tonne crane, they were welded together.

Detailed planning and compliance with procedures contributed to the successful completion of this complex operation Serious Injury free.



The improvement in SIFR12 has not been consistent across all assets, with the offshore assets improving whilst the Onshore Gas Plant (OGP) showed the opposite. However, in the latter case, this needs to be placed in perspective, with two of the eight Serious Injuries related to a vehicle accident.

The OGP completed a successful 27,000-hour shutdown Serious Injuries free. In addition, the identification and reporting of 550 minor hazards during this period demonstrates a healthy reporting culture. Both Goodwyn A (GWA) and North Rankin A (NRA) Platforms employed full time HSE Advisors to provide direct support to the project teams and assets. The increased resources have already had a positive impact by providing a more focused and fresh approach to keeping HSE dynamic within the Alliance.

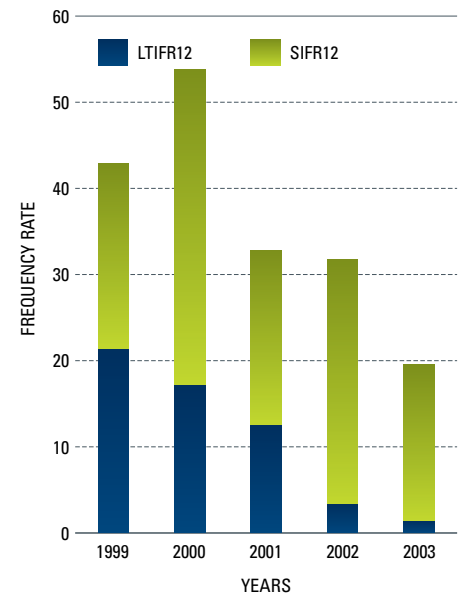
The improved performance of GWA and NRA Platforms was particularly pleasing, given the increased activity of the major project works associated with the GWA Low Pressure Train Project and the Life Extension work of the NRA. Considerable increases in contractor numbers have entailed necessary training and supervisory vigilance to ensure HSE performance was enhanced and not compromised. History has invariably shown a gap in HSE performance between core crew and contractors- that this has not happened to date indicates a well-managed process.



In 2003, a 'Fitness For Work' program was implemented that encompasses a wide range of issues. These include assessment of current and potential employees, management of an ageing workforce, injury management and rehabilitation, psychological aspects and those surrounding the use of drugs and alcohol. The policy and related procedures provide a framework for delivering a standard and equitable approach to the management of these issues. Personnel throughout the year have been briefed on the policy and its application.

Following the success in achieving AS/NZS 4801 certification in 2002, a focus for 2003 was on attaining ISO 14001 certification. Ensuring that the design and project delivery provides equipment integrity is a significant aspect for avoidance of environmental impacts. The audit took place in November during which the environmental management system was confirmed as having met the required standard and recommended for Certification. This achievement dovetails well into the Woodside operations that also achieved this Certification for the GWA and NRA Platforms during 2003.

In 2004, the focus will be on further developing the already commenced behavioural development programs at the NRA Platform and the OGP at Karratha, rollout on the GWA Platform and reviewing the OGP processes to identify opportunities for implementing HSE improvement initiatives.



Yarra Trams' safety focus in 2003 was directed at continuing the trends already established in injury reduction through hazard identification. Particular attention was given to contractors' performance as this element represented 33 per cent of Lost Time Injuries. It was recognised that injury performance within the maintenance areas was heading against established operational trends. A review identified training needs at the supervisor level and hazard identification deficiencies. A training program was developed and implemented and an assessment of workplace hazards was undertaken. This is expected to reap benefits in terms of injury reduction within the scope of supervisor accountability.

In October, WorkSafe Victoria issued two Improvement Notices. These notices required Yarra Trams to conduct an ergonomic assessment to determine whether there was any risk of musculoskeletal disorder occurring to employees as a result of driving W class trams, and ensure that risks associated with the reconnecting of electrical poles on W class trams be eliminated or reduced.

The certified ISO 14001 management system continued to mature and receive praise from the accrediting body, as the processes contained are in excess of the documented requirements stated in the 2003 audit. The focus for 2004 will be to maintain and continually improve the AS/NZS 4801 and ISO 14001 certified management systems.

APPENDICES



Incidents Notified to Regulatory Authorities

Date	Location / Contract	Authority	Details
January	DAIS	Office of the Technical Regulator and Workplace Services SA	An employee received an electric shock from rolling up electrical cables while refurbishing a school canteen.
February	Tranz Rail	Occupational Safety and Health Service and Land Transport and Safety Authority	A Hi-Rail vehicle de-railed and rolled over resulting in an employee being injured.
February	Tranz Rail	Land Transport and Safety Authority	Unprotected Hi-Rail vehicle movement was identified on the train control screen.
February	Rottnest Island	Environment Protection Authority WA	100-500 litres of diesel were spilt at a dispensing point.
March	Acacia Prison	Office of Energy WA	An employee received an electric shock after touching an incorrectly installed cover on a split airconditioning unit.
March	Hamersley Iron	Office of Energy WA	A painter received an electric shock whilst painting over a metal strip located in a wall.
March	Mornington Peninsula Shire	WorkSafe VIC	A chipper blade became loose and was discharged from a chipper.
March	TANCCS Seven Hills	WorkCover NSW	An employee sustained a back injury digging a pit and was away from work for over seven days.
March	REB Engineering	QLD Mines Department	An employee sustained a fractured arm as a result of being struck by a winch handle.
March	REB Engineering	QLD Mines Department	A 24 tonne crane rolled over while lifting a 14 tonne load.
June	Tranz Rail	Occupational Safety and Health Service	An employee slipped down an embankment and landed heavily on a jagged piece of timber.
June	Garrison Support VIC	Environment Protection Authority VIC	850-900 litres of fuel were spilt from a tanker at RAAF East Sale.
July	SA Rail	WorkSafe WA	An employee working in Kalgoorlie suffered a severe back strain and was away from work for over ten days.
July	Mornington Peninsula Shire	WorkSafe VIC	An employee was struck by a screw located in long grass while operating a brush cutter with a metal blade.
July	Mornington Peninsula Shire	WorkSafe VIC	A chipper trailer rolled forward over the ankle and leg of an employee whilst he was sharpening a chainsaw blade on the trailer mudguard.
July	Collinsville Power Station	Division of Workplace Health and Safety QLD	A maintenance fitter wearing a face shield was sprayed on the neck by a small amount of acid whilst undoing a pipe.
July	Queensland Nickel	Division of Workplace Health and Safety QLD	An instrument fitter received an electric shock when he came in contact with a 240 volt power supply when removing a sensor.
July	Patrick Port Botany	WorkCover NSW	An employee received an electric shock when he touched a bare wire in a junction box he was working on.
October	REB Engineering	QLD Mines Department	A 60 tonne crane rolled over after the driver over extended the reach whilst 'jibbing' out to grease the boom.
October	NSW Police	WorkCover NSW	A lift containing no occupants went into overrun during elevation at the Sydney Police Centre.
November	Tranz Rail	Occupational Safety and Health Service	An employee's little finger was severed to first knuckle whilst starting a motorised water blaster.
November	Caltex Lytton Refinery	Division of Workplace Health and Safety QLD	A leading hand sustained a fractured leg when he stepped onto the floor of a trailer which gave way causing him to fall awkwardly.
December	Qenos	WorkSafe VIC	A scaffolder's thumb was fractured after it became caught between lugs on scaffold tubing.

Industry Statistical Performance

Industry	2003	2002
Defence		
Hours	3,351,858	3,131,129
AIFR12	73.7	97.4
SIFR12	15.2	28.1
LTIFR12	4.5	7.0
Facilities Management		
Hours	5,275,042	2,366,264
AIFR12	26.2	50.3
SIFR12	6.8	12.7
LTIFR12	1.9	2.1
Mining and Process		
Hours	4,869,336	3,391,454
AIFR12	195.1	152.4
SIFR12	29.4	27.1
LTIFR12	2.9	1.2
Oil and Gas		
Hours	2,544,469	1,861,006
AIFR12	152.5	96.2
SIFR12	11.8	13.4
LTIFR12	1.2	2.7
Operational Services		
Hours	631,261	388,655
AIFR12	11.1	103.0
SIFR12	1.6	5.1
LTIFR12	0	0
Power		
Hours	224,344	153,803
AIFR12	66.9	182.1
SIFR12	31.2	78.0
LTIFR12	8.9	0
Rail		
Hours	1,455,358	1,363,904
AIFR12	107.2	142.2
SIFR12	31.6	35.9
LTIFR12	10.3	8.8
Telecommunications		
Hours	1,295,073	1,524,487
AIFR12	13.1	24.9
SIFR12	7.7	11.8
LTIFR12	3.1	6.6
Transport, Logistics and Utilities		
Hours	978,386	947,177
AIFR12	101.2	127.8
SIFR12	17.4	24.3
LTIFR12	3.1	3.2
Total		
Hours	20,625,127	15,127,819
AIFR12	97.8	99.5
SIFR12	16.5	22.4
LTIFR12	3.2	4.0

Joint Venture Statistical Performance

Joint Ventures	2003	2002
Brisbane Ferries		
Hours	32,892	N/A
AIFR12	0	N/A
SIFR12	0	N/A
LTIFR12	0	N/A
Five D		
Hours	3,380	N/A
AIFR12	0	N/A
SIFR12	0	N/A
LTIFR12	0	N/A
Resolve Change Services		
Hours	706	N/A
AIFR12	0	N/A
SIFR12	0	N/A
LTIFR12	0	N/A
TGE Energy Services		
Hours	267,240	262,450
AIFR12	48.6	19.0
SIFR12	11.2	7.6
LTIFR12	0	7.6
TransLink Operations		
Hours	65,101	61,203
AIFR12	0	0
SIFR12	0	0
LTIFR12	0	0
Transfield Services RIC		
Hours	68,611	71,903
AIFR12	218.6	414.0
SIFR12	0	13.4
LTIFR12	0	0
Transfield Worley Services - NZ		
Hours	1,094,832	1,136,741
AIFR12	48.4	84.4
SIFR12	7.3	12.3
LTIFR12	1.8	5.3
Transfield Worley Services - WEL		
Hours	1,017,650	974,153
AIFR12	58.0	59.5
SIFR12	7.9	8.2
LTIFR12	2.0	3.0
Yarra Trams		
Hours	1,438,900	1,450,185
AIFR12	48.6	61.4
SIFR12	19.5	31.7
LTIFR12	1.4	3.4
Total		
Hours	3,989,310	3,956,635
AIFR12	52.6	70.2
SIFR12	11.8	17.9
LTIFR12	1.5	4.0

Injury Analysis

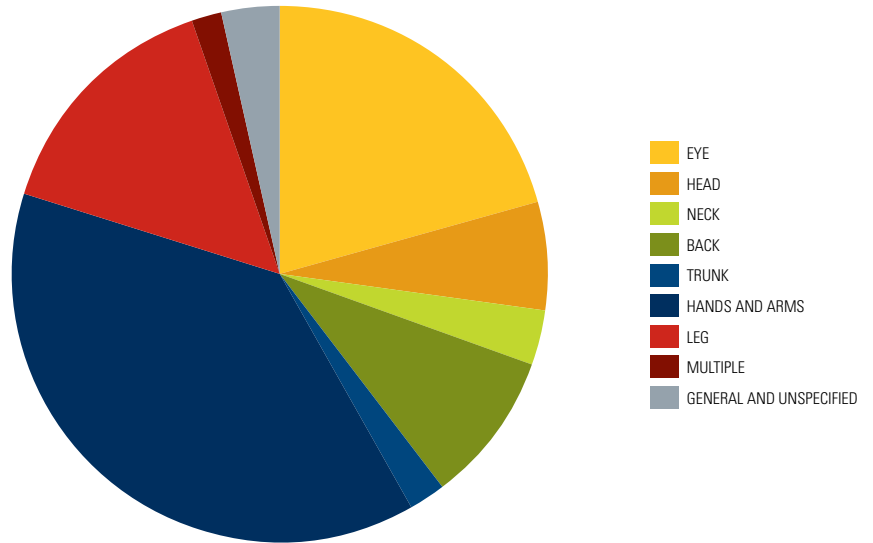
During 2003, Transfield Services employees and contractors were involved in a number of injuries of a first aid, medical treatment or lost time nature.

These injuries, including incident details, site location and date of occurrences were captured on our safety statistics database available on our intranet (TransNet).

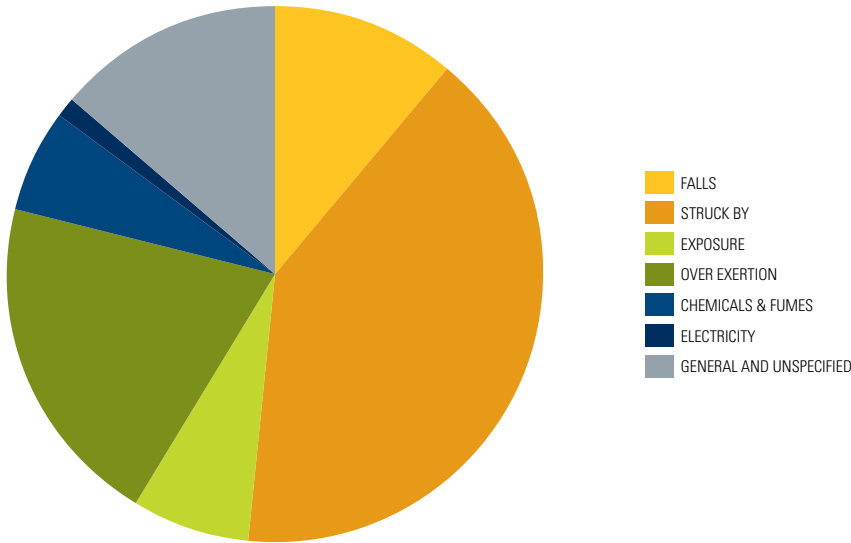
Due to the manual tasks in our business, injuries to arms, hands and fingers figure predominately at 38 per cent.

Our previously implemented Hand Safety Awareness Program has reduced these types of injuries by 3 per cent.

Bodily Location



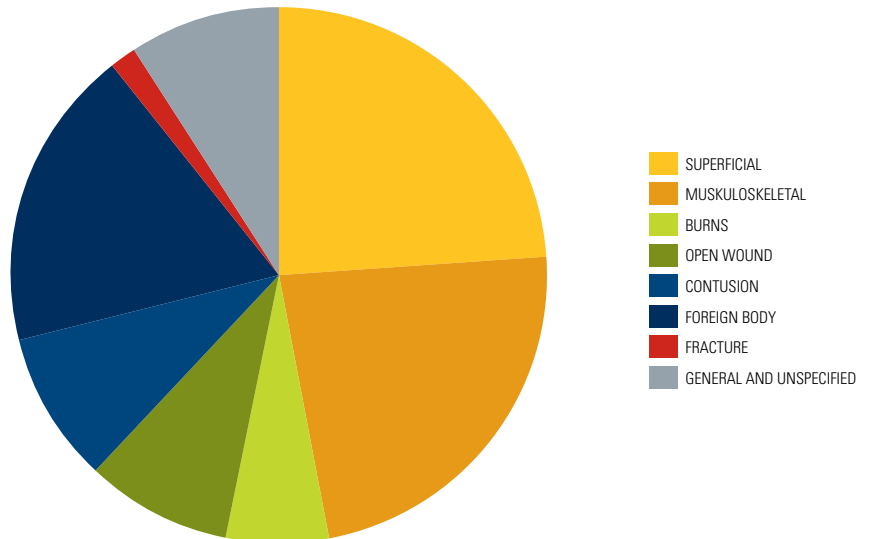
Mechanism



Striking or being stuck by objects is our most common mechanism of injury at 40 per cent.

47 per cent of recorded injuries are superficial or musculoskeletal in nature.

Nature



GLOSSARY

FR12 (Frequency Rate Rolling 12 Months)	Number of occurrences (e.g. for LTI becomes LTIFR12) of injury or disease for each one million hours worked = (Number of occurrences in the period / Number of hours worked in the period) x 1,000,000.
FAI (First Aid Injury)	Treatment administered by and within the qualifications of a trained first aid attendant or Occupational Health Nurse.
MTI (Medical Treatment Injury)	Physical or psychological injury that requires treatment by a medical practitioner, and in some instances, a nurse or paramedic and is beyond the scope of normal first aid.
LTI (Lost Time Injury)	Physical or psychological occurrences that result in time lost from work of one day/shift or more (not necessarily immediately).
AI (All Injury)	Any injury that requires treatment including First Aid and Medical Treatment Injuries, restricted work, lost time and fatality = FAI + MTI + LTI
SI (Serious Injury)	Any injury that results in restricted work, lost time or fatality = MTI + LTI

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