

HSE News

Keeping you up to date

May 2016



NEW EXCAVATOR FOR SOUTH WALKER CREEK

This new addition to the HSE fleet was mobilised to South Walker Creek at the end of October 2015 and commissioned for use at the beginning of December 2015. It was purchased after a request from BMC for a machine of this size to support HSE's existing and extensive fleet of equipment in operation at this site.

This machine is a Hitachi EX5600-6 hydraulic excavator in a back-hoe configuration capable of lifting around 34 cubic meters of material in a single pass. It has performed well since

commissioning and is currently removing waste and coal from various pits around the South Walker Creek complex.

This purchase demonstrates our strategic direction and commitment to maintaining our current contracts, strengthening existing customer relationships and increasing production at site.

*Contributed by Cliff Dickson,
Project Manager - South Walker Creek*

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ALLAN FIDOCK
MANAGING DIRECTOR

OUR BRISBANE OFFICE HAS MOVED

Our new address is:
Level 1, Fujitsu Building
1 Breakfast Creek Road
Newstead Qld 4006

Our phone and fax number remain unchanged:
Phone 07 3253 2400
Fax 07 3253 2499

CONTINUOUS IMPROVEMENT AND COST MANAGEMENT

The Australian resources industry continues to experience low commodity prices which is causing operators to place cost pressure on suppliers in order to remain competitive. For this reason, we have had to find innovation in the way we provide our service and optimise performance for continued engagement with clients.

We recognise the need to deliver cost effective and sustainable services during these challenging times.

During February, we commenced the development of a detailed Continuous Improvement (CI) program to be delivered under the HALO Program banner.

The CI program has four priority areas for improvement, with a detailed plan to achieve each of them. We are talking to the relevant teams in our business – operations, maintenance, finance and human resources to develop these plans.

It's important every employee engages with the CI program. I urge you to take ownership of your daily tasks and their outcomes.

The four priority areas are:

1. Inventory management

I am pleased to report that work has commenced on the first phase of an improved inventory management process, due for completion by end of May. Data will be captured on existing inventory levels and a revised manual management process will be put in place. The second phase will be to systematise this process using our existing Sage

platform. This will be completed by end of 2016, followed by a further review on effectiveness and additional refinement.

2. Strategic procurement

We are currently recruiting a procurement specialist to assist in the development of processes to increase savings and lessen risk exposure to our future service providers.

3. Maintenance cost management

The maintenance support team has been active in recognising opportunities for improved process and better management of maintenance costs. Two 'Community of Practice' meetings were held in Moranbah last month which led to discussion within site based maintenance teams to identify areas in their department that require attention.

4. Production data capture and reporting

This plan is well underway, with the initial rollout at Saraji and remaining sites to follow in succession. Further improvements in this area include options for automated collection of real time data, which will improve data-based decision making in the field.

In 2015 I visited all sites where I detailed HSE's Strategic Plan for 2016 and beyond to crews. A consistent theme within the Strategic Plan is Operational Excellence, and the CI program is the framework with which we will use to development this. Due to the significant rate of change in the industry over the last four years, achieving the targets of our CI program will take considerable work, but I am confident in our teams' ability to achieve them.

For HSE to be sustainable in the long term we need to make changes, but the subsequent outcomes will benefit us all. I have to emphasise that my expectation is not for our people to work harder – The CI program will have us working smarter, being more efficient and more cost effective.

I ask that you embrace this period of change and improvement, and know that your input is valued and will enable HSE to remain a competitive force in the contract mining industry.

Yours sincerely

Allan Fidock
Managing Director

OUR LATEST SAFETY CHAMPION

Grosvenor Hawthorne, a Level 3 Operator at South Walker Creek is a HSE Safety Champion after he identified the possibility that a light vehicle could access a live face in an active dig area after a ramp had been put in. There was potential for a vehicle to enter unnoticed and reach the back of the dig area.



Cliff Dickson, Project Manager at South Walker Creek presents Grosvenor with his vouchers as his reward



HSE ACHIEVES FIRST THREE MONTHS OF 2016 RECORDABLE INJURY FREE

HSE operations at South Walker Creek, Saraji, Peak Downs and Caval Ridge achieved a significant milestone, completing the first three months of 2016 without any recordable injuries and driving a safety excellence culture.

Building on our safety performance and safety plan for 2015, HSE has developed its 2016 safety plan around leadership, behaviours and systems. These key platforms have enabled HSE to proactively manage risk exposures and focus on risk mitigation strategies aimed at providing safe work environments for all HSE employees.

HSE achieved a Total Recordable Injury Frequency Rate (TRIFR) of 4.55 in 2015 which was a 56 per cent reduction on the previous year. To keep the momentum focused on safety for all HSE employees, our goal for 2016 is to have a TRIFR of less than 2.5.

Managing Director Allan Fidock and General Manager Health, Safety, Sustainability and Quality Keith Butler, supported by South Walker Creek Project Manager Cliff Dickson, Saraji Project Manager Hal Morris, Caval Ridge Project Manager Ian Jolliffe and Executive General Manager Operations Tod Mathews recently completed a roadshow visiting all sites and talking to crews about our safety plan for 2016, as well as emphasising that all employees are empowered to make Good Decisions 100% of the Time. Allan reiterated, "I once again empower you to stop any unsafe activities and have the courage to intervene if you see others at risk. As always: Think Safe, Work Safe, Home Safe."

HSE is committed to recognising good safety performance and celebrates this by supporting local charities that provide essential services and funding to the community.

South Walker Creek, Saraji, Peak Downs and Caval Ridge HSE employees are currently identifying local charities to share in this significant safety milestone and recognition of achieving the first three months of 2016 recordable injury free. Each site will then present a donation of \$2,500 to their preferred charity.

Contributed by Keith Butler, General Manager Health, Safety, Sustainability and Quality

NOMINATE A SAFETY CHAMPION

HSE seeks to create an environment where employees feel valued and acknowledged for their contributions to safety. Such an environment fosters ownership and empowerment for safety where everyone makes Good Decisions 100% of the Time.

Our reward and recognition program is open to all HSE employees including labour hire and contractors working for HSE. Individual recognition and the provision of either a \$50 Coles Group or Bunnings voucher is provided to those individuals who have demonstrated a very high level of safe behaviour that otherwise could have placed an individual at risk, e.g. the consistent use of positive communication when operating plant, identifying and reporting workplace hazards and maintaining work environments in a safe manner.

Make your nominations through your supervisor. At the end of each month, the HSE Safety Council reviews all nominations and the most worthy is selected as a monthly Safety Champion. We encourage all employees to participate in the program and if you see a fellow employee you think should be recognised please let your supervisor know.

JOIN US ON LINKEDIN!

HSE Mining has launched a LinkedIn company page and we invite all employees to connect with us.

LinkedIn is the world's largest professional networking tool, according to socialmedianews.com.au there are 3,750,000 LinkedIn users in Australia alone (as of Feb 2016).

You can use it to build your professional profile online and stay in touch with past colleagues and contacts and make new connections. You can also follow companies and join groups in your field of interest to gain the latest news and insights that can help improve your career.

Steps to connecting with HSE Mining:

1. Search for 'HSE Mining' in the search bar at the top of the page and click 'Follow'
2. You can also edit your profile so that your current role is linked to the company page - If you already have HSE listed under your experience, click  next to the company name and search for HSE Mining. If you don't already have HSE Mining in your experience, click 'Add Position' and fill in the details.

We look forward to all of you joining the conversation with us on LinkedIn.



RECRUITMENT AT SARAJI

THIS PROCESS WILL GIVE OUR WORKFORCE INCREASED JOB SECURITY AND WILL ALLOW HSE TO IDENTIFY AND DEVELOP DIRECTLY EMPLOYED TALENT

HSE is currently undergoing a substantial phased recruitment process at Saraji which will see more employees directly employed by HSE.

This process will give our workforce increased job security and will allow HSE to identify and develop directly employed talent.

Phase one was focused on internal maintenance employees and attracted nine applicants who are currently undergoing interviews and safety assessments.

Phase two involves internal production employees with a total of 52 applications received. The interview process for these candidates is ongoing and this phase is set to be completed late April.

Phase three is the external recruitment of diesel fitters and this attracted 280 applications via SEEK. Thirty of these applicants have been shortlisted and will progress to the phone interview stage of the recruitment process. Successful candidates are set to receive their contracts, which will be underpinned by the Saraji Enterprise Agreement, by the end of April.

Contributed by Sarah Jury, HR Graduate



MEET ARIE ZIEKENHEINER

How long have you been with HSE?
I Joined HSE Mining in April 2012.

What is your role?
Production Superintendent at Peak Downs Mine Site

What does a normal day look like for you?
0530 - I arrive on site and liaise with oncoming/off going supervisors
0730 - Daily, week zero superintendent conference
0930 - I undertake pit observations or field leadership activities
1200 - Operations conference
1400 - Time to catch on some administrative items and/or future planning and implementation
1600 - Further pit observations or field leadership activities
1730 - I liaise with oncoming/off going supervisors
1800 - I depart site.

What do you enjoy about your role and what are some of the challenges?
I like working with and around people and enjoy the individuality, diversity and people management challenges that this working environment fosters.

Do you live in the local area?
I live within the general area during the week and DIDO of Mackay for the weekend.
What do you enjoy doing outside of work?
I enjoy spending time with my family and facilitating weekend sporting activities.

What do you need to be aware of in your role when it comes to safety?
The key message I deliver to my team is the importance of spending the extra time in planning and preparation and work area set up, with the aim of achieving a solid foundation and using this as a platform to safely and effectively launch operations, void of equipment damage and injury. Slow is smooth... smooth is fast!

One of the tools we utilise here to achieve this is the BHP Billiton Field Leadership Program. This program has a 13-year proven track record in risk identification, risk mitigation and risk removal, with the end state being Zero Harm. The four key elements that make up the BHP Billiton Field Leadership Program are Take Time Talks, Planned Task Observations, Critical Control Observations and Layered Audits.

Element	Explanation	Who
Layered Audit	Various layers of leadership working together to understand the in the field performance of our processes and systems. narrow but deep focus	Asset President VP's, GM's, Managers Superintendents
Critical Control Observation	Infield engagement with our people to discuss understanding of the behavioural components of critical controls that help keep them safe from a fatality.	Managers Superintendents Supervisors
Planned Task Observation	Working with team members to improve the work, design and execution (procedures and work instructions) we've asked them to follow (more than compliance)	Supervisor / Team Leaders
Take Time Talk	Regular discussions with our people to positively reinforce "safe behaviours" and identify "at risk behaviours"	Managers Superintendents Supervisors Workforce



BHP Billiton Field Leadership Program elements

ROLE CHANGES & NEW STARTERS

Name	Role/Announcement	
Rod King	Rod King has joined the team as IT Manager, based in our Perth office. Rod has 29 years' experience in a range of organisations including BHP and Rio Tinto. In his role, Rod will focus on improving system business enabling capabilities and infrastructure reliability.	
Tina Green	Tina Green joined the team as Payroll Manager in January. Tina has extensive experience from a range of companies, utilising different payroll systems. Tina worked in the resources sector for some time where she was involved in driving improvements in processes in a small team.	
Hal Morris & Ian Jolliffe	Hal Morris will be moving into the role of Project Manager at Saraji and Ian Jolliffe will be moving into the role of Project Manager at Peak Downs/Caval Ridge. They bring with them a wealth of experience and knowledge accumulated over many years in the industry to provide high quality leadership on site and further cementing our strong existing relationships with our clients.	
Neil James	Neil has accepted the newly created role of Continuous Improvement Manager. In this role, Neil will be coordinating projects and activities under the HALO programme to continue our focus on improving productivity.	
Richard Hogan	Richard Hogan has been appointed to the role of Production Superintendent at Caval Ridge site.	
Ray West	Ray has been appointed the role of Production Superintendent at Saraji Mine site.	
Arie Ziekenheiner	Arie has been appointed the role of Production Superintendent at Peak Downs.	
Tod Mathews	Tod has been appointed as Executive General Manager - Operations. Tod comes to HSE with an extensive background in the mining sector, with a number of years in senior executive roles. Formerly called General Manager - Mining Services, the role of EGM now also looks after the Maintenance Support function.	
Keith Butler	Due to an increased scope of responsibility within HSE's business, Keith Butler's title will be General Manager Health, Safety, Sustainability and Quality, (GM - HSSQ). Keith's knowledge and extensive experience in health and safety means he is the obvious person within our business to oversee these increasingly important business functions.	
Neil Gill	Neil has assumed the role of Safety Coordinator at Caval Ridge. Neil's role will ensure accuracy of the contractor management system, ensure compliance with CMS and develop an auditing tool for future audits of our Safety Processes. He will also assist the Site Leadership Team with the "Field Leadership Program".	
Nat Fornaro	Nat Fornaro joins the team as Site Administrator at Caval Ridge working with Demi Elliott. Nat has recently completed project work on Curtis Island (Gas Plant) as HSE Administrator. Prior to this, Nat worked within coal mines in the Bowen Basin such as Middlemount, Emerald and Moranbah as Site Administrator.	
Brett Marshall	Brett joined the team as Recruitment Advisor in March, bringing with him 10 years of end-to-end recruitment experience in both blue and white collar roles, in a number of multinational organisations. Based in the Brisbane office, Brett will focus on all operational recruitment activities.	



GERALDINE GETS PICTURESQUE

Gerry Gustavino works within our Perth office as an Accounts Clerk. In her spare time, Gerry is an accomplished artist and in November, held an exhibition in Fremantle along with two other artists.

Moving Art Gallery Owner Susan Biggins said: "What an amazing opening night for the 'Picturesque' Art Exhibition. No surprise as to the quality of the work." Well done, Gerry!

On 10 March 2016, production employee Nat Snary and his wife, Christie, welcomed Olivia Joy Snary in to the world at a very healthy 3.23 kg (13lb 7oz)! Both mum and bub are doing great thanks to the staff at Rockhampton Mater. Congratulations from all of us at HSE.



IAN JOLLIFFE – 15 YEARS WITH HSE

Congratulations to Ian Jolliffe on reaching his fifteenth anniversary of service with HSE Mining. Ian joined HSE in 2001 as a graduate mining engineer and since then has performed a number of roles which have developed his knowledge and expertise in the mining industry. Ian has significantly contributed to HSE's success, particularly in his current role as Project Manager at Caval Ridge, where he provides strong leadership and direction for the HSE Operations Team.



Allan Fidock (left) presents Ian (right) with his long service award

Thank you, Ian, for your enduring loyalty and diligence.

A DAY WITH KAREN NYE AT SOUTH WALKER CREEK

Working the coal pits at South Walker Creek (SWC) isn't an easy feat. In fact, the FIFO/DIDO lifestyle is a demanding experience that takes dedication and grit from workers. Karen Nye is one such worker.

Having recently been promoted to the position of Step up Production Supervisor means that today, Karen is managing the Excavator 12 Coal Circuit. She explains that it takes strong logistics, people management skills and experience to manage all the aspects of the excavator and trucks that service the route.

Karen has achieved many goals during her seven years with HSE. Starting with operating dump trucks, she progressed to excavators and now Step up Supervising and training crew mates, which is a testament to her hard work. "Working for HSE has been thoroughly enjoyable. It's a positive team work atmosphere that makes, at times a difficult environment, supportive and enjoyable. I enjoy the roster and the people."

A typical day for Karen begins with a pre-start meeting that may include incident reporting, SOP reviews and training items. She also needs to be aware of any issues, JSAs or weather conditions and equip her team with the knowledge to navigate them safely.

Safety is paramount to all elements of work at SWC. Karen advises: "The most important thing from a safety perspective is wherever possible to focus on one thing at a time. The moment you start multi-tasking in a hazard rich environment is when mistakes can be made."

Today, Karen is supervising the Excavator 12 Coal Circuit at K1 North, where between five and nine Cat789 trucks, one dozer, one grader, service cart, light vehicles and watercarts are operating around the EX5600. She also needs to manage maintenance staff entering the circuit and ensure they are aware of any issues or protocols in place.

As this circuit is a 60-minute round trip for the trucks from excavator to run of mine (ROM), which is the stockpile of raw material ready to be processed, it takes time and planning to organise the truck rotation efficiently. It is important to ensure the trucks are spaced so the excavator is well serviced, with minimal wait times between loadings. The EX5600 lifts around 45T coal per pass, making the Cat789s beneath the bucket seem almost miniature, taking around four scoops to fill each truck (180T).

Karen advises it is particularly important as Step up Supervisor to keep track of vehicles entering and leaving the work areas. "You need to know what is operating, what's at the workshop or stopped at the crib rooms and what can be utilised between pits for maximum safety and production." She manages this through positive communications across the two-way radios and advises the importance of keeping communications informative but short!



Production Supervisor at SWC Warren Shipley comments on Karen's recent promotion: "Karen has an excellent work ethic. Her run sheet and technical skill was second to none and she is well respected and well liked amongst the crew."

Karen is a dedicated employee and a true advocate for females in the mining industry. With real ambition, her advice to others is to work hard, work to the best of your abilities, speak up and to never stop asking questions. "I have always reassured other women that even though it is a male dominated workforce, women are most definitely accepted and their different skill sets are beneficial to the industry."

Contributed by Elaine Harvey, Executive Assistant

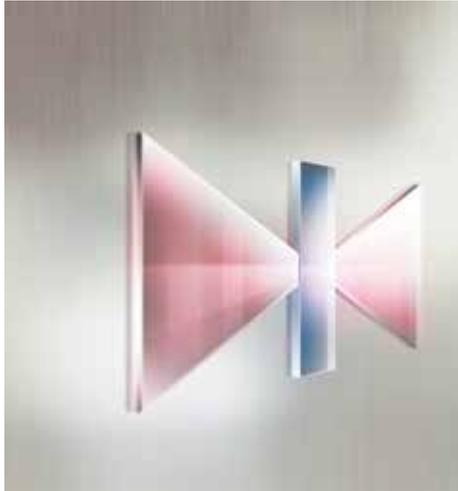
INTERNATIONAL WOMEN'S DAY AWARDS

Congratulations to Karen Nye on being first runner up out of 134 nominations in the Operator/Trades Person of the Year category at the QRC/WIMARQ International Women's Day Breakfast and Resources Awards for Women held in Brisbane on 8 March 2016.

The award celebrates the achievements of women working in non traditional roles in Queensland's resources sector while advocating the industry as a career option for women.

Karen is Step-up Production Supervisor at South Walker Creek and this nomination and runner up position is a reflection of her hard work and dedication.





TWO CENTURIES OF ENDEAVOUR

The year 2016 marks two significant milestones for Swire: it is the group's 200th anniversary and it is also 150 years since Swire first opened an office in China.

There are older firms around the world, but few perhaps have built such a diverse portfolio of business interests from scratch. Very few indeed have had such an enduring association with a single family: the current Chairman and CEO, Barnaby and Merlin Swire, are great-great-grandsons of the founder, John Swire – the Liverpool merchant who started it all back in 1816.

John Swire of Liverpool (1793-1847) was in fact originally from Yorkshire. His family had farmed near Skipton for a number of generations before John's grandfather – also John Swire – went into the textile trade; his son Samuel followed him into this business. However, both father and son came unstuck financially and their ventures ended in bankruptcy. Family insolvency may well have been the spur that drove young John Swire, eldest of Sam's ten children, to try his luck in Liverpool.

"John Swire, merchant"'s first recorded imports were from America: quercitron bark (used in dyeing textiles) and raw cotton – which was to become a significant commodity in the firm's import trades. He gradually built a successful business based almost exclusively on imports from North America (flour, animal hides, turpentine, tar) and the West Indies (coffee, spices, sugar and rum).

John Swire died young from cancer in 1847 and the business passed jointly to his two sons, John Samuel and William Hudson Swire, who were then 21 and 17 years of age; when William came of age in 1851, the company took the name "John Swire & Sons". From the outset, John Samuel Swire (1825-1898) was the entrepreneurial driving force behind the development of the business, while William – dogged by ill-health – played

a less active role, eventually selling his share to his elder brother.

The firm began to invest in sailing ships: firstly, in 1850, with a 22 per cent shareholding in the barque Theodore, and then in 1853 with a majority 31 per cent of the new Liverpool-built iron clipper ship, Evangeline. Both of these ships operated in the New Orleans trade – which primarily involved raw cotton – and sailed under the colours of the Liverpool shipping company, Clint & Co.

By 1854, John Samuel Swire had decided to expand to Australia, where the discovery of gold in Victoria and rapid growth of the new colony offered unprecedented business opportunities. In Melbourne, he established "Swire Bros." and was soon importing a wide variety of goods, ranging from iron bars, arsenic and "blasting powder", to barrels of pork, boots, blankets and bottled beer. After four years, he returned to Liverpool. John Swire & Sons' export business to Australia continued to flourish, but the lasting importance of the Melbourne branch was to switch Swire's trading focus away from the New Orleans cotton trade, which was severely curtailed by the outbreak of the American Civil War in 1861.

This article is an excerpt from a feature article published in Swire News, January 2016. This article and more about Swire's 200-year journey can be viewed at swire.com.

MESSAGE FROM GEOFF CUNDLE, CHAIRMAN, JOHN SWIRE & SONS PTY LTD (SWIRE AUSTRALIA)

This year the Swire group is celebrating the 200th anniversary of its founding when John Swire opened an office in Liverpool, UK, in 1816.

The Australian business of Swire maintains a direct link to the group founder with Sam Swire, a director of John Swire & Sons Pty Ltd, being the great-great-great-grandson of John Swire.

In line with the Swire motto, 'Esse Quam Videre', meaning 'To be, rather than seem to be', there will be no firework displays on Sydney Harbour (or anywhere else!) to mark the anniversary. After 200 years it is appropriate to reflect upon the values that the Swire group have strived to encourage in its various businesses: Integrity, Excellence, Humility, Endeavour and Continuity. These values have served the business well as its longevity can attest and they continue to be the

foundation of a successful, sustainable business in the future. However, we should guard against any complacency that a long history is a guarantee of future success – we have all seen examples of this fallacy in business, politics and sport.

I succeeded the previous chairman, Bill Rothery, just over a year ago and have painfully witnessed the implications for our businesses from the collapse in pricing for Australia's mineral resources and the ever heightening competition in the retail trade. My sense is that we are now in a 'new normal' for our businesses and any expectation of a return to the 'good old days' would be a mistake. Swire's 200-year history has provided the resilience to take a long-term view (the value of continuity) but the company has also adapted its operating model on many occasions to ensure it remains relevant in meeting the



changing demands of customers and the economic environment. That is the task facing us today.

Swire's businesses cannot rest on the laurels of 200 years of history – it can take strength from its enduring values and these will continue to be the cornerstone of our efforts to meet the challenges facing many of our businesses in Australia. I am confident that with your support we can successfully meet these challenges and grow a sustainable business that will proudly feature in the next 200-year history of Swire.