
SUSTAINABILITY2009

OVERVIEW

“It is not the technical excellence of an engineering design which alone determines its merit but rather the completeness with which it meets the economic and social needs of its day”.

William Barclay Parsons
Address to Columbia University chapter of
the American Society of Civil Engineers, 1927.



More than 3.5M plants and trees were planted along EastLink near Ferntree Gully Road, Victoria

Previous goal 1

Audit Have 2009 report independently audited (the 2008 report was not independently verified).

Result: Achieved

ABOUT THIS REPORT — CREATING A LASTING LEGACY

This is Parsons Brinckerhoff Australia–Pacific’s second annual sustainability report. It discusses our operations in Australia and New Zealand¹ for financial year 2009 (FY09), which ran from 1 November 2008 to 31 October 2009.

During the last weeks of our financial year our internal shareholders voted in support of the acquisition of PB by UK-based Balfour Beatty (www.balfourbeatty.com) as a wholly owned subsidiary. The impacts this will have on our reporting include a change in our financial year in 2010, and the implications of now being owned by a publicly listed company.

PB is a values-based organisation (<http://www.pb.com.au/PBAU/Who+we+are/Our+vision+and+values/>). As in our first report, this report’s title, *Creating a lasting legacy*, is taken from our vision statement, and our five values form its framework. Creating a lasting legacy is key to sustainability and is a theme embedded in our operations.

Our people and our clients are still our greatest stakeholders and it is important to us that this document is representative of PB in this document. Therefore, we have also continued to use our vision and values to decide what has been included.

We have continued to use the Global Reporting Initiative’s (GRI) Sustainability Reporting Guidelines, which cover economic, social and environmental performance, and have been used by thousands of organisations worldwide as the basis for their sustainability reporting.

In our first report the ambition was not only to collect and benchmark data, but to give our people a chance to reflect on sustainability in the organisation and what it means to them. This report builds on last year’s experience, reporting against more indicators and in more depth.²

¹ Not all New Zealand data is available. It will be noted when it is not included.

² How we have measured data is articulated in the body of the report and according to the specifics of the data.

This year, to ensure transparency and guide us to greater veracity in our reporting, we have had our report verified by NetBalance. For more detail on the independent verification, see Appendix 2, (page 92.)

Comments are welcome. Please contact either:

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Caroline Holmstrom
Sustainability Program Manager
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Dr Jim Mantle

Managing Director, Parsons
Brinckerhoff Australia-Pacific

STATEMENT FROM THE MANAGING DIRECTOR

Welcome to our second sustainability report

In PB we pride ourselves on our commitment to our values. Both our last report and this report are framed around our values and provide a means of demonstrating alignment with them.

As with all companies, 2009 was somewhat defined by the Global Financial Crisis (GFC) and the unknowns this presented. And yet 2009 proved to be an exciting and challenging year. Our commitment to servicing and responding to our clients, and investment in our staff helped us navigate through the GFC and enter 2010 in a strong position — financially, with our people and the services we provide to our clients.

This was due in part to a restructure of our operations in 2009 aimed to align more closely with our clients and be able to better service their needs.

Another major change for PB was the acquisition of PB by Balfour Beatty (www.balfourbeatty.com), in the latter part of 2009 after our shareholders voted overwhelmingly in favour of the proposal. The acquisition moved the A-P business from being a subsidiary of employee owned PB to a wholly owned subsidiary of a publicly listed company.

PB A-P now belongs to a much larger global family. We were aware that we needed to change our ownership structure in order to grow and diversify. However, we will continue to operate as PB and to draw upon our rich history and legacy. In 2010 we are celebrating 125 years of operation. Balfour Beatty has been sensitive to our history and we are delighted by the strong business and cultural alignment between Balfour Beatty and PB.

The majority of goals set out in the 2008 sustainability report were achieved. With the restructure, some of the goals have been reframed or were not able to be accurately measured. A full list of goals and progress is available on page 6. New goals are incorporated in the body of the report.

As in the previous report we recognise the on-going challenge of climate change and we are sensitive to our impact on the planet. We wait with interest to see what will develop nationally and internationally. In 2009 we became signatories to the United Nations Global Compact and we look forward to further engagement with them in 2010 and beyond, particularly in relation to human rights and climate change.

The challenge of sustainability is to create a forward thinking organisation that is able to meet the imperatives that sustainability raises. I look forward to meeting these challenges and addressing them with the support of PB's Directorate and the organisation as a whole.

Dr Jim Mantle
Managing Director

STATEMENT FROM THE DIRECTOR OF SUSTAINABILITY

Sustainability and certainty

A challenge for organisations that aspire to becoming truly sustainable is to lead by example. We have turned to the Global Reporting Initiative (GRI) standards to provide a basis for how we think about corporate sustainability, and have worked to build upon the spirit and intent of the GRI when considering initiatives that add to our sustainability program.

In 2009 new PB A–P initiatives included the development of an ethics framework, the establishment of a coordinated corporate responsibility program and becoming a signatory to the United Nations Global Compact.

Additionally, while we have been putting our house in order internally, we also undertake to provide good sustainability advice to clients.

In reflecting on how we could best achieve this in an organisation as diverse in skills and geography as PB, while still maintaining quality and value for money, we decided that the answer was education. So over the past 18 months, and in consultation with Curtin University Sustainability Policy Unit, we have been working to develop a sustainability course for the internal education of PB people.

While I am the conduit for addressing sustainability in PB, as noted in the message from our Managing Director, we work on these issues as an organisation, not as a separate and isolated entity within the organisation. This allows us to embrace and embed sustainability rather than it being something that is 'dealt with' or delegated.

It is my hope that at PB we will succeed in de-mystifying the notion of sustainability. Unfortunately for many, sustainability conjures up negative images such as increasing costs, regulatory intervention, time delays and unnecessary complication. However, I believe that many of these perceptions can be counteracted by using different language.

In my view sustainability, despite its apparent complexity, is simply about creating value — for ourselves, our clients and the broader community in which we operate. When viewed in this way, sustainability can begin to be seen as an enabler, helping PB to realise our vision — through service to our clients and collaboration with colleagues, we will create a lasting legacy that improves the lives of people and communities.



Darren Bilsborough
Director of Sustainability



Darren Bilsborough

Director of Sustainability, Parsons
Brinckerhoff Australia–Pacific

SUMMARY OF PREVIOUS GOALS

Previous goal 1

Audit Have 2009 report independently audited (the 2008 report was not independently verified) (see 'Overview' page 2).

Result: Achieved

Previous goal 2

CRP Formalise Corporate Responsibility Program by June 2009 (see 'Ethics' page 36).

Result: Achieved

The program was launched on 6 April 2009.

Ethics Establish an ethics framework by June 2009 (see 'Ethics' page 36).

Result: Delayed but achieved

The ethics framework was approved for release in October 2009. The delay was largely due to the organisational restructure. Our energies and focus needed to be on getting the internal restructure process right and causing minimal disruption.

Previous goal 3

Human rights In procurement guidelines, include consideration of human rights in the supply chain by November 2009 (see 'Ethics' page 43).

Result: Not achieved

In investigating the inclusion of human rights in our procurement guidelines we realised that we had an opportunity for a more comprehensive sustainable procurement review. It will include the risk of child and enforced labour.

Previous goal 4

2% Achieve 2% below ACEA industry average in employee turnover by November 2009. (see 'Our colleagues' page 59).

Result: Achieved

We finished the year at 45% below ACEA industry average.³

Previous goal 5

90% RYP completion rate by 2013 (see page 75).

Result: In progress

In 2009, a completion rate of 85% was achieved (in 2008 75% of our people used the RYP tool to manage their performance. During 2008 we modified our reporting format to encourage more staff to realise their potential).

Previous goal 6

20% of our employees to participate in mentoring in 2009 (see 'Our colleagues' page 67).

Result: Not achieved

Having set the goal in our 2008 report, it became apparent in 2009 that our systems are unable to accurately monitor on a percentage basis. In 2009 we had 435 pairings of mentors and mentees, but this does not translate into a participation percentage because people enter into multiple mentoring relationships. In 2010 we will instead report this as a number of participants registered.

³ Note: The benchmark is set by ACEA each year in April and our financial year ended in October. In most years, turnover doesn't vary much from the beginning to the end of a year, but because of the global financial crisis throughout 2009, most organisations saw their turnover reduce significantly as there were fewer vacancies across the industry.

Previous goal 7

Alumni Launch an Alumni program as a way of keeping in touch with past employees. The Alumni will provide an opportunity for past employees to share knowledge with current staff and for ongoing involvement in professional development programs within PB (see 'Our colleagues' page 73).

Result: In progress

In 2009 we developed a roll-out strategy for the Alumni and will launch it in 2010.

Previous goal 8

50% Reduce lost-time injuries (LTIs) and medical-treatment injuries (MTIs) by 50% in FY09 (see 'Environment, society and safety' page 80).

Increase our near-miss reporting frequency in FY09 from approximately 80 per million hours worked to over 100 per million hours worked (see 'Environment, society and safety' page 80).

Result: Not achieved

Absolute number of LTIs reduced by 25%; per-capita (index) lost-time injury frequency rate (LTIFR) reduced by 34%.

Absolute number of MTIs reduced by 42%; per-capita (index) medical-treatment injury frequency rate (MTIFR) reduced by 49%.

Absolute number of recordable injuries (LTIs + MTIs) reduced by 39%; per-capita (index) total recordable injury frequency rate (TRIFR) reduced by 46%.

Absolute number of near-miss reports increased by 49%; per-capita (index) increased by 31% from 68 to 89.

Previous goal 9

10 Replace 10 commonly used items, as identified by regional Green Teams, with recycled alternatives by November 2009 (see 'Environment, society and safety' page 82).

Result: Achieved

This was achieved by the centralisation of PB's stationery accounts and rationalisation of the list of purchased items. In 2010, we intend to continue this rationalisation; our new goal is to increase the proportion of recycled purchased stationery items to 50%.

Previous goal 10

5% Reduce paper consumption by 5% per PB employee by November 2009 (see 'Environment, society and safety' page 81).

Result: Not achieved

This is likely to be due in part to the higher proportion of government projects undertaken during 2009 and the associated demand for multiple printed documents. A more aggressive paper reduction goal has been set for 2010.

Previous goal 11

Biodiversity Modify our standard work practice to specify the protection of biodiversity by March 2009. (see 'Environment, society and safety' page 83).

Result: Achieved

Previous goal 12

CO₂ Report on carbon reductions achieved in 2009 (see 'Environment, society and safety' page 84).

Result: Achieved



WINNER
Best Consulting Engineering Firm
(revenue over \$200 million)
Parsons Brinckerhoff

Finalist awarded by
STRATON CONSULTING

ABOUT US

Parsons Brinckerhoff Pty Ltd (PB) is one of the world's leading planning, environment and infrastructure firms. We employ over 12,000 people globally to work with our clients to reach their desired project and program outcomes. While our head office is in New York, our 150 offices worldwide (www.pbworld.com/global/worldwide) mobilise regional expertise on six continents.

In Australia–Pacific (A–P) we have been operating for over 40 years. Our multidisciplinary team of over 2,000 professionals around the region offers a comprehensive range of services, and provides total project delivery on projects of any scale.

PB delivers practical solutions and builds lasting relationships with our clients. We are proud that our clients consistently rate us 'best practice' for technical delivery and client service. In 2008 we were a finalist for the BRW Client Award. In 2009 we were awarded this honour.

Principal services

- Planning studies, feasibility analysis and investigation
- Environmental studies and management
- Design
- Project and program management
- Construction management
- Strategic consulting.

Our Vision

PB will be a positive and highly influential force in the development and operation of infrastructure around the world. Through service to our clients and collaboration with colleagues, we will create a lasting legacy that improves the lives of people and communities.

Our vision will only be achieved by living our values, and it will be sustained by our culture of employee ownership. Taken separately these standards of behaviour are not unique to PB, nor are they new. But by making a commitment to them together, we will find new strength.

Our Values

We behave ethically, acting with integrity and respect.

We work with our clients to contribute to their success.

We care for our colleagues, encouraging their development, engagement and achievement.

We share knowledge with our colleagues to deliver professional excellence.

We act in a socially and environmentally responsible manner, committed to high standards of safe performance.

In 2010 PB will celebrate its 125th anniversary, retaining its position as one of the longest continually operating engineering firms in the world — no small feat, especially when you reflect that during this time we've helped deliver nation-building projects despite the disruption caused by world wars, global depressions and other catastrophes. Importantly, we've used these experiences to build a leadership position with a range of clients, markets and geographies — a position we continue to strengthen and grow.



Balfour Beatty acquisition

In late October 2009, Balfour Beatty plc completed the acquisition of Parsons Brinckerhoff Inc to become a wholly owned subsidiary the company. Balfour Beatty is a world class engineering, construction, services and investment business with a resource pool of 55,000 employees worldwide.

Balfour Beatty creates and cares for essential assets hospitals, schools, road, rail and utility systems and other infrastructure and buildings of all kinds. They are dedicated to managing their business for long-term, sustainable success, increasing shareholder value and improving the interests of society in general.

The combination of Balfour Beatty and PB provides the opportunity to service the entire life cycle of major infrastructure assets — from conception and funding, to construction, operation and maintenance.

www.balfourbeatty.com

Stakeholders

Our approach to stakeholder engagement is guided by our vision, our core values and our code of ethics.

By adhering to PB's code of ethics and never compromising PB's reputation in pursuit of any goal. We shall all adhere to the professional codes of conduct of our respective professional or licensed institutions.

Our stakeholders are those we engage with who are involved in the funding, delivery and operation of infrastructure in the markets we operate in — water, transport, urban development, government, energy, resources and industry sectors. They include:

- clients
- current, past and future employees
- government
- industry bodies
- other similar firms who we team with
- media.

Our engagement approaches include:

- participation on key industry association committees
- attendance at industry functions
- sponsorship of industry events
- corporate communication (publications, website)
- PB-run client and stakeholder events on various subjects and technical disciplines
- media relations
- trade displays
- meetings
- government relations (in NSW we employ a dedicated Government Relations Manager).

As outlined in our business procedures, we actively solicit feedback from clients in the following ways (this information is also provided under 'Our clients' page 53).

Client service brief: At the start of a project we ask clients for their critical success factors so we can deliver to them. Part of this process is to identify the client's preferred engagement method during the project, the PB staff who should be involved in those interactions, and their timing.

Post-project client survey: We survey our clients about our performance (service and technical quality) at the end of our projects. The surveys are conducted face-to-face, by telephone or by email. The outcomes of the survey are forwarded to an appropriate person for follow-up as required. Reports on individual strong performance or poor performance are also sent to the Business Systems team and included as part of their systems improvement process. A report on business performance is also produced.

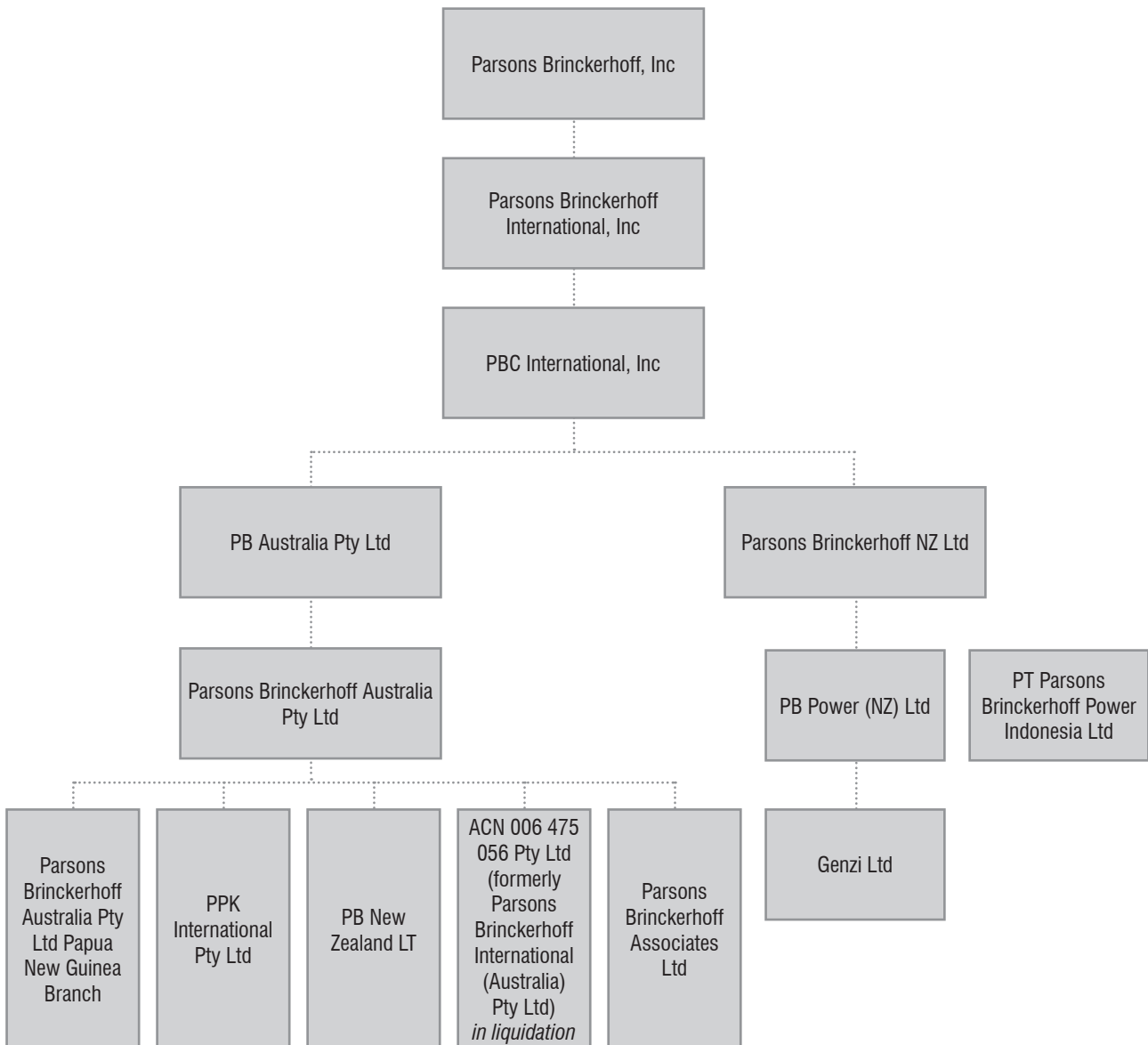
A number of **key performance indicators (KPIs)** relating to client satisfaction are outlined in the A–P strategic plan and measured from this survey process. The KPI targets are then reflected in PB's bonus scheme (see 'Remuneration' page 23).

Client Relationship Managers: We have allocated Client Relationship Managers (CRMs) for 59 key accounts. Our intent is to provide a contact point for clients, to ensure they are receiving high-quality service and to better understand their business needs so we can deliver excellence to projects.

In addition, each year we participate in an industry benchmarking study, *Engineering Beacon*, that rates the performance of Australian engineering firms.

Governance

PB A–P is a subsidiary of the New York–based global company Parsons Brinckerhoff Inc. This report is concerned only with the A–P operations and therefore discussion of governance is limited to A–P operations.



Company organisation chart for reporting year 2009

Advisory Council

To provide direction and advice from outside the organisation, the Managing Director is counselled by an independent advisory board. The Advisory Council operates under a strict code of conduct to ensure it fulfils its duties in a lawful and professional manner and with the utmost integrity and objectivity. It meets approximately five times a year and has a strategic rather than an operational focus.

Each year the Advisory Council reviews its relevance to PB, its performance, and how it can contribute further to PB's strategic direction.



The Hon John Sharp

ADFM, FCIT
Chair, Advisory Council, Parsons
Brinckerhoff Australia–Pacific

Current positions

Deputy Chairman and Independent Director, Regional Express Airlines
Director, Flight Safety Foundation
Director, Australian Aerospace
Director, Skytraders
Chairman, Power and Data Corporation
Chairman, Pel Air
Trustee and Board Member, John McKeown House
Honorary Federal Treasurer, National Party of Australia
Director, Tudor House Foundation
Member, University of Wollongong Vice-Chancellor's Advisory Board
Former Chairman, Winifred West Schools Foundation
Former Chairman, Aviation Safety Foundation of Australia

Experience

John is originally from a farming and business background. In 1984 he was elected to the federal House of Representatives where he served for 14 years. For most of 1987–1997 he served on the federal coalition's front bench as Shadow Minister, and later as Minister, for Transport and Regional Development. He was a member of Shadow Cabinet then the Cabinet from 1989 to 1997. John is well known and respected for his role in promoting aviation safety and was responsible for numerous reforms within that sector, including a complete rewrite of the aviation regulations. Following his retirement from Parliament, John established his own transport consulting company, Thenford Consulting. John has served as a director of a number of companies and is involved in various voluntary organisations.



Bronwyn Morris

BCom, FCA, FAICD
Advisory Council Member, Parsons
Brinckerhoff Australia–Pacific

Qualifications and affiliations

Bachelor of Commerce, University of Queensland
Fellow, Institute of Chartered Accountants
Fellow, Australian Institute of Company Directors

Current positions

Director, Spotless Group Limited
Director, Queensland Investment Corporation
Director, RACQ
Director, Care Australia
Councillor, Bond University

Experience

Bronwyn is a professional non-executive director whose portfolio spans a broad range of industries. A chartered accountant, she was the first female partner of KPMG in Queensland and the first female appointed to the Queensland State Council of the Institute of Chartered Accountants in Australia. She later chaired that council and served on the National Council of the Institute.

From July 1999 to June 2006, Bronwyn was chair of Queensland Rail. She also served as a director of Colorado Group Limited from November 1999 to February 2007. She is a former director of Stanwell Corporation Limited, Brisbane Marketing Pty Ltd, the Office of Economic Development for the City of Brisbane Limited, and the Queensland Office of Financial Supervision.



Paul Dowd

Advisory Council Member, Parsons
Brinckerhoff Australia–Pacific

Qualifications and affiliations

Bachelor of Science (Engineering) University of NSW
First Class Mine Managers Certificate, WA (No. 068)
First Class Mine Managers Certificate, Qld (No. 3122)
Certificate of Competency as Manager, NSW (above-ground No. 20,
below-ground No. 83)
Fellow, AusIMM

Current positions

Managing Director, Phoenix Copper Limited
Chairman, Adelaide Resources Ltd
Chairman, Board of the SA Mineral Resources and Heavy Engineering Skills Centre
Member, CSIRO's Mineral Resources Sector Advisory Council
Member, SAMPEG (SA Mining & Petroleum Experts Group)
Member, Advisory Board, SMI, University of Queensland
Non-executive Director of listed Australian & Canadian companies
Commissioner, South Australian Training and Skills Commission

Experience

Paul, a mining engineer, was the Vice President of Newmont Australian & New Zealand Operations and Managing Director of Newmont Australia Ltd. He has extensive experience in the mining industry that spans more than four decades and includes executive director responsibilities over several years. He served as the head of the Victorian Mines and Petroleum departments in the Kennett government. He was formerly a Director of the Minerals Council of Australia and the Australian Gold Council.



Don Horsell

Advisory Council Member, Parsons Brinckerhoff Australia-Pacific

Qualifications and affiliations

Companion, Engineers Australia
Member, Australian Institute of Company Directors

Current positions

Chairman, Optimatics Pty Ltd

Experience

Don joined PG Pak-Poy & Associates (now Parsons Brinckerhoff) in 1966 and retired from full-time employment in 2001 to continue as a consultant, and was appointed to the Advisory Council in 2007. He has over 40 years of management and technical experience, including as Associate Director and Operations Manager for Pak-Poy & Kneebone in Australia and overseas (1980–1986), Executive Director to the Board of Pak-Poy & Kneebone Pty Ltd and Group Operations Director (1986–1989) and, following a restructure, Regional Manager of South Australia, Northern Territory and Western Australia (1989–2001). Don has extensive experience as a civil engineering designer throughout Australia and overseas in Malaysia and Western Samoa. In Australia, Don participated in the design of engineering projects for the Highways Department, South Australia; Public Works Department, Tasmania; Department of Transport and Works, Northern Territory; West Gate Bridge Authority, Victoria; Brisbane City Council, Queensland; National Capital Development Commission, ACT; and a large range of private-sector clients.



Dr Dennis Brockenshire OAM

FAICD, FIE Aust, CPEng,
Company Director
Advisory Council Member Parsons Brinckerhoff Australia-Pacific

Qualifications and affiliations

Fellow, Australian Institute of Company Directors
Fellow, The Institution of Engineers, Australia
Doctor of Technology, Deakin University
Master of Business Administration with Distinction, University of Melbourne
Bachelor of Commerce, University of Melbourne
Diploma in Electrical Engineering, Caulfield (Monash)
Diploma in Mechanical Engineering, Caulfield (Monash)

Current positions

Director, DENEAB Pty Ltd
Board Member, Environmental Clean Technologies
Chairman, Geelong Area Consultative Committee
Member, Chancellor's Circle, Deakin University
Member, Deakin University Engineering Academic Advisory Board

Experience

Dennis has extensive experience with Directorships, Governance, Executive Management, Professional Engineering and Academia. His experience includes thirteen years as Managing Director and CEO of Barwon Water, a \$110m turnover Statutory Authority providing water services through \$1 billion in assets to a region of 8,100 km². He also has 15 years Senior Management experience in the energy sector and 15 years as a professional engineer in the electricity supply industry, including the construction, operation and maintenance of high voltage power grids; sub transmission and distribution energy supply; system development and control; system protection; new customer connections; industrial customer supply; cogeneration; and public lighting.

Directorate

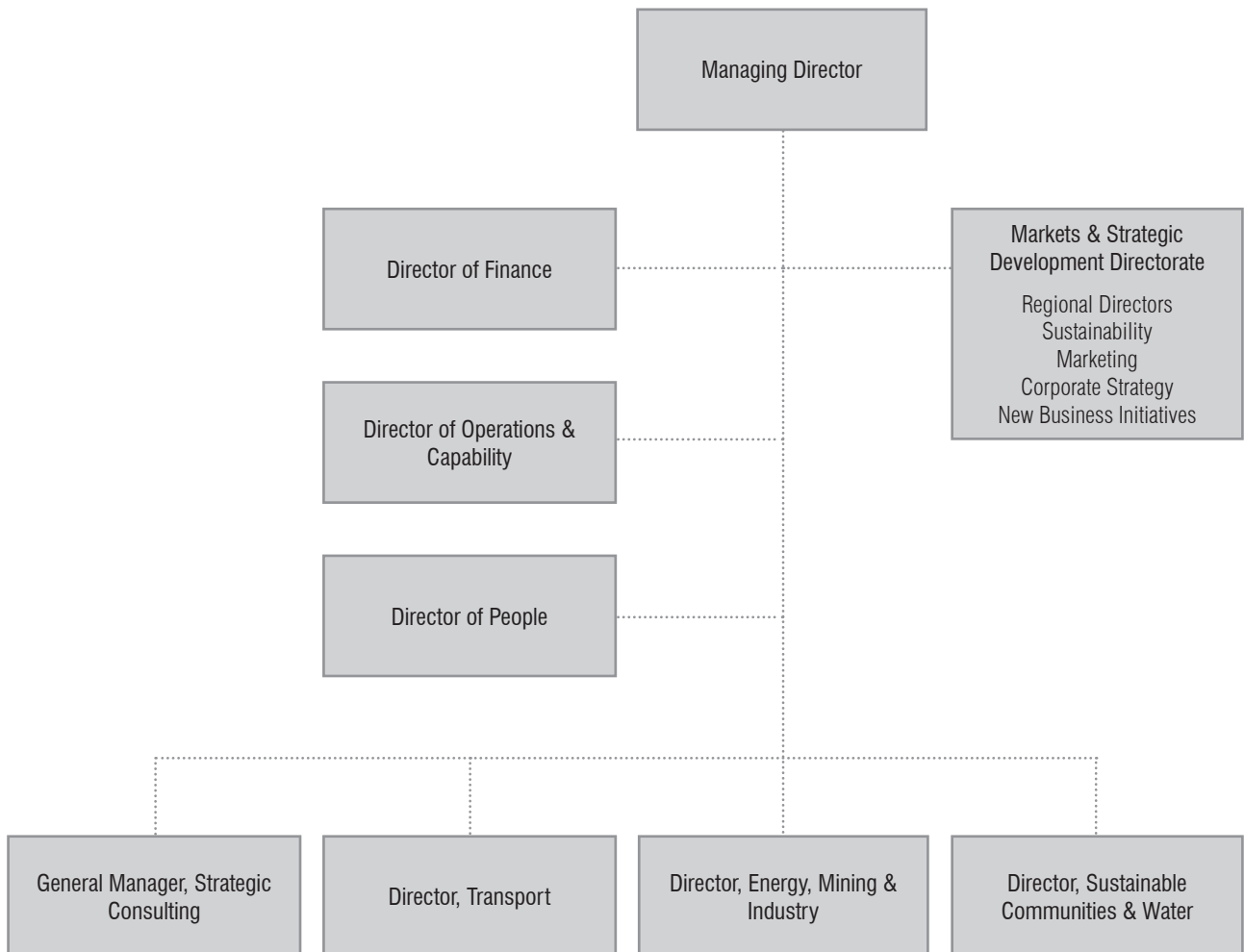


Regions

-
- New Zealand
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- Western Australia
-
- South Australia
-
- Victoria
-
- New South Wales
-
- Queensland

Operations

-
- Managing Director
-
- Transport
-
- Sustainable communities and water
-
- Energy, mining and industry
-
- People
-
- Sustainability
-
- Finance
-
- National Marketing Executive
-



Directorate

Function of the Directorate

Appointed Directors form the highest governance body — the Directorate — in the PB A–P operation. Informing the Directorate are subcommittees with specific responsibility for:

- values
- people
- clients
- delivery.

The Directorate avoids conflict of interest through adherence to our ethics policy, and to date there have been no breaches.

During FY09, the Directorate approved the formation of the ethics framework, and the corporate responsibility program, approved in FY08, was launched. The goals set within our corporate sustainability reporting allow us to monitor success and provide accountability for the Directorate in relation to PB's sustainability⁴ performance. The verification of data by NetBalance this year has also contributed to monitoring the sustainability performance of the Directorate, as it is ultimately responsible for PB's sustainability⁴ performance.

Employees raise issues with the Directorate, through direct contact with directors or through their manager.

There is regular communication with all staff through:

- a weekly e-newsletter
- articles posted on our intranet site
- a monthly PowerPoint presentation — the same in every office — presented by the Regional Director or, in smaller offices, the local manager
- PB Notes via email.

In May 2009 in all main offices, the Managing Director held 'Conversations with Staff' — a forum in which staff can ask questions and speak with the Managing Director. At the end of FY09 the Managing Director visited each office to provide a summary of A–P's performance and outlined the strategy for FY10. This was also an opportunity for staff to ask questions and speak with the Managing Director. In 2009 this was particularly timely, with the acquisition by Balfour Beatty having just been transacted.

⁴ Triple Bottom Line accountability is implicit whenever sustainability is mentioned in this report, as PB considers them to be one item.



Dr Jim Mantle, Managing Director

Jim Mantle leads PB. Jim's focus is on the company brand, governance and corporate strategy, and working with PB's senior leadership team to deliver value to our clients and to develop PB's staff to their full potential.

With more than 18 years of project delivery and senior management experience within PB, Jim has delivered exceptional results for government and industry clients across a broad range of infrastructure and environmental engineering projects in Australia and overseas. His particular interest is the management of multidisciplinary high-performance teams and people development to align with client and market needs.

Jim's previous roles include PB's Director of Operations and leadership of our Victorian arm for over 15 years, growing the practice from a project start-up operation to over 250 staff. His specialist skills in the development and implementation of project teams saw him involved in some of Victoria's largest infrastructure projects, including Tullamarine–Calder Interchange Alliance, Gippsland Water Factory Alliance, M1 West Gate Freeway Alliance and EastLink Freeway.

Jim contributes to the community through his role as Chairman of the Board of Engineering Aid Australia, which provides programs to assist Indigenous communities in Australia.

Business Group Directors



Mark Keogh, Director, Transport

Mark has broad experience in the planning and delivery of major infrastructure having performed key roles in major port, railway and airport projects, and over 10 motorway projects in New South Wales and Queensland. Mark also led the team that was successful in obtaining the approvals for the replacement nuclear research reactor in Sydney. He has particular expertise in navigating often-controversial projects through community and political processes, achieving broadly accepted and balanced environmental, social and economic outcomes.

Mark has previously fulfilled the roles of NSW Environment and Planning Executive, NSW Infrastructure Executive, Director of National Delivery and Director of National Services.



Roger Pattison, Director, Energy, Mining and Industry

Roger has a lifelong commitment to finding better, smarter ways to do things. He brings to his position 15 years of hands-on engineering experience in mining, transport, water and urban development, and a further 10 years experience managing complex multidisciplinary studies and projects. He has been at the forefront of some of Queensland's most notable engineering projects as a member of alliance leadership teams and project boards. In these positions, he has collaborated with clients and the other team members to determine project strategy, stimulate innovation, and ensure projects meet and exceed their key performance indicators. He has been a part of the senior management teams for the Rolleston Coal Project, Dawson Valley Project, Tugun Bypass Planning Alliance, Port of Brisbane Motorway, Future Port Expansion Seawall Alliance, Tarong Alliance, North-South Bypass Tunnel, Lake Lindsay, Airport Link and the Coal Stream Alliance — Jilalan.

In his previous role as Regional Director for PB Queensland, Roger led a values implementation program that encouraged and supported staff in achieving excellence in all aspects of their working life. He also established an employer of choice program that was adopted by PB nationwide. Roger is a member of Griffith University's Industry Advisory Panel for Environmental Engineering, and is active in a range of professional associations.



Dr David Adams, Director, Sustainable Communities and Water

Dr David Adams is our Director of Sustainable Communities and Water. David was appointed to the role in June 2009 when PB moved to a markets-aligned business model. In his leadership role, David oversees PB's environment, planning, hazardous materials, water, climate change, social infrastructure and community development services.

David has helped develop sustainable outcomes for complex projects for a wide range of our transport, energy, mining, industry, sustainable communities and water clients.

Regional Directors



Dr David Cruickshanks-Boyd, Regional Director, South Australia

David is responsible for developing and maintaining strategic client relationships for PB in South Australia. Since 2002 he has led PB through an aggressive growth phase to the point where the firm now delivers many of South Australia's most significant infrastructure projects. He is an advocate for alternative project delivery methods and has an excellent understanding of the benefits of modern alliancing approaches and delivery models.

David is the former deputy chair of South Australia's Environment Protection Authority, and was actively involved with the State of the Environment Report in late 2003. A Fellow of Engineers Australia and a member of the Engineers Australia, South Australian Division Committee, he is also on the Board of Austraining International.



Paul Reed, Regional Director, Western Australia

Paul has over 30 years experience as a consulting engineer, primarily in Western Australia but also in consulting firms with national and international operations. He is currently the National President of the Association of Consulting Engineers Australia, a Fellow of Engineers Australia and a Fellow of the Chartered Institute of Logistics and Transport.

During his career Paul has worked within consulting organisations to set and lead the implementation of strategic directions for the business. He has prepared and administered contracts across the industry, including for consulting, design and construct, alliance, procurement and construction projects. His consultancy experience encompasses design of major road and rail infrastructure, solid waste management and disposal, contaminated land assessments, development and implementation of clean-up strategies, planning for marine infrastructure and associated industrial sites, community consultation programs, and term consultancy contracts for government agencies.



John Theodoulou, Regional Director, Victoria

John has more than 29 years experience in engineering, marketing and business management in consulting services firms and the construction sector. His skills include business unit management, business development, strategic planning, design management and financial analysis. His career spans project and design work in buildings, bridges, maritime structures, oil and gas, and the industrial sector.

John is responsible for optimising the total outcomes for PB in Victoria, ensuring collaboration across all areas of the business, providing strategic and long-term focus, and developing and delivering capabilities and processes that meet clients' needs.



David Stuart-Watt, Regional Director, New South Wales and Australian Capital Territory

Educated in Australia and France, David holds bachelors and masters degrees in engineering, and a Master of Business Administration. He is FIEA and Member of the Australian Institute of Company Directors.

Before joining PB, David was the Director of Licensing, Registration and Freight with the NSW Roads and Traffic Authority (RTA), as well as a Director of ARR Group, Transport Certification Australia and the former Tow Truck Authority of NSW.

For 25 years David held a variety of positions with the Department of Main Roads and then the RTA before joining local government in London, England. In 1995 David returned to the RTA as a Director, and from 1999 was RTA's Director of Client Services. David has held senior executive roles for the past 15 years, and has over 30 years experience in infrastructure, regulation, traffic and transport.



Michael Kerry, Regional Director, Queensland

Michael has extensive experience in city and regional planning, major projects and urban development in Western Australia, South Australia, the Northern Territory and the Australian Capital Territory. His international experience includes environmental planning and urban renewal in the United Kingdom; local government capacity building in South Africa; and strategic planning for Riyadh, Saudi Arabia.

Michael was previously an executive with Babcock & Brown, a Director with the Springfield Land Corporation, an Urban Management Adviser and the Executive Director, Office of Urban Management, for the Queensland Government. Michael was responsible for establishing the Office in May 2004 and preparing a Regional Plan and Infrastructure Plan and Program for South East Queensland. From 1992 to 2004 he was Divisional Manager, Urban Management, with the Brisbane City Council and was a Director of the South Bank Corporation and Brisbane City Enterprises Pty Ltd.

As well as Regional Director of PB in Queensland, Michael is a Board member of the Urban Land Development Authority and Australian Green Infrastructure Council.

Michael holds tertiary qualifications in geography, economics, and civic design; he is a Fellow of the Planning Institute of Australia and the Australian Institute of Company Directors, President of the Planning Institute Australia Queensland Division, and an Adjunct Professor at University of Queensland.

Shared Service Directors



Shaun Nugent, Director of Operations and Capability

As Director for Operations and Capability, Shaun Nugent has been instrumental in the growth and continued prosperity of the business groups within Australia and New Zealand.

He brings to his position 21 years of hands-on engineering experience in civil infrastructure, structural, materials handling, coastal, ocean and systems engineering. He has extensive experience in the design and delivery of power and industrial sector projects that require multidisciplinary teams, and has taken a number of these projects from inception to full operation, guiding them through feasibility study stage, permitting, design and construction.

Shaun has been involved in some of our most notable engineering projects as a member of alliance leadership teams and project boards. In these positions, he has collaborated with clients and project members to determine strategy, stimulate innovation and ensure projects meet and exceed their key performance indicators. He has been a part of the senior management teams for the Rolleston Coal Project, Dawson Valley Project, Tarong Alliance, North-South Bypass Tunnel, Lake Lindsay, Airport Link and the Coal Stream Alliance – Jilalan.



Sylvie Vanasse, Director of People

Sylvie is currently the Director of People for PB. She joined PB in December 2005 with the mandate to develop and implement people management strategies across Australia and New Zealand, and to oversee the Human Resources department. Since Sylvie's arrival, her team has recruited over 2,000 employees, tripling the size of the organisation. She has also established a number of new programs such as succession planning, leadership development, employee assistance and numerous flexible working options such as teleworking, flexi hours, additional leave purchase, to name a few.

Sylvie has 20 years experience in learning and development, and human performance improvement. She worked in various industries including IT, telecommunication, banking, airline, media and transportation.

Sylvie's experience includes various roles for IBM Business Consulting Services, including program manager deploying country-wide knowledge management initiatives and participation in a culture change task force to help implement various change initiatives involving IBM Executives. She also managed the implementation of large educational programs involving hundreds of participants.

As a university lecturer and researcher at the IBM TJ Watson Research Centre — User Interface Institute of New York, Sylvie both worked on on-line help systems and user documentation, and completed her doctorate studies.



Darren Bilsborough, Director of Sustainability

Since joining PB in July 2007, Darren has been responsible for development of policy and strategy to position PB as the leading consulting firm in the delivery of sustainable infrastructure solutions in the Australasia region. For example, he has been responsible for crafting PB's Sustainability Principles, Climate Change Policy and Corporate Social Responsibility program, and developed a consulting, research and educational alliance with Curtin University's Sustainability Policy Unit headed by Professor Peter Newman.

An engineer whose career has taken him throughout Asia-Pacific, Darren has been at the forefront of sustainable development issues in the built environment: as inaugural Chair of the Sustainable Development Committee for the SA Division of the Property Council of Australia; on the SA Premier's Round Table on Sustainability in 2003; and as Chair of both the Sustainable Settlements Subcommittee of the Round Table and the building sector working group for the SA Greenhouse Strategy 'Tackling Climate Change', released in May 2007.

Darren serves on the National Council of Directors of Environment Business Australia and as a specialist member on the SA Development Assessment Commission.



Peter Hiley, Director of Finance

Peter is a seasoned Financial Officer with over 30 years of experience. He has strong expertise in leading finance and IT functions, with specific experience in financial and risk management, project profitability, identifying profit drivers and cost reduction strategies.

Immediately before joining PB, Peter was a financial consultant, then manager for Grant Thornton, Gray Perkins and Blake Dawson Waldron. His experience includes the roles as Chief Financial Officer (Asia-Pacific) for Deacons lawyers, and as the National Business Director and Controller of Ernst & Young (Asia-Pacific). Initially Peter trained as an auditor with Coopers & Lybrand.

Directors awarded 2009

Dr Jim Mantle, Managing Director

Top 100 Australia's Most Influential Engineers, Consulting category, Engineers Australia Magazine

Paul Reed, Regional Director Western Australia & National President, Association of Consulting Engineers Australia (ACEA)

Top 100 Australia's Most Influential Engineers, Associations category, Engineers Australia Magazine

Compiled by Engineers Australia, the list recognises current influence rather than historical achievement.

“The 2009 Top 100 shows engineers are valued across all industries; that’s because of their ability to identify and solve complex problems.”

*Paul Reed, National President,
Association for Consulting Engineers Australia*

Remuneration

Senior staff are eligible for an annual bonus, based on the financial performance of the company and in relation to identified key responsibility areas and performance indicators. These indicators range across the areas of values, people, clients, delivery and operations, and are a means of assessing the performance of the Directorate.

The three components to the scheme are each weighted at 33%:

- Australia–Pacific: *one in all in* — our overall achievements against our company key result areas/strategy
- business unit function — evaluated against business unit or functional targets
- individual — tied to the annual performance review program, Realising Your Potential (see page 75).

The system is open and transparent and drives alignment between individual, team and corporate goals. In FY09 a new system was introduced to track our bonus system and provide an easier means of providing feedback to individuals. We also worked further on ensuring all our goals were measurable rather than abstract. Everyone in the scheme is given feedback on their individual performance and on the company as whole. The scheme also contains a discretionary bonus clause for staff who sit outside the bonus plan but are identified by management as deserving of recognition.

AWARDS

Project	Awarding body
BRW Client Choice Award	Best engineering consultancy (revenue over \$200 million category)
West Gate Freeway Upgrade	ACEA Silver Award of Highly Commended, Education and Training category
EastLink	ACEA Gold Award of Merit, Transport and Civil Infrastructure category
Inner City Rail Capacity Study	High Commendation, Engineers Australia (Qld division), Queensland Engineering Excellence Awards — Reports, Procedures and Systems category
Coal Stream Alliance — Jilalan	Queensland Major Contractors Association (QMCA) Project Safety Excellence Award
Ipswich to Springfield Public Transport Corridor Study Review of Environmental Factors and Environmental Impact Study	High Commendation, Engineers Australia (Qld division), Queensland Engineering Excellence Awards — Reports, Procedures and Systems category
NewActon development (with Molonglo Group)	UDIA Award for Excellence in NSW regions and ACT Commendation for Master Planned Mixed Use development
EastLink Project (Thiess John Holland JV)	Engineers Australian Victorian Engineering Excellence Award for infrastructure projects over \$20 million
EastLink Project (Thiess John Holland JV)	Australian Construction Achievement Award
Coochiemudlo Island Wastewater Project	Institute of Public Works Engineering Australia (Qld) Excellence Award, Water Projects \$5 to \$10 million category
Gallipoli Underpass (Adelaide Connect consortium)	Civil Contractors Federation Earth Award (SA) category 4 (projects with construction value \$20 million to \$74 million)
Gladstone Ports Corporation Annual Report 2007–08	Australasian Reporting Awards, Gold, division 10 (Transport, Construction and Property)
Macarthur Coal Annual Report 2008	Australasian Reporting Awards, Silver, division 8 (Minerals and Petroleum, including Exploration)
Department of Main Roads Annual Report 2007–08	Australasian Reporting Awards, Silver, division 10 (Transport, Construction and Property)
Q-COMP Annual Report 2007–08	Australasian Reporting Awards, Gold, division 6 (Legal, Regulatory and Administrative Organisations)



Hazard identification and risk management control processes played a crucial role in achieving Coal Stream Alliance — Jilalan's (CSAJ) safety statistics

Jilalan Rail Yard Upgrade

In 2007, Queensland Rail (QR) began the Jilalan Rail Yard Upgrade located approximately 5 kilometres from Sarina in Central Queensland.

The Coal Stream Alliance — Jilalan (CSAJ) comprising QR, Macmahon Holdings Limited, MVM Rail, Aurecon Hatch, and PB, was appointed to carry out the civil engineering and infrastructure works for the upgrade. CSAJ was responsible for the design and construction of buildings, bridges, rail formation, level crossings, and internal and external road realignment/upgrades.

CSAJ fostered a strong safety culture which resulted in the project being awarded the 2009 Project Safety Excellence Award, from Queensland Major Contractors Association. This award recognised the alliance's strong safety leadership which underpinned a commitment that no objective was so important that it would be pursued at the sacrifice of employee health and safety. The project produced many outstanding outcomes including, 1.3 million person hours worked over 18 months with no lost time injuries.

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Economic management approach		Ethics — Financial disclosure — 46
Aspect: Economic performance		
Core		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Ethics — Economic performance — 47, 48
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Statement from the Managing Director — 4 Environment, society and safety — Climate change — 84, 85
EC3	Coverage of the organisation's defined benefit plan obligations.	Colleagues — Benefits — 65
EC4	Significant financial assistance received from government.	Ethics — Economic performance — 48
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Additional		
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Colleagues — Diversity — 62
Core		
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Ethics — Supply — 43 Environment, society and safety — 82
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Colleagues — Workforce profile — 58
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Aspect: Energy		
Core		
EN3	Direct energy consumption by primary energy source.	Environment, society and safety — EMS — 83
EN4	Indirect energy consumption by primary source.	Environment, society and safety — EMS — 83
Additional		
EN5	Energy saved due to conservation and efficiency improvements.	Environment, society and safety — EMS — 84
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	Environment, society and safety — EMS — 84
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Core		
EN8	Total water withdrawal by source.	Environment, society and safety — EMS — 82
Additional		
EN9	Water sources significantly affected by withdrawal of water.	Environment, society and safety — EMS — 82
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EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Environment, society and safety — EMS — 82
Additional		
EN13	Habitats protected or restored.	Environment, society and safety — EMS — 83
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Environment, society and safety — EMS — 83
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not reported

Environment performance indicators		Location
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Core		
EN16	Total direct and indirect greenhouse gas emissions by weight.	Environment, society and safety — Climate change — 85
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Additional		
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Environment, society and safety — Climate change — 85
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EN19	Emissions of ozone-depleting substances by weight.	Environment, society and safety — Climate change — 85
EN20	NOx, SOx, and other significant air emissions by type and weight.	Environment, society and safety — Climate change — 85
EN21	Total water discharge by quality and destination.	Environment, society and safety — EMS — 82
EN22	Total weight of waste by type and disposal method.	Environment, society and safety — EMS — 82
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Aspect: Products and services		
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EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Environment, society and safety — Carbon neutral — 86, 88
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Environment, society and safety — 78
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Core		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Ethics — Breaches — 43
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Society performance indicators		Location
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Aspect: Community		
Core		
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Environment, society and safety — 78
Aspect: Corruption		
Core		
SO2	Percentage and total number of business units analysed for risks related to corruption.	Ethics — 36
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures.	Ethics — Ethics in PB — 37
SO4	Actions taken in response to incidents of corruption.	Ethics — Breaches — 43
Aspect: Public policy		
Core		
SO5	Public policy positions and participation in public policy development and lobbying.	Ethics — External sustainability initiatives — 44 Ethics — Economic performance — 48
Additional		
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Ethics — Economic performance — 48
Aspect: Anti-competitive behaviour		
Additional		
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	Ethics — Breaches — 43
Aspect: Compliance		
Core		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Ethics — Breaches — 43

Labour practices and decent work performance indicators		Location
Labour practices and decent work management approach		Ethics — 36 Colleagues — 56
Aspect: Employment		
Core		
LA1	Total workforce by employment type, employment contract, and region.	Colleagues — Workforce profile — 59
LA2	Total number and rate of employee turnover by age group, gender, and region.	Colleagues — Profile detail — 60–61
Additional		
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Colleagues — Benefits — 65
Aspect: Labour/management relations		
Core		
LA4	Percentage of employees covered by collective bargaining agreements.	Colleagues — A positive culture — 58
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Colleagues — Profile detail — 61
Aspect: Occupational health and safety		
Additional		
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Environment, society and safety — OHS — 79
Core		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region.	Environment, society and safety — OHS — 79
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Colleagues — Wellbeing — 69
Additional		
LA9	Health and safety topics covered in formal agreements with trade unions.	Not reported
Aspect: Training and education		
Core		
LA10	Average hours of training per year per employee by employee category.	Colleagues — Training — 65
Additional		
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Colleagues — Working in PB — 65–68, Knowledge management — 73
LA12	Percentage of employees receiving regular performance and career development reviews.	Colleagues — Working in PB — 66
Aspect: Diversity and equal opportunity		
Core		
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Colleagues — Diversity — 62
LA14	Ratio of basic salary of men to women by employee category.	Colleagues — Diversity — 62

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Human rights performance indicators		Location
Management approach		Ethics — 36
Aspect: Investment and procurement practices		
Core		
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Ethics — External sustainability initiatives— 44
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Ethics — Supply — 43
Additional		
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Ethics — Ethics in PB — 37
Aspect: Non-discrimination		
Core		
HR4	Total number of incidents of discrimination and actions taken.	Colleagues — Diversity — 64
Aspect: Freedom of association and collective bargaining		
Core		
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Colleagues — A positive culture — 58
Aspect: Child labour		
Core		
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	Ethics — Supply — 43
Aspect: Forced and compulsory labour		
Core		
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour.	Ethics — 36
Aspect: Security practices		
Additional		
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	Not reported
Aspect: Indigenous rights		
Additional		
HR9	Total number of incidents of violations involving rights of Indigenous people and actions taken.	Ethics — Breaches — 43

Product responsibility performance indicators		Location
Management approach		Clients — 51
Aspect: Customer health and safety		
Core		
PR1	Lifecycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Environment, society and safety — 78
Additional		
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.	Environment, society and safety — 78
Aspect: Product and service labelling		
Core		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Ethics — 36
Additional		
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	Ethics — Ethics in PB — 38
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Clients — 52
Aspect: Marketing communications		
Core		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Ethics — Ethics in PB — 38
Additional		
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	Ethics — Ethics in PB — 38
Aspect: Customer privacy		
Additional		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Ethics — Ethics in PB — 38
Aspect: Compliance		
Core		
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Ethics — Ethics in PB — 38

GLOSSARY

ABS: Australian Bureau of Statistics

ACEA: Association of Consulting Engineers Australia

ARC: Australian Research Centre

BRW: Business Review Weekly — a weekly business magazine

BTA: Business Travel Administration

CRM: Client Relationship Manager

EMS: Environment Management System

EMSM: Environment Management System Manager

GFC: Global Financial Crisis

GJ: Gigajoule

Green Team: Group of PB people who work to help to achieve sustainable operations in our offices.

Hub: PB's intranet

IHC: In house contractor

KPI: Key Performance Indicator

KRA: Key Reporting Area

LPG: Liquefied Petroleum Gas

LTI: Lost Time Injuries

LTIFR: Lost Time Injuries Frequency Rate

MTI: Medical Treated Injury

MTIFR: Medical Treated Injury Frequency Rate

NAPSA: Notional Agreement Preserving a State Award

Near-miss: Potential hazard

NO: Nitrogen oxide

OCI: Organisational Culture Inventory — a tool for measuring the culture of an organisation

OECD: Organisation for Economic Co-operation and Development

OHS: Occupational Health and Safety

PBU: Parsons Brinckerhoff University — an on-line global education and training system

PPP: Private Public Partnerships

R&D: Research and Development

RYP: Realise Your Potential — PB's performance management tool

Scope emissions:

Emission classification	Definition	Examples
Scope 1	The release of greenhouse gas into the atmosphere as a direct result of a company's on-site operations	Fleet vehicle fuel consumption
Scope 2	The release of greenhouse gas as a result of a company's operations that generates electricity, heating, cooling or steam, which is generated elsewhere	Office electricity purchased from a utility
Scope 3	Other indirect releases of greenhouse gas that occur outside the boundary of a company as a result of their business activities	Business travel such as airlines and taxis, also downstream emissions from a supply chain

SO₂: Sulphur dioxide

TRIFR : Total Recordable Injury Frequency Rate

VCS : Voluntary Carbon Standard

SUSTAINABILITY2009

ETHICS

“It is not the technical excellence of an engineering design which alone determines its merit but rather the completeness with which it meets the economic and social needs of its day”.

William Barclay Parsons
Address to Columbia University chapter of
the American Society of Civil Engineers, 1927



The endangered giant dragonfly (*Petalura gigantea*) is one of the world's largest

Previous goal 2

CRP Formalise Corporate Responsibility Program by June 2009.

Result: Achieved

The program was launched on 6 April 2009. More detail is provided under 'Corporate responsibility' (page 38).

Previous goal

Ethics Establish an ethics framework by June 2009.

Result: Delayed but achieved

The ethics framework was approved for release in October 2009. The delay was largely due to the organisational restructure. Our energies were focused on getting the internal restructure process right while causing minimal disruption.

For more information about the UN Global Compact's anti-corruption principle, go to: <http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/anti-corruption.html>

WE BEHAVE ETHICALLY, ACTING WITH INTEGRITY AND RESPECT

Our approach

Parsons Brinckerhoff (PB) continues to believe in acting ethically across all operations and business dealings, and in having a positive sustainability effect internally and on project outcomes. In acting with integrity and respect we lead by example and encourage others to do so. Thus, the legacy we leave will be underpinned by the responsibility we accept as integral to all we do.

Sustainability is, above all, an ethical responsibility. It involves respect for our environment, our population and future generations in equal measure. At PB, an ethical approach to servicing the needs of our clients, upholding the law, caring for the environment and generating beneficial outcomes for our own and our clients' stakeholders governs how we work. We also consider disclosure of our financial status to be an ethical issue, and therefore report our financial performance under this value.

Our 2009 commitment to the UN Global Compact also requires us to employ the anti-corruption principle in our approach to ethics:

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Ethics in PB

PB operates with guidance from our global Standards of Ethical Conduct for PB and its Employees, dated 1 January 2008; the Institution of Engineers, Australia 2000, the Association of Consulting Engineers of Australia, and the Environment Institute of Australia and New Zealand codes of ethics; and the Planning Institute of Australia Code of Conduct. These standards, procedures and codes cover expectations of our behaviour in regard to our professions, our personal conduct, the way we do business, the integrity of our marketing and the standards of our project partners.

As with many policies, the challenge is to find a way of making dry theory vigorous and practicable. The ethics framework was designed to bring our ethics policy to life — to engage our people by providing a framework for living our values.

Through the ethics framework, ethical matters can be raised by individuals and resolved transparently at the highest level in the organisation. The resolutions will be communicated to the organisation and become part of the way we work.

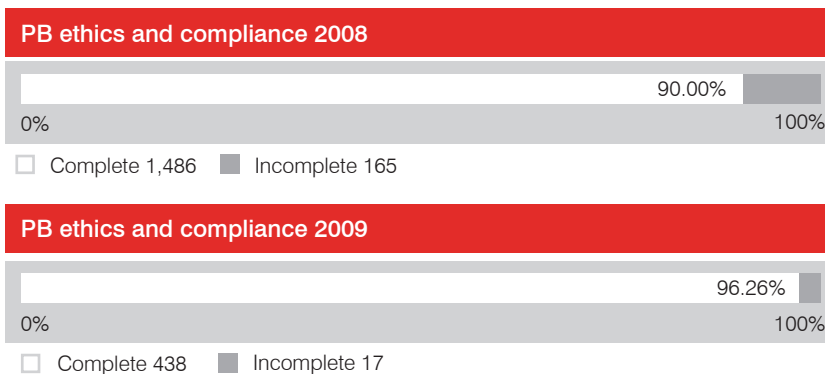
In addition to our policy documents that underpin the ethics framework, we acknowledge the standards recommended by the Global Reporting Initiative, UN Global Compact, OECD Guidelines, UN Millennium Development Goals and the Dow Jones Sustainability Index criteria.

Ethical behaviour supports the safety, health and welfare of the public and the environment. Ethical behaviour reflects on the reputation and integrity of PB and ensures our viability. Our firm is judged by the integrity of our business dealings.

We understand that the advice we give needs to be consistently objective, unbiased and based on the appropriate laws, regulations and industry standards.

Ethics training⁵

In 2008, PB introduced compulsory ethics training (see the figure below); existing staff undertook the training through PB University⁶ and all new employees are now required to complete it.



PB holds regular workshops to support recognition of and compliance to the various pieces of legislation covering corruption. We recognise the risks to the business of corrupt practices, and continue to work hard to improve compliance through education and training, internal audits and working to build a robust anti-corruption compliance program.

Conflict of interest is also covered by our ethics training and policy, and to date there have been no known breaches.

⁵ These figures are for Australia-Pacific.

⁶ PB University is a global on-line training tool.

Ethics and the media

PB has a media policy that outlines our ethical approach to media relations.

We do not use the services of communications or lobby firms. We adhere to the *Spam Act 2003*.

We do not indiscriminately email clients with promotional material. Our only email communication with clients involves invitations to client events. These invitations target a list of existing clients and stakeholders nominated by PB staff. Thus, there is an existing business relationship and consent is implied. Invitations are sent from a named PB employee whose contact details are included as a signature block.

We use Vision6 for our internal e-newsletters and intend to use this for external e-newsletters this year. The system has an 'unsubscribe' feature.

There have been no instances of non-compliance in regard to our marketing behaviour or complaints regarding breaches of customer confidentiality.

Corporate responsibility program⁷

We achieved our goal to establish a Corporate Responsibility Program in 2009.

Corporate responsibility is an acknowledgment by organisations that they have an obligation to contribute to the overall wellbeing of society and communities. Combining principled ethical standards with corporate responsibility creates a holistic approach that contributes to this wellbeing.

Underpinning the program are the 10 principles of the United Nations Global Compact, OECD Guidelines and the Millennium Development Goals.

The program includes, but is not limited to:

- Carbon Neutral PB (see 'Carbon Neutral program', page 86)
- sustainability
- donations
- volunteering
- compliance
- pro bono
- ethics (see Ethics, page 36).

Corporate giving has always been a part of what we do, but the Corporate Responsibility Program seeks to capture and celebrate our giving. Through this program we have now formalised our donations, volunteering and partnerships.

In 2009 we committed to national partnerships with three organisations over the next three years. These partners can then be supported in the regions accordingly. Our partners are:

engineers without borders

engineers without borders (EWB) is an international development organisation that provides opportunities for engineers to volunteer on projects in disadvantaged communities in Australia and overseas.

EWB aligns with our core business as well as being an organisation that is well supported by our people. PB people have been involved in a variety of roles with EWB over the years.

For more information about the UN Global Compact's 10 principles, go to: <http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>



⁷ The Corporate Responsibility Program is yet to be launched in New Zealand.

Engineering Aid Australia

Engineers working for life

Engineering Aid Australia

Engineering Aid Australia (EAA) is a philanthropic organisation that provides engineers and related services to assist Indigenous communities in Australia.

The Indigenous Australian Engineering Summer School (IAESS) is its principal program to support young Indigenous Australians. The school is held annually for Aboriginal and Torres Strait Islander students from around the country. It is a seven-day live-in summer school, featuring a combination of engineering and social activities that provides a taste of engineering studies and careers.

PB has been a supporter of IAESS since the first school in 1998. Support of EAA aligns with our core business, builds the skills of our people as they share their knowledge with the Indigenous students, builds capacity for the students and demonstrates PB's commitment to Indigenous Australians.



Royal Flying Doctor Service

The furthest corner. The finest care.

Royal Flying Doctor Service

Royal Flying Doctor Service (RFDS) is a not-for-profit service that provides aero-medical emergency and primary health care to people who live, work and travel in regional and remote Australia.

We see the partnership with the RFDS as an extension of our OHS policy and capacity to care for our people working in remote areas.

Donations 2009

At a national level we donated to the Black Saturday Victorian Bushfire Appeal and the Asbestos Disease Foundation Australia, and committed to supporting November in 2010.



PB assisted the Victorian communities devastated by the 2009 Black Saturday bushfires.
Image courtesy of Tim Grainger

Black Saturday

On 7 February 2009 fires spread through Victoria during extreme weather conditions, causing Australia's worst ever human toll from a bush fire — 173 deaths, 414 injured, over 2,000 homes destroyed and over 7,000 people displaced. The environmental toll was immeasurable.

In addition to the \$10,000 donation PB made to the Victorian Bushfire Appeal, a number of PB personnel volunteered their services through a volunteer register compiled by Engineers Australia, the Association of Consulting Engineers Australia and the Victorian Building Commission.

Regional CR giving

There were also many giving opportunities taken up regionally.⁸

Queensland charities 2009

Botswana Orphan Project	Lions Club
CEDA Mater Hospital Foundation	Movember
Cerebral Palsy League	Queensland University of Technology Motorsport 2009
Daniel Morcombe Foundation	Rotary Club
Fundraising — A night in Fantasia	Uniting Care
Juvenile Diabetes Foundation	YoungCare



Constructing orphanages for the Botswana Orphan Project

Botswana Orphan Project — Ryan Williams

Botswana is among one of the countries hardest hit by AIDS. In the UNAIDS 2003 report, there were an estimated 330,000 adults (aged 15–49) living with HIV. Life expectancy fell from 65 years in 1990–1995 to less than 40 years in 2000–2005. As 45% of the population is below the age of 17, many children are dependent on few healthy adults.

I grew up in Botswana and moved to Australia on a scholarship when I was 19. On one of my university holidays, I flew back to Botswana and took some photos of a program for orphans run by a local church. I was challenged to do something to help and decided to

build a more permanent facility that could be used as an orphan care centre. After the first successful ‘fly-and-build’ project in 2007, I was challenged to do the same thing in a different part of the country in 2008. This year’s project was the fifth orphan care facility that has resulted from these efforts.

I was reminded of the beauty of Africa and its people while in Botswana on this year’s project. The genuine love and appreciation for what we’re doing for them was shown in the grand farewell ceremony that they held for us, where the chief of the village gave us Setswana names and personal gifts.

⁸ As the Corporate Responsibility Program only came into operation halfway through our financial year, recording this information is still a work in progress.

Western Australia charities 2009

Engineers without Borders	Movember
John Curtin Leadership Academy	World Vision
State Emergency Services	Red Cross

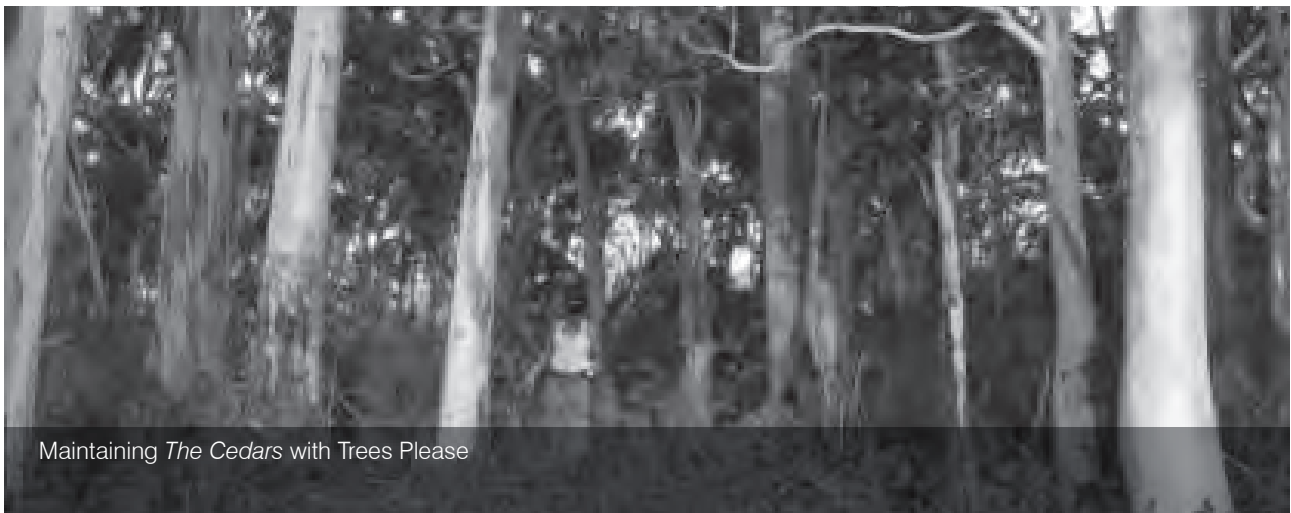
John Curtin Leadership Academy

John Curtin Leadership Academy (JCLA) was formed to develop the leadership potential of Curtin University's most talented students. JCLA looks beyond the traditional realm of academic attainment and seeks to produce well-rounded leaders suitable for key roles in business and community. Entry into the academy is competitive and restricted to 30–40 students per year.

PB supports JCLA by providing technical training on core project management skills and ongoing mentoring. Our Corporate Responsibility Program encourages emerging professionals to be involved in the program in the capacity of mentor rather than mentee, the role usually assigned to junior people.

South Australia charities 2009

WaterAid	Adelaide Day Centre
Movember	The Smith Family
Victorian Bushfire appeal	Trees Please
Red Cross — blood drive	Daffodil Day
Australia's Biggest Morning Tea	Jeans for Genes Day
Pink Ribbon Day	Cora Barclay Centre



Maintaining *The Cedars* with Trees Please

Trees Please! Inc.

Trees Please! Inc. was born in November 1998 with the aim to protect the remnant native bush at artists Hans Heysen's historic home, *The Cedars*.

Several hectares of native bush have now been cleared of weeds, and over 3,000 local native trees and shrubs have

been planted. Seedlings are raised from seed collected at (or very near) *The Cedars*, and planted out during special tree planting days in late winter.

PB people have volunteered time to clearing of weeds and planting of trees at the site.

Victoria charities 2009

Engineers Without Borders

Salvation Army

Victorian Bushfire Reconstruction
and Recovery Authority
(VBRRA) — Steavenson Falls
and Marysville Car Museum



Rebuilding Marysville with Victorian Bushfire Reconstruction and Recovery Authority (VBRRA)

Victorian Bushfire Reconstruction and Recovery Authority — Steavenson Falls and Marysville Car Museum

In response to a request from the Association of Consulting Engineers of Australia, PB offered project management services on a pro bono basis to the Victorian Bushfire Recovery and Reconstruction Authority (VBRRA), an authority set up in the aftermath of the bushfires to oversee the speedy recovery of the affected communities. PB's offer to assist VBRRA was accepted and Iain Dow, PB's Victorian Project Management Executive, worked

with VBRRA in its plans for Marysville, a town that was virtually destroyed by the bushfires.

As part of PB's corporate responsibility response to the Victorian bushfires, Paul Duboudin and Mugette Stevenson-Marelic from Environment and Planning attended a workshop in Marysville on a pro bono basis.

New South Wales charities 2009

Engineers without Borders

November

World Transplant Games

Transplant Games

Three years ago, PB's Duncan Ledwich was diagnosed with complete kidney failure and was on dialysis for about 12 months until he received the gift of a new kidney from a family member.

Now he is back working full-time and leading a busy, energetic life. This year, after intense training, he entered the 17th World Transplant Games, held on the Gold Coast. Competing against other transplant recipients from around the world, Duncan won bronze in swimming and competed in squash, shot put and the 400 m run.

Through PB's Corporate Responsibility Program, PB in Sydney matched employee donations to Transplant Australia up to \$500. As a result Duncan raised a huge \$3,929.99, the second highest amount raised by an individual for the games.

Duncan's new goal is to prepare for the games in Sweden in 2011.

Community Involvement Week

Community Involvement Week (CIW) is an international PGN initiative to promote corporate responsibility within the wider PB. CIW occurs annually in April and has become a bigger event every year.

During CIW in 2008, A-P staff gave up 200 hours of their time — to volunteer, plant 309 trees, raise \$2,600 — and 82 people donated blood.

In 2009, CIW brought even greater success as a result of both a larger number of PB employees and more promotion. The PB community gave 577 hours of volunteer time, planted over 1,500 trees, raised over \$6,700 for different charities and community organisations and 75 individuals gave blood donations. Events ranged from can-less food drives, land restoration work, silent auctions, bake-offs and beach care days. Over 27 different charities were supported (for more information about PGN see page 68).

Previous goal 3

Human rights

In procurement guidelines, include consideration of human rights in the supply chain by November 2009.

Result: Not achieved

In investigating the inclusion of human rights in our procurement guidelines we realised that we had an opportunity for a more comprehensive sustainable procurement review. It will include the risk of child and enforced labour.

Breaches

In FY09 there were no breaches or fines in relation to the environment, human rights including Indigenous populations, product responsibility, corruption, anti-trust, monopoly practices or anti-competitive behaviour.

Supply

As part of PB's resource management standard, wherever possible purchased materials are to be re-usable or recyclable, contain recycled material, be non-toxic and, ideally, be locally sourced.

More information about the standard can be referenced at <http://sustainability.pb.com.au/2009/SP-EMN-2001.pdf>.

Current goal

Review Undertake a comprehensive sustainability review of procurement in 2010.



External sustainability initiatives

UN Global Compact

In 2009 PB became a signatory to the UN Global Compact. This was an important step in developing our Corporate Responsibility Program.

The UN Global Compact is a set of 10 principles that address human rights, labour, the environment and anti-corruption. In becoming a signatory, PB has agreed to promote the principles and, importantly, look for ways to include the principles in our own policies and procedures. The principles are available on their website at <http://www.unglobalcompact.org/AbouttheGC/TheTENPrinciples/index.html>

The principles add an extra dimension to our sustainability reporting, as we are obligated to report annually to the UN on our progress in the 10 principles. Our sustainability report is our tool to comply with this requirement.

The UN Global Compact allows PB A-P to align with the UN and contribute to a global voice on issues such as climate change, water and human rights.

Current goal

Commitment Investigate ways to strengthen our commitment to Indigenous Australians.

Environment Business Australia

PB continues to be a member of Environment Business Australia (EBA) and Darren Bilsborough remains on the National Council of Directors.

EBA supports important high-level advocacy and research to achieve better overall business outcomes. It is Australia's pre-eminent think-tank for businesses investigating new ways of operating to meet environmental and commercial objectives.

We share EBA's view that environmental consideration does not have to be at the expense of economic drivers, and we actively work to demonstrate this view across all projects we deliver in conjunction with our clients.

National Packaging Covenant

In 2009 we continued our support of the National Packaging Covenant (NPC). Based in our Victorian office, NPC is a co-regulatory agreement between governments and industries in the packaging supply chain to reduce the environmental impact of packaging throughout its life cycle. NPC was established in 1999 and is the voluntary component of this arrangement for managing the environmental impacts of consumer packaging in Australia.

We have a servicing agreement with NPC to provide them with office space, staffing and the infrastructure to operate. This mutually beneficial arrangement extends to our offering NPC both technical support and advice from our environment team, as required. NPC also shares its expertise with us, advising us of its requirements and guiding us in their implementation.

The agreement is an example of PB's commitment to encouraging corporate responsibility across business and sectors.

For more information about the UN Global Compact's 10 principles, go to: <http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>

For more information about the National Packaging Covenant, go to: <http://www.packagingcovenant.org.au/>

MEMBERSHIPS

Memberships 2009	
500 Club	InSkill SA
Alliancing Association of Australasia	Institute of Railway Signalling Engineers
American Chamber of Commerce	Institution of Engineers Australia
Asia-Pacific Professional Services Marketing Association	Institution of Professional Engineers New Zealand
Association of Consulting Engineers New Zealand	Local Government Corporate Services
Association of Land Development Engineers	Melbourne Mining Club
Australasian Institute of Mining and Metallurgy	Mining Equipment and Services Council of Australia
Australasian Railway Association	Millennium Forum
Australasian Tunnelling Society	Mineral Council Australia
Australian Consulting Engineers Association	Minerals Council
Australian Contaminated Land Consultants Association	National Association of Testing Authorities
Australian Geothermal Energy Association	New Zealand Geothermal Association
Australian Green Infrastructure Council	Progressive Business
Australian Industry Group	Property Council of Australia
Australian Institute of Energy	Property Industry Foundation
Australian Institute of Project Management	P-way Institute
Australian Institute of Traffic Planning and Management Incorporated	Queensland Resources Council
Australian Roads Federation	Railway Technical Society of Australasia
Australian Water Association	National Association of Testing Authorities
Brisbane Club	SAI Global (Standards)
Business SA	South Australian Centre for Economic Studies
Chamber of Commerce and Industry	South Australian Chamber of Mines and Energy
Clean Energy Council of Australia	Stormwater Industry Association of Western Australia
Committee for Economic Development of Australia	Sydney Mining Club
Concrete Institute of Australia	Urban Development Institute of Australia
Defence Teaming Centre	International Association of Public Transport (UITP) Australia/NZ Chapter
Environment Business Australia	Planning Institute of Australia
Hunter Coal Environment Group	Water Industry Alliance
Infra news	Western Sydney Business Council
Infrastructure Partnerships Australia	

FINANCIAL DISCLOSURE⁹

Our approach

We understand that financial management and the economic impact an organisation has on the communities in which it operates is an ethical issue.

As one of the world's leading planning, environment and infrastructure firms, PB plays an important part in the growth and development of the economy, with spending across transport, power, renewable energy, urban development, water resources and industry, and federal projects.

We conduct business from approximately 52 locations across Australia, not only in our cities and core urban centres, but in regional communities and on project sites. Therefore, we are supporting all areas of the market, through employment and investment across this range of communities.

Our contributions to the economy are through the direct and indirect employment of skilled personnel, and investment in capability, research and product development and, ultimately, servicing industries within the infrastructure sector.

Government projects represent a significant proportion of our services, presenting us with the opportunity to assist in community programs, roads, railways, ports and environmental work.

The social programs delivered have been diverse and have affected the wealth and growth of the nation. These programs vary from assisting the development of housing, communities and towns, to the remediation and clean-up of contaminated sites, and design and program management around the building of bridges and roadways.

Balfour Beatty plc, a company incorporated in the United Kingdom, acquired Parsons Brinckerhoff Inc. on 27 October 2009, and from that date has been the ultimate parent entity of Parsons Brinckerhoff Australia Pty Limited. This acquisition places us in a stronger position to meet infrastructure challenges globally.

Access to capital and balance sheet debt has been slowing private investment in infrastructure. The Federal Government stimulus package and Infrastructure Australia's program have supported investment in nation-building projects, primarily around transport, water, power and social infrastructure (health and education). The slower market for commodities in 2009 has impacted revenues and investment in the mining sector.

Given the economic situation during 2009, the structure for public-private partnerships has been uncertain. With road congestion being a major issue in urban centres, a shift from roads to mass transit is expected. Population growth is still driving demand for core infrastructure — transport, power, water, property, education and health.

The Australian economy is driven by growth in China and other economies. Australia is well placed to recover quickly as the Chinese economy recovers.

PB remains a major contributor to this growth.

⁹ In FY09 there continues to be no basis for reporting on joint ventures, subsidiaries, leased facilities or outsourced operations.

Economic performance

In 2009, PB restructured the business units into market-facing groups, to enhance product delivery and client services within each market channel. This has better focused delivery of our service offerings by market.

Our business now operates under Energy, Mining and Industry; Transport; and Sustainable Communities and Water. In support of these three market groups we have the Strategic Consulting group.

Transport provided a significant contribution to company performance and growth. Some of the group's major wins and project completions were:

- Airport Link, Northern Busway (Windsor to Kedron) and Airport Roundabout Upgrade projects
- Ipswich Motorway Upgrade
- Cooperook to Herons Creek Alliance road project
- Victoria Park Tunnel opportunity in Melbourne
- Hunter Expressway Alliance

Energy, Mining and Industry has felt much of the impact of the slowdown in the economic environment and the indecision of business to proceed with infrastructure spending during the year. Some of the group's major wins and project completions were:

- wind down of Iluka Resources
- Mangoola engineering, procurement and construction management (EPCM)
- oil and gas, renewable energy, asset management and growth in Western Australia

Sustainable Communities and Water has also been affected by the economic environment, which has resulted in a slowdown in environmental work. Some of the group's major wins and project completions were:

- Gippsland Water Factory
- Victorian Desalination Plant

Earnings, assets and revenues	2007 \$m	2008 \$m	2009 \$m
Retained earnings	\$39	\$69	\$100
Current assets	\$82	\$103	\$131
Contract revenues	\$256	\$363	\$448

Financial assistance received from government

The Research and Development (R&D) tax concession is an ongoing scheme, administered by AusIndustry, designed to increase the level of R&D being conducted by Australian companies. It is broad-based, not industry-specific or market-driven; the applicant entity decides on the scope and timing of the R&D.

PB and our clients have generated a significant amount of R&D expenditure. This includes salary expenditure, contracted expenditure paid to Registered Research Agencies, and other expenditures (including overheads and consumables) incurred directly in respect of eligible R&D activities.

Eligible R&D expenditure into the industry has increased significantly — from \$23m in 2007 to \$41.9m in 2008. At the time of printing, the figure for 2009 was unavailable but will be updated in our 2010 report.

Contributions to political parties

PB made several direct and indirect contributions to political parties in the 2009 financial year, totalling \$17,820.00, down from \$32,601.75 reported for 2008. Memberships with political parties and attendances at public events allows PB to remain engaged in policy developments affecting the infrastructure sector in Australia.

PB works with many state and federal government departments to deliver essential infrastructure throughout Australia. To engage with government, as a significant client, PB is in regular contact with departmental staff in the usual course of business development, project planning and infrastructure implementation.

Environmental protection expenditure

We consider environmental protection to be an ethical issue and have invested in ensuring all our people are trained in environmental awareness. Training is supported by ongoing awareness-raising initiatives and unlimited access to up-to-date environmental legislation through the on-line database EnviroLaw.

The integration of financial cost codes during PB's 2009 restructure has made it difficult to accurately determine environmental expenditure. As such, the following amounts are estimates based on budgets, sound logic and, wherever possible, realised costs:

- carbon offsets — \$97,900
- training — \$10,000 (500 employees for 30 minutes at \$40/h raw rate)
- systems — \$180,000 (15% of total systems managers' wage cost, and EnviroLaw subscription)
- awareness-raising initiatives — \$85,500 (total Green Team allowance, Ecobiz and CitySwitch costs)

Precautionary principle

As mentioned, in 2009 we became a signatory to the UN Global Compact. Included in the 10 principles of the compact are that business should:

- support a precautionary approach to environmental challenges
- undertake initiatives to promote greater environmental responsibility
- encourage the development and diffusion of environmentally friendly technologies.

An outcome of the 1992 Rio Conference, the Precautionary Principle states that if an action or policy might cause severe or irreversible harm to society or the environment, in the absence of a scientific consensus¹⁰ that harm would not ensue, the burden of proof¹¹ falls on those who advocate taking the action.

In PB we seek to implement the Precautionary Principle in the following ways:

- environmental management system:
 - applies to all PB activities, projects and subcontractors
 - has a strong emphasis on risk management and minimisation of environmental harm
- risk management:
 - mandatory implementation of risk management processes for all internal and external projects
 - methodology to assess all potential risks on a project and manage appropriately striving to eliminate risk
- values (environmental and social responsibility):
 - recognising that our work affects society and the environment, and taking responsibility for this
 - encouraging principles of sustainable development in all that we do.

¹⁰ The position generally agreed upon at a given time by most scientists specialised in a given field.

¹¹ The legal obligation on a party who asserts a matter to adduce sufficient supporting evidence to satisfy the required standard of proof. *Macquarie Dictionary*

SUSTAINABILITY2009

OUR CLIENTS

“It is not the technical excellence of an engineering design which alone determines its merit but rather the completeness with which it meets the economic and social needs of its day”.

William Barclay Parsons
Address to Columbia University chapter of
the American Society of Civil Engineers, 1927



Kurilpa Bridge, Brisbane Queensland

WE WORK WITH OUR CLIENTS TO CONTRIBUTE TO THEIR SUCCESS

Our approach

We believe that good communication is crucial to helping our clients achieve best outcomes. Listening and responding to clients is important, but so is keeping abreast of current and emerging issues in order to provide relevant advice.

Parsons Brinckerhoff's (PB) project teams work with clients to identify innovative futures, add value and identify appropriate solutions that will yield the greatest possible overall return for their organisation and its stakeholders.

Trusted Adviser Program

In 2009 we continued to develop our Trusted Adviser Program (TAP), which is dedicated to building relationships with our clients.

An internal program that aligns our clients' needs with the service we provide, TAP:

- recognises client relationships are long-term
- regards client relationships as the role of everyone at PB, rather than the responsibility of a single relationship manager
- understands that client relationships impact at strategic, cultural and operational levels
- understands that client relationships are ongoing and not project-based
- recognises that relationships are formed and maintained through direct, personal contact.





Rachel McKay, National Marketing Executive, A–P

My role is interested in the bookends of client promise — what should clients expect when they work with PB? — and client experience — did they get what they expected? Our marketing program looks after the first part; our Trusted Adviser Program contributes to the other. Both are critical and need to reinforce one another to build the trust and loyalty we're working toward.

For us, marketing is about understanding the issues that affect our clients and their businesses, identifying what they value from their consultants, and planning a program so we can demonstrate our strengths in those areas. Ours is a relationship-driven industry so creating opportunities for clients to 'test drive' us works very well as a marketing approach. We always aim to help them answer the questions in their mind: 'Are these people really experts and do they know about my context? Can I work with them for the life of my project?'

Managing client relationships

Client service brief: At the start of a project we ask clients for their critical success factors so we can deliver them. Part of this process is to identify the client's preferred engagement method during the project, the PB staff who should be involved in those interactions, and timing.

Post-project client survey: We survey our clients about our performance (service and technical quality) at the end of our projects. The surveys are conducted face-to-face, by telephone or by email. The outcomes of the survey are forwarded to an appropriate person for follow-up as required. Reports on individual strong performance or poor performance are also sent to the Business Systems team and included as part of their systems improvement process. An overall report on business performance is also produced.

A number of **key performance indicators (KPIs)** relating to client satisfaction are outlined in the A–P strategic plan and measured from this survey process. The KPI targets are then reflected in PB's bonus scheme (see 'Remuneration' page 23).

Client Relationship Managers: We have allocated Client Relationship Managers (CRMs) for 59 key accounts. Our intent is to provide a contact point for clients, to ensure they are receiving high-quality service and to better understand their business needs so we can deliver excellence on projects.

In addition, each year we participate in an industry benchmarking study, *Engineering Beacon*, that rates the performance of Australian engineering firms.

Performance

Beaton survey

PB believes that independent auditing of our clients is an important tool in assessing how effectively we are contributing to their success.

The Beaton survey is the largest survey of its kind in the world and gives clients an opportunity to express what's important to them in dealing with consultants. The research is used to identify areas of strengths and weaknesses and formal improvement programs are developed for any key areas of weakness.

Client feedback

Clients typically find us very good to work with. In 2009, 271 clients were surveyed and the results showed:

Top three strengths	Lowest three/weaker areas
1 Friendly/strong rapport (average score: 8.1/10)	1 Cost consciousness (average score: 7.3/10)
2 Propensity to recommend to a friend (average score: 8.1/10)	2 Quality documentation (average score: 7.3/10)
3 Technical expertise (average score: 8/10)	3 Regular debrief opportunities (average score: 7.3/10)

Our clients have confirmed that we do particularly well in:

- internal communication, particularly through involving senior leadership in regular communication
- project-level client engagement.

To improve our overall performance, we are developing an audit of government stakeholder interaction.

Winner BRW

BRW Client Choice Awards for Best Consulting Engineering Firm

The Client Choice Awards evaluate various professional services industries, including Australia's leading engineering, legal, accounting, consulting and design sectors. In 2008, PB was a finalist in the BRW Client Choice Award for Best Consulting Engineering Firm (revenue over \$200m). In 2009, we proudly won this award.

The awards are very significant because they are based on independent research with thousands of clients across all of PB's markets. In this extensive survey, buyers of professional services in both the public and private sectors rate the performance of their consultants across a broad range of areas, including client focus, value for money, expertise, innovation and reputation over the previous 12 months.



The PB Directorate members display the BRW Client Choice Award: (left to right) Mark Keogh, Sylvie Vanasse, Mark Le Pla (General Manager, Engineering), David Cruickshanks-Boyd, Roger Pattison, Jim Mantle, Paul Reed, John Theodoulou, David Stuart-Watt, Darren Bilsborough, Peter Hiley

SUSTAINABILITY2009

OUR COLLEAGUES

“It is not the technical excellence of an engineering design which alone determines its merit but rather the completeness with which it meets the economic and social needs of its day”.

William Barclay Parsons
Address to Columbia University chapter of
the American Society of Civil Engineers, 1927



Coal Stream Alliance — Jilalan staff on-site at the Jilalan Railyard upgrade, Queensland

WE CARE FOR OUR COLLEAGUES, ENCOURAGING THEIR DEVELOPMENT, ENGAGEMENT AND ACHIEVEMENT

Our approach

Parsons Brinckerhoff (PB) understands and believes that performance, motivation, productivity and the sustainability of our people relies heavily on our ability to recognise and offer a positive and flexible working environment.

We do this by offering flexible work hours, recognising individual performance, and offering services and benefits that contribute to the wellbeing of our employees.

In 2009 we became a signatory to the UN Global Compact, which includes the principles below that apply to caring for our colleagues.

Human rights

Principle 1: Support and respect the protection of internationally proclaimed human rights.

Principle 2: Make sure that the business is not complicit in human rights abuses.

Labour standards

Principle 3: Uphold freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: Support the elimination of all forms of forced and compulsory labour.

Principle 5: Support the effective abolition of child labour.

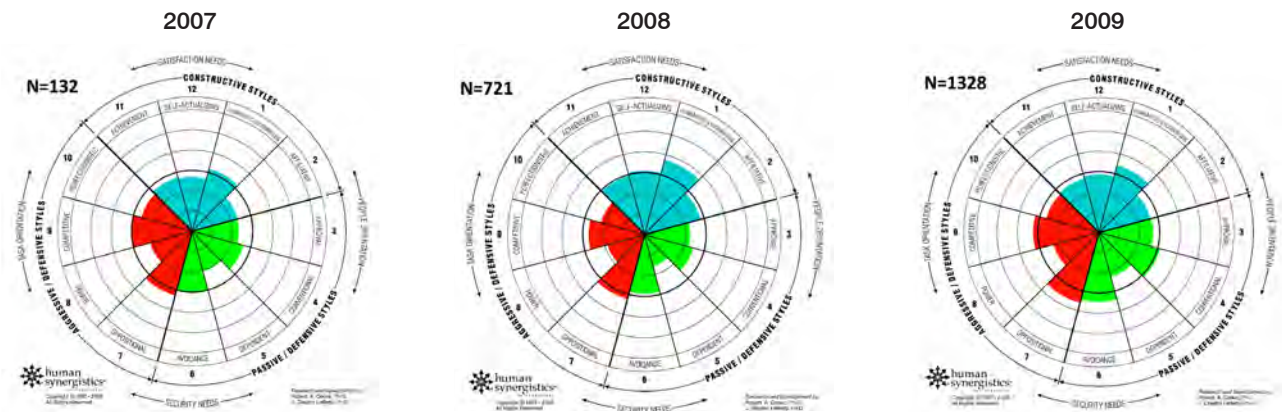
Principle 6: Support the elimination of discrimination in respect of employment and occupation.

For more information about the UN Global Compact's 10 principles, go to: <http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>

A positive culture

PB is proud to have established a positive corporate culture. Our 2009 internal survey indicated that we care, not only for our clients, but for each other, being friendly, encouraging and supportive of one another.

The diagrams below show our organisation's cultural journey over the last three years. 2009 was a very challenging year for most organisations. Despite a slightly more 'defensive' culture in 2009, largely due to risk control and management, PB is proud to have maintained a culture that has been constructive overall.



The acquisition by Balfour Beatty, an internal restructure and the impact of the GFC all had some impact on our culture. However, in spite of the gravity of these factors, overall we remained steady.

R2¹²-PB A-P 2009 — Communicating our internal restructure

Change can be difficult. In 2009 we undertook an internal redesign aimed at better servicing our clients and realising greater efficiencies from our business. To help our people understand the transition we undertook a consultation process across the organisation. The process began in December 2008 with a formal announcement from the Managing Director that a review of our structure would be taking place; this provided clarity on the strategic intent. In February we hosted a series of 15 half-day workshops, consulting with over 140 leaders and managers across all parts of the business. During a two-week period, workshops operated in every geography across the country.

Each week for 15 weeks we issued a newsletter in which we updated employees as the new structure took shape. A dedicated intranet site allowed employees to check on progress and to ask questions. During the six months of the change project, over 110 employees posted questions on the intranet site, and 90 answers were given directly to the asker. These questions helped establish a framework of over 65 FAQs that were posted on the intranet to support all employees through the change.

Managers were provided with briefing notes that helped them understand and communicate the change better. Regional focus groups were set up in each office to champion the change at employee level and to act as another means for engaging and consulting employees.

The change process finished on 8 June 2009. Knowing change can be challenging, we designed the communication process to allow transparency and to make the process as easy as possible.

¹² R2 stands for "Redesign No 2" which is the second major organisation restructure/redesign that PB has undertaken in recent years.

Freedom of association and collective bargaining

PB is committed to respecting its employees' freedom of association. Our current employee contracts and collective agreement set no boundaries on this.

In 2009, 35% of PB employees were covered by a collective agreement. This agreement is specific to clauses that comply with the building and construction industry code of practice. All other terms and conditions of employment are included in relevant state awards Notional Agreement Preserving a State Award (NAPSA) and supplemented in individual contracts.

In no PB operations are the rights to exercise freedom of association and collective bargaining at significant risk.

Workforce profile¹³

Employment at PB

During 2009, 90% of our vacancies were recruited from either within PB or locally. PB emphasises succession planning and explores the possibility of promoting from within before advertising externally.

All roles are advertised first on an internal website. Our resourcing specialists maintain a database that can be accessed to source suitable candidates for the relevant vacancies. This database contains candidates' contact details and resumes.

External candidates are sourced from a variety of avenues, including on-line advertising, print advertising, networks and graduate campaigns. Employees referring a candidate who is successfully placed at PB receive a referral fee.

PB also offers a variety of employment options for employees, including part-time, casual, work experience and contract work.

As anticipated in our 2008 report, the global financial crisis affected our growth in 2009 and resulted in a decrease in employee turnover.

In 2009, PB employed a total of 2,284 new people, a 1.7% increase on 2008's figure of 2,245 and less than the 100 extra that we anticipated in our 2008 report (see below). A 9% increase in permanent employees was offset by a 21% decrease in casual employees and in-house contractors.

Total workforce by year	Number
2007	1,795
2008	2,245
2009	2,284

Anticipated growth for 2010 is approximately 300 people, but the final number will depend on future projects and the economic climate.

Employee turnover was 17.6% for 2008 with the Association of Consulting Engineers Australia (ACEA) survey for that year stating the industry average was 18.2%. In 2009 we achieved 45% below the ACEA industry average.

¹³ People data is measured on a head count basis rather than full-time equivalents.

Employee numbers by category ¹⁵

Category	Full-time permanent	Part-time permanent	Casuals, inhouse contractors	Fixed term contractors	Total
P13 FY07	1,395	114	212	74	1,975
P13 FY08	1,794	152	257	42	2,245
P1 FY09	1,842	163	244	45	2,294
P2	1,869	158	269	40	2,336
P3	1,895	160	258	39	2,352
P4	1,936	158	237	37	2,368
P5	1,939	155	208	36	2,338
P6	1,932	156	207	35	2,330
P7	1,919	154	205	37	2,315
P8	1,911	153	199	35	2,298
P9	1,912	154	202	35	2,303
P10	1,912	157	203	40	2,312
P11	1,904	153	201	36	2,294
P12	1,897	154	196	38	2,285
P13	1,884	158	202	40	2,284

Previous goal 4

2% Achieve 2% below ACEA industry average in employee turnover by November 2009.

Result: Achieved.

We finished the year at 45% below ACEA industry average.¹⁴

Absenteeism

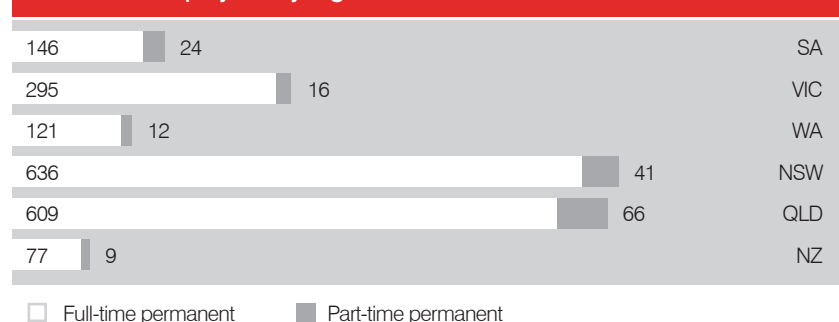
Absenteeism data for our Australian offices is listed below; data is not available for New Zealand offices.

Absenteeism	2008	2009
Total sick days taken	8,913	11,436
Average per employee	4.98	5.45

Profile detail

PB's employment profile is outlined below.

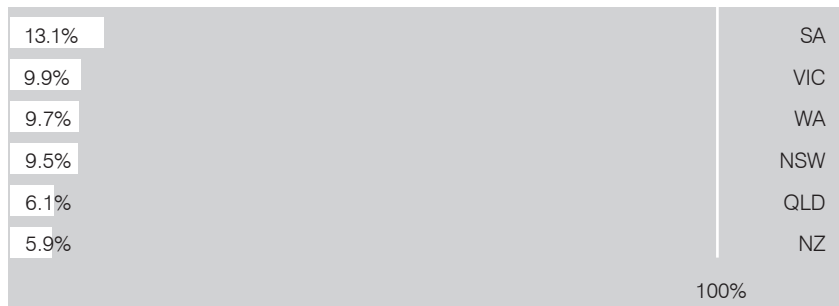
Permanent employees by region 2009



¹⁴ The benchmark is set by ACEA each year in April and our financial year ended in October. In most years, turnover doesn't vary much from the beginning to the end of a year but given the global financial crisis throughout 2009, most organisations saw their turnover reduce significantly as there were fewer vacancies across the industry.

¹⁵ PB's financial year is divided into 13 four week reporting periods. P refers to those four week periods.

Employee turnover by region 2009



Terminations by region 2009



Employee numbers and turnover by age 2009

Permanent employees — voluntary terminations	Age groups					
	<20	20–29	30–39	40–49	50–59	60+
Terminations — total voluntary	0	55	64	29	17	5
Number of employees — P1 start	16	618	693	372	227	51
Number of employees — P13 end	6	616	707	411	234	68
Average number of employees	11	617	700	392	231	60
Turnover — voluntary for year	0.00%	8.91%	9.14%	7.41%	7.38%	8.40%

Voluntary turnover by gender 2009



Notice periods

	Employment type	Pay period	Years of service	Minimum notice period
Notice to be given by the employee when the termination is initiated by the employee	Any	N/A	On probationary period	2 weeks
	Permanent	Paid fortnightly	N/A	2 weeks
	Permanent	Four-weekly	N/A	4 weeks
Notice to be given by PB when the termination is initiated by PB*	Any	N/A	On probationary period	2 weeks
	Permanent	Paid fortnightly	Not more than 3 years continuous service	2 weeks
	Permanent	Paid fortnightly	More than 3 but not more than 5 years continuous service	3 weeks

* The notice period given by PB shall increase by 1 week if the employee is over 45 years old and has completed at least 2 years of continuous service with the employer. The above notice periods also do not apply for redundancy situations; redundancy notice periods are given below.

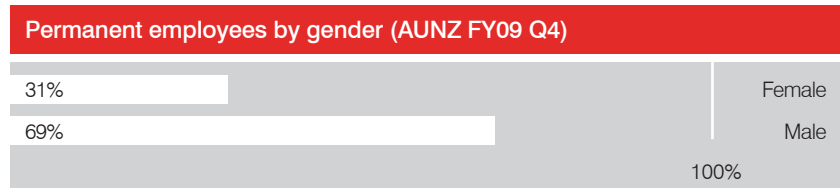
Period of continuous service	Notice of termination in redundancy situations
Less than 1 year	At least 1 month
1 year and less than 5 years	At least 1 month
5 years and over	At least 5 weeks

Diversity

As our overall workforce was essentially static during 2009, so too was our workforce profile of age, gender and years of service.

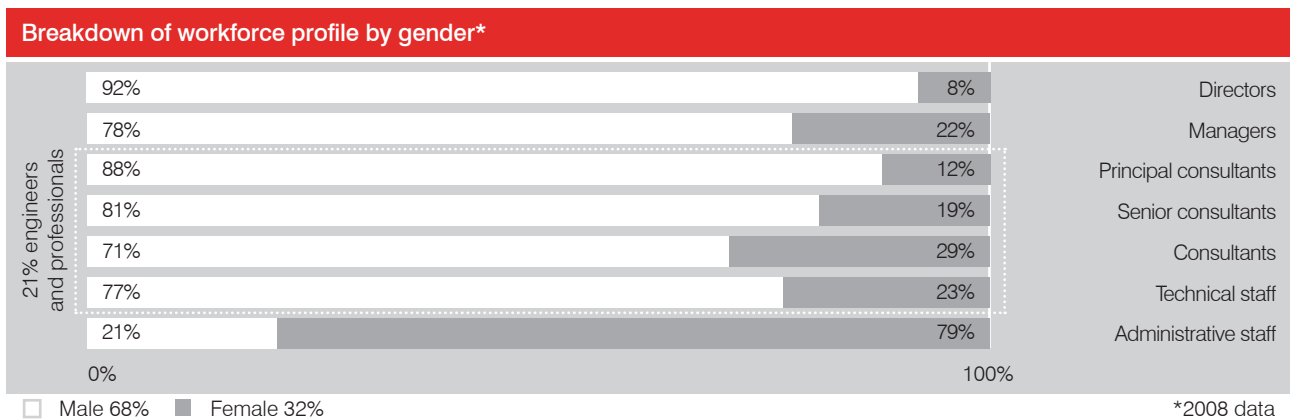
Gender

At the end of 2008 our workforce gender profile was 32% female and 68% male. As per the diagram below, this remained virtually unchanged during 2009.



We recorded the breakdown of workforce profile and gender, as well as ratio of basic salary according to gender. Due to the competitive nature of the market, PB remunerates at industry standard or above for all employees. The gender salary discrepancy is largely due to the nature of the work being undertaken.

This diagram is based on the 2008 figures. As noted above, this did not change significantly in 2009.



Breakdown of workforce by position, gender and salary 2009

Category	Average salary — men	Average salary — women
Executive management	\$249,706	\$206,114
Management	\$163,312	\$123,094
Principal consultants	\$130,612	\$130,133
Senior consultants	\$112,036	\$92,744
Consultants	\$73,221	\$66,317
Technical staff	\$75,465	\$56,213
Administrative staff	\$67,529	\$57,715

PB currently lags behind other Australian organisations, having only 22% compared to 29.8% female managers (ABS Labour Force 2008).

Clearly we have work to do to improve gender equity in the workforce, but we see this as a challenge that will enhance our workplace and make us a more sustainable organisation.

To help address the gender balance in PB, we are developing initiatives aimed at attracting and retaining women in our workplace, including those below.

Family-friendly workplace program

While PB has been working to provide a family-friendly workplace for some time by including provision for maternity leave, support for fathers after the birth of a child and flexible working hours, we realise we need to do more to encourage women into our workplace.

To this end, in 2010 and beyond, we aim to establish a range of initiatives to help women to care for families and work. These include increased paid maternity leave, which has already been doubled from 8 to 16 weeks for 2010. We also plan to establish a formal women network, that will oversee programs such as leadership and career advancement for women.

Women in leadership

In PB fewer than 8% of PB women hold director and general manager positions. To improve this figure, we have developed a set of targets for 2013 aimed at fostering a leadership culture among our female employees (see below).

2013 targets for female participation in PB workforce		
Category	Current level	2013 target
Total PB workforce	32%	35%
Graduates	25% per year	30% per year (minimum)
Engineers	16%	20%
Technical	21%	25%
Total managers	23%	27%
Directors	7%	20% (minimum required for healthy culture)
General managers	8%	20% (minimum required for healthy culture)
Executives	12.8%	20% (minimum required for a healthy culture)

Nationality

This year we were able to access a snapshot of PB's ethnic diversity. Our workforce is becoming increasingly diverse, as the sample from 60% of PB's employees shows in the table below.

Nationality	% Percentage*
American	1.36
Australian	69.05
British	6.85
Chinese	0.75
Filipino	0.60
Hong Kong	0.23
Indian	1.05
Indonesian	0.23
Japanese	0.15
Korean	0.23
Malaysian	1.13
New Zealander	4.59
Singaporean	0.45
Taiwanese	0.00
Thai	0.00
Other	6.63
Prefer not to respond	6.40
Missing	0.30

* Sample from 60% of PB employees.

Engineering Aid Australia

PB has been supporting the Engineering Aid Australia Indigenous Summer School since 1997. Along with other long term sponsors, our support has exposed over 250 Indigenous Australian students to the possibilities that engineering, and higher education generally, holds. We are looking at ways of maintaining our engagement with and support of these students as they move from high school into university (see 'Corporate responsibility' page 38).

Discrimination

PB is committed to providing an environment where employees and others in the workplace are treated fairly and with respect, and are free from discrimination, harassment and bullying.

PB has developed equal-opportunity guidelines that all employees can easily access on our intranet. The purpose of this guideline is to ensure that PB employment decisions are based on an individual's merit and relevant attributes.

We are pleased that no incidents of discrimination have been reported in PB.

Should any employee believe they are being discriminated against or harassed we have easily assessable advice regarding reporting procedures. We also provide contacts for outside agencies that can be of assistance.

Working in PB

Benefits

In Australia, legislation requires that all part-time employees have the same benefits as full-time employees. However, temporary employees receive higher salary rates and do not have:

- annual leave
- sick/carer's leave
- compassionate leave
- long service leave
- parental leave.

In our Australian operations, PB pays employer contributions of 9% to an employee's superannuation fund, as required by legislation. In New Zealand, we pay 4% of employer contributions to members of the voluntary Kiwisaver superannuation scheme.

Training

Average hours of training per employee per region are detailed below.

Average hours of training per employee per region			
Region	FY08	Permanent employees P13 FY09	Average hours per employee
SA/WA/NT	40	303	37
QLD	22	665	32
NSW/ACT	32	677	43
VIC	32	311	60
NZ	unknown	86	64
Total		2,042	44

Average hours of training per year per employee by employee category are detailed below.

Total hours spent on training for all employees (in hrs per year)*				
	Full-time	Part-time	Casual	IHC
Instructor-led/ ad hoc	80,955	4,071	3,400	549

Average hours spent on training per employee (in hrs per year)*				
	Full-time	Part-time	Casual	IHC
Instructor-led/ ad hoc	42.1	24.4	33	4.9

* (1 Nov 08 to 31 Oct 09) Total employees = 2305 total
(FT 1924, PT 167, Cas 103, IHC 111)

Performance programs

PB offers a wide range of opportunities to help employees discover and develop their talents. The following are some of the most popular offerings:

- Realising Your Potential (RYP), is PB's performance and development plan tool. RYP provides all employees with the opportunity to set performance objectives and personal development goals that align with and complement our business strategy. This formal process occurs twice-yearly using our on-line RYP system. The Knowledge management section of this report provides more information about RYP (see 'Knowledge management' page 72).
- Success Profiles are the architecture of PB's Career Development Framework. They specify the competencies, skills, experiences, personal attributes and organisational knowledge required for a particular role. Each competency — Core, Leadership, Functional and Job Family — consists of defined behaviours in five proficiency levels. Learning is aligned to the competencies and employees can assess themselves using our Your Career Profile on-line tool.
- Graduate Program (EVOLVE)¹⁶ is a three-year program for graduates that includes Consulting 101 (a 3.5-day face-to-face program); Online Soft Skills (communication, time management, and managing upwards); Project Management (five modules); Business Development (three modules), and Introduction to Leadership (blend of on-line and face-to-face modules).
- Accelerated Development Program is a one-year program consisting of external assessments, individual development plans, coaching, quarterly

Current goal

Complete and roll out Success Profiles for all roles.

Current goal

Review the Graduate Program in 2010.

Leadership training

PB's leadership development programs comprise a learning series catering to five different leadership levels. They take a graded approach to development, focusing on key skills at each level. The learning includes a blend of on-line leadership workshops (ranging from 1 hour through to 20 days), coaching and on-line toolboxes. The learning is based on PB's four leadership competencies:

- leading with vision
- delivering exceptional results
- building strategic relationships
- growing capability.

¹⁶ In 2008 EVOLVE was reported under 'Knowledge management'.

We currently have three streams of leadership training:

- Realise Your Leadership Potential Program, aimed at frontline and middle managers and covering the basics of leadership and management competencies, such as talent sourcing and development, employee retention, coaching and change management
- Accelerated Development Program, a one-year program consisting of external assessments, individual development plans, coaching, quarterly reviews and a final 1.5-day program of self-awareness and culture
- Transformational Leadership Program, aimed at general manager and director level; it is an intensive 12-day program covering strategic visioning and how to inspire employees to achieve extraordinary results as a senior leader.

The Professional Development Program, a signed agreement between PB Australia and Engineers Australia, assists PB's Emerging Professional engineers to obtain their Chartered Professional Engineer status. Engineers obtain a specified range of competencies, which they must be able to demonstrate.

Global accreditation/certification¹⁷ is a key PB development opportunity. Our five global accreditations are offered at three different levels — associate, senior and principal.

PBU, PB's on-line university, offers a wide range of courses covering a range of skills. On-line modules from Skillsoft and Harvard Mentor and internally developed programs are constantly available. In 2009 a new project management curriculum was added.

PB also offers a variety of technical training that is delivered in-house: extensive project management training for all levels, business development training (approximately eight courses to different levels) and occupational health, safety and environment training.

Previous goal 6

20% of our employees to participate in mentoring in 2009.

Result

Having set the goal in our 2008 report, it became apparent in 2009 that our systems are unable to accurately monitor on a percentage basis. In 2009 we had 435 pairings of mentors and mentees, but this does not translate into a participation percentage because people enter into multiple mentoring relationships. In 2010 we will instead report this as a number of participants registered.

Current goal

Create a leadership learning pathway to enable individuals to plan their development according to their specific career objectives.

¹⁷ In 2008 this was reported under 'Knowledge management'

Professional Growth Network

Our Professional Growth Network (PGN) is devoted to the needs and concerns of PB professionals early in their career. It is open to all PB employees, irrespective of level of experience and discipline, but the main target audience is those with less than 10 years professional experience.

PB also offers a mentoring program,¹⁸ coaching,¹⁹ induction, tertiary studies assistance, and opportunities to gain new experience through our Global Opportunities program (more details on the program are provided below).

While at PB we offer a formal range of career enhancing courses, we also encourage our employees to have holistic view toward development opportunities and encourage the use of the 70:20:10 formula as the basis for all development:

- 70% of learning on the job (e.g. job rotations)
- 20% of learning through other means of education (e.g. intranet workspaces, global communities)
- 10% of learning through formal learning.

Global Opportunities Program

PB's commitment to professional development extends beyond our own business to providing the possibility of secondments to and exchanges with our clients and key industry partners, both interstate and internationally.

Our Global Opportunities Program enables employees from PB A-P and PB UK to experience a formalised and fully supported 12-month exchange.

Flexible working arrangements

Flexible work hours allow the best possible correspondence between our employees' work requirements and their personal commitments.

PB has a range of flexible working arrangements, including permanent part-time work, part-time work after parental leave, casual work and carers leave. We also offer:

- variable starting and finishing times, with core hours between 10 am and 3 pm
- self-funded annual leave — the opportunity to purchase additional annual leave
- mid-service leave — the ability to accrue 12 weeks over 3 years and take 3 months leave
- parental leave: 6 weeks salary in paid maternity leave to permanent female employees with over 12 months service; new fathers may take a maximum of 10 days carers leave at the time of their child's birth.

Self-funded annual leave has proved popular and 10% of employees accessed the scheme in 2009. Permanent full-time and part-time employees are able to purchase additional annual leave (up to 4 more weeks per year). This scheme has been introduced to allow greater flexibility to employees in achieving work-life balance.

Self-funded leave can be taken in conjunction with other forms of paid and unpaid leave such as annual leave, long-service leave, parental leave and time off in lieu.

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For more information about the PB's flexible working arrangements, go to: <http://sustainability.pb.com.au/2009/userfiles/files/WholeOfLifeBooklet.pdf>
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¹⁸ In 2008 this was reported under 'Knowledge management'.

¹⁹ In 2008 this was reported under 'Knowledge management'.

Wellbeing

Health and Wellbeing Week

This initiative changes every year and is slightly different in each state, but overall it is one full week when employees are invited to participate freely in activities including free health checks (weight, diabetes, cholesterol, skin cancer checks etc.) healthy-cooking classes, meditation and group exercises.

In addition, year-round we encourage the wellbeing of our employees by supplying fresh fruit twice a week and offering subsidised monthly massages, free annual flu injections, discounted gym membership and a corporate discount for health insurance.

Employee Assistance Program

The Employee Assistance Program provides short-term free confidential counselling and support for PB people and their families for any work or personal issues they would like to discuss.

The program is provided by PPC Worldwide, an international organisation whose main focus is employee wellbeing. All coaching and counselling is provided either off-site at one of PPC Worldwide's national counselling locations or over the phone. PPC Worldwide's counsellors are all professionally qualified psychologists or social workers with substantial experience; they are located Australia and New Zealand wide.

Employee recognition

Quarterly Excellence in Values awards

PB is committed to acknowledging and rewarding employees who show exceptional effort and outstanding achievement that align to our values. Every quarter, employees can nominate a team or individual under one of the award categories and the winner receives a recognition plaque and a monetary award of \$300. We also offer a trip for two each year to further recognise one of our award winners.

Length of Service awards

In today's business climate, PB recognises the need to celebrate and reward employees who have achieved significant anniversaries of service with us and our legal predecessors. Gifts are presented to employees who achieve 5, 10, 15 or 20 (or more) years of service.

We are continually reviewing and enhancing our programs, services and benefits to meet the needs of employees and our business.

SUSTAINABILITY2009

KNOWLEDGE MANAGEMENT

“It is not the technical excellence of an engineering design which alone determines its merit but rather the completeness with which it meets the economic and social needs of its day”.

William Barclay Parsons
Address to Columbia University chapter of
the American Society of Civil Engineers, 1927



PB is playing a significant part in the design, construction, commissioning and procurement of the Victorian Desalination Project, one of the worlds largest reverse osmosis desalination plants

WE SHARE KNOWLEDGE WITH OUR COLLEAGUES TO DELIVER PROFESSIONAL EXCELLENCE²⁰

Our approach

In Parsons Brinckerhoff (PB) we believe that the sharing of knowledge — knowledge about who we are and what we can achieve, both corporately and technically — is important in creating a sustainable organisation. Knowledge sharing and the systems that support knowledge sharing are essential for us to honour our sustainability principles.

Knowledge management in PB

PB is committed to working as an ongoing trusted adviser with our clients to provide the best possible solutions to their challenges.

The major asset we leverage in delivering sustainable solutions is our knowledge. Our knowledge is a combination of expertise in our key disciplines and our experience in delivering solutions.

We support our staff in sustaining knowledge through a number of systems, tools and practices, including our corporate Intranet (Hub), library services, knowledge networks, creative problem solving and organisational learning.

2009 has seen a focus on evolving our approach in how we use our knowledge in decision making, problem solving, improvement and innovation. This has meant a concentrated effort in discovering and using lessons learnt, further rollout of our creative problem-solving capability, and a planned expansion into decision making.

The higher profile of knowledge sharing is reflected in the modification of our quarterly awards system (see 'Employee recognition' page 69). Now, it relates to PB's value of 'sharing knowledge with our colleagues to achieve professional excellence', whereas previously it was labelled 'professional excellence', focusing on the outcome rather than the process of creating knowledge.

d6

In 2009 we launched d6. Developed by our Knowledge Management team, d6 gives our people the tools and confidence to find innovative solutions to problems.



²⁰ In 2008 we also reported on EVOLVE, Coaching Clinic, mentoring and PB's accreditation program under this value. These have been moved to the 'caring for colleagues' value.

d6 supports other knowledge management initiatives, such as Communities of Practice and lessons learnt, to create ways for our people to explore problems well, making us more efficient and assisting our clients to the best of our ability.

The objectives of d6 are to

- improve the chances of finding the real problem early
- introduce different ways of thinking
- improve the possibility of solutions.



The 2008–2009 financial year saw:

- the design of the on-line d6 training program
- launch of the d6 creative problem-solving model across the A–P region
- development of the d6 L-plates program
- delivery of L-plates program nationally, with 85 people now qualified
- 16 people trained as d6 problem-solving facilitators
- d6 model and creation methods delivered at national and international conferences
- d6 delivered internationally in New York and Singapore
- an on-line space developed for problem-solving discussion and help.

FY10 will see:

- P-plate problem solving — the level after L-plates — offered to all staff
- ongoing offerings of current training sessions
- integration into current PB training programs
- Lunch and Learn — tool-specific training sessions.

Previous goal 7

Alumni Launch an Alumni program as a way of keeping in touch with past employees. The Alumni will provide an opportunity for past employees to share knowledge with current staff and ongoing involvement in professional development programs within PB.

Result: In progress.

In 2009 we developed a roll-out strategy for the Alumni and will launch it in 2010.

Current goals

People Connect people with people — aim for two degrees of separation; success will be measured through organisational network analysis.

Information Connect people with information — make it quicker and easier for staff to find what they need; success will be measured through narrative and survey.

Collaboration Foster collaboration — self-assess using the Capability Maturity Model; the aim is to be at Level 3 (defined as the consistency of the occurrence of a particular outcome within a capability).

Lessons learnt Advance organisational learning — understand the perception of the value of lessons learnt; success will be measured using surveys and anecdotal feedback.

PB-CUSP Alliance — Partnering for excellence in knowledge

The PB-CUSP (Curtin University Sustainability Policy Unit) Alliance is a formal agreement established in 2008 between Parsons Brinckerhoff and Curtin University. The Alliance incorporates PB's ability to deliver projects of all sizes with the research vision and applied policy skills of Curtin University. The alliance collaborates and explores sustainability from both applied and theoretical perspectives. It has initially explored ways to integrate sustainability principles into real-world project work, such as inherent costs associated with urban growth scenarios.

Under the leadership of Professor Peter Newman and PB's Director of Sustainability Darren Bilsborough, the vision of the PB-CUSP Alliance is to generate market leadership by fostering project niches and creating lasting change through an innovative and holistic solutions-focused approach to complex issues, and to provide world class research based on the best available academic and consulting partnerships.



Members of the PB-CUSP Alliance: Edward Oldmeadow, Paul Reed, Dora Marinova, Peter Newman, Sam Chia, Darren Bilsborough

2009 highlights

This powerful partnership has resulted, in particular, in our enhanced ability to attract strategic jobs, and offers a managed approach to research and innovation within industry, enabling us to deliver excellent client outcomes with depth of thought and application.

Previous goal 5

90% RYP completion rate by 2013.

Result: In progress

In 2009 a completion rate of 85% was achieved. (In 2008, 75% of our people used the RYP tool to manage their performance. During 2008, we modified our reporting format to encourage more staff to realise their potential and achieved this higher rate.)

Key strategic projects include:

- Bowden Village master-planning and sustainability assessment
- Gold Coast City Council peak oil strategy
- Lochiel Park strategic transport investigation.

During 2009 research conducted through the Alliance has helped place PB at the forefront of thought leadership and contributed to the emergence of new areas of development. Highlights include:

- De-carbonising Cities and Regions research stream — a three-year Australian Research Council (ARC)-funded program to develop Australian best practice applied research for de-carbonising strategies
- assessing development costs within cities (building on the discussion paper launched by the Alliance in 2008)
- capability advancement, and strong relationship development within the rapidly growing arena of the Smart Grid and associated green infrastructure development.

Another highlight of 2009 for the PB-CUSP Alliance was the 'roadshow' PB hosted during March and April. Professors Tim Beatley and Peter Newman visited five major Australian cities to show key clients and PB executives how:

- 'green urbanism down under' can help Australian cities become resilient in response to the global financial crisis.

The strong relationship between Adjunct Professor Darren Bilsborough and Professor Tim Beatley led to Tim's successful Fulbright secondment to Perth in 2010 to explore biophilic development in Australian cities.

Realising Your Potential

Realising Your Potential, (RYP) is PB's performance and development plan tool. RYP provides all employees with the opportunity to set performance objectives and personal development goals that align with and complement PB's business strategy. This formal process occurs twice-yearly using our on-line RYP system.



Robert Simpson, Mechanical Engineer

Throughout my career I have been involved with a number of career development programs; the RYP process is the first one that focuses on ensuring the objectives align with the business strategy and section action plans. This enables my team and me to personally develop whilst contributing to the direction of the business. I would like to think that, in an individual way, we are all moving forward, gaining something as individuals, while at the same time we're assisting the whole business achieve its strategic objectives.

Professional Growth Network

The Professional Growth Network (PGN) is devoted to the needs, concerns and development of PB professionals early in their career. It is open to all PB employees, irrespective of level of experience and discipline, but the target audience is those with less than 10 years professional experience. Such individuals are termed Emerging Professionals (EPs). The PGN intends to improve the recruitment and retention of EPs through its vision for the Southern Cross PGN — PB A–P’s PGN — in 2010:

- to harness the ideas and energy of PB’s EPs to influence the PB business
- to be a trusted adviser to PB management. Our opinions are sought regularly and we are involved in taskforces
- to be a communication portal between EPs and management, in both directions.

The PGN offers personal and professional development opportunities and each year delivers a number of initiatives, such as training and development seminars, networking functions and charity events.



Peter Dawson, 2009 PGN Vice-Chair (front left), Cynthia Lie, 2010 Vice-Chair (front right) and the PGN leadership team at the strategy workshop on the Gold Coast, September 2009

When the PGN was first started in 1999, it was in response to a high turnover of emerging professionals in the business. At the time, the turnover rate of under 30s was double that of the rest of the company. Bob Prieto, PB’s chairman at the time, decided to start the PGN as a tool to help retain young employees and improve communication between management and EPs.

While originally designed as a retention tool, the PGN in 2010 is far more integral to the PB business. It has grown into its own organisation within PB. The main focuses are still on providing professional development and improved communication; however, it has developed into a group with its own strategic direction that aligns with PB’s overall organisational objectives, structure and values. The PGN is consulted regularly on a number of business decisions and acts in a much more collaborative capacity.

The PGN also provides valuable stepping stones for the future leaders of PB. It exposes younger employees to different parts of the organisation, and helps facilitate their development.

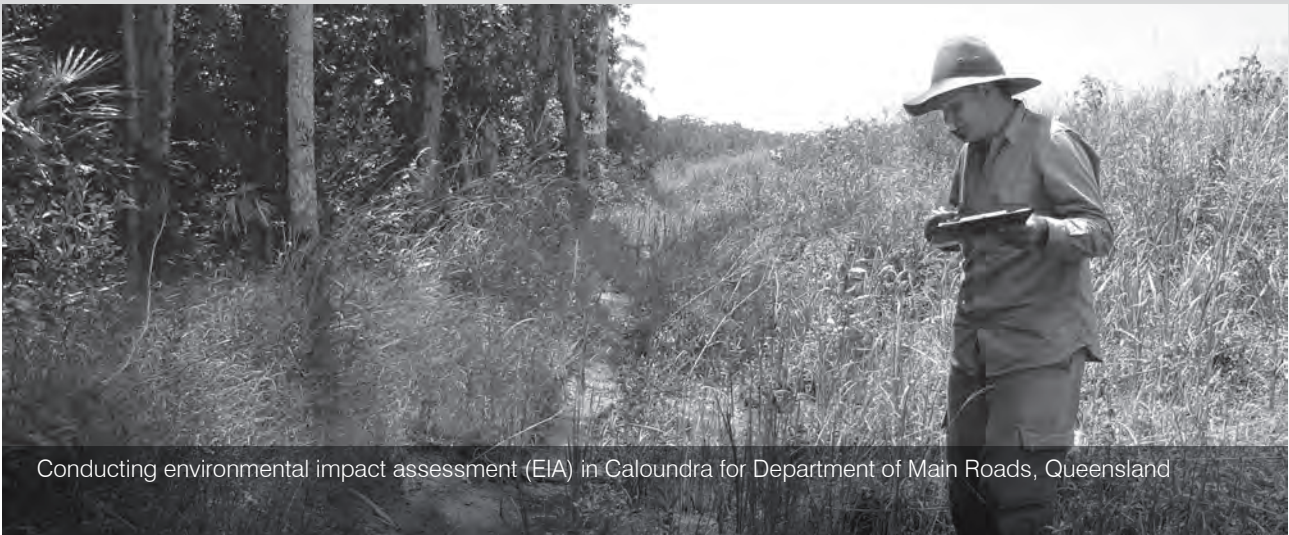
Peter Dawson, 2009 PGN Vice-Chair

SUSTAINABILITY2009

ENVIRONMENT, SOCIETY AND SAFETY

“It is not the technical excellence of an engineering design which alone determines its merit but rather the completeness with which it meets the economic and social needs of its day”.

William Barclay Parsons
Address to Columbia University chapter of
the American Society of Civil Engineers, 1927



Conducting environmental impact assessment (EIA) in Caloundra for Department of Main Roads, Queensland

WE ACT IN AN ENVIRONMENTALLY AND SOCIALLY RESPONSIBLE MANNER, COMMITTED TO HIGH STANDARDS OF SAFE PERFORMANCE

Our approach

As consultants we continue to work to mitigate the social and environmental impact of the projects and services we provide to our clients. We are constantly aware of the need to provide safe working conditions for our people, clients, subcontractors and others who may be affected by our projects.

Our sustainability principles — integration, adaptation and innovation — are designed to be applied to all our projects, to complement our management systems and provide the best possible outcomes.

Occupational health and safety

Parsons Brinckerhoff (PB) recognises that the people we employ are our greatest asset, and that occupational health and safety (OHS) is integral to delivering our corporate values. We are committed to:

- providing a safe and healthy workplace, free of occupational injury and illness, for employees and others who might be affected by our operations
- complying with all legal and regulatory obligations with respect to OHS and workplace rehabilitation
- working with clients to optimise OHS considerations in planning, design and project management
- improving and enhancing OHS performance by establishing and monitoring objectives and targets.

All PB employees receive an OHS induction and ongoing training on health and safety topics. To make this employee training even more effective, all PB managers are trained in OHS leadership.



Programs

PB has implemented various programs that help employees and their families manage the risks associated with many significant health issues; for example:

- Employee Assistance Program, a confidential telephone counselling service available 24/7 to all PB employees and their immediate family members to help manage stress and the risk of mental illness
- regular skin checks to proactively manage the risk of skin cancer
- a wellbeing program that encourages employees to combine a sustainable work–life balance with healthy eating and exercise
- Bicycle User Groups, or BUGs, established in each office to support and encourage cycling as a means of transport.

PB–positive behaviour

In 2009, PB conducted an employee competition to rebrand OHS and raise the profile of our OHS system. Chosen from the many entries, the winner is now the brand for our OHS system — PB–positive behaviour.

Health and safety committees are an important part of our OHS consultation process. In 2009, we estimate that 3.5% of our people represented their colleagues on regular OHS committee meetings. This estimate is conservative, as it doesn't include all personnel on project-based OHS committees.

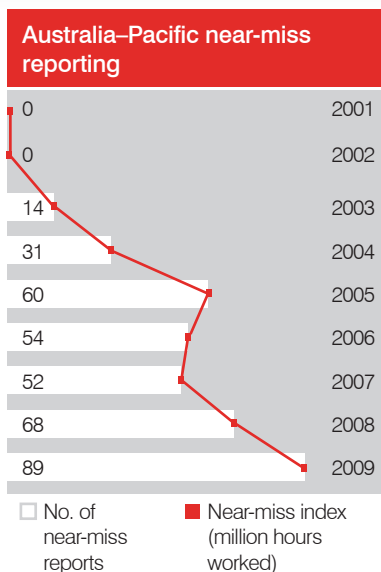
All employees are encouraged to participate in implementing initiatives to continually improve our OHS system — for example, through ongoing development and review of risk registers and action plans.

OHS reporting

In the 2009 financial year we recorded the following OHS statistics; these figures include directly employed contractors:

Occupational health occasions of service								
	WA	SA	VIC	NSW	Qld	NZ	Total	2008
Fatalities	0	0	0	0	0	0	0	0
Lost Time Injuries (LTI)	1	0	1	1	0	0	3	4
Lost Time Injury frequency rate (LTIFR)	3.4	0	1.5	0.6	0	0	0.7	1
Total recordable injury frequency	3.4	0	1.5	5.4	2.8	0	3.28	6
Occupational diseases	0	0	0	0	0	0	0	0

All lag indicators show a significant improvement on the 2008 figures. Near-miss reporting is also a positive lead indicator, as it helps us understand where our potential vulnerabilities are, and so guides the steps we take to decrease actual incidents.



PB's near-miss reporting frequency (per million hours worked) has continued to increase — from 52 in 2007 to 68²¹ in 2008 and 89 in 2009 (see the figure below).

Inversely, our LTI frequency rate continues to decrease — from 1.32 (per million hours worked) in 2007 and 1.06 in 2008, to 0.7 in 2009.

Previous goal 8

50% Reduce LTIs and MTIs by 50% in our 2009 financial year.

Increase our near-miss reporting frequency in FY09 from approximately 80 per million hours worked to over 100 per million hours worked.

Result: No achieved

Absolute number of LTIs reduced by 25%; per capita (index) LTIFR reduced by 34%.

Absolute number of MTIs reduced by 42%; per capita (index) MTIFR reduced by 49%.

Absolute number of recordable injuries (LTIs + MTIs) reduced by 39%; per capita (index) total recordable injury frequency rate (TRIFR) reduced by 46%.

Absolute number of near-miss reports increased by 49%; per capita (index) increased by 31% from 68 to 89.

Current goal

15% Continue to reduce PB's injury frequency rate by 15% in 2010.

Environment management system

PB's interactions with, and responsibility to, the environment are integrated into the policies and procedures that form part of our environment management system (EMS), which is certified to ISO 14001. Each year we establish and review our objectives and targets so we continually reduce our impact on the environment. In addition, we develop action plans and standard work practices (SWPs) to guide our behaviours in line with PB policy commitments.

Awareness raising

To complement our EMS, each PB office has a Green Team of enthusiastic employees who champion environmental awareness raising events throughout the year, and who implement initiatives that help us to achieve our objectives and targets.

In 2009, our Green Teams inaugurated PB Environment Week, to coincide with World Environment Day in June. During this week, the teams encouraged their colleagues to participate in such activities as:

- online calculation of their ecological footprint

²¹ In the 2008 sustainability report, this figure was cited as 80. It has since been revised to 68.

- morning tea with local organic produce
- viewing *A Convenient Truth*, *An Inconvenient Truth* and *Pumping Australia Dry*
- re-used, recycled paper plane throwing competition.

Resource management

PB's Resource Management SWP specifies the way materials and consumables are to be managed in PB's offices and site locations. Implementing this SWP enables us to achieve our environmental policy objectives — conserve resources and reduce waste generation.

Unless it is impractical, all PB employees are responsible for:

- minimising the quantity of waste disposed to landfill
- minimising consumption of all materials, including paper
- minimising the acceptance of product and equipment packaging
- maximising recycling of paper and all other recyclables.

Of the materials that PB consumes, the most significant by quantity is paper. In an effort to reduce our reliance on paper products we have changed our systems so that:

- all printers default to double-sided printing
- clients' reports are sent electronically; hard copies of reports are only sent on request
- project files are filed electronically
- online systems are being continually developed.

During 2009, PB purchased 22,905 reams of paper which equates to 12.8 reams per person. During PB's restructure in second quarter, paper consumption significantly increased resulting in a 2009 increase of 1.9% from 2008 consumption. Positively, a 40% decrease was noted from second quarter to the end of fourth quarter.

Previous goal 10

5% Reduce paper consumption by 5% per PB employee by November 2009.

Result: Not achieved.

This was likely due in part to the higher proportion of government projects undertaken during 2009 and the associated demand for multiple printed documents. A more aggressive paper reduction goal has been established for 2010.

Current goal

20% Reduce paper consumption in 2010 by 20%.

PB strives to use paper made from recycled content for nearly all printing tasks. Consequently, at least 95% of the paper we purchase is made from 100% recycled materials.

25% of the expenditure on general stationery items contain recycled material; where possible we endeavour to re-use, rather than recycle or dispose to landfill.

Previous goal 9

10 Replace 10 commonly used items as identified by regional Green Teams, with recycled alternatives by November 2009

Result: Achieved

This was achieved by the centralisation of PB's stationery accounts and rationalisation of the list of purchased items. In 2010, we intend to continue this rationalisation; our new goal is to increase the proportion of recycled purchased stationery items to 50%.

Current goal

50% Increase the proportion of recycled purchased stationery items in 2010 to 50%.

Waste management

From industry best practice assumptions and information collected during waste audits, total weight of waste disposed of to domestic landfill is as follows:

- co-mingled waste: 108.8 tonnes
- food: 6.4 tonnes
- paper: 11.2 tonnes.

PB does not transport any hazardous or treated waste; however, we may advise a client on the appropriate management of such substances. No significant spills have occurred at any PB sites or as a result of PB activities on any other site.

Water management

As the majority of PB's offices are in shared tenancies, water is generally charged as part of an inclusive management fee. Consequently, we have no accurate way of determining PB's water consumption. However, by applying an estimation factor of 4 kL per person (used by the Australian Bureau of Statistics), our annual water consumption is estimated at 7,300 kL.

Although we are unable to recycle or re-use our office-based water discharge, we recycle/re-use water on clients' sites whenever possible. At a number of client sites, we provide sustainable design consulting services to clients to maximise their water harvesting and reuse.

We estimate that PB's total annual domestic water discharge is no greater than 6,000 kL.

Land management

PB's Fieldwork SWP guides employees in managing environmental risks associated with field activities. While we do not own, lease or manage lands in or adjacent to protected areas or areas of high biodiversity value outside protected areas, we often provide consulting services to clients who do.

None of our activities have had significant negative impacts on areas of high biodiversity value. However, our consultancy services have had significant positive results, for example in the following projects:

- PB is currently undertaking a three-year monitoring program to assess the impacts of a major weed management program on biodiversity and threatened species in Wingecarribee Swamp. Weeding techniques include herbicide spraying and cut-and-paint in order to control a major infestation of pussy willow (*Salix cinerea*) and blackberry (*Rubus* spp.). PB advised on best practice weed management techniques, mitigation measures to avoid adverse impacts, implementation of a monitoring program, and referrals for licence applications under the *Threatened Species Conservation Act 1995* and *Native Vegetation Conservation Act 1997* (now the *Native Vegetation Act 2003*).
- PB is part of the alliance upgrading the Pacific Highway between Coopernook and Herons Creek. The road design has included a number of features to enhance fauna habitat and connectivity, including crossings for gliders, fauna underpasses and fauna fencing.
- PB has been undertaking bat surveys at Melbourne Water's eastern and western treatment plants. PB's work will allow better management of the fauna at these important wetland sites.

Previous goal 11

Biodiversity **Specify the protection of biodiversity in our standard work practice by March 2009.**

Result: Achieved

Energy management

PB's EMS guides the management of energy use in our offices and on site. Our Energy Management SWP assists us to achieve our environmental policy objectives of protecting the environment, conserving natural resources, maximising the efficient use of energy, and achieving carbon neutrality.

Unless it is impractical, all PB employees are responsible for:

- minimising energy use and the consumption of fossil fuels
- reducing the emission of air pollutants, including greenhouse gases.

Energy consumption from our activities is as follows:

- direct (Scope 1):
 - vehicle diesel: 103 kL
 - vehicle petrol: 317 kL
- indirect (Scope 2 and Scope 3):
 - building electricity: 1,684,626 kWh
 - building natural gas: 725 GJ
 - vehicle LPG (taxi): 120.3 kL
 - aviation fuel: 17,736,730 miles.

During 2009, PB continued to implement initiatives to reduce our direct and indirect consumption of energy — for example, through:

- doubling our video conferencing facilities to reduce the need for air travel
- ongoing awareness campaigns to effect behavioural change in relation to electricity usage (e.g. corporate support of Earth Hour)
- directly influencing senior management to discourage employee air and taxi travel.

As a result of the initiatives implemented to date, operational efficiencies and energy conservation has resulted in a 5% reduction in electricity consumption in 2009 compared with 2008.

Previous goal 12

CO₂ on carbon reductions achieved in 2009.

Result: Achieved.

Energy projects

On behalf of our external clients, PB has developed and implemented initiatives to provide energy-efficient or renewable energy technologies. Examples of PB's positive impacts include:

- World Bank project to implement software-based water valuation in Vietnam. Once we had successfully delivered the project, local engineers could coordinate the management of water stored in a number of hydro storage reservoirs, and thus optimise the mix of thermal and hydro power generation. In turn, the Vietnamese Government will be able to more efficiently use renewable hydro energy, reducing its dependence on thermal power such as gas, diesel and coal
- Tauhara geothermal power plant. PB designed all electrical works and control and instrumentation associated with the steam production, separation plant and reinjection of water. Producing 23 MW of renewable energy, the plant was designed to minimise environmental impacts and to maximise efficiency. This included 100% reinjection of geothermal fluids into the geothermal reservoir, tight control of steam flow and pressure to prevent the discharge of steam to the atmosphere, the use of an emergency dump pond to accept geothermal fluids during start-up and emergencies so that they could be safely discharged later, and the use of variable-speed pumps to minimise energy consumption
- Condamine Power Station project. Throughout 2009, PB provided owner's engineer and construction management services on the project, which is located 8 km east of Miles, Queensland. The station consists of a 140 MW combined-cycle gas turbine (CCGT) plant that will utilise coal seam methane to generate baseload electricity at high thermal efficiency. The high-efficiency attained by the CCGT plant in combination with the low carbon intensity of methane combustion (compared to coal) makes the project an important contributor to electricity security, while minimising carbon dioxide emissions.

Climate change

Climate change management

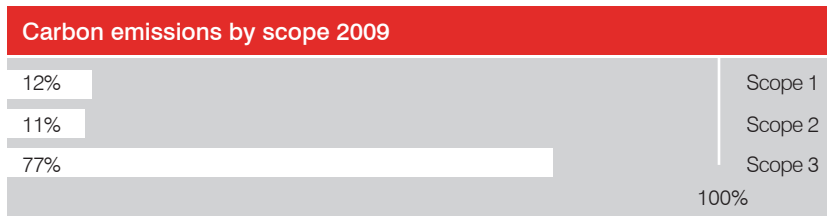
PB acknowledges the very real risks of climate change and the impacts that it might have on us, our clients, and the way we do business. Climate change is an indicator of humankind living unsustainably and its impacts will be felt across the economy, society and the environment. We recognise that a meaningful response to climate change requires deep understanding of its causes and processes, and innovative and adaptive solutions.

Climate change policy

PB's climate change policy reflects our corporate commitment to immediately lead the way and influence others in a positive, effective response to climate change.

Emissions

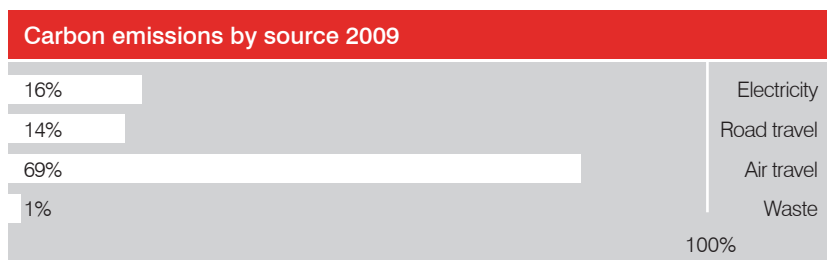
PB's emissions profile assists us to understand our greatest emissions liability. We do not emit any ozone-depleting substances as part of our operations, nor do we emit any nitrogen oxide (NO), sulphur dioxide (SO₂) or other significant air emissions, with the exception of carbon dioxide (CO₂).



The following amounts of CO₂ were emitted by PB's direct and indirect activities:

- Scope 1: 994 tonnes
- Scope 2: 907 tonnes (based on gross emissions of 1,472 tonnes less Greenpower Scope 2 of 565 tonnes)
- Scope 3: 6,372 tonnes.

Employees' air and road transport account for a significant proportion of PB's carbon emissions. Air travel accounted for 5,709 tonnes of CO₂ or 69% of our total emission profile. Vehicle travel accounted for significantly fewer CO₂ emissions — 1,145 tonnes of CO₂ or 14% of our emission profile.



As a result of the initiatives implemented to date, operational efficiencies and energy conservation have accounted for an 8.2% emission reduction representing approximately 769 tonnes of CO₂ across our Australian operations by implementing such initiatives as:

- purchasing a dozen new mobile video-conferencing units across PB's Australia-Pacific operations; this has resulted in a 3.5% reduction in air travel and associated taxi transport
- ongoing awareness raising, including provision of alternatives or strategies to minimise greenhouse gas emissions
- regular office audits (or *enviro-raids*) to identify practices requiring improvement and to positively reinforce environmentally friendly habits such as switching off electrical equipment when not in use.

Current goal

20% Reduce PB's carbon emissions in 2010 by 20% compared with 2009.

Carbon Neutral Program

Although PB believes that emission reduction is the first line of action, we also recognise that zero emission output is not possible. Our solution is to voluntarily purchase enough offsets for our emissions, based on the Greenhouse Gas (GHG) protocol, so that we are carbon-neutral. Our Carbon Neutral program is independently verified by Carbon Planet.

In 2009, we changed our offset provider to a small voluntary carbon standard (VCS) accredited in-river hydro electricity project in Yunnan, China. This project is accredited by the Kyoto Protocol and represents social and environmental benefits beyond carbon offsetting.

China hydro-electric Carbon Neutral project — Callan Riley, Environmental Engineer, Adelaide



Yunnan hydro-electricity plant

Since May 2008 I have been involved in the PB Carbon Neutral Program. I measure PB's carbon footprint by collating energy consumption and travel data. Through measuring our footprint we can identify opportunities to reduce our impact on the environment and to educate our staff and clients about the benefits of doing this.

For the emissions we cannot avoid, PB purchases approved carbon credits from a variety of carbon offset projects, such as the Yunnan Dehong Longchuan Bienaihe hydro station in China. In supporting such initiatives, we have the satisfaction of knowing that we are contributing to the development of the renewable energy market and enabling poorer parts of the world to contribute to, and learn more about, sustainable development. The PB Carbon Neutral Program is an excellent demonstration of how we are creating a lasting legacy that improves the lives of people and communities.



Future emissions reporting

To ensure Australia meets its international greenhouse gas emission reduction obligations as defined by the Kyoto Protocol, the Australian Government has introduced the *National Greenhouse and Energy Reporting Act 2007*.

The Act requires companies to report their greenhouse gas emissions when they emit more than the determined thresholds. While PB's emissions forecast shows that we are unlikely to be required to report our emissions, we will continue to monitor our emission profile.



PB leading with technical and commercial advice on Carbon Capture and Storage

Carbon Capture and Storage

In 2009, the Australian Government formalised a climate change policy to support Australia's commitment to reduce greenhouse gas emissions by 60% of year 2000 levels by 2050.

As part of this initiative, PB is leading a consortium of specialist organisations, which include KPMG, ACIL Tasman and Senergy, who have been engaged by the Department of Resources, Energy and Tourism to provide technical and commercial advice to the Commonwealth's Clean Energy Initiative — Carbon Capture and Storage Flagship Program.

The \$2 billion program aims to accelerate and deploy large-scale, fully integrated Carbon Capture and Storage (CCS) projects in our country.

The program is expected to deliver Australia's contribution to the G8 goal of 20 demonstration projects by 2020 and commissioning of successful projects is expected to commence by 2015.

What is CCS?

CCS is an integrated process involving the capture, transportation and long-term storage of CO₂ that is released when fossil fuels are burned. CO₂ capture can take place either before or after the fossil fuels are combusted, using one of several capture techniques.

Projects short-listed by an Independent Assessment Panel will focus on:

- **multi-user infrastructure:** development of storage sites in a high-emission region, with pipeline infrastructure to support the transport of CO₂ from regional emission sources
- **integrated capture and storage:** projects that demonstrate technologies and geologies for capture and storage of CO₂ from coal-fired power stations. Capture technologies could include coal gasification, post-combustion capture and oxy-firing.

Climate Change Business Unit

Our Climate Change Business Unit combines expertise from across PB into a unit focused on climate change action. It is committed to living our values by providing adaptation and strategic advice to clients.

As we reflect on and adapt to doing business in the context of climate change, we extend our experience and expertise in this area to our clients.

Responsible project management

We manage environmental and safety risk at two levels.

At a corporate level, we have an A–P risk register which lists:

- likely PB activities
- associated environmental and safety hazards
- appropriate controls.

These risk registers are periodically reviewed and continually improved to minimise the likelihood and severity of environmental harm. Actions that the risk register review process deems necessary are prioritised, based on an assessment of their risk using PB's risk matrix.

On a project level, we compile a project-specific health, environment and safety plan (HESP) using the same proactive planning and review process as at corporate-level.

The risk of disturbing the communities in which we work is proactively managed, project by project, by:

- advising affected community members of our intended works program
- restricting noisy works to business hours
- maintaining courteous interactions with nearby land owners and members of public
- leaving work sites as we found them.

However, management of our impact on communities has been identified as a gap in our Environmental Policy and Fieldwork Standard. These documents are being updated to rectify this gap.

Current goal

EPFS Updated Environmental Policy and Fieldwork Standard in 2010.



Port Botany Expansion Project

In 2005, the New South Wales State Government gave approval for Sydney Ports Corporation to expand the existing Port Botany facilities located on the north-eastern edge of Botany Bay between the existing container terminals at Brotherson Dock and the parallel runway at Sydney Airport.

Operating within an environmentally sensitive area, a key aspect of developing this infrastructure project was the protection of the surrounding areas maintained under a Construction Framework Environmental Management Plan, aiming in integrating infrastructure with the environment.

PB's role on the project was to act as independent verifier to ensure compliance, quality and durability across all aspects of the design and construction services. Our knowledge of specialist environmental, reclamation and marine structures design projects also suited the diverse requirements of the role.

The delivery of vital hard infrastructure to support long term growth brings with it positive economic, environmental, and community outcomes. The Port Botany

Expansion Project has shown how integrating these elements seamlessly can deliver win-win-win outcomes.

Integrating hard infrastructure with the environment and community — Port Botany has:

- enhanced foreshore beach dune areas with new native vegetation plantings such as coastal wattle, coastal tea bush, Giant Honeymyrtle, grey saltbush, and scented fan flowers
- solar lighting for pedestrian walkways
- new amenities building with toilets, water bubbler, shower and foot-washing facilities
- recycled water systems that harvests water from the car park and amenities building roof for use in toilets and for washing boat engines
- pedestrian bridge linking Sir Joseph Banks Park with the new boat ramp car park which is fully incorporated with pedestrian and cycle paths
- four-lane boat ramp with enclosed fish cleaning facilities, two pontoons, car park, and a boat engine washing and viewing platform.



Actively engaging communities: PB and BMA's community engagement display

BMA — Actively engaging communities

Rapid growth of the resource industry in Queensland's Bowen Basin in recent years has seen multiple projects undergoing concurrent approval, often leaving local communities with consultation fatigue. Recognising this early, BHP Billiton Mitsubishi Alliance (BMA) planned to manage the approvals process of future developments in the region under the overarching community engagement process and engaged PB to develop and deliver an engagement plan aimed at encouraging participation and feedback.

Understanding the region and the issues and aspirations of local community, PB and BMA implemented innovative techniques, including the development of a trailer-based community engagement display, to provide easily accessible and informative engagement opportunities with communities across Moranbah and Mackay, increasing community contacts to include over 1,500 face to face discussions in the past 24 months.

The BMA Communication team was awarded an internal BHP Billiton award for community involvement in 2009.

APPENDIX 1 — DATA COLLECTION ASSUMPTIONS

Data is collected using a variety of means, and various industry best practice assumptions are applied where required. The table below summarises the measurement techniques and assumptions made for each type of data.

Data collection assumptions		
Data type	Data collection methodology	Assumptions
Air miles	Generation of AMEX @ work reports air miles travelled per person per location. AMEX BTA reports spend per business group. Both reported to EMSM.	To convert air-miles travelled into CO ₂ (tonnes equivalent) a factor of 0.002 is applied to the kilometres travelled equivalent. This is based upon the Carbon Planet flight calculator.
Electricity	Manual viewing and reporting utility invoices.	Baseline building energy consumption is assumed to be 61% of the entire utility spend. This is based on Banister P, Australian Building Codes Board 2004: Class 5 Benchmarking: Edition 2.0.
Natural gas (office)	Manual viewing and reporting utility invoices.	Information provided from the utility is a dollar value. This has been converted into GJ by dividing by an approximate cost of Natural gas \$6.61. Baseline building energy consumption is assumed to be 61% of the entire utility spend based on Banister P, Australian Building Codes Board 2004: Class 5 Benchmarking: Edition 2.0.
Pool vehicles	Oracle expenditure reports based on Motorpass reports of kilometres travelled.	Fuel efficiency is based on the national average for passenger vehicles as published in the ABS Survey of Motor Vehicle Use 2007.
Taxi usage	Oracle expenditure reports of Cabcharge value as well as AMEX reports.	All taxis are assumed to be fuelled by LPG. The Department of Climate Change's Green Vehicle Guide is used to determine typical fuel efficiency and a national average flagfall is calculated based on each state's rates.
Personal vehicles	Oracle reports of kilometres travelled on personal expense claims.	Fuel efficiency is based on the national average for passenger vehicles as published in the ABS Survey of Motor Vehicle Use 2007.
Rental vehicles	Records obtained from individual rental companies upon request. These records generally provide rental dates, vehicle type and distance travelled (km).	Fuel efficiency is based on the national average for passenger vehicles as published in the ABS Survey of Motor Vehicle Use 2007.
Safety data	Manually reported to Regional OHS Managers and collated monthly by the A-P OHS Manager.	None.
Water	Based on reported employee numbers — see <i>Assumptions</i> .	Based on the Australian Bureau of Statistics, average office water consumption is estimated to be 4kl per person per year.
Waste	Manual waste audits to be conducted. Contents of all bins to be collected, sorted into resource types and weighed. Percent of recyclable material in waste stream to be calculated.	It is assumed that the results of the annual waste audits are reflective of waste disposal practices throughout the remainder of the year.
Project information	Ad hoc project summaries provided at request via senior management.	None.

APPENDIX 2 — INDEPENDENT VERIFICATION STATEMENT



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INDEPENDENT VERIFICATION STATEMENT

To the Managing Director, Advisory Council and Stakeholders of Parsons Brinckerhoff Australia Pacific Pty Ltd:

Parsons Brinckerhoff Australia Pacific Pty Ltd (Parsons Brinckerhoff) commissioned Net Balance Management Group Pty Ltd (Net Balance) to provide independent verification of the information presented within the Parsons Brinckerhoff 2009 Sustainability Report (the 'report') and to undertake a third-party application level check against the requirements of the Global Reporting Initiative (GRI) G3 Guidelines. The report presents Parsons Brinckerhoff's sustainability performance in our Australian and New Zealand operations, and covers the period 01 November 2008 to 31 October 2009. Parsons Brinckerhoff was responsible for the preparation of the report and the verification statement represents Net Balance's independent opinion on the reliability of information presented within the report. Net Balance's responsibility as an independent verification provider is to the Parsons Brinckerhoff Managing Director and Advisory Council alone and in accordance with the terms of reference agreed with them. Other stakeholders should perform their own due diligence before taking any action as a result of this statement.

Verification Objectives

The objective of the verification process is to provide the Parsons Brinckerhoff Managing Director, Advisory Council and stakeholders with an independent opinion on the accuracy of the information presented within the report. This is confirmed by verification of the claims made through a review of the underlying systems, processes, information and data used to support the sustainability performance disclosures presented.

Verification Level, Scope and Limitations

The verification scope covered the whole of the report and focussed on systems and activities of Parsons Brinckerhoff during the reporting period, with the following limitations:

- The scope of work did not involve verification of the accuracy and robustness of financial data.
- Detailed verification of Parson's Brinckerhoff's 2009 greenhouse gas emission calculations was previously undertaken by an external consultant. Consequently, this work was not replicated by Net Balance and this statement does not provide an opinion over this dataset.
- Appropriateness of the supporting data that was supplied was carried out via telephone interviews with relevant data managers.

Verification Methodology

The verification process was undertaken in March 2010 and involved:

- a review of the report for any significant anomalies, particularly in relation to significant claims as well as trends in data
- a review of Parsons Brinckerhoff's key systems and processes used for managing and reporting sustainability performance information
- a review of the reliability and source of information presented in the report by examining 50 representative sustainability performance disclosures relating predominantly to Australian and New Zealand business data
- a series of interviews with key personnel responsible for collating data and writing various parts of the report in order to substantiate the veracity of selected claims
- collection and evaluation of evidence to support the verification work undertaken.

Our Independence

Net Balance was not responsible for preparation of any part of the report. Net Balance confirms that we are not aware of any issue that could impair our objectivity in relation to this verification engagement.

Our Competency

The Parsons Brinckerhoff verification engagement was carried out by an experienced team of professionals led by a Lead Sustainability Assurance Practitioner (Lead CSAP), accredited by the International Register of



Certified Auditors UK (IRCA UK). The project team included professionals with expertise in environmental, social and economic performance measurement across a range of industry sectors, including professional services.

Reliability of Performance Information

Based on the scope of the verification process, the following was observed with regard to performance information:

- The findings of the verification engagement provide confidence in the systems used for managing sustainability performance information and data.
- The level of reliability of sustainability performance information was found to be within acceptable limits.
- Data trails selected were identifiable and traceable, and the personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data.
- The sustainability performance disclosures presented within the report appropriately reflect environmental, social and economic performance achieved during the period.
- The Parsons Brinckerhoff GRI Application Level has been affirmed by Net Balance as A+.

Overall, it is Net Balance's opinion that the information presented within the report is fair and accurate and that the report is a reliable account of Parsons Brinckerhoff's sustainability performance during the reporting period.

The Way Forward

To ensure that Parsons Brinckerhoff continues to improve, Net Balance recommends the following:

- For each sustainability indicator, that Parsons Brinckerhoff develops a data control procedure which documents the process for collecting, recording and storing data that is reported on an annual basis. This would ensure consistent indicator measurement and reporting over time.
- Linkages between spreadsheets should be established to ensure that data transcription errors are minimised.
- Quantification of Parsons Brinckerhoff's greenhouse gas emission inventory should involve calculations in accordance with a recognised emissions accounting methodology, such as the National Greenhouse and Energy Reporting (Measurement) Determination 2008.
- Parsons Brinckerhoff considers moving to a more comprehensive assurance process using an international standard such as the AA1000AS (2008), which also involves assessing the integration of sustainability within the organisation and its performance during the reporting year.

Net Balance has also provided additional suggestions to improving reporting in a more detailed report presented to Parsons Brinckerhoff's Managing Director and Advisory Council.

On behalf of the verification team
11 March 2010
Melbourne, Australia

A handwritten signature in black ink, appearing to read "Terence Jeyaretnam".

Terence Jeyaretnam, FIE (Aust)
Director, Net Balance & Lead CSAP (IRCA UK)

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