

## Appendix 36

RACL Environmental Record

Prepared by RATCH Australia Corporation Limited

## HSE HAZARDS

DOCUMENT No. TMP-2000-EV-0001

### 1.0 PURPOSE

To outline the process to be followed for identifying and assessing the HSE hazards and relevant HSE legal requirements associated with Transfield Services operations and Supplier/Subcontractor activities, products and services.

### 2.0 SCOPE

This procedure applies to all Transfield Services operations, sites and offices. It applies to the management of HSE hazards that arise in the course of activities at these sites and offices.

The exact requirements of this procedure must be implemented as defined. Deviation from this procedure is only permissible where the stated criteria cannot be fulfilled and the deviation is approved by the respective Industry HSE Manager or Operations General Manager. Approvals shall be via e-mail and maintained as a record with all other document approvals, refer [TMP-0000-QA-0005](#) – Document Control Procedure.

#### 2.1 Adoption of a Client's Hazard Controls, Procedures & Processes

A client's hazard controls, procedures and processes can be considered for adoption under any or all of the following circumstances:-

1. A gap analysis has been undertaken against Transfield Services' procedures and processes and no inconsistencies have been identified between the client's and Transfield's identified procedures and processes.
2. The gap analysis finds that the client's procedures and processes are equal to or better than those identified by Transfield Services
3. The client's hazard controls, procedures and processes comply with regional legislative requirements.
4. Application of Transfield Services' procedures and processes would be inconsistent with the client's system requirements and in doing so would have the potential to increase risks associated with the hazards in question.

In order for the client's hazard controls procedures or processes to be adopted, the following written authorisations must first be obtained:-

1. Hazard Controls: authorisation by the Industry HSE Manager
2. Procedures and processes: authorisation by the ANZ Executive General Manager HSEQ

**CONTROLLED COPY NO.:**

Issue Date:

Issued By:

[Uncontrolled unless numbered and dated in red]

**Approved by:**

**Name:** Mark Collins

**Position:** Executive General Manager – HSEQ ANZ

**Knowledge Mgrs:** Leanne Owen, Don Baus

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### 3.0 DEFINITIONS

**Activity** – A task (or group of related tasks) performed as part of the works on the site or contract that involves safety or environmental hazards and has the potential to cause harm. Tasks performed by Suppliers/Subcontractors over which Transfield Services has influence shall also be considered, e.g. Suppliers subcontractors working under Transfield Services systems/processes, directly supervised by Transfield Services, etc.

**Hazard** – is an event or occurrence, a condition or substance that has the potential to:

- Harm people or the environment
- Damage property, plant, equipment or the environment, and
- Cause a loss or interruption to the business.

**Pathway** – The mechanism or way in which a hazard can cause harm.

**Impact** – The combination of person(s) or thing(s) that may be harmed by a hazard and the nature, extent and severity of the harm that may be caused.

**Legal requirements** – HSE obligations including those that are established by Commonwealth, State/Region or Local Government legislation (Acts, Regulations, Planning Instruments etc; those that are specific to a particular site or operation that are established by regulatory authorities, e.g. Work Cover, EPA) contained in licences, permits, planning consents, environmental improvement notices etc; and those that are specific to a particular site or operation that are established by the Client and are contained in the service contract or alliance agreement between Transfield Services and the Client, or in supporting documentation.

**Principal Risks** – A series of standards that form the basis on which our operational Health and Safety Management Systems are built, worldwide. The standards include; confined spaces, cranes and lifting equipment, emergency response, new starters, plant and equipment, spill prevention and control, vehicles and driving, working at heights, working on isolated plant and installations and working with hazardous substances.

**Controls** – the identified measures / activities to be implemented in order to eliminate or minimise the risks associated with the hazards identified. Controls implemented shall be based on the hierarchy of controls principle, compliant with any minimum legislatively required standard and incorporate any associated licensing, certification or registration requirements.

### 4.0 PROCEDURE

#### 4.1 Introduction

- 4.1.1 It is a Transfield Services requirement that each site develops and maintains a HSE Hazards Register as part of its OSP. This register must contain a list of all the activities performed that have the potential to cause harm to either an individual and/or the environment and an assessment of any health, safety or environmental hazards. It will also list any control measures and procedures that are currently in place to manage these hazards.
- 4.1.2 The HSE Hazards Register should be developed in conjunction with the HSE Objectives and Actions Register ([TMP-2000-EV-0011](#) and [TMF-2000-EV-0008](#)) for the site or operation.

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- 4.1.3 The HSE Hazards register is designed to document all identified hazards and their control measures that can be eliminated or mitigated through the use of our risk management process, such as:
- The Risk Assessment Worksheet [TMF-0000-RM-1001](#) filled in when implementing [TMP-0000-RM-1001](#) Risk Management. The Risk Assessment Worksheet is intended to address the management of contract level risks
  - The job analysis and job start processes, and
  - Legislatively required hazard risk assessments such as those for plant and equipment, hazardous substances, manual handling etc.
- 4.1.4 Section 4.3 shows the process flow that should be followed in completing the HSE Hazards Register. The register is initially populated using the output from a preliminary hazard review, which includes the following elements:
- Identification of the activities performed by the site or operation
  - Identification of the HSE hazards associated with each activity
  - Assessment of each hazard using the Hazard-Pathway-Impact model and risk analysis matrix
  - Identification of the HSE legal requirements, codes and standards relevant to each activity or hazard
  - Benchmark and alignment against client HSE systems and process
  - Identification of controls based on the hierarchy of controls that are compliant with legislative, client and Transfield Services requirements, and
  - Determining when the requirement for a Job Analysis or Job Start should be applied to each activity.
- 4.1.5 A range of sources will need to be reviewed in order to effectively identify the legal requirements associated with the work activity and should include:
- Lawlex Alerts and to the Australian Legal Information Institute (AustLII) database – Lawlex Alerts are sent to HSE Personnel via email to advise on updates to legislation.
  - Review of any applicable licences, permits, development consents and regulatory notices, and
  - Review of relevant contracts, agreements and supporting documentation.
  - Review of statutory body websites.
  - Information from self insurer organisations of which Transfield Services is a member.
- 4.1.6 Where a legal requirement is identified, the relevant legislation, code, standard or other reference shall be recorded in the HSE Hazards Register ([TMF-2000-EV-0006](#) or [TMF-9000-SA-0010](#) as appropriate) against the relevant activity or hazard. Relevant legal requirements must also be referenced in the job analysis documents.
- 4.1.7 The overall degree of risk associated with each activity, i.e. extreme, high, medium or low, is assessed using the likelihood and consequence table taking into account the nature of the identified hazards, the environment in which the activity is performed and the existing hazard controls.

**Note** In some cases an activity may be borderline between two risk categories. In these cases the highest of the two risk categories shall be applied.

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- 4.1.8 The development and implementation of the HSE Hazards Register shall be undertaken using a consultative process such as via workshops or similar and must include representation of employees and/or subcontractors who have full knowledge on the scope of activities that will be performed on the contract. Client requirements also need to be considered when developing the Hazard Register.
- 4.1.9 Other personnel who may participate in the development and implementation of the HSE Hazards Register include:
- Health, Safety and Environmental Coordinator and Representatives
  - Contract Manager
  - Quality Coordinators
  - Schedulers, planners and engineers
  - HSE Committee Members, and
  - Client and other relevant stakeholders.
- 4.1.10 Common hazards and / or risks to consider when developing your hazards register include:
- Falls – including falling objects, people falling from height or slips and trips
  - Electricity – electrical current or lightning
  - Manual handling and/or ergonomics – overexertion or repetitive movement
  - Machinery and equipment – being hit, hitting objects, being caught in or between machinery or equipment
  - Hazardous substances such as acids, hydrocarbons and asbestos
  - Extremes of temperature
  - Radiation – like microwaves, lasers, ultraviolet light or welding arc flashes
  - Excessive noise
  - Biological agents such as bacteria and viruses
  - Psychological stress such as harassment, violence, conflict or time pressure, and
  - Public safety.
  - Environmental impacts
  - Training of new starters (employees & contractors) in relevant procedures and hazard management processes i.e. JA's & Hazard registers.

Activities that involve any of Transfield Services' identified Principal Risks must be listed on the Hazard Register.

- 4.1.11 When assessing the risk, some items to consider include:
- The frequency that the task is performed
  - The complexity of the task being performed
  - The work environment and whether it is variable, unpredictable or potentially hazardous.
  - The history of incidents and near misses
  - Whether significant or unusual hazards are present
  - The duration of and/or proximity to exposure
  - The capability of existing controls to eliminate or mitigate the hazard and
  - The potential to impact neighbours

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### RISK ANALYSIS MATRIX

4.1.12 The following risk matrix shall be applied in the preparation of the HSE Hazards Register:

Likelihood (L) of Occurrence		
1	<b>Rare</b>	An incident is unlikely to occur
2	<b>Unlikely</b>	An incident is unlikely to occur in the next 5 years
3	<b>Moderate</b>	An incident could be expected to occur in the next year
4	<b>Likely</b>	An incident could be expected in the next 6 months
5	<b>Almost Certain</b>	An incident is expected to occur during the next month

Consequence (C) of Result		
1	<b>Insignificant</b>	No injury, or Minor first aid, or no environmental impact
2	<b>Minor</b>	First aid injury, or negligible environmental impact
3	<b>Moderate</b>	Medical treatment required, or environmental impact contained
4	<b>Major</b>	Lost time injury, or Some detrimental impact on environment
5	<b>Catastrophic</b>	Death or permanent disability, or Major impact on environment

		Consequence				
		1	2	3	4	5
Likelihood	5	H	H	E	E	E
	4	M	H	H	E	E
	3	L	M	H	E	E
	2	L	L	M	H	E
	1	L	L	M	H	H

<b>E = Extreme</b>	<b>H = High</b>
<b>M = Moderate</b>	<b>L = Low</b>

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### RISK CONTROL PRIORITIES

4.1.13 Assessed risk must be assigned a risk control priority in accordance with the table below.

Hazard Risk Rating	Priority for Control
<b>Extreme</b>	Immediate application of controls or cease operation until it can be appropriately controlled.
<b>High</b>	To be appropriately mitigated within the time of the shift, work or task time and a permanent control within 3 months.
<b>Medium</b>	Within 6 months.
<b>Low</b>	When an appropriate alternative can be sourced.

### ADDITIONAL RISK CONTROL DOCUMENTATION TO BE COMPLETED

4.1.14 The following risk management practice and/or documentation shall be completed in the following circumstances:

- **High and Extreme HSE risk:** A Job Analysis ([TMP-2000-SA-0003](#)) must be in place and reviewed by the individual or group performing the work prior to work commencing *each time* the activity is performed. The job analysis must be reviewed and updated if there is going to be any changes to the work process being carried out.
- **Medium HSE risk:** A Job Start must be completed each time the activity is performed. A Job Analysis may be undertaken at the discretion of the assessment team, work crew or HSE Coordinator or at the direction of the Supervisor. **Note:** The client or contract may require a JA to be completed for all activities.
- **Low HSE risk:** Controls outlined in the HSE Hazard Register should be applied to these activities however no documented controls are required prior to work commencing on a day-by-day basis.

**Note:** Where a Job Analysis is not developed at the time and location where the works are to occur, a Job Start must be undertaken prior to the work commencing to assess any previously unidentified hazards. Any additional hazards must be recorded and communicated along with the control measures implemented.

**Note:** A higher level of control can be applied at the discretion of the individual or group performing the work, e.g. where an activity is classified as medium risk a Job Analysis can be done, but a lower level of control can only be applied with the approval of the relevant Industry HSE Manager.

4.1.15 The requirement for the above risk management practices to be undertaken is in addition to;

- standard HSE procedures,
- compliance documentation such as certificates of competency,
- workplace inspections,
- observations,
- pre-start inspections on plant and equipment,

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- Documented risk assessments required under legislation for regulated hazards such as:
  - Hazardous Substances and Dangerous Goods ([TMP-2000-EV-0010](#))
  - Manual Handling ([TMI-2000-SA-0006](#))
  - Plant and Equipment ([TMP-2000-SA-2004](#))
  - Work at heights ([TMI-2000-SA-0003](#))
  - Confined Space Entry ([TMP-2000-SA-0005](#))
  - Noise Management ([TMP-2000-SA-2003](#))

Refer to corresponding procedures in brackets for more details on the requirements and risk assessment process.

## RISK ACCEPTANCE CRITERIA

4.1.16 The following criteria must be applied prior to work commencing where risks associated with an activity have not been able to be mitigated to a low risk rating.

Hazard Risk Rating	Responsible	Process
<b>Extreme</b>	General Manager Executive General Manager (prior notification) Client (as appropriate)	The General Manager shall review methods in consultation with the relevant Contract Manager, and Industry/Business Unit HSE Manager. Once satisfied the appropriate control measures have been defined and can be implemented, the General Manager shall approve acceptance of the risk.  Prior notification shall be given to the EGM of any task/job rated as extreme.  Consider client involvement/notification as appropriate.
<b>High</b>	Contract Manager Client (as appropriate)	The Contract Manager and client shall review methods of control in consultation with the relevant Supervisor, and Business Unit HSE Manager. Once satisfied the appropriate control measures have been defined and can be implemented, the Contract Manager shall approve acceptance of the risk.
<b>Medium</b>	Supervisor	The Supervisor shall review the controls and approve acceptance of the risk through the Job Analysis or Job Start Process.
<b>Low</b>	Supervisor	Work may proceed without approval. The Supervisor shall review the controls through the Job Start Process.



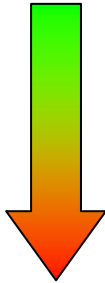
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### CONTROLLING IDENTIFIED HAZARDS

4.1.17 All control measures must be based on and consider the hierarchy of control and be compliant with any applicable legislation, regulations, codes of practice and Australian & New Zealand Standards. The residual risk resulting after the implementation of hazard controls is to be as low as reasonably practicable (ALARP).

#### HIERARCHY OF HAZARD CONTROL

<b>Most Effective</b>		
<b>Method</b>	<b>Elimination</b>	Achieved by removing the hazardous plant, equipment, substances, etc., or by discontinuing the work process.
	<b>Substitution</b>	Achieved by replacing hazardous plant, equipment, substances, etc., with a safer alternative.
	<b>Engineering Controls</b>	Achieved by isolating, guarding, fitting alarms, lights, exhaust ventilation and similar.
	<b>Administration Controls</b>	Achieved by introducing or changing the work method to reduce the risk exposure. It may also include signage, routine maintenance, additional supervision, training and enforcing correct practices.
	<b>Least Effective</b>	<b>Personal Protective Equipment (PPE)</b>
<b>Method</b>		

### VERIFICATION OF THE HSE HAZARDS IDENTIFICATION AND CONTROL PROCESS

4.1.18 The responsible manager must review the completed risk register and satisfy themselves that the hazard identification, risk assessment and control process has been carried out in accordance with this procedure.

The process of identifying HSE Hazards on site will also be the subject of Transfield Services' annual Operational System Audit.

### MONITOR AND REVIEW PROCESS

4.1.19 The content of the HSE Hazard Register must be monitored and reviewed in consultation with the relevant stakeholders, including the HSE Committee and Management.

4.1.20 Monitoring must be performed at least monthly and in accordance with the requirements of the Management Review procedure ([TMP-0000-QA-0002](#)). Further monitoring can be undertaken, the frequency of such will be dictated by the level of exposure, the sensitivity and reliability of the control strategies employed and as per their position in the 'Hierarchy of Controls'.

4.1.21 Specifically, controls implemented at the higher end of the hierarchy will require less frequent monitoring due to their inherent reliability compared to controls implemented at the lower end, such as PPE and administrative controls, which need more frequent monitoring. This is because controls at the lower end of the hierarchy are more prone to failure and tend to be reliant on behaviour.

4.1.22 Monitoring the HSE Hazard Register is also required to ensure:-

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- Ongoing compliance to legislation
- Ongoing compliance to HSE system documentation
- Temporary or permanent changes to plant and operational processes.
- Temporary or permanent changes impacting on safe operating conditions

4.1.23 A review of the HSE Hazard Register shall occur at least once per year in accordance with the requirements of the Management Review procedure ([TMP-0000-QA-0002](#)) to ensure its contents remain effective, relevant and compliant. The effectiveness of the implemented controls can be established by:

- Examination of records of injuries and Worker's Compensation claims
- Evaluation of inspection checklists and reports from quantitative measures such as noise assessments
- Observation of the implemented controls and any associated work practices
- Qualitative reports such as feedback from safety committees/representatives, workplace surveys and employee questionnaires
- Results from OHS management audits, and
- Evaluating compliance with legislative and non-statutory requirements.
- Evaluating compliance to HSE Management system documentation
- Ensuring scope changes within the contract are captured.
- Ensuring industry changes or relevant improvements in hazard management techniques are captured.
- Confirming temporary or permanent changes to plant and operational processes are detailed.
- Identifying and addressing any other changes impacting on safe operating conditions

4.1.24 Update / amend the HSE Objectives and Actions register / business plan where appropriate to accommodate any improvement initiatives or significant changes arising from the review of the HSE Hazard Register

## COMMUNICATION

4.1.23 Employees must be made aware of hazard register details and procedures relevant to the tasks they will be undertaking. Any changes to the register must be communicated promptly and a program must be in place to ensure ongoing awareness of hazards and controls

## TRAINING

4.1.25 All personnel participating in or approving the outcomes of Transfield Services' hazard management practices must be trained relevant to the risk level and tasks they will be undertaking. The timing of training must also be commensurate with the risk to health and safety. Where a high or extreme risk has been determined then the hazard management team must as a minimum comprise of person that has completed training and been deemed competent in hazard management methodology. Evidence of the level of competence/training can be provided via a combination of:

- Transfield Services Induction Training records

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- Construction induction training records
- Transfield Services HSE training records,
- External HSE training records/qualifications, and
- Completion of Transfield Services Job Analysis Toolbox and Assessment.

4.1.26 Competence in hazard management will be determined on the basis of evidence of training participation in any of the above in combination with the completion of a Job Analysis that has been reviewed by another Transfield Services employee and accepted without requirement for change.

### 4.2 Process Flow

PROCESS STEPS	Site Manager	HSE Coordinator	Quality/CIP Coordinator	Site HSE Committee	Industry HSE Manager	DOCUMENTATION
4.2.1 Preliminary Hazard Review - Identify the activities	[ ]					<a href="#">TMF-2000-EV-0006</a> or <a href="#">TMF-9000-SA-0010</a> HSE Hazards Register  <a href="#">Appendix A</a> shows an example of a completed HSE Hazard Register.
4.2.2 Preliminary Hazard Review - Identify the Legal Requirements		[ ]				<a href="#">Lawlex Alerts</a>  <a href="#">AustLII</a> database
4.2.3 Preliminary Hazard Review - Identify the control measures		[ ]				<a href="#">TMF-2000-EV-0006</a> or <a href="#">TMF-9000-SA-0010</a> HSE Hazards Register
4.2.4 Preliminary Hazard Review - Assess the overall level of HSE risk		[ ]				<a href="#">TMP-2000-SA-0003</a> Job Analysis and Job Start
4.2.5 Send the completed HSE Hazards register to the Industry HSE manager for review.					[ ]	<a href="#">TMF-2000-EV-0006</a> or <a href="#">TMF-9000-SA-0010</a> HSE Hazards Register
4.2.6 Monitor the HSE Hazards Register on a regular basis.	[ ]			[ ]		<a href="#">TMF-2000-EV-0006</a> or <a href="#">TMF-9000-SA-0010</a> HSE Hazards Register  <a href="#">TMF-2000-EV-0008</a> HSE Objectives and Actions Register
4.2.7 Review the HSE Hazard Register	[ ]			[ ]		<a href="#">TMF-2000-EV-0006</a> or <a href="#">TMF-9000-SA-0010</a> HSE Hazards Register
4.2.8 Update / amend the HSE Objectives and Actions register / business plan				[ ]		<a href="#">TMF-2000-EV-0008</a> HSE Objectives and Actions Register

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### 4.3 Example of Completed Register

[Appendix A](#) shows an example of a completed HSE Hazards Register [TMF-2000-EV-0006](#). This Hazard Register format shown is not mandatory however all details and columns shown in the example must be included as a minimum in any HSE Hazard Register template being used.

## 5.0 REFERENCE DOCUMENTATION

<a href="#">TMP-0000-QA-0005</a>	Document Control
<a href="#">TMP-0000-QA-0002</a>	Improvement, Review and Monitoring Cycles Procedure
<a href="#">TMP-2000-SA-2008</a>	Legal Requirements Identification, Access and Review
<a href="#">TMP-2000-SA-0003</a>	Job Analysis and Job Start
<a href="#">TMP-2000-EV-0011</a>	HSE Objectives and Actions
<a href="#">TMP-0000-RM-1001</a>	Risk Management
<a href="#">TMF-0000-RM-1001</a>	Risk Assessment Worksheet
<a href="#">TMF-2000-EV-0008</a>	HSE Objectives and Targets Register
<a href="#">TMF-2000-EV-0006</a>	HSE Hazards Register
<a href="#">TMF-9000-SA-0010</a>	New Zealand Hazard Register
<a href="#">TMS-0000-SA-0003</a>	Global Standard – HSE Hazard Management
<a href="#">TMP-2000-SA-2004</a>	Plant & Equipment Hazard Management
<a href="#">TMP-2000-EV-0010</a>	Hazardous Substances and Dangerous Goods
<a href="#">TMI-2000-SA-0006</a>	Manual Handling
<a href="#">TMI-2000-SA-0003</a>	Work at heights
<a href="#">TMP-2000-SA-0005</a>	Confined Space Entry
<a href="#">TMP-2000-SA-2003</a>	Noise Management

Australian Legal Information Institute website [www.austlii.edu.au](http://www.austlii.edu.au)

Standards Australia [www.standards.org.au](http://www.standards.org.au)

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**Appendix A**

**HSE Hazard Register**

**Contract/Project:** \_\_\_\_\_

**Date Developed:** \_\_\_\_\_

**Date last reviewed:** \_\_\_\_\_

**Approved By:** \_\_\_\_\_

**Date Approved:** \_\_\_\_\_

**Development Team:** \_\_\_\_\_

Risk Analysis		Risk Level Matrix (R)				
Likelihood (L) Of Occurrence	Consequence (C) of Result	Consequence				
		1	2	3	4	5
1 Rare	1 Insignificant	S	H	H	E	E
2 Unlikely	2 Minor	H	H	H	E	E
3 Moderate	3 Moderate	H	H	H	E	E
4 Likely	4 Major	L	L	H	H	H
5 Almost Certain	5 Catastrophic	L	L	H	H	H

**Hierarchy of Controls**

1	Eliminate
2	Substitute
3	Engineer
4	Administrative Control
5	PPE

*Controls should be selected based on the Hierarchy of Controls*

Activity	OHS or ENV	Location	Hazard	Mechanism / Pathway of Harm	Impact	Risk Rating			JAI/Job Start Required	Control measures			New Risk Rating		
						L	C	R		Legal Requirements	TSL Documentation	Client Documentation	L	C	R
Working at Height	OHS		Falling	N/A	N/A	4	4	E	JA Required	Victorian OHS Act 2004 Victorian OHS Reg 2007 Prevention of Fall in General Construction Compliance Code	PRC Working at Height TMS-0000-SA-0016 PRC Checklist TMF-2000-SA-2016 Working at Height TMI-2000-SA-0003 TMP-0915-SA-0046 Manbox TMP-0915-SA-0020 Height Work TMI-0915-SA-0002 W@H		2	3	M
Cranes & Associated Lifting Equipment	OHS		lifting over live equipment	N/A	N/A	4	4	E	JA Required	Victorian OHS Act 2004 Victorian OHS Reg 2007 Building & Construction Workplaces (Code of Practice No 13 1990) Plant (Code of practice No 19)	PRC Cranes & Associated Lifting Equipment TMS-0000-SA-0010 PRC Checklist TMF-2000-SA-2011 TMP-8001-SA-0039 RIGGING AND LIFTING EQUIPMENT TMS-0000-SA-0013 Plant & Equipment		2	3	M
Isolated Plant & Installation	OHS		removing valve	N/A	N/A	4	4	E	JA Required	Vic OHS Act 2004 OHS (Major Hazard Facilities) Reg 2000	PRC Working on Isolated Plant & Equipment TMS-0000-SA-0017 PRC Checklist TMF-2000-SA-2017 TMP-0915-SA-0013 FLANGES, COUPLINGS AND JOINTS		2	3	M
Spill Prevention & Control	OHS		decanting of fuel	N/A	N/A	4	4	E	JA Required	Dangerous Goods Act 1985 Dangerous Goods Reg OHS (Major Hazard Facilities) Reg 2000 Dangerous Goods Storage and Handling (Code of Practice)	PRC Working with Haz. Sub. & Dan. Goods TMS-0000-SA-0018 PRC Checklist TMF-2000-SA-2018		2	2	L
Confined Space Entry	OHS		Entry for mechanical work	N/A	N/A	4	4	E	JA Required	Victorian OHS Reg 2007 Victorian Compliance Code (Confined Space) 2008	PRC Confined Space TMS-0000-SA-0009 PRC Checklist TMF-2000-SA-2009 TMI-0915-SA-0005 Confined Space Entry TMP-0915-SA-0007 Confined Space Entry		3	2	M
Emergency Response	OHS		expanding gas alarm	N/A	N/A	4	4	E	JA Required	OHS (Major Hazard Facilities) Reg 2000	PRC Emergency Response TMS-0000-SA-0011 PRC Checklist TMF-2000-SA-2011 TMI-0915-SA-0006 Muster Instructions TMI-0915-SA-0006 Prestart Performa		2	3	M

# HEALTH, SAFETY & ENVIRONMENT POLICY

Transfield Worley Power Services is committed to protecting the health and safety of all employees and ensuring that our activities are safe for the environment and the greater community.

## Our Principles

- All incidents are preventable
- No task is so important that the risk of injury to people or damage to the environment is justified and;
- Effective HSE management is a critical foundation for sustainable management.

## Our Objectives

- No injuries to anyone, anytime
- Respect the community and the environment
- To show leadership in the field of HSE management
- To work in a responsible and sustainable manner

## Our Methods

Transfield Worley Power Services will meet these objectives by:

- Promoting a positive culture that maintains a focus on communication, consultation and employee engagement in all aspects of HSE management;
- Promoting ecological sustainability as part of our culture;
- Providing sufficient information, training, supervision and resources for staff to implement our HSE management systems;
- Applying risk management principles to the identification and control of hazards, work practices and behaviours that could cause accidents, injuries, illness, pollution or environmental harm;
- Measuring, monitoring and improving the effectiveness of our HSE management systems;
- Maintaining responsibilities and accountabilities of all employees and management personnel for the implementation of our HSE management system;
- Complying with all legal and regulatory requirements;
- Integrating HSE management into all aspects of the organisation;
- Building relationships with business partners who aspire to the same HSE standards; and
- Reporting publicly and annually on HSE performance, measured against objectives and targets.

**This commitment to HSE is our highest priority and will not be compromised.**

This Policy applies to all operations where Transfield Worley Power Services is performing work and covers all our activities and services.



**Gareth J. Mann | Chief Executive Officer**

## CORPORATE SOCIAL RESPONSIBILITY POLICY

### 1. BACKGROUND

RATCH-Australia Corporation Limited (ACN 106 617 332) (**RAC**) is an unlisted public company, which is owned by the following two shareholders:

- (a) RH International (Singapore) Corporation Pte. Ltd. (company number 201018924M) (**RHIS**), holding 80% of the ordinary shares in RAC (**Ordinary Shares**); and
- (b) Transfield Services Limited (ACN 000 484 417) (**TSE**), holding 20% of the Ordinary Shares in RAC,

(together, the **Shareholders**).

RAC has Shareholders whereby:

- (a) Ratchaburi Electricity Generating Holding PCL, the parent company of RHIS is listed on the Stock Exchange of Thailand; and
- (b) TSE is listed on the Australian Securities Exchange.

RAC is committed to responsible corporate governance and risk management and accordingly, has endorsed this Corporate Social Responsibility (**CSR**) Policy as part of its governance framework. This policy should be read in conjunction with other corporate policies of RAC and the Code of Conduct. References in this policy to RAC include its related entities.

### 2. SCOPE

This policy applies to all employees of RAC, the Directors of RAC, and if applicable persons seconded to and providing services to RAC (**Relevant Persons**).

This policy does not form part of an employee's contract of employment or employment agreement with RAC, and does not give rise to contractual rights or liabilities. However, to the extent that this policy requires an employee to do or refrain from doing something, it constitutes a direction from RAC with which employees must comply. Failure to comply may result in disciplinary action up to and including termination of employment.

### 3. PURPOSE OF THIS POLICY

The primary purpose of this policy is to confirm and communicate RAC's commitment to CSR and to ensure that it conducts itself in an ethical and responsible way. RAC continuously strives for improvement in environmental, social and economic performance and will always aim to behave with respect and consideration for people, communities and the environment. In conjunction with this approach, RAC's overarching objective is to operate profitably, fulfilling its obligations to both its shareholders and the community.

RAC recognises these obligations and aims to fulfil them by endorsing a sustainable business model, building a diverse and skilled workforce, maintaining its commitment to the community, managing its



## CORPORATE SOCIAL RESPONSIBILITY POLICY

environmental impact and providing a safe and healthy working environment. In seeking to achieve RAC's CSR objectives, it will also make the necessary budgetary proposals to the Board on an annual basis.

### 4. SUSTAINABLE BUSINESS MODEL

RAC believes that the existence and development of a responsible and sustainable business practice is fundamental to delivering shareholder value and protecting shareholder investment, achieving long term growth and success, improving efficiency and bringing a positive effect to the rest of society.

#### 4.1 Regulatory and Legal Compliance

RAC will always aim to deliver services to a high standard whilst simultaneously ensuring that it conforms with all legal requirements, including those under legislation and regulations. RAC recognises the importance of operating within the law and continuously monitors compliance with legal and regulatory matters at all times whilst mitigating areas of risk where and when it can.

#### 4.2 Continuous Improvement and Corporate Governance

RAC is committed to the ongoing and continuous improvement of its business practices, policies and strategies. RAC regularly reviews its Corporate Governance framework and believes it to be the foundation of social responsibility. Good Corporate Governance is needed to enable a business to maximise its long term value and perform in a responsible manner, allowing an organisation to strike a balance between its social and individual goals.

#### 4.3 Business Relations

RAC aims to build and develop strong relationships with all of its stakeholders, including shareholders, customers, suppliers, contractors, consultants and the community within which it operates. This is based and built upon the implementation of measures encouraging transparency, mutual trust, understanding and respect within those relationships. This is essential in order to achieve growth and sustainability, whilst also ensuring that RAC sustains and increases its good will and reputation in the market place.

#### 4.4 Competing fairly and ethically

RAC aims to at all times compete fairly and to demonstrate ethical business practices, so that all stakeholders can have trust and confidence in the services that are provided by RAC. RAC strictly follows relevant competition laws, is committed to delivering services to a high standard and in an ethical manner, and does not or will not facilitate, tolerate or condone any form of bribery, money laundering, corruption, theft or the acceptance / provision of inappropriate gifts and/or hospitality.

### 5. PEOPLE

Recognition of basic human rights is fundamental to RAC and RAC is committed to:-

- protecting and upholding fundamental human rights at all of our operations and projects;

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- respecting the rights and interests of communities in which we operate, including respect for diverse cultures and heritages of local communities and the rights of indigenous peoples;
- respecting that employees have a right to reasonable work conditions and remuneration and that it will comply with relevant workplace and employment legislation and implement a work environment based on the principles of equality and diversity;
- not using forced, compulsory or child labour;
- ensuring no employee will be treated less favourably than another on discriminatory grounds and any form of harassment, bullying or victimisation is completely prohibited.

RAC believes employees are instrumental to its success and aims to attract and retain employees that reflect a high standard of business values and ethics. RAC recognises that business performance is dependent on individual contributions and therefore encourages and promotes the continuous development of its employees, with the aim of boosting both individual and organisational capabilities. RAC seeks to provide an environment for self-development and opportunities based on merit, and will continue to aid its workforce where it can and promote innovation and collaboration within the organisation to add value to its people, clients and the communities it works with.

By establishing a sustainable workforce, and by building employee skills, the business will continue to develop and flourish and will assist in fostering a healthy and productive community. Corporate success and social and economic welfare are interdependent and one cannot thrive without the success of the other.

### 6. COMMUNITY AND SOCIAL IMPACT

With assets spread throughout Australia, the longevity and success of RAC is very much dependant on the strength of its relationships with local communities where those assets are based, and understanding the potential impact it can have at a social, cultural and economic level. In conjunction with this understanding, RAC aims to provide adequate support and open communication channels to those local communities in an effort to address concerns in a proper and timely manner.

Consequently, RAC endeavours to have a positive impact on the local communities it engages with and seeks to build upon community partnerships and relationships by working together to ensure mutual trust and acceptance is achieved.

RAC requires its employees to respect local business customs and existing social structures that are present. In addition, employees are obliged to respect the culture and customary needs of local and indigenous communities.

### 7. ENVIRONMENT

As a developer of renewable energy in Australia, implementing sustainable measures and ensuring the protection of the environment are fundamental to RAC's long term objectives and philosophy. Investments in renewable energy are both environmentally and commercially sustainable and RAC currently owns three wind farms that are significantly reducing Australia's greenhouse emissions. In addition, RAC continues to

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## CORPORATE SOCIAL RESPONSIBILITY POLICY

improve the environmental ratings of its other power generation assets by continuously revising for economically possible ways of reducing its carbon emissions.

As RAC continues to grow, it strives to promote preservation and restoration of the environment, by managing and minimising the environmental impact of its operations and activities and fully respecting environmental laws and regulations.

RAC encourages employees to take care and demonstrate responsibility towards the environment and to report any incident that may have a hazardous effect. RAC continuously strives to ensure its employees are aware of how they can reduce the consumption of energy and resources and implement strategies focused on waste minimisation and recycling where possible.

Ensuring the protection of the environment and implementing sustainable solutions are paramount to the success of RAC, its people and the communities in which it serves.

### 8. HEALTH AND SAFETY AGENDA

RAC, through its Occupational Health and Safety Policies, aims to provide and maintain a safe and healthy work environment for all its workers, and is committed to achieving a 'zero injuries' standard throughout the workplace.

RAC requires all workers to comply with all safety policies, procedures rules and instructions, whilst it is a fundamental objective of RAC that best-practice health and safety management practices are incorporated into all of its operations.

RAC is committed to compliance of all Occupational Health and Safety standards, legislation, codes of practice and both Australian and industry standards.

### 9. REVIEW OF THIS POLICY

The Company Secretary of RAC will be responsible for maintaining this policy and for liaising with RAC Management to ensure it is updated as circumstances warrant. A formal review of this policy will take place annually. Relevant Persons will be notified of any changes to this policy or its application from time to time. This policy will be submitted for review by RACC, who will make recommendations to the Board of RAC. The Board of RAC will be responsible for approving this policy and any material changes.

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# CARBON POLICY



## 1. BACKGROUND

RATCH-Australia Corporation Limited (ACN 106 617 332) (**RAC**) is an unlisted public company owned by the following two shareholders:

- (a) RH International (Singapore) Corporation Pte. Ltd. (company number 201018924M) (**RHIS**), which holds 80% of the ordinary shares in RAC (**Ordinary Shares**); and
- (b) Transfield Services Limited (ACN 000 484 417) (**TSE**), which holds 20% of the Ordinary Shares in RAC),

(together, the **Shareholders**).

RAC has Shareholders whereby:

- (a) Ratchaburi Electricity Generating Holding PCL, the parent company of RHIS is listed on the Stock Exchange in Thailand; and
- (b) TSE is listed on the Australian Securities Exchange.

RAC is committed to responsible corporate governance and risk management and accordingly, has endorsed this policy as part of its governance framework. References in this policy to 'RAC' include its related entities.

## 2. PURPOSE OF THIS POLICY

The primary purpose of this policy is to make the management of the implications of the *Clean Energy Act* 2011 (Cwth) and associated legislation and regulation (**Clean Energy Legislation**) an integral part of good business practice which supports business decisions and mitigates risks across RAC's assets, in order to safeguard value for the Shareholders. The Clean Energy Legislation introduces a carbon pricing mechanism (**CPM**) in Australia, effective from 1 July 2012.

This policy is to be provided to the Facility Agent as required under the Syndicated Facility Agreement between RAC as Borrower, Australia New Zealand Banking Group Limited as Facility agent and others dated 30 June 2010 (as amended) (**SFA**).

The information in this policy is current as of 4 July 2012. This policy was provided to the Facility Agent on 25 June 2012. This policy is to be periodically reviewed by the RAC CEO and General Counsel and formally reviewed annually (refer sections 12 and 13).

The objectives of this policy are to ensure that:

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- (a) The implications of the Clean Energy Legislation for RAC are considered in strategic planning and management processes, and that all people involved in RAC management are aware, trained and motivated to implement RAC's carbon strategy; and
- (b) The RAC Board are informed in a timely manner about the implications of the Clean Energy Legislation on the RAC business.

### 3. SOURCE OF OBLIGATIONS

This policy has been prepared having regard to the following:

- (a) The Clean Energy Legislation;
- (b) RAC's Risk Management Policy;
- (c) RAC's Energy Trading Policy;
- (d) The SFA;
- (e) External legal advice including the law firm report initially provided by Baker & McKenzie on 30 April 2012 and then updated on 25 June 2012, pursuant to clause 19.1(a)(ii) of the SFA; and
- (f) RAC's existing contractual arrangements with respect to its fossil fuel-fired electricity assets, namely the Kemerton, Collinsville and Townsville power stations.

### 4. OVERVIEW OF CPM

As stated above in section 2, the Clean Energy Legislation has been enacted by the Australian Federal Government to implement a CPM, which will commence on 1 July 2012.

The CPM will operate as follows:

- a) **a fixed price (tax) period between 1 July 2012 and 30 June 2015**, where the price of carbon units starts at \$23 per tonne for a facility exceeding 25,000 tonnes CO<sub>2</sub>e per annum, then rises by about 5% per annum; and
- b) **a flexible price (emissions trading scheme) period from 1 July 2015 onwards**, where the price of carbon units is set by the market. Notwithstanding, there will be a price floor of \$15 per tonne initially, increasing by 4% per annum. There will also be a price cap set by 31 May 2014 of \$20 per tonne above the expected 1 July 2015 international permit price, with an increase of 5% per annum.

An entity with 'operational control' of a facility exceeding 25,000 tonnes CO<sub>2</sub>e per annum, is liable under the CPM. An entity has 'operational control' of a facility if it has the greatest authority to introduce and implement any or all of the operating, health and safety or environmental policies for the facility.

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## 5. CONTEXT OF THIS POLICY

This policy only applies to RAC’s wholly-owned assets that are expected to exceed the CPM threshold test by emitting more than 25,000 tonnes CO<sub>2</sub>e during a compliance year (1 July to 30 June). As at 4 July 2012, these assets are:

- a) Collinsville Power Station, located in Queensland (**Collinsville PS**).
- b) Kemerton Power Station, located in Western Australia (**Kemerton PS**); and
- c) Townsville Power Station, located in Queensland (**Townsville PS**).

This policy does not specifically apply to:

- a) RAC’s wind farm assets and wind development portfolio, as these assets are not carbon-emitting assets and therefore do not attract CPM; and
- b) RAC’s partially-owned assets, being BP Kwinana Cogeneration Plant in Western Australia and Loy Yang A Power Station in Victoria as RAC will not be the directly liable entity for the purposes of CPM. These assets are operated and managed at an asset level by non-RAC management, who will have their own policies. During the period in which RAC maintains partial ownership, RAC will however seek to influence those policies through its representatives’ presence on the relevant Boards for these assets.

## 6. OVERVIEW OF CPM IMPLICATIONS ON RAC

For the reasons discussed in section 8.1 below, RAC will be the ‘liable entity’ for CPM under the Clean Energy Legislation, for its carbon-emitting assets. A liable entity is required for each compliance year (1 July to 30 June) to surrender 75% of the number of carbon units equal to its provisional emissions number for that year in June with a further 25% required in February of the following year once its emissions number has been confirmed.

The implications of the CPM are to be broadly managed by RAC in three main ways:

- (a) By centralising CPM liability for RAC assets with RAC through contractual amendments to the O&M alliance agreement (**O&MAA**) with Transfield Services (Australia) Pty Ltd (**TSAPL**) (see section 8.1 below);
- (b) By either bearing the liability and passing through all costs to off-takers under the power purchase agreements (**PPAs**)/other contractual arrangements or transferring CPM liability to off-takers with a Liability Transfer Certificate (**LTC**). This is the case for Kemerton and Townsville PS. Where in exceptional circumstances, a facility is a merchant plant, as Collinsville PS will be from 1 July 2012, RAC will bear the liability, but continually monitoring CO<sub>2</sub>e emissions as generated, as a key factor for when to generate (see section 8 below); and

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- (c) By seeking to obtain Australian Government transitional assistance under the Energy Security Fund, including cash assistance and the provision of free carbon permits, and investigating opportunities under the Contract for Closure Program (see section 11 below).

### 7. EXPECTED EMISSIONS

#### 7.1 Historical National Greenhouse Emissions Reporting (NGER) data

The historical NGER data for Collinsville PS, Kemerton PS and Townsville PS is as follows:

		<b>Kemerton PS</b>	<b>Townsville PS</b>	<b>Collinsville PS</b>
<b>2008/09</b>	Scope 1 emissions (tCO <sub>2</sub> -e)	192,598	453,268	663,015
	Gross Electricity Generated (MwH)	314,923	1,138,979	541,790.650
	Emissions Intensity	<b>0.61</b>	<b>0.40</b>	<b>1.22</b>
<b>2009/10</b>	Scope 1 emissions (tCO <sub>2</sub> -e)	147,428	531,604	488,708
	Gross Electricity Generated (MwH)	242,955	1,364,341	396,529
	Emissions Intensity	<b>0.61</b>	<b>0.39</b>	<b>1.23</b>
<b>2010/11</b>	Scope 1 emissions (tCO <sub>2</sub> -e)	109530	369478	568,788
	Gross Electricity Generated (MwH)	176521	914778	457,808.51
	Emissions Intensity	<b>0.62</b>	<b>0.40</b>	<b>1.24</b>

#### 7.2 Estimate of CPM liability for the 2012-13 financial year

Based on 2012-13 budgeted generation figures, we estimate the CPM liability for each of RAC'S wholly-owned carbon emitting assets to be as follows:

(a) *Townsville PS*

For the 2012-2013 financial year, RAC's estimate of CPM liability for Townsville PS is approximately \$8.3 million (using an emissions intensity of 0.4).

(b) *Kemerton PS*

For the 2012-2013 financial year, RAC's estimate of CPM liability for Kemerton PS is approximately \$1.5

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million (using an emissions intensity of 0.62).

(c) *Collinsville PS*

As discussed, in section 8.2 below, the PPA at Collinsville PS was terminated on 29 June 2012. RAC is still reviewing its operating regime post termination of the PPA, including under the Contract for Closure Program with the Australian Government. Accordingly, an estimate of RAC's CPM liability is not currently capable of forecast.

## 8. RAC's CPM STRATEGY

RAC management has obtained external legal advice on the implications of the CPM for RAC's wholly-owned assets and this advice has been used as the basis for developing RAC's CPM strategy.

### 8.1 Centralising 'operational control' with RAC

On 27 April 2012, RAC and TSAPL effected certain amendments to the O&MAA, with the intention being that RAC is the entity with operational control under the Clean Energy Legislation and National Greenhouse and Energy Reporting Act 2007 (**NGER Act**) for its carbon emitting facilities. Under the O&MAA amendments, RAC has the greatest authority to introduce and implement any or all of the operating, health and safety or environmental policies for the facilities. Hence, RAC is directly liable for CPM and responsible for NGER Act obligations. Prior to this, the O&MAA and specific asset site agreements did not specifically address whether RAC or TSAPL had operational control. Notwithstanding this, TSAPL undertook obligations under the NGER Act for RAC's carbon emitting assets.

It is in RAC's interest to assume operational control for its wholly owned carbon emitting assets, as it centralises its CPM compliance obligations. In particular, it allows RAC to better manage the impact of the CPM on its business either by bearing the liability and passing through costs to its off-takers under the PPA or other agreements, or transferring its liability to off-takers under a LTC.

### 8.2 Collinsville PS

RAC and Stanwell Corporation Limited entered into an agreement to terminate the existing PPA for Collinsville PS. This termination is to take effect on 29 June 2012, after all of the conditions precedent were either satisfied or waived on 15 June 2012.

Following completion, Collinsville PS will operate as a merchant plant from 1 July 2012. Therefore, it will not

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be in a position to contractually pass through the CPM or enter into an LTC with another party.

RAC will review its operating regime post termination of the PPA. RAC will monitor its CO<sub>2</sub>-e emissions as generated, and if it is to generate, it is likely to do so in summer months when electricity prices are high. It will focus on generating when the carbon tax inclusive power price is greater than short-run marginal operating cost.

### **8.3 Kemerton PS**

Electricity Generation Corporation trading as Verve Energy (**Verve**) is RAC's electricity off-taker for Kemerton PS under a PPA.

RAC can fully pass through liability to Verve for CPM compliance costs under change in law provisions set out in the Kemerton PPA.

Notwithstanding these contractual pass-through rights, RAC and Verve are investigating whether it would administratively cleaner for the parties to enter into a LTC, with the effect that CPM compliance liability would transfer to Verve and no longer sit with RAC. These discussions are ongoing, however Verve's preference is that an LTC only be considered during the flexible price period. As requested by Verve, RAC has provided Verve with a change in law notice under the PPA on 7 June 2012. This means that RAC will bear the CPM liability, but fully pass through its costs to Verve under the Kemerton PPA. It is anticipated that the amending deed to the PPA, which is required to formally effect the change in law, will be executed by RAC and Verve in Q3 2012.

### **8.4 Townsville PS**

AGL Energy Limited (**AGL**) and Arrow Energy Pty Limited (**Arrow**) are joint venture partners in respect of the Townsville PS off take, with each purchasing 50% of generation under a PPA.

The PPA for the Townsville PS does not deal explicitly with the imposition of a carbon price.

In respect of AGL's 50% share, AGL entered into a written agreement with RAC on 23 February 2011, whereby AGL agrees to accept carbon pass-through for its 50% share as a change event under the Townsville PPA. During the fixed price period, AGL will pay cash to RAC for the cost of emission units purchased and surrendered. Subsequent to this, AGL will transfer to RAC the number of eligible emission units required for RAC to acquit its CPM surrender obligations in respect of Townsville PS.

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In respect of Arrow's 50% share, RAC and Arrow are currently in discussions on whether Arrow will accept a contractual pass-through or whether Arrow will instead accept direct liability under an LTC. Arrow has indicated its preference is to accept an LTC, in which case the parties will pursue negotiations with both Arrow and AGL to enter into an LTC arrangement as soon as possible, but in any case prior to the first CPM carbon unit surrender date in June 2013.

On 27 June 2012, AGL and Arrow provided a consolidated response to RAC which indicated that AGL and Arrow will take on 50% each of RAC's emissions liability at Townsville PS with effect from 1 July 2012 for the shorter of the remaining duration of the PPA and carbon legislation via the 'Declared Designated Joint Venture' (**DDJV**) mechanism. The DDJV mechanism operates similar to an LTC, however its application is designed for unincorporated joint ventures. In this case, RAC will retain reporting obligations with respect to Townsville PS under section 19 of the National Greenhouse and Energy Reporting Act 2007 (Cwlth) (**NGER Act**), however CPM surrender liability under section 20 of the Clean Energy Act and reporting requirements under sections 22A and 22AA of the NGER Act will be transferred from RAC to AGL and Arrow in proportion to their participating percentages in respect of the Townsville PS. It is anticipated that the DDJV application will be submitted to the Clean Energy Regulator in Q3 2012. In the event that the DDJV is not approved, or there is non-compliance by the parties with their statutory obligations and the DDJV is revoked, then the costs incurred by RAC under the Clean Energy Legislation will be dealt with by passing-through these costs to AGL and Arrow in the form set out in the letter agreement between RAC and AGL dated 23 February 2012.

### 8.5 New Assets

In relation to any future acquisition of operating carbon-emitting assets that attract CPM liability, RAC will review those assets' CPM arrangements as part of any due diligence process. The outcome of this review will be considered by RAC Management and Board as part of the final decision to invest and factored into the terms of the acquisition documents. In relation to any future development of greenfield carbon-emitting assets attracting CPM liability, RAC will seek to incorporate full pass-through or LTC arrangements into the terms of its power purchase agreement with off takers.

## 9. TRADING STRATEGY

On account of RAC's strategy detailed in section 8 above, it is unlikely that RAC will enter into contractual arrangements or purchase, sell or trade carbon products (other than buying permits to satisfy surrender obligations). Further given RAC's preference to pursue cost pass through or an LTC arrangement with its off-takers, such an issue is likely to only be relevant with respect to Collinsville PS.

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### 10. COMMITMENT TO REDUCE CARBON EMISSIONS

It is RAC's general objective to reduce carbon emissions for its carbon-emitting facilities. RAC will continue to explore opportunities to reduce carbon emissions going forward, in conjunction with its off-takers.

### 11. COMMONWEALTH GOVERNMENT TRANSITIONAL ASSISTANCE

RAC will continue to pursue opportunities under Commonwealth Government initiatives to secure transitional assistance for its business upon the introduction of the Clean Energy Legislation.

The Government has allocated about \$8.7 million under the Energy Security Fund in relation to Collinsville PS. RAC received this cash funding on 22 June 2012. In relation to free carbon units, RAC received a certificate of eligibility from the Clean Energy Regulator on 4 June 2012. In addition, RAC is investigating opportunities for assistance for Collinsville PS under the Contract for Closure Program. As detailed in section 8.2 above, the outcome of discussions with the Government in relation to this program will influence the operating regime at Collinsville PS from 1 July 2012, following termination of the PPA.

### 12. ADMINISTRATION OF CARBON POLICY

The day to day responsibility for the strategy in accordance with this policy rests with the RAC CEO and General Counsel.

The CEO and General Counsel will work with RAC Management and line managers to establish, and maintain the endorsed policy across the RAC business and ensure that nominated staff are adequately trained.

### 13. REVIEW OF THIS POLICY

Under clause 19.1(c) of the SFA, this policy must be implemented and complied with in all material respects and must not be amended in a material way except with the consent of the Facility Agent (acting on the instructions of the Majority Participants, acting reasonably).

The RAC CEO and General Counsel will be responsible for reviewing this policy periodically and for liaising with RAC Management to ensure it is updated as circumstances warrant. A formal review of this policy will take place annually.

<b>Management approval: 30 April 2012</b> <b>Initial Board Approval : 26 June 2012</b> <b>Review Date: 31 October 2013</b> <b>Subsequent Board Approval: 31 October 2012</b> <b>Version number: 3</b>	<b>Responsible Officer:</b> Steve Loxton – CEO <b>Knowledge Manager:</b> Patricia Clifford – Executive Assistant to CEO and CFO <b>Document No:</b>
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# CARBON POLICY



Any proposed material changes to this policy will be submitted for review by the Risk, Audit and Compliance Committee, who will make recommendations to the RAC Board. The RAC Board will be responsible for approving this policy and any material changes, in conjunction with the consent of the Facility Agent under the SFA.

<p><b><u>Management approval: 30 April 2012</u></b> <b><u>Initial Board Approval : 26 June 2012</u></b> <b><u>Review Date: 31 October 2013</u></b> <b><u>Subsequent Board Approval: 31 October 2012</u></b> <b><u>Version number: 3</u></b></p>	<p><b>Responsible Officer:</b> Steve Loxton – CEO <b>Knowledge Manager:</b> Patricia Clifford – Executive Assistant to CEO and CFO <b>Document No:</b></p>
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