



Award-winning safety idea

Operator Dennis Cleary won the inaugural CS Energy Chairman's Safe Move Award for an idea that increases electrical safety around our power stations.

Dennis created a device that isolates 415 volt circuit breakers whilst still maintaining access to the switch gear for electrical tests, meaning a safer working environment and less time and hassle for staff.

'Instead of locking the circuit breaker door, staff can lock the shaft of the breaker with this new device and close the circuit breaker door,' Dennis said.

'This means officers-in-charge still have access to the switch gear to perform electrical tests.'

Dennis said he hoped his win would inspire other staff to think about ways of improving their workplaces.

'I feel a great sense of satisfaction in being recognised by CS Energy with this award,' Dennis said.

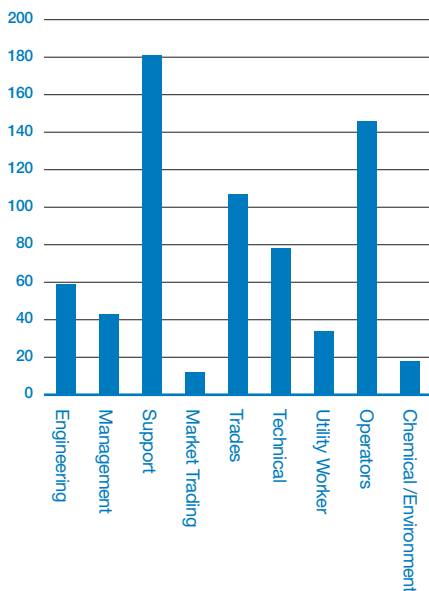


CS Energy's people

Progress 2008/2009

- Completed feedback sessions with 83 leaders and 79 teams as part of the *Generating Insight* employee engagement process.
- Initiated an improved leadership development program, *Teamworks*.
- Introduced incentives and benefits for remote area-based employees as part of an attraction and retention strategy.
- Successfully negotiated new Workplace Agreements at Swanbank, Callide and Mica Creek power stations.

Occupational profile of the Company's workforce



CS Energy's people are the key to its future. To succeed it must attract and retain the best employees and continuously build their skill base, it must develop its leaders and work together to keep all employees safe.

CS Energy, Queensland's largest electricity generator, employs more than 670 people across five sites:

- Swanbank Power Station in south east Queensland;
- Callide Power Station in central Queensland;
- Mica Creek Power Station in north west Queensland;
- Kogan Creek Power Station in south west Queensland; and
- Corporate Office in Brisbane.

The Company is continually improving its human resource policies, procedures and processes. During 2008/2009 it focused on the retention of staff through the introduction of benefits for remote area-based employees. The Company also improved the way it assists its employees to relocate between sites through the introduction of more efficient and consistent relocation and secondment procedures.

An on-line exit interview system was implemented in 2008/2009, designed to provide it with more reliable information from departing employees. This information can be used to help identify areas for improvement in the business, particularly in relation to teamwork, leadership, retention and working conditions.

During 2008/2009, CS Energy started mapping human resource processes across five sites to identify opportunities to improve its systems and ensure consistency across the human resource function at all sites.

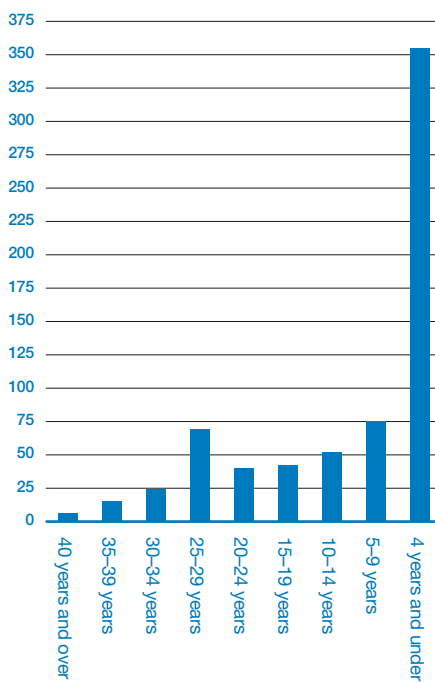
Workforce profile

At 30 June 2009, CS Energy employed 673 people in a variety of occupations and professions, including engineering and sciences, technical and trades, contract administration, project management, legal, workplace health and safety, finance, information technology, procurement and human resources.

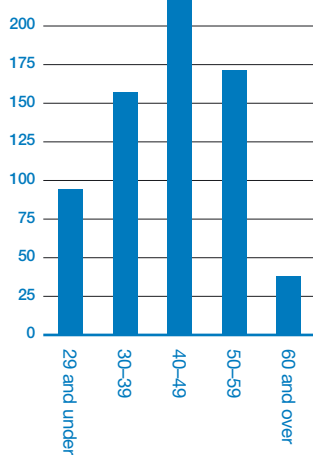
During the year the Company recruited 114 permanent employees, and accepted 44 resignations. Total staff turnover for the year was seven per cent, a significant decrease from 12.8 per cent last year, and reflecting slower turnover across the industry as activity in the resources sector contracted.

With 31 per cent of its workforce over 50 years of age, effective workforce planning is essential to managing its aging workforce and its long-term business success. In 2008/2009 CS Energy revised its workforce planning process. The details of how it is planning for the future, and the changes made to its workforce planning process, can be found on page 19 of this report.

Employee length of service (years)



Age profile of the Company's workforce



Valuing diversity

CS Energy aims to keep its workplace free from unlawful discrimination and harassment. It expects that all people are treated with respect and all managers value the diversity within its teams. CS Energy's Equal Employment Opportunity (EEO) policy is available on the website. [Hand icon](#)

In 2008/2009, CS Energy continued to embed its new EEO Plan, introduced in 2007/2008. The first stage of the EEO plan was compulsory online refresher training for all employees. As at 30 June 2009, 78 per cent of employees had completed this training, and the Company will continue to work towards 100 per cent completion in 2009/2010.

Just over 14 per cent of its workforce is female, with the number of women in technical and trade roles remaining relatively stable each year. CS Energy employs a diverse range of men and women of varying ages, including a number of people from non-English-speaking backgrounds, Aboriginal or Torres Strait Islanders and people with disabilities.

DIVERSITY PROFILE			
EEO GROUPS*	No. of employees at 30 June 2008	No. of employees at 30 June 2009	% change
Females	72	96	33
Non-English-speaking background	26	21	-20
People with a disability	18	10	-44
Aboriginal and Torres Strait Islander (ATSI)	7	16	128
TOTAL	123	144	17

2008/2009 DIVERSITY GROUPS BY PROFESSION*							
	Managers & Admin	Professionals	Associated professionals	Tradespersons	Clerical	Labourers	TOTAL
Female	24	29	19	5	18	1	96
Non-English speaking background	1	11	3	5	1	0	21
People with a disability	0	3	3	9	1	0	16
Aboriginal and Torres Strait Islander (ATSI)	0	1	1	5	2	1	10

*Some people chose not to respond to the EEO survey questions: non-English-speaking background (89 non-respondents to this category); disability (97); ATSI (99).

CS Energy's people (continued)

Attraction and retention

While the Company's turnover has decreased this year, it is still focused on attracting and retaining suitably skilled employees, particularly in the remote and regional areas that host more than 50 per cent of its staff. Competition for skilled employees remains strong as activity in Queensland's gas industry continues to grow, particularly around Chinchilla and Gladstone. As the world economy recovers, CS Energy expects to continue to compete against major mining and industrial operations for skilled staff.

During 2008/2009 its attraction and retention strategy, comprising specific policies to strengthen remote site retention, was implemented. These policies include a range of incentives to support staff in remote areas, including holiday travel support and study assistance for employee dependants.

Industrial relations

A total of 62 per cent of its employees are employed under Enterprise Bargaining Agreements (EBAs), with the remainder employed under Alternative Individual Agreements or other contracts. Each of its five sites has a separate EBA, and this year it reached agreement with relevant unions on the terms for new agreements at the Mica Creek, Callide and Swanbank power stations. The Corporate Office Workplace Agreement expired on 30 June 2009, and CS Energy is currently negotiating the terms of a new agreement.

During 2007/2008, the Company established an Industrial Relations Working Party, comprising CS Energy and union representatives, to help it improve its industrial relationships and processes. This group is supported by an external facilitator and, during 2008/2009, completed a review on the effectiveness of its relationships. The study found that relationships and processes across the Company were essentially sound but recommended further consultation with staff. To this end, CS Energy has established a site consultative committee for its Kogan Creek Power Station and is working through existing committees at its other sites to strengthen two-way communication with staff representatives.

CS Energy is also part of an electricity industry working party to provide input to the Australian Industrial Relations Commission (AIRC) on the Award Modernisation process. Following an AIRC full bench hearing in June 2009, the creation of a Modern Award for the electricity distribution and supply industry is expected in September 2009.

Employee engagement

The cornerstone of CS Energy's organisational development activity is its employee engagement process, *Generating Insight*. This is a four-stage process of continual improvement that allows the Company to identify issues impacting team effectiveness, work with teams to develop improvement plans, implement these plans within a supportive framework, and review the success of these actions.

The process begins with a comprehensive staff survey, which is carried out approximately every 18 months.

Over 74 per cent of employees participated in the first survey in early 2008, and the feedback was quite clear – it needed to strengthen its leadership, improve the effectiveness of teams and communicate its business strategy.

During 2008/2009 CS Energy conducted feedback sessions with 83 leaders and 79 teams across the Company to facilitate the development of improvement plans. It has also created the *Teamworks* program, which focuses on practical tools to help further improve the performance of both leaders and teams. In response to the feedback on its business strategy communication, CS Energy produced its first five-year strategic plan brochure and distributed it to all staff. This document sets the framework for its divisional plans for 2009/2010 and beyond.

In early 2009/2010 CS Energy will commence the second round of *Generating Insight* with a staff survey in July 2009.

Developing a teamwork culture

CS Energy's Leadership Principles program was reviewed in 2007/2008, and as a result it has introduced a new, enhanced development program, *Teamworks*.

This program was initiated in response to the review, but developed to address shortcomings in the previous program, which were identified by staff through the *Generating Insight* process. These issues included the need for a greater focus on teamwork, supportive leadership and role clarity.

Teamworks builds on the previous Leadership Principles program, and provides practical tools and resources for more supportive leadership and effective teamwork in the organisation. The program comprises one- and two-day workshops and will be progressively delivered across all sites during the 2009/2010 financial year.

Improving induction processes

In March 2009, it initiated a new Employee Onboarding Project to review our induction processes. The objective of this project is to facilitate the connection of prospective employees with CS Energy from early in the recruitment process, and transition them into their role, their team and the organisation.

Planning for the future

During 2008/2009 the Company strengthened its workforce planning processes to improve support to managers and encourage them to consider a range of impacts, including workforce statistics and succession planning requirements, when making staffing decisions.

This work included:

- New workforce planning guidelines for managers;
- Providing human resource statistics for each division; and
- Updating documentation on critical positions and the functional succession planning for each area.

CS Energy implemented two major people systems during 2008/2009, which will assist with planning for the future. The first of these systems, the Manager-one-Removed (MoR) system, gives staff the opportunity to discuss their career paths and aspirations with their supervisor's manager. This provides employees with personalised, long-term career planning and promotes the development and maintenance of trusting relationships, in line with its cultural philosophy. MoR discussions occur annually and provide important insights for each manager to assist with succession planning and building an individual's capabilities.

The second system implemented during 2008/2009 was Critical Position/Functional Succession Planning. This system provides a framework for leaders to identify positions, and associated skills, critical to the Company. It also indicates the current internal capacity for progression to critical positions. Identifying and developing succession plans for these positions helps to support its business continuity and growth.

Looking forward 2009/2010

- Negotiate new Enterprise Agreement for Corporate Office by August 2009.
- Commence second round of *Generating Insight* employee engagement process in July 2009.
- Deliver the *Teamworks* program to all sites.
- Further develop its approach to workforce planning and the retention of critical staff.

Learning and development

Progress 2008/2009

- Commenced the first Emerging Supervisor Program in October 2008.
- Commenced the third round of Supervisor Development training in January 2009.
- Continued the Power Generation Skills Development Program, with the third intake of students in January 2009.
- Launched the Company's on-line learning program in January 2009.

Industry demand for talented, skilled employees remains high and CS Energy continues to face a skills shortage. By creating opportunities for its people to develop their capabilities, and focusing on an integrated learning and development strategy, CS Energy aims to get the right people with the right skills in the right jobs.

The opening of CS Energy's centralised Learning and Development Centre at Swanbank in June 2008 has allowed it to focus its learning and development initiatives for the whole Company in an operational setting. During 2008/2009, the Company recruited a new Learning and Development team of eight specialist advisors, who are based in the centre. A new Learning and Development strategy has also been implemented. This strategy maps out a consistent approach to shaping employee development plans and recording training, as well as coordinated management of all its training, training records and employee qualifications.

In 2008/2009, CS Energy extended its training to incorporate on-line courses using a new e-learning tool and it rolled out the first on-line statutory training course, EEO training, in early 2009. It has also transferred a number of business system training courses to this on-line environment this year.

Professional development

The Company's Supervisor Development Program continued throughout the year, with the second round graduating in November 2008, and the third intake commencing in January 2009. This program, delivered by an external registered training organisation, was developed using CS Energy-specific content and graduates attain a Certificate IV in Business (Frontline Management) on completion.

In October 2008, CS Energy started an Emerging Supervisor Program in response to the demand for places in the Supervisor Development Program. This four-day workshop is designed for staff who are in 'step-up' or acting supervisor roles, or who aspire to become a supervisor in the future. On completion of the workshop, graduates attain two units towards the full Certificate IV in Business (Frontline Management). The Company is initiating the second round of this program in September 2009, and currently has more than 30 enrolments in the program.

Together with Tarong Energy and Stanwell Corporation, CS Energy and three Queensland universities have developed an industry-specific post-graduate university program for engineers and para-professionals to help address the skills shortage in the industry. Launched in early 2007, the Power Generation Skills Development Program is offered through The University of Queensland, Queensland University of Technology and Central Queensland University. The course is specifically targeted to provide industry with an increased pool of staff and other professional development opportunities. The course entered its third year in 2008/2009 and, as at 30 June 2009, CS Energy had 12 staff participating, more than double its enrolment in previous years.

Developing the next generation

This year, 11 graduates participated in CS Energy's Graduate Professional Development program, which is designed to give graduates a forum for networking and peer support as they transition into the business environment. Workshops are held annually for graduates to share their experiences, and a graduate website encourages participants to keep connected.

CS Energy employs most of its apprentices and trainees through group training organisations. At 30 June 2009, the Company had 42 group training apprentices and trainees, and 10 employees who are completing in-house apprenticeships or traineeships as part of their development plans for their roles.

Two of its Callide apprentices, Shannon Horsey and Patricia Milios, were recognised at the Gladstone Area Group Apprentices annual awards, taking out the Apprentice of the Year and Trainee of the Year categories respectively. Patricia Milios also received an Outstanding Achievement Award for her Frontline Management traineeship.

CS Energy is also an industry sponsor of the Power Engineering Alliance (PEA) program, which provides bursaries to students undertaking degree-level studies in areas of engineering relevant to the power industry. During the year, PEA bursary recipients from The University of Queensland and Queensland University of Technology completed vacation placements at CS Energy sites.

Looking forward 2009/2010

- Integrate all electronic employee training records into one centralised system.
- Standardise statutory and legal compliance training across CS Energy.
- Build individual development plans to capture core skills and qualifications for all positions.
- Transfer all health and safety inductions on-line across all sites.
- Establish an operations and maintenance training framework to improve development of employees in these areas.



Final year Central Queensland University Mechanical Engineering student, Daniel Barwick, will spend seven months working at Kogan Creek Power Station while completing his thesis.

Health and safety

Progress 2008/2009

- Implemented drug, alcohol and fatigue management at all sites.
- Launched Chairman's Safety Awards.
- Commenced new safety communication initiative to target cultural change.
- Established and trained Emergency Response Teams at Mica Creek and Kogan Creek power stations.

The Company is committed to continually improving its safety performance. Its goal is zero lost time injuries, and it is focusing on behavioural change to support a culture of personal responsibility for safety.

CS Energy's Occupational Health and Safety Management System (OHSMS) underpins its commitment to continuous safety improvement by providing a uniform approach to safety at all sites. The system comprises corporate policies, procedures, audits and health and safety manuals. OHSMS and its safety policies and procedures can be found on CS Energy's website.

A key element of the OHSMS is the Permit to Work (PTW) system, which is used to coordinate and control the isolation of live electrical plant at all power stations. During 2008/2009 CS Energy reviewed its (PTW) system to ensure consistency across all sites. The review identified that there is universal support for the system as a safe, auditable and mature process but found that some support systems could be enhanced. Recommendations included improvements to training on specific PTW tasks, improved plant familiarisation for new staff and contractors and updates to drawings and plant numbering. CS Energy's PTW procedures are available at the suppliers section of its website.

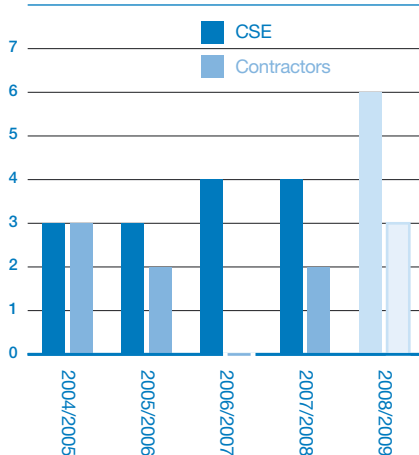
Safety Performance

CS Energy's safety performance for the 2008/2009 financial year was disappointing, with nine lost time injuries, up from six in the previous year, which translated into a lost time injury frequency rate of five in 2008/2009, compared to 3.3 in the previous year. This result includes both staff and contractors at CS Energy's five sites. For the definition of a lost time injury, and lost time injury frequency rate, see the Glossary and Abbreviations table on the back page.

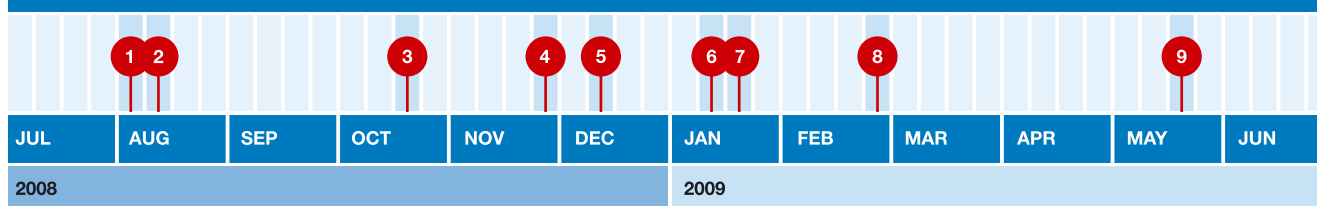
The Company remains committed to a goal of zero lost time injuries. A communication campaign to improve safety culture has been implemented as part of a range of measures in response to this year's unsatisfactory result. This campaign, titled *Stay on top of your game*, is designed to break safety down into the basics: working as a team, taking responsibility, and not letting your mates down.

As well as tracking lag indicators of its safety performance, which record events that have already occurred, such as lost time injuries, CS Energy is also focusing on lead indicators to measure the strength of controls and systems. This process includes examining near-miss situations and analysing their root cause, to determine the influencing factors in these situations. In 2009/2010 CS Energy will upgrade its safety reporting database so it can analyse these factors and identify trends.

Number of lost time injuries



LOST TIME INJURIES TIMELINE 2008/2009



DETAILS OF LOST TIME INJURIES FOR 2008/2009

DATE	SITE	INJURY, ACTION PLAN/RESPONSE
1 07.08.08	CALLIDE B	INJURY Hernia sustained when shifting furniture. ACTION PLAN/RESPONSE Toolbox talks on safe lifting.
2 15.08.08	MICA CREEK (Contractor)	INJURY Wire brush filaments lodged in thigh. ACTION PLAN/RESPONSE Wire buffing wheel not appropriate for task. All similar brands removed from site. Approved buffing wheel replaced as a stock item.
3 23.10.08	KOGAN CREEK (Contractor)	INJURY Hose pipe under pressure, fitting dislodged, damaging face. ACTION PLAN/RESPONSE Hose fitting removed as it was non-compliant. Compliant fitting installed and task was risk assessed before work recommenced.
4 29.11.08	MICA CREEK	INJURY Fingertip lost when an air register bar being used as support during an inspection activated and pinched the hand. ACTION PLAN/RESPONSE Painted the air register bars yellow and black to identify it as a hazard.
5 08.12.08	SWANBANK	INJURY Lower back strain while lifting and shifting scaffold. ACTION PLAN/RESPONSE Toolbox talks on safe lifting. Manual handling training organised for the work team.
6 16.01.09	CALLIDE B	INJURY Harnessed and working approximately seven metres above ground, an employee bent over whilst climbing over pipes and experienced lower back strain. ACTION PLAN/RESPONSE A second lanyard is now added to the harness for staff doing this work, to ease movement. A Site wide manual handling training course was added to the Callide annual training plan.
7 22.01.09	CALLIDE B	INJURY Finger caught on handrail while dislodging clinker blockage on the chute diverter. ACTION PLAN/RESPONSE Chute redesign to allow larger clinker to travel through. Eliminates task and pinch point hazards.
8 25.02.09	MICA CREEK	INJURY Right shoulder fracture after tripping and falling on a concrete step. ACTION PLAN/RESPONSE Handrails installed on the northern face of the stair. Entry and exit changed to control fall hazard.
9 17.05.09	CALLIDE (Contractor)	INJURY Strained muscles whilst installing door panels. ACTION PLAN/RESPONSE Risk assessment of task undertaken and additional mechanical assistance was implemented as a control measure.


Health and safety (continued)

Chairman's Safety Awards

In July 2008, the CS Energy Chairman, Stephen Lonie, launched an awards program to recognise staff who are implementing health and safety innovations in the workplace. The awards include quarterly Safe Move Awards and an annual Generations Ahead Award for the most outstanding safety initiative.

Callide Operators Dennis Cleary and Jeff Austin won the first two Safe Move Awards this year. Dennis Cleary was awarded the first quarterly award for an isolation device he created for 415 volt circuit breakers, which provides a secure locking device that also saves time when working on this plant. In the second quarter, Jeff Austin was recognised for a solution he developed to overcome hot dust and ash leaking out of a grit bin, mitigating the risk of burns and dust inhalation. Both winners received \$1,000 cash prize and a trophy, and are in the running to win the inaugural annual Generations Ahead Award.

Fit for Duty

CS Energy's Fit for Duty Policy ensures everyone in its workplace can perform their duties without posing unacceptable risks to the health and safety of themselves or others. A copy of the Company's Fit for Duty Policy is on its website. 

A major milestone was achieved under this policy in 2008/2009 with the implementation of an Alcohol and Other Drugs Management program across all sites. The policies and procedures for the management of alcohol and other drugs were developed in consultation with state unions, site delegates, relevant Queensland Government agencies and the other Queensland Government-owned generators.

CS Energy developed a comprehensive education program that was delivered to all staff during a three-month trial of the new procedures. Implementation began with a pilot of the three-month trial at Kogan Creek Power Station in March 2009 and, by 30 June 2009, the procedure was in place at three of CS Energy's five sites. The trial periods at the other two sites will conclude during the first quarter of the new financial year and, by 30 September 2009, the system will be fully operational.

CS Energy continued to focus on fatigue management this year, also under its Fit for Duty Policy. Using the existing Cardax security system, the Company is now able to monitor the time contractors and staff spend on its worksites, allowing it to proactively manage fatigue associated with extended work hours. This system is complemented by training to help staff and contractors manage fatigue, particularly during overhauls and shift work.

Emergency planning

During 2008/2009 the Company established Emergency Response Teams at both the Mica Creek and Kogan Creek power stations. The teams consist of up to nine designated staff at each site, who can be activated as a first response in the case of an emergency or incident on site. Emergency response vehicles and equipment were purchased and training was conducted for team members at the Queensland Combined Emergency Services facility at Whyte Island. The training included fire fighting, rescue and recovery techniques for high-risk industries.

Emergency Response Teams have been in place for several years at Swanbank and Callide power stations, and members undergo regular training and crisis simulation exercises in conjunction with local emergency services.

Asbestos management

Plant at Swanbank, Callide and Mica Creek was built during a time when asbestos was a commonly used material, and asbestos is a risk present in these stations. CS Energy is proactively managing this issue by registering the location and monitoring the status of all asbestos at its sites.

CS Energy removes as much asbestos as possible during overhauls, using strict controls and adhering to guidelines under the *Workplace Health and Safety Act* (1995). This year it developed an Asbestos Management Plan that addresses the amended National Occupational Health and Safety Commissioner's Code of Practice, and commenced associated training for everyone involved in friable and bonded asbestos removal.

CS Energy is concerned for, and committed to helping, people who have suffered disease as a result of asbestos exposure. This year, two common law claims were lodged against CS Energy and other generators. The Company is actively assisting in the completion of legal procedures associated with these claims, and openly providing information about sites to people who have worked at its power stations. CS Energy expects more claims to arise in the future, due to the latent nature of asbestos-related diseases.

Pedestrian and vehicle safety

CS Energy audited pedestrian and vehicle safety across all sites during the year, and, as a result, has improved the consistency of line marking and demarcation on sites. Workshops, roadways and site access paths have been improved, reducing the potential for further traffic incidents.

Arc flash clothing

The Company reviewed the safety clothing used for electrical arc flash hazards during 2008/2009. Arc flash hazards exist when working on switchyards or with high voltage plant and standard safety clothing does not provide sufficient protection. During 2008/2009 CS Energy introduced specifically designed protective clothing for staff working in these situations.

Safety training

CS Energy takes electrical safety seriously and a major focus for its safety training is in this area.

In addition to ongoing training in operational safety matters, safety training during 2008/2009 addressed the increasing number of lost time injuries on site. All staff were trained in hazard identification and risk assessment, and all specialists on sites participated in an Incident Cause Analysis Method (ICAM) course to enhance post-incident investigations. During 2009/2010, all operations supervisors will be trained in the ICAM procedure.

Health and wellbeing

The physical and mental health and wellbeing of employees is vital to the Company's success. It offers a range of programs to promote a healthy lifestyle and to help staff balance their work and personal lives.

This year it introduced a corporate cycling initiative across all sites. At 30 June 2009, 83 people had joined the initiative, which included the provision of free cycling jerseys and safety accessories to all staff who cycle to work, or who are active members of a cycling, or triathlon club.

Through its Employee Assistance Program, staff and their families can access free, independent counselling on work or personal issues. During 2008/2009, its employees sought assistance 1230 times through the program, compared with 763 in the previous year. Regular promotion is undertaken to ensure staff are aware of this service and this will continue during 2009/2010.

The Company provides free health assessments to all executives and staff over 50, and this year 48 took part in this program. CS Energy also provides free influenza vaccinations to all staff each year.

New starters are required to undertake pre-employment medicals, which have proven successful in identifying current and emergent health problems and in developing proactive management plans.

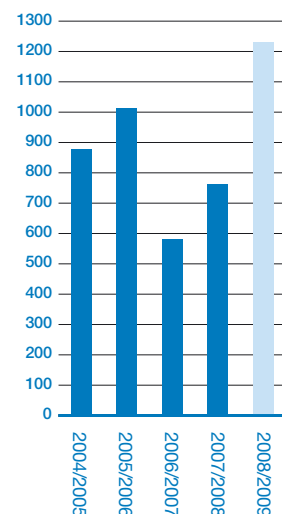
Pandemic response

The 2009 swine flu (H1N109 virus) outbreak was declared a 'public health emergency of international concern' by the World Health Organization. The Company responded by engaging its pandemic response program, which included providing standard preventative controls to employees, establishing a website dedicated to the pandemic response and working closely with government health departments and local medical practitioners in each of its power station regions.

Looking forward 2009/2010

- Introduce fresh themes to the new safety communication campaign targeting cultural change to improve safety performance.
- Target leadership and behavioural improvements to complete safety observations, inspections and contacts.
- Upgrade Health and Safety databases to allow for more strategic analysis of the factors involved in incidents (lead indicators) to identify ways to improve safety performance.
- Provide upgraded safety clothing for staff potentially exposed to electrical arc flash hazards.
- Extend cycling health initiative to include a sponsored walking program.

Number of times staff used Employee Assistance Program



*Until 2008/2009, Mica Creek Power Station engaged a local counselling service. This is the first year data regarding the site's EAP is available.