



Winter works:  
what's happening in Irrigation

PAGE 4

Hostile weather conditions  
create urgent deadline  
for main renewal project

PAGE 6

New safety management system

PAGE 7

## ALSO INSIDE

---

Focus on: financial forecasts PAGE 3

---

Talking with... Jay and Julian PAGE 8

---

International award win PAGE 8

---

# Message from the CEO



Welcome to the fourth issue of our company newsletter, *Comdain Connect*.

Over the last month I have had meetings with the CEOs of most of our major customers. It's been an interesting process and overall their feedback about Comdain Infrastructure has been very positive. It's pleasing to hear that they value our hard work and dedication to the job and that we have a good reputation for getting the tough things done. I asked every CEO what they saw as the important things that we need to do to become a leader in our field.

My summary of their comments is:

1. Above all else, we need to be leaders in health and safety. The health and safety of our staff and our subcontractors is paramount. We must ensure that we have in place the systems, processes and culture to support a goal of 'no harm', putting us at the forefront of the industry with respect to safety.
2. Our customers need to be at the heart of everything we do throughout our organisation. Pleasing our customers must be front of mind. We need to work hard to exceed our customers' expectations every time. A key first step is to understand fully what each customer wants before we start the job.
3. Business is all about people. Although a lot of what we do is engineering and construction related, at the end of the day it is our relationships with people that will set us apart. Getting on well with people and being fair and true to our word are hallmarks of our culture. We must carry this attitude with us and build strong relationships with our customers, the public, the community, and our suppliers. Being a relationship-oriented firm is critical to our success.
4. We only operate in a few sectors – gas, irrigation and water. And we generally only construct and maintain assets. With such a narrow focus, we must become and be recognised as experts in our field. We need to understand our markets better than our competitors. We need to have first class project management, estimating, scheduling, resourcing and other systems and processes, so we can do our jobs better than our competitors.
5. Lastly, we need to grow our brand and our company profile. We need to become much better known for what we do and how we do it.

These key things have been incorporated into our strategic plan and you will see them emerge throughout our business as we implement our plans.

On the business development front we are extremely busy at the moment. We have two major opportunities that we are currently bidding for: Murrumbidgee Irrigation Program Alliance and the Melbourne-Geelong Interconnection project - both very large and transformational for the business if we win. I'd like to thank all of the people involved in these two bids; it's a huge effort and I'm really proud of what we've done.

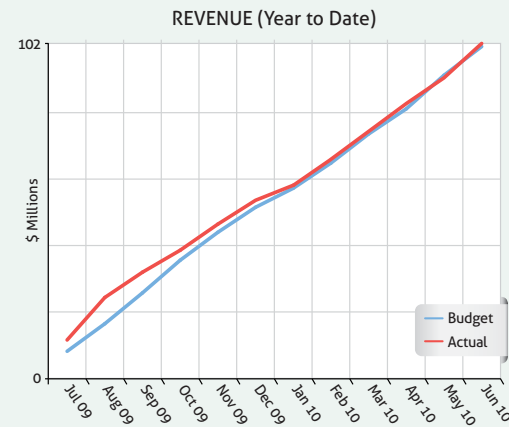
Welcome aboard to Lucia Cade who has recently been appointed to the role of GM – Growth. This is an important role in our business given our growth aspirations and I am confident that Lucia has the experience, capability and networks to achieve our growth goals and lead our Growth team. You can find out more about Lucia on page 7.

As winter has set in, we need to be extra safe in southern Australia's wet conditions, so please take care and plan accordingly. We also continue to be really busy through this period which is great. So keep up the good work,

Russell Zimmerman

## Financial performance

In every issue of *Comdain Connect* we provide an update on our financial performance. This is just one way we can continuously track our progress against our goals.



Revenue for the Comdain Infrastructure group to the end of June 2010 was \$102M. This exceeds our budget for the year and is due to strong revenues from Victorian Civil and Irrigation.

This is a fantastic result considering the budget was a stretch target and actually resulted in a greater than 25% increase on the previous year's revenue. Thanks to everyone for their ongoing hard work and commitment to achieve this excellent result. With plans to grow even more in 2010/11, we will need to continue to work together and support each other to meet these goals.

Our budgeting process this year incorporates forward projections for the next three years of operations. The initial budget numbers show healthy growth in our business over the coming year. A key challenge will be sourcing major projects next year and beyond, now that FutureFlow has wound down.

We continue to focus on cash flow and banking arrangements to support expected future growth. Under the banner of The Comdain Way we are working very hard to put in place enhanced financial systems and processes to better support the total business. The next stage in this journey is the establishment of new financial databases for each of our businesses for the new financial year.

## Your say

Have your say, and you could win a prize! Our CEO is looking to reward the most innovative suggestion on how to make Comdain Infrastructure a better place to work. The winner and their suggestion will be published in the next issue of *Comdain Connect*.

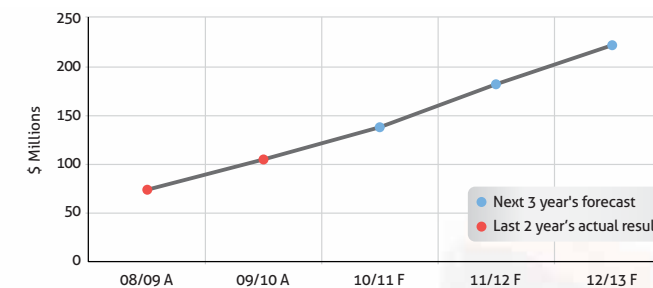
Send your ideas to: [rzimmerman@comdain.com.au](mailto:rzimmerman@comdain.com.au)

# Our strategic plan

## FOCUS ON Financial forecasts for the next three years

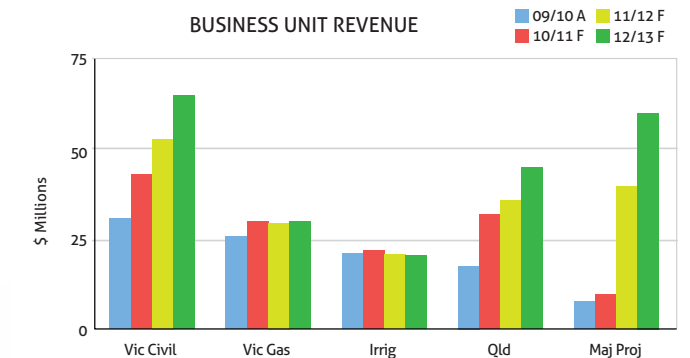
The 2010/11 financial year has just started and we have recently completed our budget for this year. For the first time ever, we have also undertaken detailed financial forecasting for the following two financial years, meaning that we now have a comprehensive financial forecast for a three-year period.

We are targeting significant growth over the next three years and the graph below shows the revenue forecast for our whole business compared with our historical levels:



This is a very challenging and stretching target but one that the shareholders, Board and Leadership Team all believe is achievable.

Our budgeted revenue for the 2010/11 financial year for each of our key operational business units is shown below:



The 'major projects' budget is shown separately from the operational business units because we are creating a special 'team' focus on large projects that are over \$10M in value. There's a range of growth opportunities that fall into this category and the Growth team (working alongside the operational teams) has a key role to play in developing and securing them.

\*Please note budget figures are yet to be approved by the Board.

# Our growth

## SUCCESS STORIES

We have recently secured:

- ▶ Appointment to the Gold Coast Water contractors panel for construction, refurbishment and maintenance services for water and wastewater assets in Queensland
- ▶ Several regional Victorian water projects, including pump station emergency storage upgrades at Gisborne and Clifton Springs, and a treatment plant sludge pond upgrade at Kilmore
- ▶ Gas pipeline works for a city gate upgrade at Euroa and Wandong
- ▶ A series of 13 water treatment plant systems upgrades for Coliban Water throughout north-central Victoria, currently underway by our irrigation team
- ▶ Appointment to Yarra Valley Water's major water pipelines panel
- ▶ Prequalification with Queensland Gas for upcoming coal seam gas construction projects in Queensland's Surat Basin

## GROWTH OPPORTUNITIES

We are currently focusing on various growth opportunities, including:

- ▶ Recent submission of our bid for the re-released Murrumbidgee Irrigation Program Alliance for \$100M of modernisation works over the next five years
- ▶ Preparation of a joint venture submission for Barwon Water's Melbourne-Geelong Interconnection project, representing the largest pipeline project in Victoria over the next 12 months
- ▶ Assessing opportunities in South Australia for SA Water's major North-South Interconnection work packages over the coming six months

# Our operations: Irrigation

Established in January 2009, Comdain Infrastructure's Irrigation business continues to play a leading role in irrigation modernisation in northern Victoria. The irrigation business was set up on the back of the FutureFlow – an alliance that helped establish Comdain Infrastructure as a serious player in the rural water industry.

Alex Marshall, General Manager Irrigation, joined Comdain Infrastructure at this time with a vision of establishing Australia's leading irrigation modernisation construction team. Today he leads a team of over 40 people that continue to deliver on time and on budget. Combined with Comdain Infrastructure's capability as a constructor of irrigation infrastructure, Alex and his team successfully partner with designers, suppliers and specialist subcontractors to mobilise and manage complex and large-scale works.

With a growth strategy that includes expansion into sectors such as asset restoration and modernisation in response to climate change, Comdain Infrastructure's capacity to rapidly mobilise experienced project management teams and construction crews to major projects across Australia is testament to our reputation in this sector.

In brief, Comdain Infrastructure delivers irrigation infrastructure including:

- ▶ Meters
- ▶ Gates
- ▶ Channel lining
- ▶ Major weir structures
- ▶ Gravity pipelines
- ▶ Pressurised pipelines



During 2009, Comdain Infrastructure played a leading role in the modernisation of irrigation infrastructure in the Goulburn and Murray Valleys for NVIRP by using our extensive in-house workforce, combined with subcontractors, to construct new irrigation meters gates and channel lining. In the winter of 2009, Comdain Infrastructure mobilised a workforce that at its peak engaged in excess of 250 specialist personnel to deliver 394 gates and 2.5 kilometres of channel lining. In October, Comdain Infrastructure began installing meters for NVIRP with up to 20 crews working across 400 kilometres from Boort to Cobram, now having installed over 700 meters.

Comdain Infrastructure is currently working for NVIRP on lining six kilometres of channel, and installing gates on three major regulating structures, as well as continuing to install meters. We have been diversifying by branching out into more projects across a larger geographical area with the recent completion of a major upgrade of pumping stations at Kerang and a private irrigator pipeline. Currently the Irrigation team is working on the Corowa sale yards and the Kilmore Water Treatment plant in conjunction with Victorian Civil. We are set to commence work on a fishway in Mildura on the Murray River, and at various water treatment plants in the Coliban Water district, north of Bendigo.



## In 2010 some of the irrigation projects we are working on are:

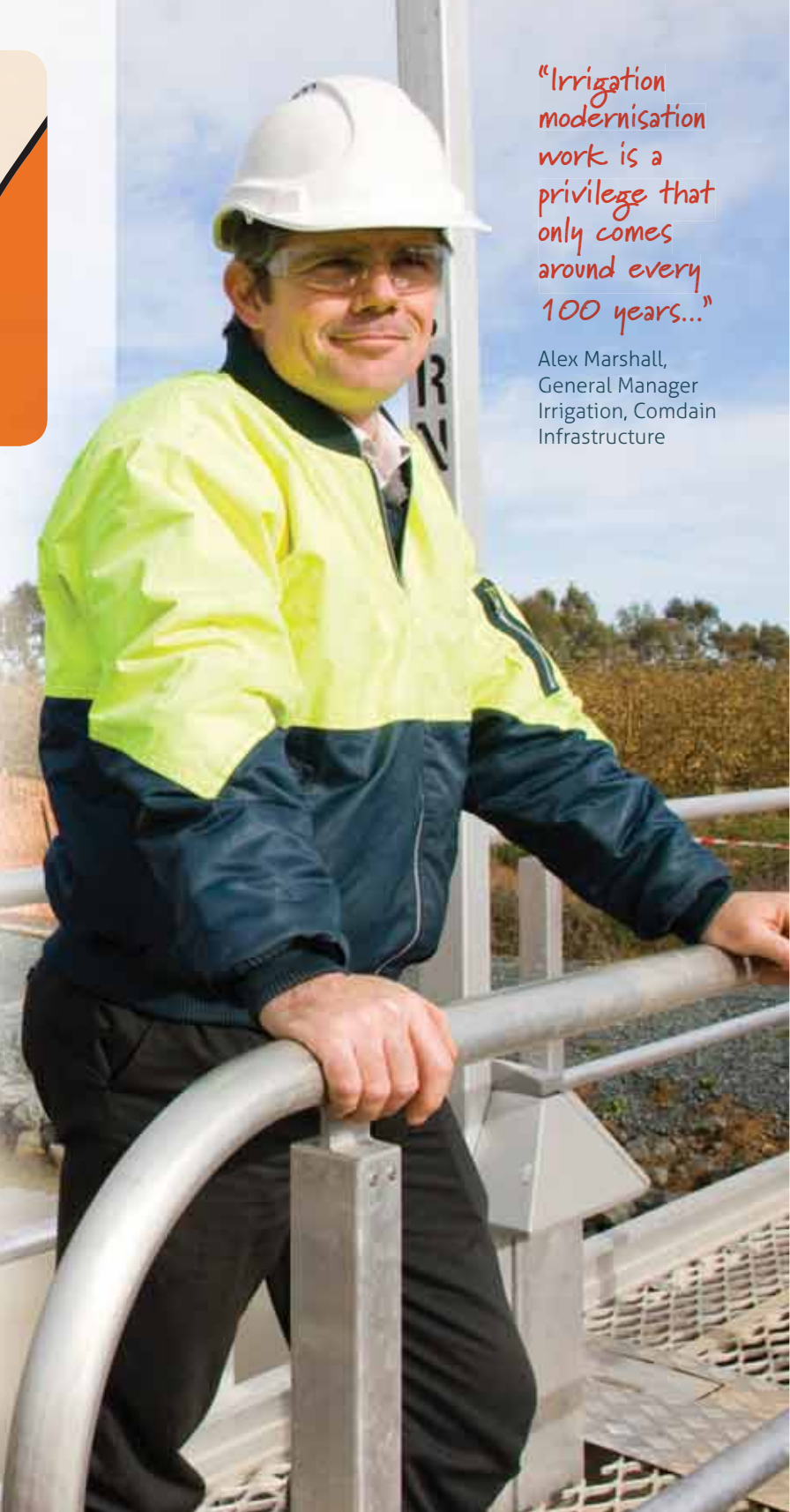
- ▶ Channel lining, gates, meter installation, NVIRP (approx \$10M)
- ▶ Fishway, Lake Cargelligo (\$250K)
- ▶ Pumping station upgrade, Kerang (\$200K)
- ▶ Private irrigator pipeline (\$100K)
- ▶ Sale yards, Corowa (\$700K)
- ▶ Water treatment plant, Kilmore (\$750K)
- ▶ Fishway, Mildura (\$600K)
- ▶ Water treatment plants, Coliban District (approx \$2M over 12 months)

## What is a fishway?

A fishway, or fish ladder, is a structure on or around an artificial barrier (such as a dam or lock) to facilitate fishes' natural migration. Most fishways enable fish to pass around the barriers by swimming and leaping up a series of relatively low steps (hence the term ladder) into the water on the other side.

*"Irrigation modernisation work is a privilege that only comes around every 100 years..."*

Alex Marshall,  
General Manager  
Irrigation, Comdain  
Infrastructure



# Hostile weather conditions create urgent deadline



## Project review: Edgars Creek Crossing – M9 Main Renewal

In late 2009, Comdain Infrastructure was awarded the M9 Main Renewal (Stages 4 to 8), Preston – North Essendon Water Main Renewal and Associated Works. The client, Water Supply Alliance (WSA), is an alliance between Baulderstone, United Group Infrastructure, Sinclair Knight Merz and Melbourne Water.

Stage 5 works, Edgars Creek Crossing portion of the WSA M9 Main Renewal began on 1 February 2010. The works included installation of a 1200mm diameter water main across Edgars Creek, removal of existing 1200mm main, and installation of new 1200mm main encased in concrete. The entire operation had to be conducted over variable terrain within an environmentally sensitive site keenly monitored by a local action group determined to ensure no environmental degradation occurred.

Edgars Creek is 17 kilometres in length, flowing from Wollert in Melbourne's north to Coburg North, journeying through Epping, Thomastown, Reservoir and Coburg to join the Merri Creek downstream from Lake Reserve Park, near Murray Road. It is a seasonal creek, susceptible to drying out during the hot seasons, particularly in its northernmost regions, and is likewise prone to flooding.

As with much of the pipeline along the Reservoir route the main to be replaced had been in place since the 1930s. Before excavation could start the creek had to be dammed upstream and downstream, and the flow of water redirected using two centrifugal pumps.

On the morning of the pipe positioning, Edgars Creek was in a dry state, but due to overnight heavy rainfall in the upper catchment, water had started to build up around the upstream dam. This imposed a time restraint on Comdain Infrastructure's construction team to bed the pipe as quickly as possible. This deadline, along with a prior delay in arrival of the 100 tonne crane, and complications regarding positioning of excavators under power transmission lines, created an intense challenge for Comdain Infrastructure.

The specially-designed section had to be lifted gently into place by the main crane with the two excavators at either end of the pipe providing stability. It was a tense wait for Comdain Infrastructure's site supervisor, Steve Lenehan, with water levels increasing throughout the morning. Positioning of the main was critical, as was the need to eliminate the chance of the crane hitting overhead transmission lines during the positioning process.

The rain kept falling and the creek was on the brink of spilling over the temporary dam when four additional centrifugal pumps were brought in to assist with water redirection. At the same time, quick-setting concrete was being prepared so that once the main had been lifted in to place it could be poured under and around the main to ensure alignment once the cement had set. Comdain Infrastructure's team worked tirelessly to manage the water levels, main placement

### Working with the local community

Stakeholder management has been a priority for the team. Edgars Creek falls within the tribal boundaries of Aboriginal clan, the Wurundjeri-willam, who are its traditional custodians and original community. Many local residents, with homes adjacent to the creek, have orientated their houses and gardens to take in the full benefits of their location and some have extended their gardens into the creek's green corridor.

The Friends of Edgars Creek (FOEC) and Merri and Edgars Creek Confluence Area Restoration Group (MECCARG), had been formed to provide stewardship over the area. They are a subcommittee of the Merri Creek Management Committee (MCMC) working on the preservation, management and restoration of the Edgars and Merri Creeks. The Comdain Infrastructure team worked in collaboration with WSA to ensure all restoration and remediation of the local area was conducted in consultation with these groups.

including stability control and levelling, pump operation, cement pour and dam integrity.

Over several hours in hostile weather conditions, the team positioned the main to its appropriate alignment. Concrete was poured to ensure permanency of the final position, with backfilling of the trench to follow. Geotextile layers were added over the backfill prior to a final crushed rock layer. The top 600mm layer consisted of rock beaching to match the invert of Edgars Creek. Once the creek bed and embankment were backfilled, pumps and sand bags were removed and the creek flow was reinstated with all excess spoil removed from the site.

The job was completed within the established timeframe, within budget and to the satisfaction of the WSA and the local authorities – another successful project performed with precision and teamwork by Comdain Infrastructure.

### The Comdain Infrastructure team included:

Emmanuel Taafuli (Project Engineer), Terry Coen (Operations Manager), Steve Lenehan (Site Supervisor), Sam Gadd (HSE and QA Officer), Brendan Nolan (Foreman), Declan Skehan (Foreman), Mick Murray (Foreman), Andrew Casey, Brendon Hanson, Shane McGuigan, Darren Frigo, David Lenehan, Justin Ware and Damian Cann.

\* Job has been valued at \$1.9M.



## Our people

### Welcome to the team: our new starters

Welcome to the following people who have joined Comdain Infrastructure since June

New Starter	Business Unit	Title	Start Date
Michael Bednarik	Victorian Civil	Labourer	June
David Gardiner	Irrigation	Project Officer	June
Alan Gunstone	Queensland	Operations Manager	June
Taylor Hall	Irrigation	Project Engineer	June
Martin Hicks	Irrigation	Labourer	June
Jean Incorvaja	Corporate Services	Payroll	June
Matthew McQueen	Irrigation	Labourer	June
John Simpfendor	Irrigation	Labourer	June
Leon Watts	Queensland	Junior Estimator	June
Marc Zehntner	Irrigation	Labourer	June

### A new GM for Growth



Lucia Cade has been appointed to the role of General Manager – Growth. Lucia has been with Comdain Infrastructure since 2005, managing stakeholder

relationships and developing the company's sustainable business charter. A civil engineer, mother to three children, and a keen Collingwood supporter, Lucia brings to the role more than 15 years experience in strategic infrastructure planning, engineering and operations in the rural and urban water and oil and gas industries. She has held executive and senior roles with Evans & Peck, City West Water and Melbourne Water. Lucia is currently a director of Western Water Corporation and the President Elect for the Australian Water Association, the national peak body for professionals working in the water industry. Lucia's new position will include leading Comdain Infrastructure's major growth initiatives along with a dedicated business development team - as well as managing stakeholder relationships, communication and branding. Lucia is extremely well qualified and experienced to spearhead our pursuit for growth and lead the Growth team. We wish her every success in this new role.

### New safety management system

#### HSEQ Update from Paul Harper



Occupational health and safety is a priority for Comdain Infrastructure. We have experienced some major growth over the past few years

and we are planning to continue to grow significantly. A key part of successful growth is having a comprehensive safety management system that exceeds the requirements of our customers, regulators and other stakeholders. The existing Integrated Management System has served us well to date but it does not provide us with the scope to reach our future goal of 'best practice' for managing all our health, safety, environmental and quality objectives. A new safety management system incorporating environmental and quality requirements has been sourced, and is currently in the process of being tailored to suit our business. The system will be fully implemented in the Victorian Civil business unit over the next few months and then progressively rolled out across the rest of our business.

It will be a continual process of improvement and all users are encouraged to provide feedback as this is an important part of making this system work.

The end result will be a more robust management system that meets and exceeds current legislation and client requirements, and provides Comdain Infrastructure staff with a system that will facilitate the managing of our sites with 'best practice' safety.



### Winter wedding

Congratulations to Stephanie Apostolopoulos, our Communications Manager, and her new husband, Robert Arzanov, who recently tied the knot on a windy Saturday in July. The bride looked stunning in a dress created by Stephanie's designer and dressmaker mother, Susanna. Stephanie and Robert are now taking a well deserved break and enjoying a European honeymoon.



### Talking with... Jay Gohil

Title: Project Engineer  
Area of the business: Irrigation  
Location: Shepparton

Time with Comdain Infrastructure: Just over two years

What does a typical day at Comdain Infrastructure involve for you?

Meters, meters and meters. Answering all the day-to-day design enquiries and resolving site issues. Getting work packs together and making sure the crews have enough work

What do you like most about your role?

Everyday is a challenge with the different work sites and different issues providing variety

What do you like doing when you are not at work?

I like to stay at home and spend time with my family. Watching movies and drinking beer

If you could take three people with you on a deserted island – who would they be?

My gorgeous wife, Vipa, my lovely two month old son, Aarav, and Bollywood actress, Bipasa Basu

Favourite sporting moment?

Sachin Tendulkar's double century in a one-day cricket match at the Captain Roop Singh Stadium in Gwalior earlier this year against South Africa

What football code do you follow? And who do you support?

AFL, I've just started and don't have a team yet. Gary Ablett is my favourite player so I'll probably go for the Geelong Cats

What's for dinner tonight?

Paneer Tika Masala (a very hot curry) and garlic naan

Favourite quote or motto in life?

'Winners don't do different things, they do things differently'



### Talking with... Julian Kelleher

Title: Foreman  
Area of the business: Irrigation  
Location: Shepparton

Time with Comdain Infrastructure: Two years

What does a typical day at Comdain Infrastructure involve for you?

Organising excavators, ordering rock and other materials, installing meters and lots of driving

What do you like most about your role?

The freedom to organise my own crews, and I'm always outdoors in the country

What do you like doing when you are not at work?

I like to go and watch the local footy with my kids

If you could take three people with you on a deserted island – who would they be?

The wife and kids. Okay that's four, but they'd all want to be there

Favourite sporting moment?

When Australia II won the America's Cup in 1983

What football code do you follow? And who do you support?

AFL, the mighty Geelong Cats

What's for dinner tonight?

T-Bone steak and salad

Favourite quote or motto in life?

'Next question please!'

## International award win

FutureFlow wins Asia Pacific Regional Project Innovation Award

Comdain Infrastructure is celebrating being awarded the prestigious International Water Award (IWA) for Project Innovation, as a member of the FutureFlow Alliance.

The award, presented in Singapore on June 30 at International Water Week, which in 2010 focused on sustainable cities, recognises excellence in water engineering projects around the world. The award was presented to the FutureFlow Alliance for its Irrigation Modernisation Project in Northern Victoria in the Operations/Management Category.

The \$283M irrigation modernisation project, funded by the state and federal government, has

transformed a 100-year-old, inefficient irrigation system in Northern Victoria into an IT-based fully automated modern water infrastructure delivery system.

FutureFlow's award in the IWA's Operations/Management category acknowledges the project's effective and sustainable approach to water management. The project goes through to the IWA's Global Project Awards to be announced in Montreal in September this year.

This award recognises the hallmark of Comdain Infrastructure – its hands-on approach and large field workforce capabilities.



"Receiving this award is a fantastic acknowledgement of the successful delivery of this important project. It provides international recognition of the capability of our local engineers, constructors and project managers in delivering a world class project that benefits irrigators, the community and the environment."

Russell Zimmerman, CEO