

OVERVIEW

THROUGH ALL THE CHALLENGES, CHANGES AND OPPORTUNITIES THAT ARISE IN BUSINESS RESTRUCTURES AND MERGERS, A COMPANY'S EMPLOYEES REMAIN THE PRIMARY ASSET AND DRIVER FOR SUCCESS.

Our main human resources priority over the next 6 to 12 months will be aligning the new Group and making the most of the opportunity created by the ownership changes to ensure that, where possible, we create a one business focus.

We also have the opportunity to create an international focus and take the best from Adelaide Brighton, Cockburn Cement and Rugby Group to create our human resource agenda.

SAFETY

The recent introduction of "Cornerstones", a complete safety program, was initiated to provide a single focus and to coordinate our safety effort.

The program covers safety areas of "Safety Audits", "Health-watch", "Safe Behaviour" and "Recognition".

Human resources focus over the next 12 months will be to ensure a consistent approach to safety across the Group, including a review of key policies, such as Protective Equipment, Drugs and Alcohol and Accident/Incident reporting.

Caring for each other and one's self are key drivers in the success of our safety programs. Therefore, we rely strongly on the commitment and involvement of our employees through attendance at safety training and awareness sessions, as well as contributing to the site safety committees.

Work environments free of injuries remain our most critical human resources commitment and, to this end, our key performance objective on safety remains reducing injuries by half every year.

BUSINESS IMPROVEMENT

The last 12 months have been a challenging and sometimes trying time for many of our people. Adelaide Brighton Cement Ltd has embarked on a major Business Improvement Programme which has caused many roles to be redesigned and unfortunately some jobs have been lost in the process.

The company is committed to continuing the process of business improvement and cost reduction, however, our concern for training, developing and rewarding those employees who remain with us and providing the best possible outplacement and reskilling opportunities for those who leave remains critically important.

MANAGEMENT DEVELOPMENT

The main focus in this area will be making the most of our international connections and developing even further the system of secondments/exchanges for high potential employees to and from Adelaide Brighton and Rugby.

Succession planning is already established in ABL and will be extended to include Cockburn Cement. A suite of training programs has been developed that will now be reviewed in the context of a larger Australian group and the potential to incorporate Rugby personnel.

Revised Graduate and Cadetship programs are high on the agenda and will be established within the next 12 months.

EMPLOYEES (AS AT JUNE 30)

	1997	1998	1999
Adelaide Brighton Ltd	23	29	28
Adelaide Brighton Cement Ltd	561	519	472
Fuel and Combustion Technology Ltd	25	22	20
Pavement Technology Ltd	96	99	92
Northern Cement Ltd	25	29	24
Cockburn Cement Ltd*	–	–	348
Total Group	730	698	984

* Cockburn Cement Ltd business acquired 30 June 1999

ASSOCIATES

Sunstate Cement Ltd	53
Independent Cement and Lime	52
Total Associates	105

RESTRUCTURE

The coming together of Adelaide Brighton Cement Ltd, Cockburn Cement Ltd and Adelaide Brighton Ltd, and the majority shareholding by Rugby Group provides a much wider scope for career development and the pooling of our technical skill base. Of course, this restructure also means that many previously independent work areas can now be merged and centralised, creating greater workplace efficiencies. The unfortunate down side of these opportunities is the reduction in employee numbers, which we will continue to manage in a professional and thoughtful way.

COMMON HUMAN RESOURCES PRACTICES

Aligning our human resources policies and systems across the new Adelaide Brighton Group is a key objective during 2000.

The opportunity to take the best human resource practices from Adelaide Brighton, Cockburn Cement and Rugby Group and develop a common unified approach will not be missed. The next 12 months will see the development of group-wide safety, remuneration, training and retention programs designed to maximise and meet the needs of a progressive business that recognises the real value of its people.



Adelaide Brighton's first secondee to Rugby under the inter-company exchange programs, Michael Jones, a Chemical Engineer and previously Cement Manager with Adelaide Brighton Cement Ltd's Birkenhead Division, is working with Rugby Cement's commissioning team on the new kiln line at the New Rugby Cement facility in England.

Michael brings to Rugby a broad level of experience in commissioning and optimisation of cement plants and the secondment will strengthen Adelaide Brighton's engineering expertise through Michael gaining a knowledge of and exposure to different technologies and systems.