

2012 **SUSTAINABLE DEVELOPMENT** REPORT



BELL BAY ALUMINIUM
PACIFIC **ALUMINIUM**

ABOUT PACIFIC ALUMINIUM

Pacific Aluminium is a world leader in quality aluminium products. Our bauxite mine, alumina refinery and smelter operations in Australia and New Zealand mean we have the advantage of being a fully integrated aluminium business.

- Bell Bay Aluminium in Tasmania
- Gove Operations bauxite mine and alumina refinery in the Northern Territory
- Boyne Smelters Limited in Queensland
- Gladstone Power Station in Queensland
- Tomago Aluminium in New South Wales
- New Zealand Aluminium Smelters Limited in New Zealand

Formed as a new Rio Tinto business unit in 2011, Pacific Aluminium produces more than one million tonnes of aluminium each year, making us one of the largest aluminium businesses in the world.

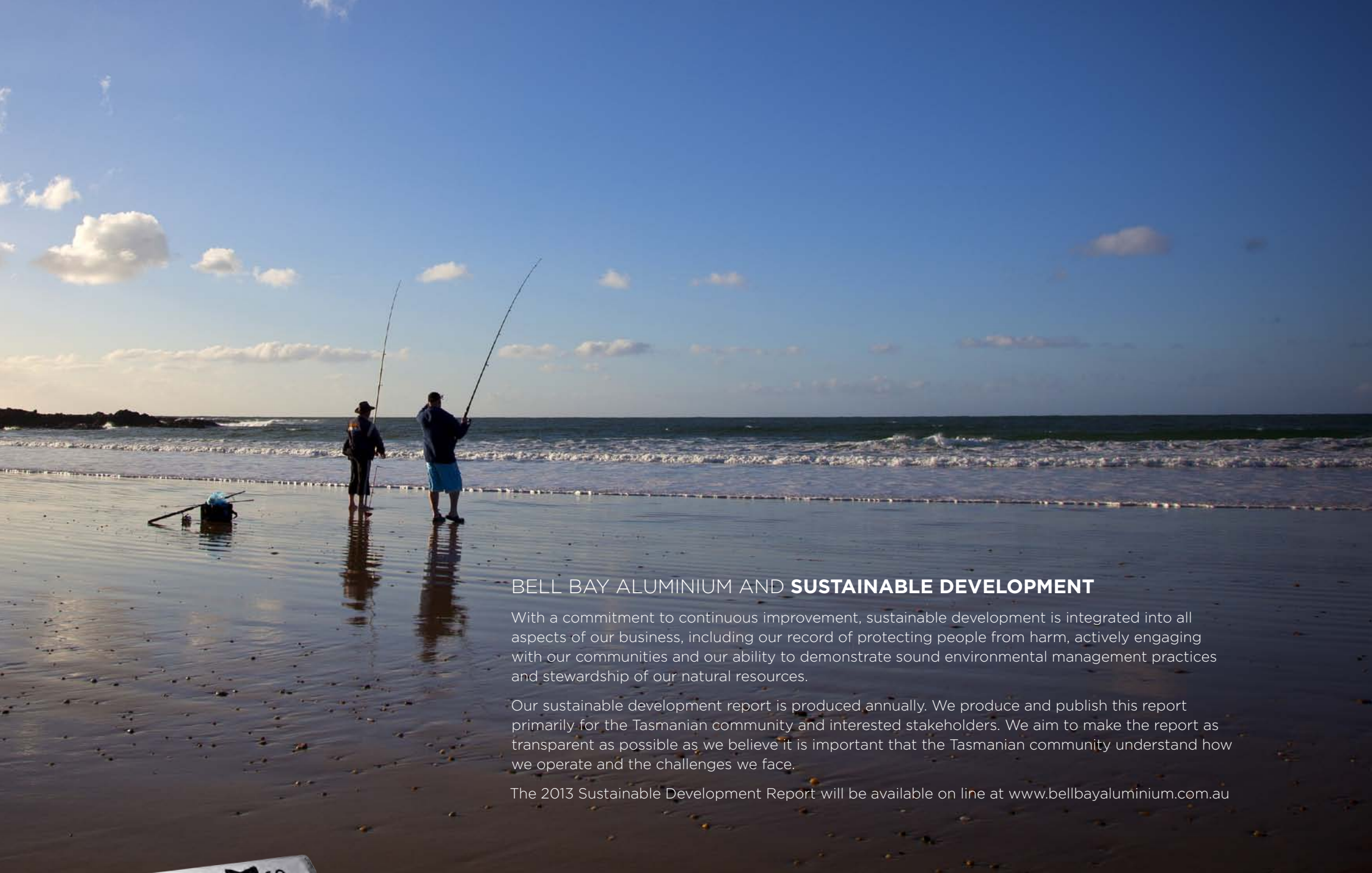
ABOUT BELL BAY ALUMINIUM

Located just south of George Town at the mouth of the Tamar River, the smelter produces around 180,000 tons of aluminium per annum. Our main metal products are ingot, block and T-bar.

Bell Bay Aluminium directly and indirectly employs more than a thousand Tasmanians and contributes \$690M per annum to Tasmania's Gross State Product.

Bell Bay was the first aluminium smelter built in the Southern Hemisphere, commencing production in 1955 as a joint venture between the Commonwealth and Tasmanian Governments.





BELL BAY ALUMINIUM AND **SUSTAINABLE DEVELOPMENT**

With a commitment to continuous improvement, sustainable development is integrated into all aspects of our business, including our record of protecting people from harm, actively engaging with our communities and our ability to demonstrate sound environmental management practices and stewardship of our natural resources.

Our sustainable development report is produced annually. We produce and publish this report primarily for the Tasmanian community and interested stakeholders. We aim to make the report as transparent as possible as we believe it is important that the Tasmanian community understand how we operate and the challenges we face.

The 2013 Sustainable Development Report will be available on line at www.bellbayaluminium.com.au



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A high-angle photograph of three industrial workers standing on a metal platform with yellow railings. The workers are wearing white hard hats, safety glasses, and high-visibility orange and navy blue work clothes. The woman on the left is leaning on the railing. Behind her, a man in an orange vest with 'Ethan Woolley' on it stands. To the right, another man in a navy blue vest with 'Matthew Facello' on it stands. They are all smiling at the camera. The background shows a large industrial facility with massive grey cylindrical structures, pipes, and a building with a yellow and black striped door. The scene is brightly lit, suggesting daytime.

BELL BAY ALUMINIUM

PACIFIC ALUMINIUM

OUR COMMITMENT



FROM THE GENERAL MANAGER

Thank you for your interest in Bell Bay Aluminium's (BBA¹) economic and social performance and contribution in 2012 to Tasmania and in particular Northern Tasmania.

Opened in 1955, the smelter was the first built in the Southern Hemisphere. It began as a joint venture of the Tasmanian and Australian Governments and in 1960 was acquired by Comalco Industries Pty Limited. The availability of an abundance of competitively priced hydro-electricity was the reason that Tasmania was chosen as the site for the smelter. Under Comalco ownership (now a part of Pacific Aluminium²), the smelter has developed to become one of Tasmania's iconic industries.

In this annual publication we report on a number of significant achievements and improvements for our business, which have contributed to what has been a truly remarkable transformation at the smelter over the last 12-18 months.

What is most remarkable about this transformation is that it has come about because of the outstanding team work of everyone at site in circumstances which have demanded the very best from everyone working in this organisation.

To remain relevant in a global economy, our people on site, the corporate team in Brisbane, contractors, suppliers and our local community have worked together as one team to significantly improve the future prospects of the business. We are extremely proud of this ongoing collaboration.

2012 was the safest, healthiest and cleanest year on record for Bell Bay Aluminium. A tenfold reduction in injuries makes a clear statement about our goal of achieving zero harm. Fluoride emissions reduced in excess of 20% from the sites previous best ever results. The continuation of zero occupational illness for the second consecutive year was also an outstanding result.

A new record for hot metal tonnes was achieved which helped offset some of the combined effects of poor commodity prices together with a strong Australian dollar.

Every cost driver on site was reviewed, from reduced corporate charges, to a restructured energy contract, use of alternative raw materials to more prudent use of goods and services.

¹ Rio Tinto Aluminium (Bell Bay) Limited

² In October 2011, Rio Tinto announced that, following a strategic review, Rio Tinto was transferring its interest in a number of aluminium assets in Australia and New Zealand, including Bell Bay Aluminium, to a new business unit (Pacific Aluminium) to be managed and reported separately from the Rio Tinto Alcan product group prior to divestment.



Following the withdrawal of an international container service in early 2011, BBA actively participated in industry groups to seek a solution to a problem that resulted in a significant increase in freight costs to the business. Given low commodity prices and the higher foreign exchange rate this was an additional burden in what has been a difficult trading environment for the smelter. A focus of the business in the latter half of 2012 was to seek out a commercially sustainable solution to this problem³.

A pipeline of opportunities exist which still need to be delivered in 2013 and 2014 to ultimately position BBA so that we can be confident about future business resilience.

In 2012 BBA also made a deliberate change to its community engagement strategy and we have taken a more public role in promoting and developing business growth within the state as well as when opportunities arise providing input and feedback to the State Government on broader business issues. An example of this is our participation in the current study to develop a sustainable long term freight strategy for the State.

Pacific Aluminium continues to work with its parent company, Rio Tinto to position the business for divestment. In 2012 significant progress was made to transfer business services from Rio Tinto central services back to Pacific Aluminium and BBA. The site now manages purchasing, warehousing, accounts and IT independently of Rio Tinto.

Our 2012 performance would not have been achieved without the commitment of our employees. If I had to nominate one highlight from 2012 it would be the fighting spirit of our employees which shone through. This 'never say die' spirit meant that any and all of the barriers to change, in what has been a difficult time for our business, were removed.

We captured the spirit of the BBA team in a document we have called "Our Commitment". The input of employees was integral to the development of this vision for the site and its operation. To have employees at all levels embrace and take ownership of this vision and the leadership team commit to working with that in mind, is nothing short of being truly remarkable!

BBA is committed to the well-being of our employees, the environment and the communities in which we operate. I trust you will find this report helpful to better understand our journey over the last 12-18 months.



Ray Mostogl
General Manager - Operations

³ In February 2013 Bell Bay Aluminium was pleased to announce the partial restoration of an international container service with Swire Shipping Australia for a multipurpose service from Bell Bay to Asia. This service that ships both bulk product and some containers commenced in April 2013.



CREATING OUR COMMITMENT

In May 2012 a group of employees participated in a facilitated workshop to help develop a vision for Bell Bay Aluminium, or what we now know as 'Our Commitment'.

'Our Commitment' describes who we are, what our purpose is, how we operate and what our future looks like. The words and meaning contained in 'Our Commitment' have become the 'guiding principles' for every person working at Bell Bay Aluminium. If we consistently make decisions for and contributions to the business, that consistently align with 'Our Commitment', then our future beyond our 60th year of operation is sustainable.

The input of employees was integral to the development of 'Our Commitment'. Our people at all levels have embraced and taken ownership of this vision and we are extremely proud of what has been created.





BELL BAY ALUMINIUM
PACIFIC **ALUMINIUM**

OUR **PURPOSE**

PROUDLY TASMANIAN, **PROFITABLE**

Proudly Tasmanian, Bell Bay has been our home since the first ingot was cast in 1955. During this time we have worked closely with the Tasmanian community – generating economic and social benefits for the entire State.

Bell Bay Aluminium's goal is to operate a profitable and viable business that produces quality aluminium products and provides a secure future for our employees and their families, our owners and the Tasmanian community.

Directly and indirectly, we employ over 1,000 Tasmanians, and contribute \$690 million per annum to Gross State Product. In 2012, we injected \$224 million into the local economy – purchasing goods and services from 293 local suppliers.

Performance Indicator	2010	2011	2012
Saleable metal produced (total tonnes)	179,087	182,241	187,158
Hot metal production	177,239	180,979	185,206
Sale of value added	91.8%	90.9%	88.5%
Capital investment	\$36.9 million	\$40.8 million	\$31.4 million
Total salaries paid	\$53.9 million	\$53.4 million	\$52.7 million
Government taxes and charges paid	\$4.5 million	\$4.5 million	\$4.6 million
Amount spent purchasing goods and services from Tasmanian suppliers	\$187 million	\$216 million	\$224 million
Number of Tasmanian suppliers	388	399	293



FLEXIBLE POWER SUPPLY AND ON-SITE COST SAVINGS A **MAJOR BOOST** FOR BELL BAY SMELTER

Due to the unprecedented challenges in the form of low aluminium prices, a high exchange rate and high input costs, to improve and sustain its position in 2012, the smelter signed a new commercial agreement with Hydro Tasmania. The new power supply agreement with Hydro Tasmania, the State's largest renewable energy supply company, commenced 1 July and provides improved flexibility for both the smelter and Hydro Tasmania until 2025.

In June 2012, Bell Bay Aluminium also announced plans to reduce the organisation to approximately 500 employees. This involved a reduction of approximately 30 leadership and support roles across site. Employees in these positions were offered alternate roles or redundancies. This was a difficult time for our workforce. All redundant employees received their full entitlements and were treated with dignity and respect throughout the process of separation.



Premier, Lara Giddings and Bell Bay Aluminium, General Manager Ray Mostogl at the announcement of the new power supply agreement with Hydro Tasmania.



MAKING ALUMINIUM SAFELY AND EFFICIENTLY

The rate and size of Bell Bay's improvements in 2012 show what can happen when the whole site works as one team toward a common purpose.

The simple statement "Making aluminium safely and efficiently" has become the focus at site.

To highlight the emphasis on efficiency, we constantly ask ourselves two questions. 'What else can we do to improve our cash flow?' and 'How can we implement these improvements faster?'

An example of this process is the 1050 anode project.

Project leader, Allan Graham, described the 1050 anode project as the project that keeps giving.

"The project's aim was to allow extra current in the cells to make more metal, but there has been a flood of spin-off improvements," he said.

"The larger anodes last longer in the cells. This has improved cell efficiencies, led to restructuring in the Rodding Room and Potrooms, as well as reducing the demand for additional baked anodes from external suppliers," Allan continued.

By taking on a higher level of risk in the project planning, and peeling project deliverables down to basics, the implementation of these larger anodes was brought forward by four months. This was a major contributor to Bell Bay's 2400 tonne above plan hot metal production in 2012.

The Bell Bay team is looking to build on this success, implementing initiatives with the purpose of achieving further cost reductions and production increases.



Allan Graham and Stephen Gamble inspect the new larger anodes.



LEAN ACTION LEARNING TASMANIA

Bell Bay Aluminium has been actively involved in Lean Action Learning Tasmania since 2010. This is a program sponsored by the Tasmania Department of Economic Development, Tourism and the Arts that aims to improve the competitiveness of the Tasmanian manufacturing sector by developing Lean Manufacturing skills within local companies. The program is also supported by Skills Tasmania and ACL Bearing Company.

The program has been successful in South Australia and earlier this year BBA employees joined several other Tasmanian industry leaders in a visit to Adelaide. The group participated in workshops and also visited two local specialist manufacturers to gain insights and new ideas on building continuous improvement into workplaces.

ACL and Bell Bay Aluminium are working with local suppliers to increase their Lean Manufacturing skills base through leading process improvement projects.

The current round of projects involves:

- CPT Engineering – Rod repair process
- Tas-Fab Laser Services – Laser cutting process
- Kempe Engineering – Pot shell refurbishment

Teams of four to five participants work over five weeks to develop recommendation and improvement plans. Participants gain a nationally accredited Certificate IV in Competitive Systems and Practices.



CPT Engineering and Bell Bay Aluminium Rod Repair Project team.
L-R: Duane Bird (Tas-Fab), Ian Harris (ACL Bearings), Bob Cother (Cother Consulting), Leigh Edgerton (CPT Engineering), Rajesh Kulkarni (Bell Bay Aluminium).

Weld preparation trials.



The image shows a vast industrial interior, likely an aluminum smelter or casting plant. A long, repetitive row of large, blue-painted industrial machines, possibly casting molds or rollers, stretches from the foreground into the distance. Each machine has a yellow number (97, 98, etc.) painted on its side. The floor is made of reddish-brown bricks. In the background, a yellow overhead crane with a hook is visible. The ceiling is high with a series of lights that create a strong perspective effect, receding into the distance. The overall lighting is a mix of the cool blue of the machinery and the warm yellow of the overhead lights.

BELL BAY ALUMINIUM

PACIFIC ALUMINIUM

OUR OPERATIONS

RESOURCEFUL, RESILIENT AND **DETERMINED**

Our people are our strength, highly motivated, creative, considered and dependable. We may be small in size but we punch above our weight and will rise successfully to any challenges we may face.

Working toward our 60th year of operation and beyond, we will focus our efforts on the work required to keep our business strong, profitable, agile, sustainable and resilient in any market conditions.



PEOPLE

In 2012 Bell Bay Aluminium achieved its safest and healthiest year on record. The smelter achieved excellent safety performance with one recordable injury for the year and an All Injury Frequency Rate (AIFR) of 0.18 versus a plan of 0.64, which is a 90% reduction from 2011.

Performance Indicator	2011 actual	2012 target	2012 actual	Target met	2013 target	Notes
*Number of recordable injuries	12	4	1	✓		The one recordable injury was a hand injury. A full and rigorous investigation was completed to determine the root cause of the incident. Actions arising out of the investigation were formally captured and tracked.
All injury frequency rate (AIFR)	1.88	0.64	0.18	✓		
New cases of occupational disease	0	2	0	✓		
Number of employees (FTE)	550	-	485	-	-	
Percentage of female employees	11.7%	-	10.4%	-	-	As at end 2012
New graduates	5	-	3	-	-	As at end 2012
New first year apprentices	4	-	3	-	-	
Total apprentices	18	-	16	-	-	
Total contractors (FTE)	91	-	83	-	-	As at end 2012. Note, contractors reported as full time equivalent but typically around 100 contractors are working at Bell Bay smelter on any day.
Staff turnover	7.8%	-	8.2%	-	-	

What is an All Injury Frequency Rate?

The All Injury Frequency Rate (AIFR) converts the number of recordable injuries into a number that enables comparison of our safety performance against previous years, as well as with other Pacific Aluminium operations in Australia and New Zealand.

Pacific Aluminium defines a recordable injury as any work related injury that either:

- Needs treatment by a doctor, over and above general first aid
- Prevents a person from performing all of the duties of their role on their next given shift or
- Prevents a person from returning to site on their next rostered shift

What is occupational disease?

An occupational disease is defined as an illness or disease that results from workplace exposure and lasts more than one shift.



BELL BAY ALUMINIUM SETS NEW SAFETY RECORD

The team at Bell Bay has demonstrated a significant turnaround from 2011 achieving our best safety performance ever in 2012.

- One recordable injury was the best safety performance ever achieved at site. The previous mark was set in 2010.
- We marked 279 days or the last 9 months of the year, recordable injury free.

Acknowledgement goes to everyone on site that made a deliberate safe choice which resulted in reaching this milestone. Those safe choices may have originated from a Toolbox Meeting, a Take 5, a Job Hazard Analysis, a safety interaction, or most importantly, from deciding that safety is important enough not to leave it to chance.

Bell Bay Aluminium, General Manager Ray Mostogl praised the efforts of everyone at the smelter.

“This outstanding result has occurred during a period of great uncertainty, but also a period where records are being created in the environmental, cost and production areas of our business”, Ray said.

“I believe this bears testament to the determination and resilience of the people we are fortunate to have as a part of the Bell Bay Aluminium team.”

HEALTH PERFORMANCE

Our health performance continued to exceed expectation with zero occupational diseases recorded. Increased focus on early medical intervention into injury and illness has helped ensure our workers come to work fit and healthy, with a specific focus on respiratory health. Additionally rehabilitation case load reduced considerably from 36 cases at the beginning of 2012 to 12 cases by the end of 2012.



MANUAL HANDLING RISK REDUCTION – OUR PEOPLE LEADING IMPROVEMENT

Main drain weir operation in the settling pond is performed for controlled flow to allow for accurate water sampling. Generally this task has always fallen to Leon Towns, Land Management Officer. To lift or lower the weir gate, Leon would wind a large wing nut situated centrally above the main drain gate, 80-100 times. The gate is in three aluminium sections stacked on top of each other. Each section weighs approximately 20 kilograms and to reduce flow in summer months when it is dry, sections have to be lifted out manually and then at the onset of autumn/winter these sections need to be reinstalled. Leon would lift the main drain gate and then lift the plates by reaching down or climbing into the weir box on to a catwalk with limited space. This manual intervention is quite heavy especially the removal of the aluminium sections and exposed Leon to a high risk of injury.

Giving thought to how water flow is normally controlled, in collaboration with George Town Plumbing, Leon designed a gear box system using different size ball valves to control the release of water. The new system significantly reduces exertion and risk of injury as there is no lifting or bending required to lift/lower the gates. Now this task is performed safely and shared amongst a number of employees.



HEALTH, SAFETY AND ENVIRONMENT INNOVATION AWARDS – A CULTURE OF INNOVATION

Following the transition to Pacific Aluminium in 2012 we re-introduced to site the Health, Safety and Environment (HSE) Innovation Awards with strong support from employees.

The Innovation Awards enable the site to recognise, reward and celebrate successfully implemented innovations and improvements. The idea behind the awards is to provide an opportunity for all employees and contractors to take responsibility for developing and using innovative approaches and improvements to address workplace HSE issues.

A total of 30 nominations were received for the awards held in June and October.

To qualify, entries should be designed to make the workplace healthier, safer or more environmentally friendly by eliminating or reducing specific risks.

All entries are judged by the Management team.

Winners were announced at presentation nights in June and October and the overall winners are submitted to the annual Worksafe Tasmania Awards.



Round 1, June 2012 Overall Winner

Andrew Joyce,
Engineering Services,
CBF Pit Maintenance
Platform – Anti Collision

Round 2, October 2012 Overall Winner

Leon Towns,
Land Management Officer,
Environment & Analytical,
Settling Pond Outfall Weir





A CELEBRATION OF **SKILLS EXCELLENCE**

In 2012, five Bell Bay Aluminium apprentices were recognised at the Skills Institute Awards for their skills and their desire and commitment to excel in the workforce.

- **Andrew Joyce** Electrotechnology Apprentice of the Year
- **Michael Keeley** Most Improved Third Year Electrotechnology Apprentice
- **Paul Hicks** Best First Year Engineering Mechanical Apprentice
- **Patrick Cruse** Best Second Year Engineering Mechanical Apprentice
- **Gary Adams** Best Fluid Power Apprentice

L-R: Patrick Cruse,
Andrew Joyce,
Michael Keeley,
Gary Adams,
Paul Hicks



TASMANIAN MINERAL EMERGENCY RESPONSE COMMITTEE – COMPETITION



Seven site Emergency Response team members from Bell Bay competed in the annual Tasmanian Minerals Emergency Response Competition held at Grange Resources mine site at Savage River in November.

The members of the team were Jennifer Jones, Robbie Leersen, Brian Cottnam, Adrian Lidster, John Brewster, Brett Maurer, Iain Nixon and Tim Bowden (pictured right). Jennifer, Brian and Robbie were all new to the team in 2012.

Held over two days, seven teams from across Tasmania competed in the competition. Bell Bay Aluminium entered seven events:

- Confined space rescue
- Surface search and rescue
- Theory exam
- Team skills event
- First aid scenario
- Ropes rescue
- Fire

We finished 5th overall and this result was very promising. We did not win any sections of the competition, however we were the only team to get a rescuer and first aid gear down to the patient in the allotted time in the ropes rescue. We completed the task in the team skills event within the time limit and following the first aid event we received high praise from the adjudicators on our performance. The team found the whole experience very beneficial and have already identified areas of improvement to ensure a stronger and improved performance in the 2013 competition.



BELL BAY ALUMINIUM ANNUAL SERVICE RECOGNITION

Bell Bay Aluminium hosted its Annual Service Function in November 2012 at the Academy Gallery at Inveresk. The unique venue also houses the sculpture, *Untitled*, by critically acclaimed sculptor, John Davis presented to the University of Tasmania in early 2012 by Bell Bay Aluminium, General Manager, Ray Mostogl.

Employees who achieved a service milestone of 10 years or greater in 2012 were invited to the Service Function. Past and present employees who have previously achieved 25 years' service were also invited.

General Manager, Ray Mostogl and respective Department Managers attended and presented gifts to employees in recognition of their service milestone.

40 YEARS

Noel Davidson
Peter Zoon

35 YEARS

Glenn Duncan
Mick Carr
Robert Robertson
Tim Bowden
Greg Picot
Tim Jones
Ian Bowyer-Bower
Geoffrey Baker

30 YEARS

Michael Dodge
Gary Joslin
Simon Richardson
Robert Wells
Vincent Kettle
John Collins
Lyndon Warren
Peter Millar
Phillip Richardson
Tom Farrell
Paul Marriner

25 YEARS

Jeff Weeding
David Marshall
Craig Booth
Darren Darko
Darren Brown
Andrew Joslin

20 YEARS

Greg Owers
Stephen Jones
Eric Collins
Adrian Kelly
Ben Buckney
Mike Dunphy
Michael Sutor
Dave Billings
Greg Baylis

15 YEARS

Greg Turner
Rick Sherriff
Josh Ashdown
Carmen Lee
Ray Jones
Rachael Potter
Terry Harris



BELL BAY ALUMINIUM

PACIFIC ALUMINIUM

OUR **FUTURE**



AGILE AND **SUSTAINABLE**

Our strength has always been our ability to look forward and work together to identify looming challenges and adapt our business plans for the future. We are committed to creating an injury free workplace, caring for our environment and supporting our local communities.



ENVIRONMENTAL MANAGEMENT

In 2012 Bell Bay Aluminium achieved its cleanest year on record. Fluoride emissions reduced in excess of 20% from the sites previous best ever results and we met our targets for waste to landfill, water and energy use.

Performance Indicator	2011 actual	2012 target	2012 actual	Target met	2013 target	Comments
Non-compliance with environmental permit conditions	3	0	2	X	0	Dust collectors total particulate above compliance limit
Number of community complaints	0	0	0	✓	0	
Total on site greenhouse gas emissions (tonnes CO ₂ -e per tonne aluminium produced)	1.79	1.76	1.77	X	1.79	
Total energy use (Gigajoules per tonne of aluminium produced)	73.8	73.4	72.5	✓	72.4	
Energy efficiency (DCkWh per kilogram of aluminium produced)	14.61	14.52	14.41	✓	14.31	
Total fluoride emissions (kilograms of fluoride per tonne of aluminium produced)	1.06	1.03	0.81	✓	0.95	
Waste to landfill (tonnes per month)	14.4	14.2	14.2	✓	14.0	
Fresh water usage (kilolitres per tonne of aluminium produced)	0.83	0.85	0.78	✓	0.83	

X In 2012 there were two incidents of non compliance against our Environmental Protection Notice (EPN). Dust emissions in excess of EPN limits were detected during routine monitoring of a dust collector on two occasions in 2012. Both incidents were thoroughly investigated and reported to the Environmental Protection Authority. We are installing online particulate monitors to allow us to continuously gauge performance of these units.

✓ We continue to make progress in recycling and in 2012 met our target for waste to landfill. More waste than ever was recycled. We continue to focus on opportunities to further reduce waste to landfill. As part of our on-going commitment to reduce hazardous waste to storage, 7,888 tonnes of hazardous waste was recycled in 2012. The hazardous waste was made up of 3,698 tonnes of aluminium dross that was recycled by SIMS Aluminium and Westons Aluminium and 4,190 tonnes of SCL recycled by Cement Australia in Railton.

✓ Fluoride emissions in 2012 were our best ever. This result was largely due to projects run on site throughout 2012 aimed at reducing emissions from the potlines fume scrubber and potlines buildings. These projects included:

- Implementing an improvement to the way that fresh alumina is introduced into the gas stream in the potlines fume scrubber
- Implementing an engineering control that significantly reduced the size of the gap between the anode rods and the cell hoods

✓ We met our water use targets in 2012.

✓ The land that surrounds the smelter is home to a number of threatened, endangered, vulnerable and rare plant and animal species and vegetation communities, including the endangered coastal paperbark. As part of our commitment to preservation of biodiversity in the Tamar region, in 2012 we donated 9,000 paperbark trees to the Launceston and Tamar Valley communities. The trees were planted by local students at three sites in Launceston and the Tamar Valley (see Case Study) assisted by Bell Bay Aluminium and Launceston City Council employees.



REDUCING THE **ANODE ROD GAP**

Our challenge was to reduce the anode rod gap around the 11160 anode rods.

A reduction in the gap presented a significant opportunity to improve the amount of fluoride in the Potlines which would improve our environmental performance, reduce cost and provide health benefits to our employees.

As part of a Potrooms Kaizen held in late 2011, more than 40 ideas to reduce the anode rod gap were narrowed down to one - a new fume skirt cover. A number of design variations were tested. The final design reduces the gap around the anode rod by over 70% compared to the old design. In addition, the new design allows for ease of use by the operator. The new cover has contributed to a reduction in Fugitive HF by over 10%.

This particular solution was extensively trialled and chosen on the basis of usability, closure of the gap, cover position over time, predicted life span, initial cost and effort required to maintain.



PLANTING THE FUTURE

On 16 October, 200 students from Port Dalrymple, Beaconsfield Primary School and Star of the Sea College helped plant 4000 *Melaleuca ericifolia* (swamp paperbark trees) at Bell Bay Aluminium's Bridport Road property.

The students and volunteers were well sustained throughout the day by the Rotary Club of George Town who cooked a BBQ. This is the third year that Bell Bay Aluminium has held an annual planting day on this piece of land. Previous years' plantings are now well established and showing strong progress.

Once common in the Tamar Valley, *Melaleuca ericifolia* is a nationally threatened community and our annual tree planting provides smelter employees with the opportunity to educate local children about threatened plant ecosystems in Tasmania, as well as pass on proper planting practices.

This project is ongoing and forms part of the work under Bell Bay Aluminium's Biodiversity Action Plan. Following the tree planting at Bell Bay, the company planted an additional 5000 trees in partnership with Launceston City Council and local schools at Waverley and Rocherlea.

It is hoped this work will help re-establish these native communities in the Tamar Valley.



OUR COMMITMENT TO OUR COMMUNITY

Bell Bay Aluminium has a long history of supporting the Tasmanian community.

Since 1955, we have worked closely with the community to develop and promote activities directed at improving quality of life and cultural diversity. Our initiatives in education, environment, health and well-being, cultural and performing arts are designed to make a positive difference and create long lasting, high quality outcomes.



NEW NAME, NEW LOOK

In 2012 we eased into a new look with a new name, Bell Bay Aluminium.

Following the divestment announcement in late 2011 and after some deliberation we settled on a new name for our site, Bell Bay Aluminium. Our rationale was based on taking a 'no nonsense approach' to our business. On each occasion when ownership of the site has changed the smelter has changed its name to align with that of our owner. We have adopted the name Bell Bay Aluminium with the view that this name will continue on regardless of ownership. Our sister sites BSL and NZAS have retained their site names throughout all the changes in ownership. The name change has also provided us with a fresh look and visual identity that reflects our location and our product. Our goal is to reinforce our identity as Bell Bay Aluminium and protect the visual integrity of this brand. Whilst this change is being rolled out slowly it will be applied consistently in everything we do.

The name change and new look also provided us with the opportunity to launch our own website in 2012 www.bellbayaluminium.com.au The site complements our new look and is vibrant and fresh. It will help maintain and enhance an open communication and engagement between our operation and the Tasmanian community.



COMMUNITY FEEDBACK

We welcome and encourage both positive and constructive feedback to assist us with improving the way we work. We take all complaints seriously and investigate each one in a timely and responsive manner.

Remedial actions are taken where appropriate. All complaints are reported to the general manager and are recorded in the site incident reporting system. No complaints were reported in 2012.

BELL BAY ALUMINIUM'S **COMMUNITY CONSULTATIVE COMMITTEE**

In 2012 Bell Bay Aluminium's Community Consultative Committee (CCC) met three times.

Membership of the Committee comprises a representative cross section of the Tamar Valley community. Ray Mostogl, General Manager and the Community Relations team meet regularly with the Committee on a formal and informal basis.

The role of the Committee is to provide feedback on all aspects of smelter performance, as well as bring issues or matters of importance (positive and negative), of interest or concern to the community to our attention.

Committee members are volunteers and we appreciate the time and commitment that they give to us by way of their participation in the CCC. Regular consultation with the Committee ensures we are better informed and can be more responsive and proactive about community needs and expectations.





COMMUNITY INVESTMENT

During 2012 our support included

- Investment of \$75,000 in donations and community assistance which includes employee sponsorships, scholarships, support for the Tasmanian Symphony Orchestra's regional tour concert in George Town, Apprentice Awards, Tasmanian Science Talent Search Awards, George Town on Show, Tasmanian Regional Arts, tree planting, Junior tennis championships, South Launceston Athletics Club, business awards and end of year school prizes
- Three community partnerships representing in excess of \$120,000 of direct investment plus in kind support
- Paid leave for employee involvement in community initiatives such as Try A Trade Day, F1 In Schools judging and National Science Week
- Support, including mentoring and employee participation, to various community and business organisations
- Donations of surplus equipment such as computers, batteries, office furniture to community organisations
- Support for employee participation in health and wellbeing initiatives such as the Launceston Ten, Burnie Ten, White Lion Golf Day, Sally's Ride and Launceston Aquatic membership
- The smelter also makes land and associated facilities available at minimal rent for community groups such as the George Town Golf Club, Gun Club and the Pony Club
- We continue to maintain the Bell Bay Aluminium owned Lauriston Park as a private recreational area for community use

COMMUNITY AND REGIONAL DEVELOPMENT

In 2012 Bell Bay Aluminium focussed on increasing its level of engagement, participation and contribution in a number of community and economic development forums and initiatives including:

Sirolli Enterprise Facilitation Project – George Town and Dorset – participation and support

Launceston City Council 'Creating Economic Opportunities Forum' – Ray Mostogl, General Manager, guest speaker

Department of Premier and Cabinet, Community Engagement Workshop – participation

Department Infrastructure, Energy and Resources Freight Logistics Coordination Team – membership

TCCI Freight Logistics Committee – membership

Department of Economic Development, Tourism & the Arts Regional Economic Development Plan Workshops – participation

Launceston Chamber of Commerce Business After Hours – Ray Mostogl, General Manager, guest speaker

Tasmanian Minerals Council Conference – Ray Mostogl, General Manager, guest speaker





F1 IN SCHOOLS REVVED UP FOR 2012

The next generation of designers, engineers, marketing executives and public speakers was on show as school teams from the Launceston Tamar Valley region raced off in the 2012 F1 in Schools finals on Thursday 25 October at the Tailrace Centre at Riverside.

When Bell Bay Aluminium established the program in 2008 with Re-Engineering Australia, its main objective was to introduce students to the world of engineering and design. However, student participation in the program also boosts self-confidence, verbal presentation, marketing skills and the benefits of teamwork.

The state-of-the-art technology hub in Launceston is supported by Bell Bay Aluminium. It features 3D CAD/CAM/CAE software called CATIA, desktop-sized smoke and wind tunnels, a computerised NC router and an electronic 25-metre race track. Students use this technology – the same as currently used by the real F1 teams and vehicle manufacturers – to design, make, market, test and race miniature F1-style cars. The gas-powered cars are capable of speeds exceeding 80 kilometres per hour and can cover the track in less than 1.5 seconds. Each team was assessed by a panel of judges against set criteria including engineering, car speed, technical portfolio, industry collaboration and verbal presentations. The winning teams compete in the national finals.



F1 IN SCHOOLS REVVED UP FOR 2012 CONTINUED

2012 winning teams were:

- Professional Senior Class – EE Racing, Kings Meadows High School
- Professional Junior Class – Revved Up, Brooks High School
- Development Class – Ember Racing, Kings Meadows High School
- The Blue Hornets from Port Dalrymple School took out the wild card and will also compete in the national finals





KIDS **ACCESSING THEATRE** PROJECT

Bell Bay Aluminium's newly established partnership with Theatre North, Kids Accessing Theatre (KAT) aims to give more school children across Northern Tasmania the opportunity to attend professional live theatre performances. Through the KAT project, sponsorships and private donations will give more schools the chance to attend live performances which they would not otherwise have the opportunity to see.

Bell Bay Aluminium has signed a three year Business Arts Partnership with Theatre North, which will specifically benefit schools in the Upper Tamar Valley area.

Currently, five schools benefit from Bell Bay Aluminium's commitment to the project, Beaconsfield Primary, Bridport Primary, South George Town Primary, Port Dalrymple School and Star of the Sea, George Town. Bell Bay Aluminium's sponsorship for three years (2012 - 2014) will enable these schools to have affordable access to live performances in Theatre North's subscription season.

The KAT partnership between Theatre North and Bell Bay Aluminium has been matched dollar-for-dollar through the Australia Business Arts Foundation's Premier's Arts Partnership Fund, effectively doubling the cash value of the partnership over three years.

BELL BAY ALUMINIUM **GIFTS SCULPTURE** TO UNIVERSITY OF TASMANIA

In January 2012, Bell Bay Aluminium donated a sculpture by one of Australia's iconic contemporary 20th century sculptors, John Davis, to the University of Tasmania. The sculpture was installed at the School of Visual and Performing Arts at Inveresk, Launceston following a lengthy refurbishment process.

Born in Ballarat, Davis created his large pipes piece, *Untitled*, as an entry in the Comalco Invitation award for sculpture in aluminium. It won, and was commissioned for the foyer of the Hydro Electric Corporation in Hobart in 1971.

By the time of his death in 1999, John Davis is said by the National Gallery of Victoria to have established a critically acclaimed reputation as an influential sculptor and installation artist.

The sculpture was presented to UTAS Provost Professor David Rich and Head of the School of Visual and Performing Arts, Professor Marie Sierra, by Bell Bay Aluminium's General Manager, Ray Mostogl.

In recent years, Bell Bay Aluminium has formed a mutually beneficial relationship with the University of Tasmania which has included scholarships, student internships and collaborative research opportunities.

The Inveresk precinct has been developed from an abandoned, run-down industrial site into what is fast gaining recognition as a world-class facility for the community and visitors to our region to enjoy. Bell Bay Aluminium believes that the gifted work will add to that recognition, attract visitors to Launceston and further build the collection of importantly accessible art in Northern Tasmania and the State.

John Davis' adult children, Penelope and Martin were able to attend the presentation ceremony from inter-state.

Bell Bay Aluminium is delighted that this prestigious work has found a home in such a well-regarded arts school where future generations of art students will find inspiration in his work.



COMMUNITY GRANTS PROGRAM

In 2012, Bell Bay Aluminium ran one round of our community grants program. An employee committee had the arduous task of assessing more than 100 applications. The program aims to provide financial support for not-for-profit organisations across the state and is directed toward improving quality of life and cultural diversity particularly through building community capacity. A presentation and morning tea for the successful grant recipients was held at Belles Café in George Town on Tuesday 11 December.

The successful grant recipients were:

TAMAR VALLEY SPORTING GRANT

George Town Cricket Club – to help resurface practice wicket area and community cricket pitch with artificial turf

COMMUNITY GRANTS

Exeter Bowls Club – assist with the purchase of a defibrillation unit

Canine Utility and Service Partners – support for puppy raising program which assists people in the community with disadvantages and disabilities

Hillwood Area Residents & Ratepayers Association – support for a community website for promotion of the Hillwood and Tamar Valley community

Bravehearts Tasmania – support for an education program in Tasmanian schools to teach children skills to keep safe from sexual predators

Ainslie Complex Auxiliary, Low Head – support for educational, recreational and social activities for residents

Directions Tas Incorporated – support for fathers and sons program providing opportunity to build healthy relationships



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