

**DRAFT**

**Statement to the NSW Independent Planning Commission on the Vickery Project Extension**

Mr Chairman and Members of the Panel, thank you for the opportunity to participate in this hearing on the Vickery Extension Project.

Aurizon is a heavy haul rail freight operator.

Most of our rail haulage services in New South Wales involve carrying coal from mines to the Port of Newcastle. In 2017-18 our company carried a total of 52 million tonnes of coal in NSW.

This includes providing coal haulage services for Whitehaven under a contract that provides for Aurizon to carry up to 16 million tonnes per year of high quality export coal.

Importantly, this is a contract with a long timeframe of 12 years, allowing Aurizon to plan and invest for the future in the regions where we operate.

Aurizon has about 450 employees who live and work in the Hunter Valley and Gunnedah Basin regions.

Our employees in NSW are a valued part of our company's wider workforce, which numbers more than 4,500 across Australia.

Over recent years we have made substantial investments as part of our growing operations in regional New South Wales, including the acquisition of more than 800 new wagons for our coal trains and eleven new locomotives.

Similarly, the company has made substantial investments in our maintenance facilities in the Hunter Valley.

Our investments are based on a long-term commitment to our operations in regional New South Wales.

**Safety**

Aurizon and Whitehaven share a common set of values relating to safety.

This shared approach under which both companies identify safety as our highest priority provides the basis for having safe and productive workplaces extending from the operation of mines through the transport supply chain.

Aurizon's objective is for zero harm in all aspects of our business.

In working towards this objective, we have a focus on the prevention of all injuries and on the health and well-being of employees.

As a company, Aurizon has made important progress towards our objective.

But as a company we are determined to go further.

We are implementing a long-term program to lift the bar on safety.

Under this program, we are:

- Improving the capabilities of our leaders in relation to leadership on safety;
- Strengthening our safety culture; and
- Making improvements to systems and technology and provide for them to be simpler to use.

Rail safety isn't just important for our employees and contractors, but also for the people in the communities where we operate.

Aurizon contributes to public awareness and education campaigns that aim to increase community understanding of recognising the importance of safe conduct at, for example, rail crossings.

Our employees play a key role in raising awareness of safe behaviour around the rail corridor not only at work but also by presenting at schools and community events.

This is just one role our employees play in building better communities. They also participate in community activities such as events to raise awareness of domestic violence, mental health or providing career advice for young people.

Teams across our operations also get behind initiatives such as NAIDOC Week, Wear it Purple Day and RU OK Day.

Our company is proud that employees, regardless of their roles, are keen to contribute to a more inclusive and resilient community.

More inclusive workplaces are also more productive and likely to have engaged employees who stay with the company.

We are committed to further building on the steps we have taken to be inclusive and to be part of the communities in which we are based.

## **Regional communities**

Aurizon recognises and aims to further build on the vital links we have with regional communities.

Aurizon's business is primarily based in regional areas.

In fact, in NSW all Aurizon employees who work in operational and maintenance roles in the Hunter Valley and the Gunnedah Basin live and work in these regions.

We are working to build further on this presence in regional communities.

Over the last two years, Aurizon has given a high priority to having more leadership and support roles located in regional areas so that they work directly with their colleagues in frontline operations.

We have done this for the following reasons:

- Closely connecting people in leadership roles with regional operations helps to drive improved safety and operational performance from firsthand knowledge and observation;
- People working in leadership positions are better able to appreciate the issues and priorities of the communities in which our employees are based; and
- To provide an increased focus on community involvement and to provide effective pathways and opportunities for people from those communities to gain employment or to become suppliers to Aurizon.

There are also important benefits for regional communities that flow from our investments and from procurement.

The recent acquisition by Aurizon eleven new locomotives, which I mentioned earlier, was for locomotives that were in fact built in Newcastle.

In addition to these investments, another measure of our contribution to regional communities is our spending with local businesses to buy goods and services related to our operations in the region.

In the Hunter Valley region in New South Wales, Aurizon spent approximately \$34.2 million. This figure does not include the amount spent by our employees and their families who live and work in these areas.

There are a wide range of goods and services that Aurizon purchases from local small and medium businesses in the Gunnedah, Hunter Valley and Newcastle regions. These include:

- The maintenance and servicing of Aurizon vehicles by local businesses;
- Fuel purchased through local distributors

Most importantly, our operations and our procurement in regional NSW provides skilled and well-paid jobs for people who live in these communities.

Furthermore, jobs at Aurizon and for our contractors involve the development of skills and capabilities that provide the basis for employees to enjoy long and rewarding careers. The skills and experience gained in the resources sector are valued by many other industries.

These benefits are especially important to regional communities where well-paid and highly skilled employment opportunities can often be very limited compared to the opportunities available in Sydney and in other major cities.

An increasing proportion of jobs, including the operational roles within Aurizon, are being filled by women.

We have also increased opportunities for Aboriginal and Torres Strait Islander Australians.

This has been a key component of a broader commitment to achieving greater understanding and contributing to reconciliation, has been a key priority for Aurizon over the last five years.

We have made significant progress, with the percentage of Aboriginal and Torres Strait Islander employees in our workforce increasing from approximately 2.5% of all employees in 2012 to approximately 5% today.

Aurizon notes that Whitehaven has achieved substantial progress in employment, with Indigenous workers filling 80 of the jobs created at the Maules Creek mine.

The Indigenous employment program at Maules Creek was recognised by the NSW Minerals Council as 'best in class' within the industry.

Whitehaven has also set a target to have at least 10% Indigenous employees working on Project Vickery. The company is committed to building on the progress achieved to date, with an objective of replicating its successes with Indigenous employment in future mining projects.

Across its entire workforce Whitehaven, like Aurizon, has a major focus on providing employment and business opportunities within the regional communities of NSW.

This is demonstrated by Whitehaven's commitment to at least 75% of the company's workforce coming from the local communities where its mining operations are located.

Importantly, given the regional presence and the commitment of Whitehaven, a large proportion of the economic benefits from the Vickery Extension Project would be shared with the regional communities, primarily communities in the Gunnedah region.

Having worked very closely with Whitehaven I know that both companies recognise the vital contribution and value our employees make to our businesses every day.

We share a deep sense of respect and commitment to the regions in which we operate.

Whitehaven, like Aurizon, values and fosters integrity in the way we conduct our operations, engage with customers and suppliers and in our day to day interactions with the communities in which we are based.

Given the substantial benefits that would result from the investment, particularly the creation of skilled jobs that would be filled by people from the Gunnedah and neighbouring regions, Aurizon fully supports the proposed Vickery Extension Project.