



Department of Planning and Environment
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Aurizon submission regarding Mt Arthur Open Cut Extension Modification (MOD2) Project

Aurizon appreciates the opportunity to provide this submission in support of BHP's application for Mt Arthur Open Cut Extension Modification (MOD 2 Pathway to 2030) Project.

Our company is pleased to support the Project recognising the significant and sustainable benefits that would be delivered by enabling Mt Arthur Coal to operate through to 2030, particularly for communities in a number of regions in New South Wales (NSW). The economic benefits include the retention of 2,200 direct skilled and well-paid jobs, the retention of indirect jobs from the the supply of goods and services by business such as Aurizon which provides heavy haul rail transport services to the mine.

We particularly note the economic contribution of coal mining in the Muswellbrook and in the wider Hunter Valley and Newcastle regions with the industry providing a substantial proportion of jobs.

Aurizon's businesses and operations in New South Wales

Aurizon (ASX: AZJ) is Australia's largest rail-based transport business. Our purpose is to grow regional Australia by delivering bulk commodities to the world. In the 2022-23 financial year, we transported more than 250 million tonnes of Australian commodities, connecting miners, primary producers, and industry with international and domestic markets.

We provide customers with integrated freight and logistics solutions across our operations in Queensland, New South Wales, the Northern Territory, South Australia and Western Australia.

Having commenced heavy haul rail services in the Hunter Valley in 2005, Aurizon now hauls more than 50 million tonnes of coal per annum with a market share of around 30 per cent.

Beyond coal services, more recently Aurizon has invested \$42 million with the acquisition of ConPorts, a bulk export terminal and ship loading facility which is adjacent to rail lines at the Port of Newcastle.

We currently have approximately 500 employees who live and work in the NSW regions of Newcastle, the Upper Hunter Valley and Gunnedah. Our employees in NSW are a valued part of the company's total workforce of approximately 5,200 people.

In relation to the Mount Arthur Coal Mine, Aurizon currently operates train services that transport approximately 14 million tonnes per annum from the mine to port, and is therefore one of our company's largest haulage contracts within NSW. Furthermore, Aurizon has a long established and effective working relationship with BHP having been a founding customer for our operations within NSW.

Aurizon's ability to provide efficient operations and to continue improving our haulage services depends on investments in our rollingstock, facilities, as well as in technology services and maintenance operations that support supply chain operations.

Over more than a decade, Aurizon has invested over \$1.1 billion in rollingstock, operations and maintenance facilities and in technology to support our NSW operations¹.

Safety

At Aurizon, our safety goal is to protect ourselves, each other, and our communities. Both Aurizon and BHP share a common set of values relating to safety. The companies are conducting their businesses in a way that provides and maintains safe and healthy workplaces for employees, contractors, visitors and the communities in which our operations are located.

We are both working to provide workplaces and operations where there are zero injuries by ensuring that safety and the prevention of injury is part of our culture. Having safety at the core of our culture provides the basis for safe and productive workplaces extending from the operation of mines and across all parts of the land transport supply chain. As part of this commitment, Aurizon actively participates in industry-wide efforts to help reduce rail safety incidents.

The mental health and wellbeing of our employees has always been a priority for our business. Over the years, we have tried to break the stigma associated with mental health problems, and increase awareness by participating in events such as National R U OK? Day, Rail R U OK? Day, and Movember, and by actively promoting our Employee Assistance Program (EAP) services.

Our people have also organised and participated in local activities to talk about mental wellbeing, raise awareness of the issues and provide support and advice to anyone who might be seeking information and assistance for themselves or on behalf of others.

Sustainability

A key priority for Aurizon is to embed sustainable practices into the company's day to day operations. This commitment complements the high priority that Aurizon gives to ensuring that the transport supply chain is developed and operated sustainably, and to effectively managing and reducing the impacts of our operations and support services on the natural environment.

Our 2023 Sustainability Report provides a comprehensive explanation of the priorities and actions the company has committed to achieve in order to be a business that operates according to clear and well understood values.

Our values are the basis on which we are continuing to build a strong company that contributes to a sustainable future for our employees, customers, shareholders and the communities where we operate².

Regional communities

A high priority for Aurizon is to build on the positive contribution our businesses make to the regional communities where our employees live and work and where our train and supply chain operations are located.

¹ The combined total of all past investments made in the Hunter Valley and Gunnedah Basin regions by Aurizon.

² Aurizon 2023 Sustainability Report: Delivering for a Sustainable Future, <https://www.aurizon.com.au/sustainability/overview>

More than 80 per cent of Aurizon's employees are based in regional locations. With regard to our NSW operations, almost all of Aurizon's employees who work in operational and maintenance positions in the Hunter Valley, Gunnedah Basin and Illawarra regions live locally.

Another way that BHP and Aurizon contribute to regional areas is through the commitment that both companies have to supporting and working with local communities. Both businesses work with organisations and individuals in regional communities to continuously maintain safety, including the safety of the communities where we have our operations. We also engage in ongoing dialogue with community representatives and use this dialogue to improve our performance. Similarly, we strive to understand and, where we can contribute or lend a hand, to support local community issues and priorities.

Aurizon provides support for charitable and not for profit organisations in the communities where we have operations. Aurizon provides this support through our Community Giving Fund. Since 2011, Aurizon has supported more than 450 local initiatives of charities and community organisations, including local projects to provide education, community safety, environmental improvement and health and well-being services and support.

In addition, Aurizon purchases a large proportion of the company's business inputs from local suppliers. In 2022-23 Aurizon spent approximately \$1.2 billion with suppliers across all operations in Australia. This included purchases from suppliers in regional NSW. These businesses supply goods and services including, for example, equipment hire and office services.

Enabling the development of sustainable new projects in the region, including the Mount Arthur MOD 2 Project, will contribute to Aurizon continuing to provide employment and making purchases from suppliers in the local community.

Diversity and inclusion

Aurizon has a commitment to building greater diversity and inclusion in our workforce, with a focus on increasing the representation of women and Aboriginal and Torres Strait Islander men and women across the company, including in skilled operational roles.

Aurizon appreciates that an inclusive workplace, which supports gender balance and equality, drives better performance and outcomes for our customers, shareholders and the communities where employees live and work.

The representation of women in our workforce is currently 22.7 per cent, up from 12 per cent in 2012. This increased representation of women includes providing more opportunities to pursue skilled pathways through apprenticeships and training programs within the company.

Providing effective employment, training and development opportunities for Aboriginal and Torres Strait Islander Australians as part of a broader commitment to achieving greater understanding and contributing to reconciliation, has been a key priority for Aurizon.

We have made significant progress, with the percentage of Aboriginal and Torres Strait Islander employees in our workforce increasing from approximately 2.5 per cent of all employees in 2012, to approximately 7 per cent of total employees today.

Our aim is to make further progress with providing opportunities for Indigenous Australians as set out in Aurizon's second Reconciliation Action Plan (RAP) which was released in August 2022. Aurizon's third RAP was endorsed by Reconciliation Australia as a 'Stretch' RAP³.

³ Under Reconciliation Australia's RAP framework, a 'Stretch' RAP is 'best suited to organisations that have developed strategies and established a strong approach towards advancing reconciliation internally'. This type of RAP is 'focused on implementing longer-term strategies, and working towards defined measurable targets and goals' (<https://www.reconciliation.org.au/reconciliation-action-plans/#ra-stretch-rap>).

Benefits of retaining skilled jobs

As a commercial partner of BHP for many years, Aurizon recognises that BHP is committed to embedding sustainable practices and operating a sustainable business.

Importantly, given the regional presence and the commitment of BHP, a large proportion of the economic benefits would be shared with regional communities, including the Muswellbrook and neighbouring local government areas.

These benefits include the retention skilled and well-paid jobs. The Australian Bureau of Statistics (ABS) average weekly earnings estimates by industry, published by the ABS in May 2021, estimated that the average weekly earnings in the mining industry were \$2,674, which is more than 50 per cent higher than the average weekly earnings across all industries⁴.

Similarly, the gross value to the economy per mining industry employee is substantially higher than for any other major industry.

In addition, jobs in this sector involve the development of skills and capabilities that provide opportunities for employees to pursue rewarding careers, with the skills and experience gained in mining being valued by many other industries. These benefits are especially important to regional communities.

In recognition of the substantial community benefits the project would deliver over an additional four years, Aurizon is very pleased to support BHP's application for the Mount Arthur Coal MOD 2 Project.

Yours sincerely,



Amy Booker
Head of Coal Customers

⁴ Australian Bureau of Statistics, *Average Weekly Earnings Australia*, May 2021. [Average Weekly Earnings, Australia, May 2021 | Australian Bureau of Statistics \(abs.gov.au\)](https://www.abs.gov.au/average-weekly-earnings-australia-may-2021)