



Safety

World-class performance

Safety is an Aurizon value – we are committed to the safety of our people, the safety of those we work with, and the safety of the communities in which we operate. Our goal is **ZEROHARM**, which means no workplace injuries to anyone, ever.

OUR SAFETY JOURNEY

We have been delivering targeted initiatives to enhance the safety of our employees and our locations. These initiatives have included:

- > **Governance** – Introducing tiered forums across the Company to provide clear leadership, targets and performance monitoring for safety issues
- > **Systems** – Implementing of a fully-integrated Safety, Health and Environment Management (SHEM) data system which has supported the management of incidents, hazards, near misses and safety interactions
- > **Culture and actions** – Requiring manager/supervisor driven action programs, including completion of individual safety plans and the introduction of individual targets for recorded safety interactions
- > **Accountability** – Aligning safety performance with executive remuneration and employee recognition

These initiatives and the associated focus have resulted in a company-wide safety transformation that is reflected in the milestones and measurable improvements outlined in Figure 6.

Protecting our People

We encourage conversations between our employees to identify safe and unsafe behaviours in the workplace (**Safety Interactions**). Safety Interactions are formally recorded conversations between employees at all levels across our organisation which serve to proactively acknowledge good safety practices and address and rectify unsafe behaviours. Since FY2011, our recorded number of Safety Interactions per employee per month has increased 11%, as represented in Figure 7.

The focus on Safety Interactions, combined with the other aforementioned initiatives, has been a key driver in reducing injury frequency rates. As reflected in Figure 8, between FY2009 and FY2014 Aurizon achieved a 96% reduction in Lost Time Injury Frequency Rate (LTIFR) and a 95% reduction in Total Recordable Injury Frequency Rate (TRIFR).

Our FY2014 LTIFR of 0.28 and TRIFR of 2.8 are reflective of world-class performance for the rail industry and demonstrate the outcome of focusing on safety as a core value.

However, we know this is an area in which we can never become complacent or be satisfied with anything less than **ZEROHARM**.

Figure 6: Five Years of Safety Milestones

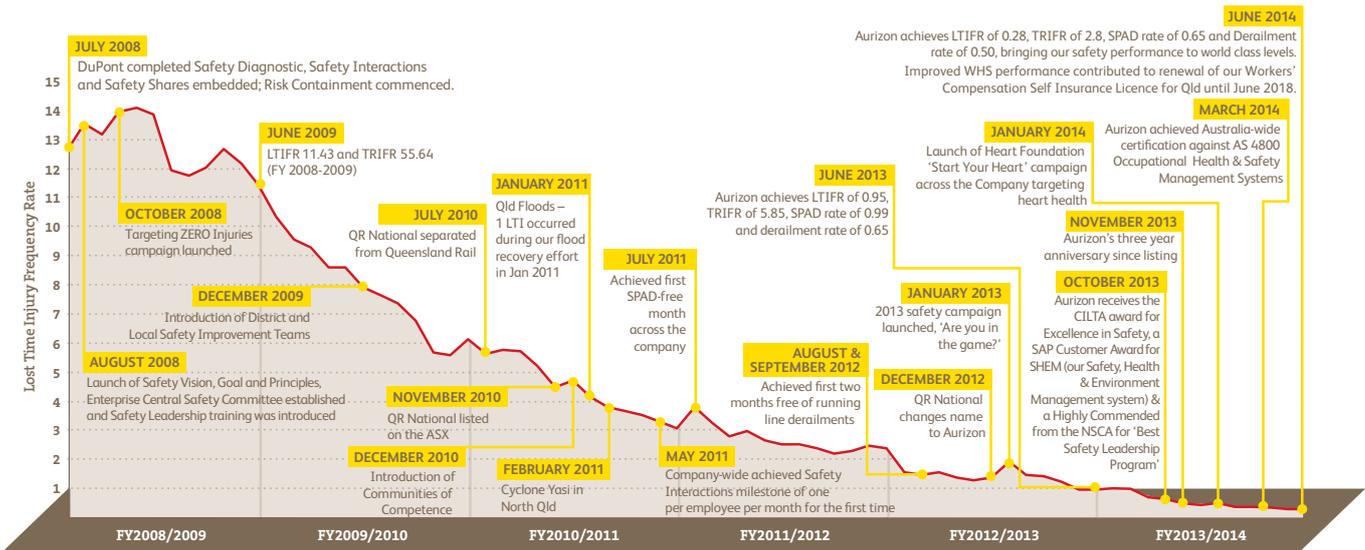


Figure 7: FY2011 to FY2014 Safety Interactions Performance

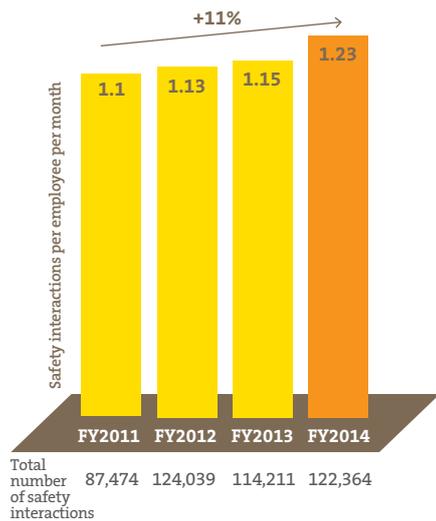
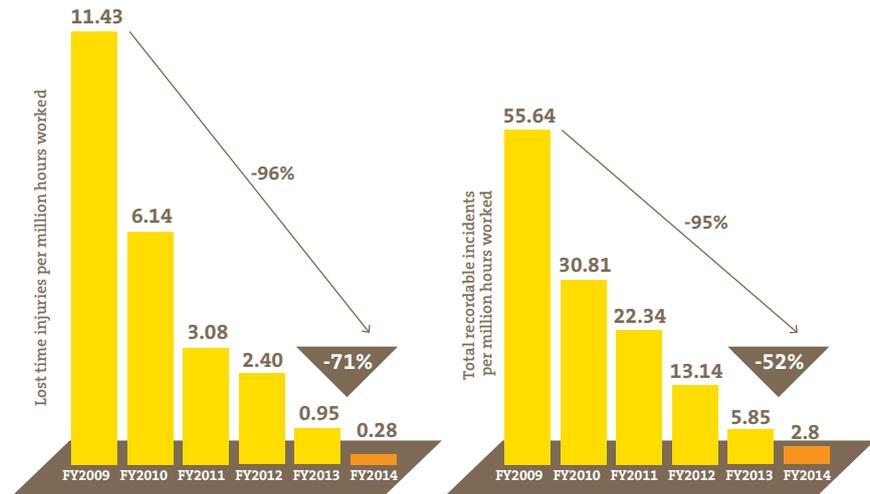


Figure 8: FY2009 to FY2014 LTIFR and TRIFR Performance



OUR PERFORMANCE IN FY2014

Monitoring Operational Safety

Signals Passed at Danger (SPAD) are one measure used by Aurizon to examine safety performance on the rail network. A SPAD reflects an instance in which a train has entered a section of the track without the correct authority, for example, passing a red signal. In FY2014, we achieved a 34% reduction on FY2013 SPADs per million train kilometres (MTK_m), from 0.99 to 0.65 SPAD/MTK_m.

We also continuously aim to reduce our rate of rail incidents, such as derailments. In FY2014, our derailments/MTK_m reduced 23% from 0.65 to 0.50.

As our rail network extends through community and residential areas, we recognise the breadth of our responsibility for promoting rail safety awareness in the communities in which we operate. For example, we collaborated with the Queensland Police Service, Queensland Department of Transport and Main Roads and Brookfield Rail in Western Australia to promote public level crossings safety campaigns.

In New South Wales, we promote rail safety through our sponsorship of the Newcastle Knights in the Hunter Valley region. Our joint rail safety school program has been delivered to more than 12,000 children across approximately 80 primary schools in the Hunter Valley region. Our educational program was recognised recently with an award from the Australasian Railway Association TrackSafe Foundation.

While there were no fatalities on our rail network for the FY2014 period covered by this Report, two Aurizon employees and a contractor were tragically killed in a car accident near Stanwell in Central Queensland in October 2014 while travelling to a crew change point. We extend our deepest condolences to the families, friends and colleagues of those affected by this tragic accident. The safety of our employees remains our utmost priority, and Aurizon remains committed to its ongoing safety goal of ZEROHARM.

Our Employee Safety Performance

In FY2014, we recorded four Lost Time Injuries (LTI) and 40 Total Recordable Injuries (TRI) as illustrated in Figures 9 and 10.

Human factors are a key contributor to the injuries and incidents which have occurred in our workplace. In January 2013, we launched a four-month, company-wide campaign, *Are you in the game when it comes to safety?*, focused on preventing the behaviours of distraction, complacency, rushing and fatigue, as well as reinforcing positive behaviour by profiling teams within the organisation who demonstrated an exemplary approach to safety.

Manual handling tasks involved in rollingstock maintenance are accountable for the majority of our injuries. In FY2014, we rolled out a targeted program to prevent manual handling injuries. Employees were provided with additional training, user-friendly check-sheets, and pictorial images to support improved risk identification and management when conducting these activities.

RECOGNITION

During the past year, Aurizon was pleased to receive industry recognition of our safety achievements through the following awards:

- > *Chartered Institute of Logistics and Transport Australia Industry Excellence Award for Safety* – this award recognises an organisation that has demonstrated a practical and exceptional commitment to excellence in safety in Australian passenger, freight or defence transport or logistics
- > *2013 SAP Customer Awards of Excellence Winner* in the Best Run Analytics category for our SHEM data system
- > Highly Commended at the National Safety Council of Australia (**NSCA**) Safety Awards of Excellence for *Best Safety Leadership Program*
- > *Australasian Railway Association Safety Award* for community safety.

BUILDING ON OUR SUCCESS

Safety underpins Aurizon’s culture and our journey to world-class performance. Our improvement over the last five years is a demonstration of our ability to deliver the results we set out to achieve.

In FY2015, we plan to continue rationalising, simplifying and standardising our safety management systems and rail accreditations while transitioning to the new National Rail Safety Regulator and Investigator Model.

We will also implement a standardised safety, health and environment enterprise training framework and will advance our hazard and near miss identification and risk management processes by implementing efficiency testing and high consequence activity audits.

As we look to Aurizon in 2020 and beyond, our focus is to continue to build self-sustaining capabilities, attitudes and behaviours across all staff and managers. This aspiration supports our goal of **ZEROHARM**, which is fundamental to building a sustainable business.

Figure 9: Breakdown of Injuries by State

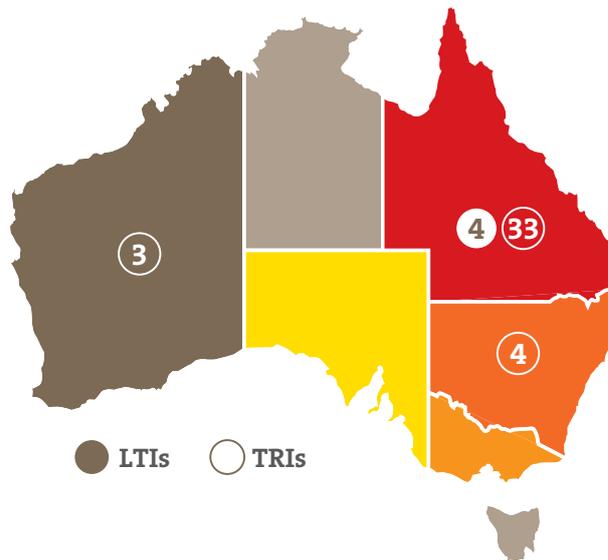
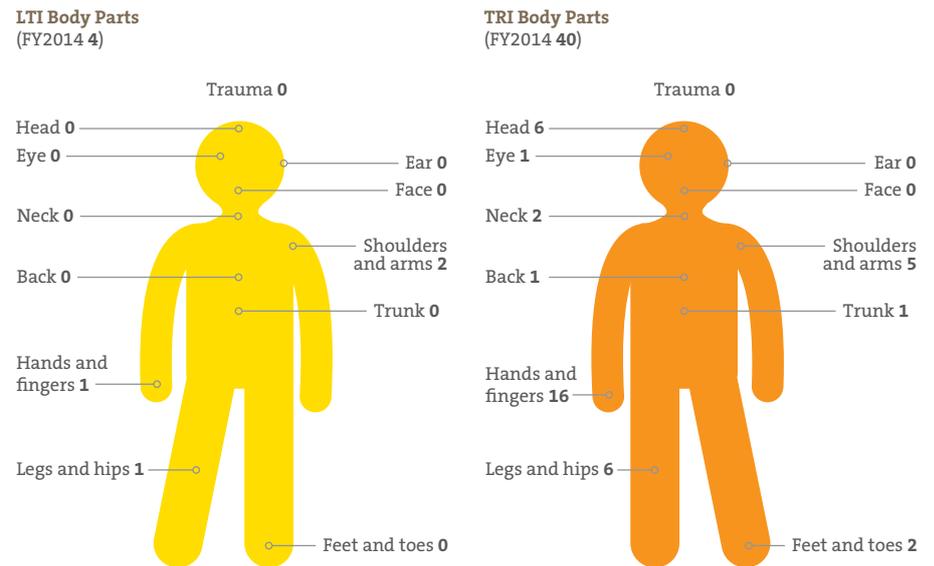


Figure 10: Breakdown of injuries by Type



*Note: body part figures will not always add up to the 'all injuries' figure for the month. This is because multiple body parts can be affected by the one injury event.