

Media Statement

Date: 1 June 2017

Proposed changes in Queensland operations to meet customer needs

As a result of changing customer demand Aurizon has announced it proposes to move to more flexible train crewing operations in Central and North Queensland and undertake a staged closure of its rollingstock maintenance workshop in Rockhampton.

The proposed changes, to be phased through to late 2018, are necessary to address varying demand in the resources sector as well as changes to Aurizon's operating footprint.

Head of Operations Mike Carter said the Aurizon business has changed significantly in recent years in line with changing market demand.

"Aurizon needs to continue to change in line with what our customers need if we are to remain competitive," Mr Carter said. "Historically, most of our train crew have been permanent full-time employees and we have been unable to match fluctuations in weekly and monthly demand in train haulage services from coal customers or contract wins or losses.

"As a result we are proposing to change the composition of our train crew workforce in Central and North Queensland. This will involve engaging more contractors to provide greater flexibility for our customers. This will result in reducing the number of permanent full-time train drivers.

"In addition we have also commenced consultation with employees on the staged closure of the Rockhampton rollingstock maintenance workshops by late 2018.

"The amount of work required at this workshop has significantly reduced in recent years. It is a legacy facility – designed for a different operating footprint in a different time – and is not located close to our operations in the Central Queensland Coal Network.

"We have undertaken a review of core maintenance requirements for our Queensland rollingstock fleet and our future maintenance task will be best delivered at our newer facilities at Jilalan (Sarina), Stuart (Townsville), Willowburn (Toowoomba) and Callemondah (Gladstone), with components supply and non-core maintenance sourced from third parties."

Mr Carter said Aurizon recognises the impact these changes may have on local jobs and the regional economy but would work to offset the losses by undertaking a review of which metropolitan based roles have the potential to be relocated to Rockhampton and other regional centres.

He said the extended implementation phase proposed by Aurizon was also intended to allow all options to be explored for employees including retraining, redeployment and redundancy.

The detail of the proposed changes about the employee consultations, which commenced today include:

- Staged closure of the Rockhampton rollingstock workshop by late 2018. There are a total of 181 employees at the workshops who may be impacted. Up to 40 affected employees are expected to have the opportunity for redeployment to Aurizon's Jilalan facility. All 10 apprenticeships at the Rockhampton facility, if not completed before closure, will be completed at other facilities.

- Reshaping the composition of our train crew workforce in Central Queensland at the depots of Callemondah, Bluff, and Stanwell, with 126 permanent train crew positions to be phased out progressively over the next 12 months. This transition is expected to see the creation of approximately 70 locally-based train crew contractor positions over that same period.
- The reduction of approximately 62 permanent positions including train crew, freight operators and leaders at the North Queensland depots of Mackay and Townsville, primarily as the result of the completion of Aurizon's haulage contract with Wilmar Sugar in December 2017. As a result of this, and the ongoing freight review, the Mackay Freight train crew depot will close.
- Engagement of an additional 20 contractor train crew for the Coppabella depot near Moranbah in central Queensland to meet increased customer demand on the Goonyella and Newlands Coal Systems.

Mr Carter said Aurizon would also commence discussions with local, state and federal government representatives on the opportunity for urban redevelopment in Rockhampton on land vacated by the workshops.

The Rockhampton Workshop was first established in 1870s and includes a 'roundhouse' previously used to move locomotives into various maintenance bays. The heritage-listed roundhouse is largely preserved and provides an ideal opportunity for integration into any future urban redevelopment.

Aurizon will continue to have a large presence in the Rockhampton region with more than 650 employees across its various businesses. This includes an ongoing presence at the Rockhampton Administration building in Murray Street which is set for a major refurbishment in the near future.

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