



Dominic D Smith
Vice President & Company Secretary

Aurizon Holdings Limited
ABN 14 146 335 622

T +61 7 3019 9000
F +61 7 3019 2188
E CompanySecretary@aurizon.com.au
W aurizon.com.au

Level 17, 175 Eagle Street
Brisbane QLD 4000

GPO Box 456
Brisbane QLD 4001

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

21 May 2015

BY ELECTRONIC LODGEMENT

Aurizon – Enterprise Agreement Update

Please find attached announcement for immediate release to the market.

Yours faithfully

Dominic D Smith
VP & Company Secretary

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Media Release



21 May 2015

Queensland Enterprise Agreement Update: Federal Court Hearing and Termination of expired Enterprise Agreements

Today Aurizon is giving effect to the decision and order of the Full Bench of the Fair Work Commission (on 22 April 2015) terminating the 12 existing expired Enterprise Agreements in Queensland.

Upon termination of the Agreements, the terms of employment for approximately 3,500 affected Aurizon employees will be governed by the less favourable:

- Rail Industry Award 2010;
- National Employment Standards; and
- Individual contracts of employment

Employees include train drivers, rail operations employees, and construction and maintenance employees in Queensland.

Aurizon has undertaken to maintain a number of the current terms and conditions for a period of six months, such as base wages, superannuation, and leave accruals. There will, however, be immediate changes for affected employees, including the 'no forced redundancy' clause ceasing to operate and the loss of some allowances.

Aurizon previously advised (on 5 May 2015) that it would suspend acting on the termination until the Federal Court heard the application by rail unions against the Fair Work Commission order. That hearing was held in Melbourne today, with the Federal Court reserving its decision.

Aurizon has continued to bargain in good faith with unions since negotiations began in April 2013. Aurizon has offered employees a 4% per year wage increase over three years in return for the introduction of a range of work practices and productivity measures already widely accepted in Australian industry.

"The termination of these old agreements means a range of legacy conditions that are a hangover from government ownership and restrict Aurizon from making changes in a competitive market, will disappear," Aurizon Managing Director & CEO Lance Hockridge said.

"We are pleased with progress in our negotiations with unions since the Commission's decision in April. That decision has certainly been a catalyst for renewed focus around the bargaining table on the outstanding issues.

"Our ultimate goal has not changed since we started negotiations in April 2013. Aurizon is seeking a negotiated outcome on new enterprise agreements that are contemporary and forward-looking, and match those already agreed by unions with our direct competitors."

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For more information, please contact:
Brand & Communications: media@aurizon.com.au