

SE Business
HD **Aurizon axes 480 rail maintenance jobs**
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AUSTRALIA'S largest rail operator Aurizon is set to axe up to 480 jobs from Queensland as it continues to pull costs out of its business.

Days after announcing it had teamed up with **Chinese** giant Baosteel in a \$1.4 **billion** bid for resources **company** Aquila Resources, Aurizon revealed it was restructuring its rolling stock maintenance **operations** in Queensland.

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Aurizon revealed yesterday it had started consultation with employees at its maintenance **operations** in South Townsville and Redbank, with the first job cuts expected to hit next month, with further reductions occurring until 2017.

The restructure of its heavy maintenance **operations**, four years after the previous Queensland Labor government sold off what was previously QR National, is part of the **company**'s transformation program announced in mid-2013.

"The proposed changes in Queensland, on which consultation commenced yesterday, represent a major operational reform for the **company** and will impact a significant number of employees," the **company** said.

There are 450 workers at the Redbank facility and 115 at South Townsville. A small reduction of staff at Redbank is expected by next month, with a further reduction by June next year and then a progressive **wind**-down of activities through to June 2017, when it is proposed the workshop will close.

In Townsville, roles will be reduced next month, with the remaining roles to conclude in June 2016, when the site will close.

"If proposals are implemented, in total it is expected approximately 480 of these employees will potentially be impacted by 2017," the **company** said. "Of this figure it is anticipated a number will be offered redeployment and retraining opportunities." The redundancies are part of the **company**'s aim to deliver a \$130 **million** productivity improvement by 2015.

Aurizon said that the restructure program announced yesterday would improve rolling stock maintenance productivity, with better work practices and modern equipment, coupled with newer and fewer locomotives and wagons.

"A smaller and more productive fleet means less assets, resources and employees are required to maintain the fleet, while meeting growth and customer requirements." Aurizon said it would stop passenger-related maintenance contracts for Queensland Rail at Townsville and Redbank when those contracts expire at the end of next month and June next year.

"There is also a proposal to reduce existing capacity across the two workshops in Townsville and Redbank because it exceeds current and forecast maintenance demand for freight **operations** by Aurizon," the **company** said.

Aurizon is looking to centralise heavy maintenance and component overhaul work in Queensland to Rockhampton, which is closer to most of its services in central Queensland. It will also increase the scale of maintenance activities at that site. In the Aquila deal, announced on Monday, Aurizon will emerge with a 15 per cent **stake** in Aquila and head up the infrastructure arm to develop the rail and port to support its **iron ore** project, if the bid succeeds.

CO qrntnl : Aurizon Holdings Limited

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