

ASX & Media Release

AGL to take employer response action in answer to Union strike plan

15 December 2016

AGL Energy Limited (AGL) today said it had no option but to take employer response action, as permitted by the Fair Work Act, in an effort to progress and resolve bargaining at AGL Loy Yang. This follows notification yesterday by the CFMEU of a planned 24 hour shutdown of the Loy Yang A power station at 7pm on 28 December.

This action will create significant disruption and put Victoria's power generation at risk.

AGL Loy Yang General Manager, Steve Rieniets, said he will today reluctantly inform workers in the power station and mine of its intention to lock out workers from the site commencing at 7:01pm on 28 December 2016.

"AGL will not stand by and have our customers and the broader community risk being without power in summer due to industrial action. We are also concerned that industrial action may place the safety of our operations, our plant and our people at risk.

"This decision is not taken lightly. We regret that the dispute has reached this stage, particularly after AGL Loy Yang has been working to reach agreement with the CFMEU during negotiations over an 18 month period. By contrast the CFMEU has twice rejected agreements that included 20 percent pay rises, generous entitlements and job security," Mr Rieniets said.

AGL Loy Yang will take appropriate measures to ensure the security and safety of the mine and power station during the lockout.

Notes to editors:

The Loy Yang A power station provides 2,210 MW of electricity, approximately a third of Victoria's electricity needs.

The Loy Yang mine provides fuel to Loy Yang B power station; therefore the Loy Yang power station and mine supplies 50 percent of Victoria's energy fuel. If it is not operating at a time of high demand during hot weather, Victoria could be without power.

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About AGL

AGL is one of Australia's leading integrated energy companies. It is taking action to responsibly reduce its greenhouse gas emissions while providing secure and affordable energy to its customers. Drawing on over 175 years of experience, AGL serves its customers throughout eastern Australia with meeting their energy requirements, including gas, electricity, solar PV and related products and services. AGL has a diverse power generation portfolio including base, peaking and intermediate generation plants, spread across traditional thermal generation as well as renewable sources including hydro, wind, solar, landfill gas and biomass.