

Media Release: Rail and Maritime Transport Union
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KiwiRail must honour commitment for local content

KiwiRail must honour the local content provisions it put in tender documents for the construction of Auckland's new trains, rail workers say.

Tenders close this week for the \$500 million job to build 38 three-car electric multiple units and 13 locomotives for the Auckland rail network.

KiwiRail's May 2010 tender document encouraged firms to ally themselves with New Zealand subcontractors or suppliers and "include as much New Zealand content and resources in the design, construction, delivery, testing, maintenance and support of the EMUs as is appropriate."

"It is vital that KiwiRail honours this local involvement pledge as it considers the tenders," said Wayne Butson, General Secretary of the Rail and Maritime Transport Union.

"We have always wanted these trains to be built in Dunedin and Lower Hutt, and there was a comprehensive economic case backing a local build."

"But local involvement provisions from the lead supplier was the next option, and we want to make sure this is rigorously pursued by KiwiRail."

He said rail workers were gutted when it was announced that New Zealand workshops would not be building either the Electric Multiple Units for Auckland, or 300 new container flat top wagons, which also went overseas.

"KiwiRail has the capacity in Dunedin and Lower Hutt, it has a workforce dead keen to do the work, and it has a solid economic case for local involvement."

"They now have a chance to back the retention of a well trained rail workforce, rather than see more skilled trades people head overseas," Wayne Butson said.

Ends.

For further information: RMTU General Secretary Wayne Butson on (04) 473-6693 or (027) 496-2461

Background notes re Electric Multiple Units: KiwiRail has \$500 million for 38 new electric multiple units and locomotives for Auckland. Economics consultancy BERL estimated in May that local construction of these would add between 770 to 1270 additional jobs and \$232 to \$250 million to GDP. The BERL report is accessible here: <http://www.berl.co.nz/1166a1.page>

Unions, Chambers of Commerce and the Labour Party have called for local involvement in the job.