

Media Release: Rail and Maritime Transport Union (RMTU)
Wednesday July 20, 2011.

Govt happy to talk Hobbits, but not trains

New Zealand's unwillingness to back rail manufacturing is out of step with two recent developments in similar countries overseas, the union for rail workers says.

Last week KiwiRail confirmed redundancies at Hillside workshop in Dunedin, a result of the SOE purchasing rolling stock and electric units overseas, rather than having them made locally.

RMTU General Secretary Wayne Butson said that the New Zealand situation contrasted with recent developments in Australia and South Africa.

The Australian government are taking rail construction seriously, [last week](#) releasing a major report on the future of the sector, [and in June](#) committing to a rail manufacturing roadmap, backed up by the work a dedicated rail Supplier Advocate is doing to help local manufacturers.+

The move sits alongside a requirement that contractors to large government procurements develop and implement Australian Industry Participation Plans to give Australian firms as much opportunity to carry out work locally.+

And in South Africa, the [government has announced](#) an 97 billion rand development of passenger rail rolling stock, and the requirement is for 65% local content in the build.+

This contrasts with New Zealand, where we have a government happy to wine and dine Warner Brothers for the local film industry, but who refuse to step in to stop the local rail manufacturing industry being gutted.+

No one in New Zealand other than KiwiRail CEO Jim Quinn and Transport Minister Steve Joyce agrees that we should be standing idle and letting go of our rail industry jobs, putting the wider engineering industries in Dunedin and Lower Hutt at risk.+

Wayne Butson said that the successful tender for Auckland's Electric Multiple Units is due to be announced within weeks, and the RMTU would be watching very closely to see whether KiwiRail honoured the local involvement pledge it made during the tender process.

Ends. For further comment: RMTU General Secretary Wayne Butson on (027) 496-2461.

Information about Australian's Supplier Advocate initiative is here:
www.innovation.gov.au/supplieradvocates

Background notes re Electric Multiple Units:

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.*+

KiwiRail has \$500 million for new electric multiple units and locomotives for Auckland. Economics consultancy BERL estimated in May last year 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>