Media Release: Rail and Maritime Transport Union (RMTU)

Thursday May 26, 2010

Merit in discussing who should own Auckland trains

There may be some merit in a proposal to transfer ownership of Auckland's new electric trains to Auckland Transport, the Rail and Maritime Transport Union said today.

KiwiRail is in the final stage of a tender process for the \$500 million job to build 38 three-car electric multiple units and 13 locomotives for the Auckland rail network.

Auckland Transport, a council-controlled organisation (CCO) of Auckland Council, <u>was today reported as wanting to take ownership of the new trains</u>, rather than lease them back from KiwiRail at a cost of several million dollars.

RMTU General Secretary Wayne Butson said that this should be seriously considered.

"Our experience of past National governments is that their commitment to public ownership of rail assets is not good," Wayne Butson said.

"Transferring the ownership of Auckland's new electric trains to Auckland Transport may protect taxpayer assets in the event of KiwiRail being targeted for privatisation in the future."

"If this is a way of protecting this significant new investment in electric trains, then it may be worthy of consideration."

"Either way, we do not want to see a situation where KiwiRail is privatised under a National government, and these assets are lost for good."

The RMTU would also be watching very closely to see whether KiwiRail honoured the local involvement pledge it made during the tender process for the new Auckland trains, Wayne Butson said.

"We have always wanted these trains to be built in Dunedin and Lower Hutt but local involvement provisions from the lead supplier was the next best option. It is essential that this option is rigorously pursued by KiwiRail," he said.

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

Background:

<u>Last month KiwiRail announced</u> the two shortlisted firms for the contract to build 38 three-car electric multiple units and 13 locomotives for the Auckland rail network. A final decision is expected within the next three to four months.

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."