

Media Release: Rail and Maritime Transport Union (RMTU)
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KiwiRail job losses could have been avoided – union

Proposed KiwiRail job losses in Dunedin could have been avoided if the government and KiwiRail had made sure major rail manufacturing projects were carried out by New Zealand rail workers, their union said.

KiwiRail will today announce to workers a proposal to cut 41 jobs at its Hillside workshop in South Dunedin. Workers have until 1 July to comment on the proposal.

“The Transport Minister needs to front up and take responsibility for these proposed job losses. Inaction from Steven Joyce and KiwiRail has led to this situation,” Rail and Maritime Transport Union General Secretary Wayne Butson said.

“Today’s proposal is the direct consequence of KiwiRail not bidding for the \$500 million rail construction job for the electrification of the Auckland rail network, despite a comprehensive BERL economic case backing a local build supported by the Otago Chamber of Commerce, Dunedin City Council, unions and MPs.”

“KiwiRail sending the job for 300 new container flat top wagons to an overseas firm last December hasn’t helped matters either.”

“Steven Joyce’s assurances last May that “there will be lots of work for these guys, there’s no doubt about that” have amounted to nothing, and now the local rail workforce and the wider Dunedin engineering sector is paying the price.”

“The government was faced with a choice. As KiwiRail’s shareholder they had options available to them to enforce strong local procurement rules.”

“Instead, the Transport Minister has sat by and let this work go overseas.”

Wayne Butson said it was silly for KiwiRail to tender a job from one part of the business, which could easily be carried out by another part of the KiwiRail business.

“What needs to change is KiwiRail’s tendering rules, and this change needs to come from Parliament, to make it clear for crown entities like KiwiRail that buying local must always be the first option where possible.”

“If government procurement settings do not support local industry, then we simply won’t keep good manufacturing jobs in New Zealand.”

Ends.

For further comment: RMTU General Secretary Wayne Butson on (027) 496-2461, who is in Dunedin today. Or Jim Kelly, Hillside worker and outgoing RMTU National President, on 021-255-6702. **Workers will be available for media interview outside Hillside workshops main entrance, at 1.15pm today, after their meeting with the company on the proposal.**

Background notes re Electric Multiple Units:

KiwiRail has \$500 million to purchase 38 three-car electric multiple units and 13 locomotives for the Auckland rail network. Last May, Chambers of Commerce, local government and unions commissioned a report setting out the economic benefits of building Auckland’s new trains in KiwiRail’s Dunedin and Lower Hutt workshops. BERL estimated that local construction 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>

Background notes re: Steven Joyce's comments:

When Steven Joyce rejected the BERL report on the Close Up programme last year, he held out hope that the 300 flat top wagons would be built locally.

The Minister said: "*There will be lots of work for these guys, there's no doubt about that, because they do a lot of things well and there's a big rolling stock replenishment and replacement exercise that's coming down the pipeline* (Steven Joyce, Close Up, May 3 2010)"

Despite this, in December last year the contract for this work went overseas, like the Auckland Electric Multiple Units.

The Close Up interview is here: <http://tvnz.co.nz/close-up/get-kiwis-do-locomotion-3509198/video>. (The comments noted above are at 9 minutes 59 seconds.)