

Media Release: Rail and Maritime Transport Union Wednesday July 14, 2010

Kiwi Jobs Bill will help stem loss of manufacturing

The Rail and Maritime Transport Union (RMTU) says stronger local procurement requirements are needed to stop more manufacturing work going overseas, and the union is supporting Clare Curran's Bill to help achieve this.

"KiwiRail's recent decision to not bid for the \$500 million contract for Auckland's new trains demonstrates the need for a much stronger signal from government to their departments and other entities to maximise local procurement," said Wayne Butson, RMTU General Secretary.

"Our economy needs to serve Kiwi jobs, and we need to move away from the restrictive, narrow definition of 'value for money' that is currently used when government entities tender for work."

"Value for money is not just purchase price. It is also about the primary and secondary jobs that are created, the industries that are supported and the contribution to reducing our balance of payments deficit that can be made."

"Rail workers want strong local procurement requirements right away," Wayne Butson said.

"Without them we will see more decisions like the KiwiRail one, with all the lost opportunities in terms of jobs, industry development and export potential that that involves."

"Clare Curran's Bill deserves the full support of Parliament to help make this happen," Wayne Butson said.

Ends.

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

Background notes re Electric Multiple Units: KiwiRail has \$500 million for 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>