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MEDIA STATEMENT

Misjudgment costs Kiwis jobs

The forty one jobs lost at KiwiRail's Dunedin Hillside workshops today illustrate the real-life effects of government procurement policy, says Labour's Economic Development spokesperson David Parker and Labour MP for Dunedin South Clare Curran.

"Transport Minister Steven Joyce claimed jobs were not at risk. Today's layoffs provide the harsh proof of his misjudgement," David Parker said.

The Hillside workshop is the repository of significant engineering expertise for New Zealand, and one of the largest employers in Dunedin.

"Whether the Minister admits it or not, livelihoods are on the line thanks to his government's actions which blocked the workshop from even tendering for contracts to build rolling stock for our rail system.

"The Minister did this in the face of independent economic analysis from BERL, endorsed by the Chamber of Commerce and the Dunedin City Council, which showed very significant economic benefits for New Zealand as a whole," Clare Curran said.

"New Zealand's engineering and manufacturing expertise is being lost. No wonder our economy is stalled, when the government refuses to back New Zealand businesses," David Parker said.

"Labour has announced we will change the way in which the government procures goods and services to ensure the jobs and economic development opportunities for NZ industry and the wider economy are not lost.

"Labour does not propose that uncompetitive and unaffordable purchases are made, as National asserts, but believes that Kiwis should be given a fair go where economically viable.

"Labour will do what other successful economies do, which is to use the power of government procurement for the benefit of New Zealand.

"The current government subsidises its backers in the agricultural sector (eg. the \$35 million subsidy provided in the latest budget to be spent on new irrigation schemes) but ignores the other sectors New Zealand needs to succeed to provide jobs, and the expertise that leads to new exports. Labour will turn this around," David Parker said.

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