

Media Release: Rail and Maritime Transport Union
Thursday April 21, 2011.

KiwiRail must enforce local content provision in shortlist

Rail workers are today calling for a firm commitment from KiwiRail that it will rigorously enforce local content provisions it placed in tender documents for the construction of Auckland's new trains.

Late yesterday KiwiRail [announced](#) the two shortlisted firms for the \$500 million job to build 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 the trains in the Dunedin and Lower Hutt workshops. BERL's report estimated a local build would have added between 770 to 1270 additional jobs, \$232 to \$250 million to GDP and an increase in crown revenue by a net \$65 million to \$70 million.

Rail and Maritime Transport Union General Secretary Wayne Butson said that while KiwiRail and Transport Minister Steven Joyce had turned their nose up at local build, it was vital that clauses in the tender document supporting local firms were enforced.

"Rail workers' preference has of course always been that these trains are built locally, and the economic case has backed them up," Wayne Butson said.

"But the next logical step is to ensure that the successful contractor involves local firms in as much of the construction as possible."

"From Day 1 it has seemed that there were only two people in New Zealand who thought that the Hillside and Woburn workshops couldn't build these trains – KiwiRail's Jim Quinn and Minister Steven Joyce."

"Everyone else believed that the economic benefit of more work for local manufacturers, and the retention of a skilled rail workforce, was too important to let the job go overseas."

"We are now calling today for a firm commitment from KiwiRail that the local content provisions in tender documents will be enforced," Wayne Butson said.

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.*"

Ends.

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

Background notes re Electric Multiple Units:

KiwiRail has \$500 million for 38 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.](#)

[Unions](#), [Chambers of Commerce](#) and the [Labour Party](#) have called for local involvement in the job.