



Media Release

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Alleged Exploitation of Chinese Workers Latest Chapter in Botched Procurement of Rail Rolling Stock

The Ministry of Business, Innovation and Employment (MOBIE) must investigate allegations of exploitation of Chinese workers at KiwiRail's Hutt Railway Workshops says the union that represents rail workers.

The Rail and Maritime Transport Union (RMTU) today added its voice to calls on MOBIE to investigate allegations by Hutt South Labour MP Trevor Mallard that Chinese workers doing warranty repairs on asbestos contaminated locomotives are being paid as little as \$3.00 per hour.

'This is the latest chapter in the sorry tale of procuring rolling stock from overseas,' said RMTU Acting General Secretary Todd Valster. 'MOBIE need to move quickly to verify whether there is any substance to these allegations,' he said.

'The purchase of flat deck wagons and locos manufactured by Chinese company CNR triggered the closure of Hillside Railway Workshops in Dunedin in late 2012 and meant less work for Kiwi staff at Hutt Railway Workshops in Petone,' he said.

'The procurement process was badly botched, disadvantaging home based manufacturing, and there has been a string of problems with the products CNR delivered,' he said.

'The locos were found to be riddled with asbestos earlier this year and have had to be taken out of service while remedial work has been done to make them safe. Chinese workers were flown in to do the work under warranty but we're hearing that they are being paid as little as \$3.00 per hour. Another figure we're hearing is US\$40 per day. If either of those are true this is rank exploitation of the worst kind and should not be happening in New Zealand,' he said.

'We also have Chinese staff working in Picton doing remedial work on the flat deck wagons, again under warranty, and again we're hearing horror stories about the terms under which they are working,' he said.

'The whole sorry saga of the procurement of this rolling stock is one of a failure by this Government to support manufacturing in New Zealand. KiwiRail and their customers are paying the price with second rate rolling stock that is out of service while remedial work is done. Many Kiwi workers lost their jobs when work dried up at Hillside, as the workshops provided orders for many other firms in Dunedin and elsewhere, and now we're hearing that Chinese workers are being subject to Dickensian terms and conditions to fix the broken rolling stock,' he said.

'MOBIE needs to get stuck and find out what's going on here because the New Zealand public have had enough. It's not okay for the Government to wash its hands yet again over something that's happening in our manufacturing sector.' He said.

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