

Media Release: Rail and Maritime Transport Union
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Problems with Chinese flat top wagons not a surprise – rail union

The union for rail workers says the difficulties KiwiRail is experiencing with its wagons highlights the problem with taking a very short-sighted view of procurement.

It was reported this morning that almost one in ten of KiwiRail's 500 new container flat top wagons are out of the fleet undergoing repairs and maintenance.

In December 2010 KiwiRail awarded production of the wagons to China CNR Corporation, rather than have them built at its own workshops in Dunedin and Lower Hutt.

“KiwiRail will inevitably have whole-of-life cost blowouts if it continues to take a short term procurement approach solely focused on the cheapest products available,” Rail and Maritime Transport Union General Secretary Wayne Butson said.

“Value is not just money nor is it just the purchase price. It is also about ongoing repairs and maintenance work, as KiwiRail are finding out, not to mention the primary and secondary jobs that are created and industries supported when goods are manufactured locally.”

KiwiRail also had major commissioning issues last year with Chinese DL locomotives relating to problems with their suspension, traction motors and noise, Wayne Butson said.

He said construction of the 500 wagons was an easily achievable target for KiwiRail's Dunedin and Lower Hutt workshops.

“Instead the company sent the work overseas and 44 workers in Dunedin lost their jobs.”

Wayne Butson said that despite being a feature of the so called ‘Jobs Summit’ in 2009, the government procurement agenda now focused only on saving a few dollars through group purchasing, rather than government looking at how it could use its purchasing influence to keep jobs in New Zealand or for the benefit of New Zealanders.

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

“The current crisis for the New Zealand rail industry isn't the vehicles. It is the skills drain to Australia and the fact that we don't have the trades work to be able to train the next generation,” Wayne Butson said.

Ends.

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