

Media release: Rail and Maritime Transport Union
Tuesday April 8, 2014

Wider costs of overseas built locomotives needs to be recognised

The Rail and Maritime Transport Union says the full cost to New Zealand Inc of the decision to have our trains built overseas must not be swept under the carpet.

KiwiRail and the RMTU have [today confirmed](#) that the first of KiwiRail's Chinese built DL locomotives have returned to service. They had been withdrawn when it was discovered they contained asbestos.

If KiwiRail's locomotives were built locally the problem of asbestos would never have arisen, Rail & Maritime Transport Union General Secretary Wayne Butson said.

"We have seen 40 DL locomotives come out of service, causing disruption for KiwiRail's freight customers and incurring considerable expense for our rail SOE."

"It's important we don't gloss over the full impact of National's decision to abandon our local rail manufacturing workforce and industry and opt for the cheapest possible price for these locomotives, the Auckland EMUs and the flat top wagons, all of which could have had varying levels of assembly or manufacture here in New Zealand."

"As we knew at the time, and as the BERL report confirmed in relation to the Electric Multiple Units, you cannot simply compare the initial purchase price. 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."

"Value is not just upfront costs. It is also about ongoing repairs and maintenance work, as we are seeing right now, not to mention all the primary and secondary jobs that are created and industries supported when goods are manufactured locally."

"Who is going to be held accountable for these trains being supplied with asbestos in them? All this extra expense, inconvenience for customers, and the potential safety risk that existed for workers, can be traced back to the decision not to build these trains locally."

"I look forward to John Key's response on this matter," Wayne Butson said.

Ends.