

## **Rail contract deal threatens Kiwi jobs**

Rail and Maritime Transport Union media release

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The union representing rail workers has denounced a decision by KiwiRail to send a major contract to overseas firms rather than back New Zealand jobs.

The media reported today that sources within NZ construction companies Downer and Fletchers have said they were unsuccessful in a joint bid for the Papakura to Pukekohe rail electrification contract in South Auckland.

It is understood the NZ\$371 million contract has been awarded to a joint bid from Chinese-owned firm John Holland and South African-owned McConnell Dowell.

Rail and Maritime Transport Union General Secretary Wayne Butson says as a state-owned enterprise it was a “no brainer” that KiwiRail should be directing major contracts to New Zealand businesses that would employ local workers.

The Government had claimed procurement rules mean it can't interfere in the decision.

“In this case, the rules should be changed.”

Mr. Butson says it appears that relatively minor cost differences led to the decision which could impact up to 1000 jobs.

New Zealand is witnessing a predictable rise in unemployment and downturn in economic activity due to the Covid19 pandemic and lockdown, says Mr. Butson.

The Government has handled the crisis well, but decisions like this threatened to undo their efforts to restart the New Zealand economy, he says.

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