

MEDIA RELEASE

**AMWU WELCOMES LABOR'S POLICY ON TRAIN
PROCUREMENT.**

15 June, 2016

The Australian Manufacturing Workers' Union (AMWU) has welcomed the policy announced by Shadow Industry Minister Kim Carr on national rail procurement as a step in the right direction and called on the Coalition to match Labor's commitment to Australian manufacturing.

AMWU Assistant National Secretary Glenn Thompson said rail manufacturing workers needed a government in Canberra that would stand up for Australian built trains.

"Demand for public transport is increasing around the country and state governments are planning to spend over \$46 billion dollars on new rail infrastructure over the next decade," Mr Thompson said.

"This represents a huge opportunity for local manufacturing and jobs and it is essential that future Federal and State governments recognise the importance of building new trains and trams here, instead of exporting jobs overseas," he said.

"Labor's plan to harmonise the procurement of public transport rolling stock is an excellent example of how to innovate and assist industry to grow the numbers of jobs in the sector and to build a stonger local industry, which will guarantee well paying jobs into the future."

Mr Thompson said the rail maintenance and manufacturing industry already employed almost 20,000 workers, with an annual turnover of \$1.75 billion.

"The inefficiency of having State and Territory Governments independently ordering and building trains is costing Australian jobs," Mr Thompson said.

"This leads inevitably to an increase in costs and has seen some major supply contracts going overseas instead of being built by Australian workers."

"We believe Australia must harness the huge amount of experience we have, building and maintaining rail assets and make sure Australian industry gets the lion's share of the work in the future.'

"What we don't want to see is local jobs being undermined and the loss of our local rail manufacturing industry."



MEDIA RELEASE

Mr Thompson said the AMWU had commissioned a report by Juturna and Cadence Economics which clearly showed that the local industry could produce a world class rail product at competitive prices.

It recommended that harmonisation of the sector was the best way forward by harnessing the combined buying power of the states and making sure taxpayers get value for money when it comes to public transport procurement.

Among the problems the industry faces, the report highlighted:

- Potential clashes in timing of tenders.
- Unnecessary complexities in the design and build phase.
- Unpredictable order volumes.
- No national pipeline for wagon builds.
- Difficulty in maintaining a standing workforce and tooling lines.
- No long-term strategic vision for manufacturing and procurement.

Mr Thompson said harmonisation was the key to overcoming these structural issues.

“It is vitally important that our rail industry is given the opportunity to compete and win contracts and that jobs in the sector remain in Australia rather than being sent offshore,” Mr Thompson said.

“We believe harmonisation is good for business, good for workers and good for State Government budgets because a new, co-ordinated approach will deliver an Australian-made product, built to high international standards, at a competitive price.”

“Australia can’t afford for the rail-building industry to go the way of the auto industry, with the consequent loss of jobs and damage to our economy.”

Mr Thompson said a “continuous build” approach had the capacity to revitalise manufacturing in the rail sector in the same way that it would provide certainty to defence contractors and shipbuilding workers.

“If politics is ‘the contest of ideas,’ we say this is an excellent idea whose time has come.”

Media contact John Hill 0412197079.