

Media Release

3 September 2020

NSW Government comments mislead on train manufacturing

The NSW Government is wrong to say that building trains is [not a realistic option in Australia](#) and should instead clean up its procurement processes to get behind local manufacturing jobs.

Australia has a \$2.4 billion rollingstock manufacturing and repair industry with capability and experience across the country, including in regional NSW.

Australasian Railway Association (ARA) Chief Executive Officer Caroline Wilkie said state government failures to adopt a nationally consistent procurement process that considers the whole of life costs of critical public transport assets were behind moves to source overseas content.

“Passenger trains are being manufactured right here in Australia to the highest international standards,” Ms Wilkie said.

“There are facilities across the country that can design, manufacture, maintain and repair rollingstock to individual operator specifications if government purchasers make the choice to do so.

“We have long been calling for a national procurement process for rail manufacturing to give the industry greater scale, promote efficiency and create more local jobs which are supported by advanced manufacturing techniques from industry.

“The NSW Government’s procurement choices have eroded the manufacturing sector and make it harder for local operators to compete.

“Better coordination with their counterparts in other states and territories would see more trains manufactured locally and improve efficiencies and cost profiles across the life of the asset.”

Ms Wilkie said it was wrong to use the up front capital costs of a single contract as an indication of the Australian industry’s competitiveness.

She said while governments typically focused on initial capital costs when making procurement decisions, Australian suppliers could deliver improved efficiencies and foster greater innovation if whole of life costs, amongst other economic and sustainability factors, were assessed during the tendering process.

Australia’s rail manufacturing sector is led by companies including Alstom, Bombardier, Downer and UGL, with over 900 companies involved in manufacturing and supply in the industry.

Rollingstock manufacturing and assembly capability currently exists in Cardiff and Broadmeadows in NSW; Dandenong, Ballarat and Newport in Victoria; Maryborough in Queensland and East Perth in WA.

Metropolitan Sydney and Melbourne are the largest centres of rollingstock maintenance and repairs in Australia, and two of the three largest non-capital city employment bases for the industry nationally are in Newcastle and Lake Macquarie.

“Australia builds trains very well and has a rich history of doing exactly that,” she said.

“When governments make choices to prioritise local content, they secure an outstanding quality of product while supporting local jobs creation and strengthening our supply chains.”

Ms Wilkie said COVID-19 has had a significant impact on global supply chains, with many companies in the rail sector seeking to use more local suppliers in the wake of the pandemic.

She said now was the time to put the focus on Australian manufacturing.

The ARA recently released a new tendering framework calling for a nationally consistent approach to rail procurement.

“A nationally consistent procurement process would benefit both state government purchasers and the rail manufacturing industry itself,” she said.

“The NSW Government says it is open to working with other state governments and industry to strengthen and standardise procurement processes – it’s now time for them to act.”

ENDS

Media contact: Joeley Pettit – 0407 061 421, jpettit@ara.net.au