



**Sharon Grierson MP**  
Federal Member for Newcastle

# Media Alert

Thursday 5 August

## **NEWCASTLE’S VARLEY ENGINEERING MISSES OUT**

### **Sharon Grierson Asks Why!**

In July, the Howard Government shipped to Austria millions of taxpayers’ dollars as well as jobs, apprenticeships and critical training opportunities for the Hunter region when Airservices Australia bypassed Newcastle firm Varley Engineering in a contract to manufacture 18 emergency response vehicles for Australian airports.

To the people of Newcastle and the Hunter region, the decision means the loss of 60 direct local manufacturing jobs, 180 additional jobs including up to 15 new apprenticeships, and the loss of skills and capability for the region. To the nation, this decision means the loss of capacity building and another blow to the manufacturing industry, with this wealth and these jobs and skills now benefiting Austria instead?

In parliament today, Sharon Grierson raised concerns about the probity of the tender process and called for an explanation from the Minister for Transport and Regional Services, the Deputy Leader John Anderson to the people of Newcastle and the Hunter.

In collaboration with the Member for Newcastle, Kim Carr the Shadow Minister for Industry, Innovation Science and Research will lodge tomorrow an extensive list of questions in the Senate which the Minister must answer to explain this decision. (See attachment.)

The Minister must explain why the tender documentation required a security deposit set at 30% of the project value when general practice is usually 10% of project value. The Minister must also validate the allegation that Airservices Australia officers spent 4 days inspecting sites in Austria but failed to visit any of the Varley Engineering sites in Australia.

Australian manufacturers need a guarantee that when they spend millions of dollars in tendering for Australian contracts, the government will exercise due probity and accountability.

The Howard Government has failed to deliver for Australians through Industry and Government purchasing policy and a non-existent manufacturing policy. Newcastle missed out because of this government’s failures. The people of Newcastle deserve answers.

A Latham Labor Government will use government purchasing as a premier industry policy tool to support Australian industry.

**For more information contact Sharon Grierson on 4926 1555**

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**Newcastle**  
427 Hunter Street  
Newcastle NSW 2300  
Ph: 02-4926 1555 Fax: 02-4926 1895  
e-mail: Sharon.Grierson.MP@aph.gov.au



**Canberra**  
Suite R2 88  
Parliament House Canberra ACT 2600  
Ph: 02-6277 4221 Fax: 02-6277 8461  
Web Page: www.newcastle-alp.com