

Senator Kim Carr

Labor Senator for Victoria

Shadow Minister for Industry, Innovation, Science & Research

Sharon Grierson

Federal Member for Newcastle



14/07/04

Howard sends Newcastle jobs overseas

The Howard Government has shipped jobs, millions of dollars, apprenticeships and critical training opportunities overseas, after what appears to be a questionable tender process for the manufacture of emergency trucks.

Newcastle company Varley Engineering missed out on the \$18 million contract manufacturing high-tech rescue vehicles for Australian airports. The region has cried foul, raising a number of concerns over the treatment of Varley's application.

Member for Newcastle Sharon Grierson said: "The rescue vehicle contract was worth around \$18 million and 60 direct jobs for Newcastle, including 10-15 extra apprentices, not to mention the build up of skills and capability for the region. The flow-on effect would have meant jobs for up to 180 people. Now these jobs and wealth will go to Austria instead".

Labor's Senator Kim Carr, Shadow Minister for Industry and the Member for Newcastle call on the Howard Government to answer mounting questions over the process:

- Why did the local company lose out, when the bids were very close on price?
- Did the tender documentation favour overseas companies?
- Why was the security deposit set at \$6m or 30% of project value, instead of the normal 10% - deterring small Australian companies?
- Why did Airservices Australia officials fail to visit Varley's to inspect their site, capability and products?
- Is it true that Airservices officials visited Austria on a four-day tour to look at the Rosenbauer International Aktiengesellschaft site?
- Is it true the Rosenbauer product will be fully imported with no opportunity for Australian companies to contribute and locking out another company with operations in Australia, Carmichael International?
- Who will do the maintenance and through-life support given Rosenbauer doesn't have a maintenance facility in Australia and will these additional costs make their bid more expensive in the long term?
- What is Airservices doing about the complaint lodged over the process, and the request to reissue the tender?

"This appears to be a failure of industry and Government purchasing policy and a product of the government's non-existent manufacturing policy", said Senator Carr.

"The Howard Government must answer our questions and tell the people of Newcastle why our manufacturers have been left out in the cold. We can't keep sending our jobs overseas", said Sharon Grierson, Member for Newcastle.