

SE News - Leaders
HD **Rail jobs and global outlook**
BY Leader
WC 438 words
PD 9 May 2014
SN The Newcastle Herald
SC NEHR
ED First
PG 10
LA English
CY © 2014 Copyright John Fairfax Holdings Limited.

LP

IT is good news, of course, that the NSW government plans to spend \$2.85 **billion** on new rail carriages for regional passenger services.

The new carriages, it is being reported, will be fully airconditioned. Some may have privately operated refreshment outlets aboard and Transport Minister Gladys Berejiklian has even suggested that most of the new carriages may have toilets and washrooms.

TD

That will please potential train passengers in the Hunter, the Illawarra, the Blue Mountains and elsewhere in non-metropolitan NSW.

Rolling stock should be periodically upgraded and, as the population increases, improved carriages should encourage more patronage and bring services closer to paying their way.

With an election due in 2015, and with the government struggling under the cold glare of a corruption inquiry, an increase in the frequency of positive announcements about improved services for voters can be expected.

And since the government is about to pocket a handy windfall from the **sale** of the Port of Newcastle, some kind of dividend for regional NSW was also on the cards.

The only sour note is the suggestion that - if the carriages are to be bought "off the shelf" - they must necessarily be imported.

That implies that the contract won't be used by the government to stimulate the state's economy via local construction. The only jobs that may be saved or created by the **purchase** could be in fitting out or rectification work on the imported units.

This is a shame. It is as if the government has already decided, without testing the market, that any cost-benefit analysis of domestic construction versus imports must come down on the side of foreign builders.

Perhaps that would be true, but it would have been comforting if the government was willing to go through the motions of the comparison, particularly when so much may be gained from keeping such contracts onshore.

Still on the subject of employment, more jobs are being lost in the Hunter as the **mining** downturn continues to bite. Waratah's Arrium steel and **mining** equipment plant is to shed about 120 workers in the face of tough new overseas competition in the market for grinding media and a harsh global outlook for steel.

China's apartment-building boom appears to have stalled, killing demand in that country for reinforcing steel and prompting **Chinese** steel producers to publicly bemoan their big stockpiles and slim order books.

Less steel means less coking **coal**, another negative for an oversupplied and overinvested Australian sector that is already facing the prospect of a sharp rationalisation.

NS nedi : Editorials | ncat : Content Types

RE austr : Australia | nswals : New South Wales | apacz : Asia Pacific | ausnz : Australia/Oceania

PUB Fairfax Media Management Pty Limited

AN Document NEHR000020140509ea590000a