

Kath McIndoe

From: Chris Mackenzie [Chris.Mackenzie@parliament.govt.nz]
Sent: Thursday, 29 March 2007 6:56 p.m.
To: cam@moore.net.nz; David George; William Peet; Thomas Davis
Cc: john.wilson@treasury.govt.nz
Subject: TOLL Debrief

Cam

The Minister has asked me to update you and your ONTRACK colleagues following his meeting with Toll this week.

The meeting started with a description of the outline agreement on track access that had been pulled together by Toll NZ officials from Treasury and ONTRACK. The Toll board view was that an agreement of that nature would not last, and that major investment in rolling stock was not very attractive to them. The view that the outline agreement would not be robust was one shared by the Minister, and as you will know, had been part of the advice from Treasury and ONTRACK officials.

The discussion then turned to other broader options that might change the Toll/Crown relationship more significantly, and might produce a more stable agreement, capable of enabling investment in replacement locomotives and rolling stock. We discussed options involving a quite different split of responsibilities for rail assets between Toll and the Crown.

As you will realise, these are quite high-level issues of government transport and asset ownership policy. The Minister has asked the Treasury to work with Toll on these options over the next few weeks to produce an agreed option. The Minister will expect the Treasury to look to ONTRACK staff to provide rail expertise into this process, and to brief ONTRACK on progress. If you or ONTRACK management have any questions, I, or John Wilson at the Treasury, would be happy to deal with them.

Can I also make the point that this is commercially sensitive and therefore there should be no communication with anyone outside of the Board, David, William and Thomas on any possible change in direction.

Regards

Chris

(Chris Mackenzie
Senior Advisor
Deputy Prime Minister's Office
(04) 471 9935 or (021) 799 499)

This email is intended only to be read or used by the addressee. It is confidential and may contain legally privileged information. If you are not the addressee indicated in the message (or responsible for delivery of the message to such person), you may not copy or deliver this message to anyone, and you should destroy this message and kindly notify the sender by reply email.

Confidentiality and legal privilege are not waived or lost by reason of mistaken delivery to you.