



**THE NEW ZEALAND RAIL LIMITED VESTING ORDER 1990**

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PAUL REEVES, Governor-General

ORDER IN COUNCIL

At Wellington this 23rd day of October 1990

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL

PURSUANT to the New Zealand Railways Corporation Restructuring Act 1990, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following order.

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ORDER

**1. Title**—This order may be cited as the New Zealand Rail Limited Vesting Order 1990.

**2. Interpretation**—(1) In this order, unless the context otherwise requires,—

“The Act” means the New Zealand Railways Corporation Restructuring Act 1990:

“The company” means New Zealand Rail Limited, being a Crown transferee company within the meaning of section 2 of the Act:

“Category “N” land” means the land identified and marked “N” in the property inventory records, including plans and computer database records, of the Corporation, at the close of the 27th day of October 1990, as being core land:

“Core business division” means any of the following business divisions of the Corporation existing at the close of the 27th day of October 1990:

(a) The division known as “Railfreight Systems”, being the division that provides freight transport and related services, and that undertakes freight handling and storage operations, train operations, and the procurement and maintenance of rolling stock:

(b) The division known as “Interisland Line”, being the division that provides passenger, road, and rail ferry services between the North and South Islands:

(c) The division known as “Rail Passenger”, being the division that provides urban and long distance passenger train services:

(d) The division known as “Railnet”, being the division responsible for the provision and maintenance of the track network, the construction and maintenance of formation, bridges, tunnels, and other structures, and the installation, operation, and maintenance of signalling and electric traction systems:

(e) The division known as “Railtel”, being the division responsible for the provision, operation, and maintenance of telecommunications services and facilities:

(f) The division known as “Transport Engineering and Equipment Liaison”, being the division responsible for the provision and operation of engineering workshops and vehicle fleet management services:

(g) The division known as “Information Services”, being the division that provides information technology and related services:

(h) The division known as “Core Property”, being the division that manages property and buildings occupied or used by the Corporation for the purposes of any of the separate divisions referred to in this definition:

(i) The divisions known as “Corporate Office”, “Group Services”, and “Corporate Services” being divisions consisting of the executive management of the Corporation and the personnel of the Corporation engaged in planning, public relations, safety and risk management, building management, purchasing, personnel, administration, finance and accounting functions of the Corporation—  
but does not include—

(j) The division known as “Passenger Business Group” being the division that provides road passenger services, travel agency services, and road and rail parcel services under the name “Speedlink”:

(k) The division known as “Rail Properties Disposal Unit”, being the division responsible for the sale of surplus property of the Corporation:

“Operational land” means land held, occupied, or used for the purposes of any of the core business divisions, and includes—

(a) Category “N” land:

(b) All land identified and marked “C” in the property inventory records, including plans and computer database records, of the Corporation, at the close of the 27th day of

October 1990, as being land held for later disposal after relocation or cessation of existing operations by any of the core business divisions:

(c) All land that is held, used, or occupied by a core business division and is identified and marked "E" in the property inventory records, including plans and computer database records, of the Corporation, at the close of the 27th day of October 1990, as being land held, subject to evaluation, for possible later disposal.

(2) Any term or expression which is not defined in this order, but which is defined in the Act, shall have the meaning given to it by the Act.

### **3. Vesting of railways assets and railways liabilities in company—**

(1) The railways assets and railways liabilities to which this clause applies, being assets and liabilities set out in a list prepared pursuant to section 6 of the Act by the Minister of Finance and the Minister for State Owned Enterprises dated the 23rd day of October 1990, shall vest in the company on the 28th day of October 1990.

(2) Subject to subclause (3) and subclause (4) of this clause, this clause applies to—

(a) All railways assets and railways liabilities of the Crown and the Corporation used or capable of being used for the purposes of any of the core business divisions, including, without limitation,—

(i) All improvements, buildings, structures, fixtures, cables, pipes, bridges, tunnels, formation, track, and associated works situated on or under or above the surface of operational land (but excluding any estate in land);

(ii) All planning rights, designations, water rights, and clean air licences relating to—

(A) Category "N" land and the operations and activities of the Corporation on that land:

(B) The operations and activities of the Corporation on other operational land, except to the extent that they relate solely to an estate in land:

(C) The operations of any of the core business divisions:

(iii) The rights and obligations of the Corporation under all contracts and agreements for the supply of goods and services in relation to any core business division made between the Corporation and any other person, being rights and obligations which arise or are to be performed or discharged on or after the 28th day of October 1990, and including rights and obligations under contracts for the construction of works or facilities:

(iv) All rights and obligations under every contract of service with, and every award or agreement relating to, employees or former employees of the Corporation, in respect of any core business division or former activities corresponding to the activities of any core business division (but excluding the contracts of service of the executive chairman and employees or former employees of the Corporation seconded to the New Zealand Railways Staff Welfare Society), being rights and obligations which arise or are to be performed or discharged on or after the 28th day of October 1990, including obligations which have accrued as at that date:

- (b) All documents, correspondence, files, notes, plans, drawings, reports, and other written, processed, or recorded information relating to railways assets and railways liabilities and held by or under the control of the Corporation at the close of the 27th day of October 1990, and including contracts and agreements, records relating to employees and former employees, leases, concessions, and other legal documents, but excluding—
- (i) Records relating to the functions of the division known as the Passenger Business Group which do not relate to activities of any core business division:
  - (ii) Records relating to interests in land, not being interests in land referred to in clause 14 of the First Schedule to this order:
  - (iii) Documents of title to any estate in land, not being any estate in land referred to in clause 14 of the First Schedule to this order:
  - (iv) The property inventory records including plans and computer database records of the Corporation classifying land into categories “C”, “N”, “E”, and “Y”:
- (c) The railways assets and railways liabilities specified in the First Schedule to this order.
- (3) Except as provided in clause 14 of the First Schedule to this order, this clause does not apply to any estate in land.
- (4) This clause does not apply to—
- (a) Any obligation to provide reduced rate travel privileges to former employees (or dependants or nominees of former employees) of the Corporation or of the Department of the New Zealand Government which preceded it:
  - (b) The railways assets and railways liabilities specified in the Second Schedule to this order.
- 4. Shares to be issued by company—**(1) For the purposes of section 6 (4) of the Act, the company shall issue 184 900 000 ordinary shares of \$1.00 each.
- (2) The shares referred to in subclause (1) of this clause shall be issued and credited as fully paid on the 29th day of October 1990.
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## SCHEDULES

Cl. 3 (2) (c)

## FIRST SCHEDULE

## RAILWAYS ASSETS AND LIABILITIES THAT VEST IN COMPANY

1. Railways assets, other than any estate in land, formerly held or used for the purposes of any core business division and situated on operational land or on land not held by the Corporation, that are now held solely for the purpose of disposal.

2. The rights and obligations of the Corporation under every contract for the disposal of railways assets of the class referred to in clause 1 of this Schedule.

3. The following shares and partnership units owned by the Corporation:

4000 \$1.00 "Group B" Ordinary Shares in Freightways Express New Zealand Limited:

4900 \$1.00 "Group B" Ordinary Shares in RFL Transport Limited:

164 443 \$1.00 Ordinary Shares in Chep Handling Systems Limited:

2222 \$100.00 Partnership units in Chep Handling Systems Limited and Company:

1000 \$0.25 Ordinary Shares in Scenic Circle Corporation Limited.

4. The rights and obligations of the Corporation in respect of transport arrangements with territorial authorities and regional councils, to the extent that they relate to the provision of railway services.

5. The rights in the name "Cityline" and the "Cityline" device and colours used by the Corporation to the extent they are used or capable of being used for the provision of railway services.

6. The rights in the name "Intercity" and the "Intercity" device and colours used by the Corporation to the extent they are used or capable of being used for the provision of railway and ferry services.

7. Removable railways assets held or used by the Corporation in respect of—

(a) The Otago Central branch railway line from a point 4.00 km from Wingatui (near Taieri industrial sidings) to Clyde (at a point 215.00 km from Wingatui);

(b) The section of the North Auckland railway line from Moerewa (at a point 283.50 km from Westfield Junction) to Opua (at a point 299.00 km from Westfield Junction).

8. The assets of the Corporation situated on Category "N" land leased by the Corporation to Chep Handling Systems Limited, Freightways Express New Zealand Limited, RFL Transport Limited or any subsidiaries of any of those companies.

9. The rights and interests of the Corporation in the locomotives, rolling stock, and other related assets held by Kingston Flyer Limited.

FIRST SCHEDULE—*continued*RAILWAYS ASSETS AND LIABILITIES THAT VEST IN COMPANY—*continued*

10. The rights, interests, and obligations of the Corporation in respect of locomotives and railway rolling stock in addition to those used for the purposes of any of the core business divisions.

11. The rights, interests, and obligations of the Corporation in respect of the CARRESS reservation system, to the extent that it is used or capable of being used for railway and ferry services.

12. The rights, interests, and obligations of the Corporation in the steamship “Earnslaw”.

13. The library resources of the Corporation.

14. The rights, interests, and obligations of the Corporation under leases, easements, grants, and other interests in land given by third parties in favour of the Corporation in respect of land used for the purposes of any of the core business divisions, other than land of the Crown held for railways purposes.

15. Historical artifacts and other historical material relating to any of the core business divisions.

## SECOND SCHEDULE

Cl. 3 (4) (b)

RAILWAYS ASSETS AND LIABILITIES TO WHICH CLAUSE 3  
DOES NOT APPLY

1. Permanent buildings, other than relocatable buildings, situated on operational land that is identified and marked “C” in the property inventory records of the Corporation at the close of the 27th day of October 1990.

2. Shares held by the Corporation in Primesite Outdoor Advertising Limited, Tourmasters South Pacific Limited, NZ Railways Property Corporation Limited, and NZ Railways Finance Corporation Limited.

3. The rights, interests, and obligations of the Corporation in respect of transport arrangements with territorial authorities and regional councils, to the extent that they relate to the provision of road passenger services.

4. The rights in the name “Cityline” and the “Cityline” device and colours used by the Corporation to the extent they are used or capable of being used for the provision of road passenger services.

5. The rights in the name “Intercity” and the “Intercity” device and colours used by the Corporation to the extent they are used or capable of being used for the provision of road passenger services.

6. The rights, interests, and obligations of the Corporation in respect of the CARRESS reservation system to the extent that it is used or capable of being used for road passenger services.

SECOND SCHEDULE—*continued*RAILWAYS ASSETS AND LIABILITIES TO WHICH CLAUSE 3  
DOES NOT APPLY—*continued*

7. The rights and obligations of the Corporation in respect of borrowing by the Corporation including bank overdraft arrangements.

8. The rights and obligations of the Corporation with respect to the New Zealand Railways Staff Welfare Society.

MARIE SHROFF,  
Clerk of the Executive Council.

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EXPLANATORY NOTE

*This note is not part of the order, but is intended to indicate its general effect.*

This order, which is made pursuant to the New Zealand Railways Corporation Restructuring Act 1990, vests the assets and liabilities referred to in the order in New Zealand Rail Limited on 28 October 1990.

In broad terms, the assets and liabilities are the core operating assets and liabilities of the New Zealand Railways Corporation, excluding land and road passenger and parcel services. The order also specifies the shares which the company shall issue consequent upon the vesting of those assets and liabilities. The New Zealand Railways Corporation Restructuring Act 1990 requires the shares to be issued to the Minister of Finance and the Minister for State Owned Enterprises in equal proportions.

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Issued under the authority of the Acts and Regulations Publication Act 1989.  
Date of notification in *Gazette*: 25 October 1990.  
This order is administered in the Treasury.