

# Letter to the editor

## DEAL OF THE CENTURY

I do not believe there would be a single businessman alive who would have committed to the deal I am about to present to you. Especially if he was placed in charge of your money and asked to invest in a business for your financial gain and long term benefit. So here goes, let the incredible commence. We have a business for sale which is split into two parts, a lucrative freight operation which brings in great profits and has long term future growth. The second portion of this business operates at a loss, has many things which need fixing and will cost you the purchaser many millions of dollars in infrastructure expenditure to fix over the coming years. If you decide to buy it. Perhaps the income from the profit-making division will offset these costs, so it may still be a good deal. You are advised to purchase only the loss making portion of the business, for about the cost of the entire operation. Crazy you say, why would I want to buy just the loss making part for the value of the entire operation and not the lucrative freight operation, which will make all the money for years to come, and on top of this I will also be left with all the upgrade costs? Hold on there is more to this super deal! The current owners of the business are to be given six years of free rent in all the warehouses currently in use up and down the country. No way you say! Hold on, there is more to sweeten your appetite. The current owners will also benefit at no cost to them, for all the infrastructure costs you are going to have to pay for. How does that benefit me? Also the current owners of this business have a \$200 Million loan which you will be responsible for when you buy the loss-making portion of their current business. It gets better, because you will end up owning the loss-making portion of the business and you will have to pay more to use the services this division will provide in the future. In reality every businessman worth his salt and most people with half an ounce of common sense would run a mile at such an offer. Our government, led by the financial equivalent of a

one year old counting gummy bears, decided to make this purchase for you New Zealand with your money. That's right folks we purchased half of NZ Rail from TOLL, we get the loss making passenger service, TOLL get to keep the lucrative freight operation, along with free rents for six years.

We get to pay the \$665 Million dollars purchase price, and some time down the track when the dust has settled, the remaining \$200 Million dollar loan – so somehow the actual purchase price of \$865 Million is told to us after we buy.

And we get to pay somewhere in the vicinity of \$150 Million to upgrade the business we now own, and as a consequence we will all have to pay more for a trip on the train.

Now if this is not somewhat corrupt, irresponsible and just plain unbelievable I do not know what is.

Would you have purchased this business????? NOT LIKELY. NOT EVER.

(anonymous)

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