

Concerns raised about electri

By Sharon Fowler

Strong concerns have been raised about Dunedin Electricity awarding contracts to outside firms and reducing staff and maintenance levels.

The *Otago Daily Times* has received three letters, from N. Brown, I. M. Berry and someone who asked to remain anonymous for fear of a job loss.

City Council-owned Dunedin Electricity Ltd (DEL) runs the electricity lines network which delivers power to homes, businesses and industry.

The company has a network unit which has to find the lowest possible price for work. It also has a contracting unit, which carries out maintenance

and construction work. The contracting unit recently lost a five-year contract, worth between \$400,000 and \$500,000 a year, to the national Electrix firm.

The letter from N. Brown said DEL staff were constantly losing work to out-of-town companies, who might price their first jobs low enough to win work.

The letter said when all DEL's skilled staff had been made redundant, the outside contractors would raise prices and the money go outside Dunedin.

DEL had already made "well over" half its original staff members redundant, the major-

ity being highly skilled tradesmen who provided a high standard of maintenance, the letter said.

The other two letters echoed similar concerns, and one said the DEL board was focused on profit and privatisation.

I. M. Berry said minimal maintenance was being carried out, in the "never ending pursuit" of providing higher profits for the council's holding company, so it could pay off loans and pay a dividend to the council.

"I believe that today's policies will result in the network requiring a huge amount of capital expenditure in 10 or 20 years, giving rise to a major

Dunedin

push for privatisation from certain quarters," the letter said.

DEL chief executive John Walsh said the company had 372 workers at the end of the 1980s. About 40 had moved to United Electricity when it was formed and DEL had had redundancies and attrition. Together, the companies had only half the number of workers now, he confirmed.

Clerical and middle management staff had lost jobs, as well as tradesmen.

His company was carrying out less work at sites such as the Waipori power generation

P.T.O

city maintenance work

scheme, which he said had been "over maintained" in the past.

Machinery at Waipori had been disassembled every year for inspection, whether needed or not. This would now happen about every three years instead.

Changes such as the Employment Contracts Act had led to improvements in productivity, and fewer staff were needed for the same work. Improved technology, such as more reliable trucks, also helped with this.

Maintenance standards had been lowered, Mr Walsh said. He said it was more economic to let equipment wear out than maintain it. Such equipment included certain types of circuit breakers and some substations.

tion and Waipori equipment.

DEL was "not taking any business risks" in reducing maintenance standards, he said. Its network had been judged among the three to four most reliable in the world.

DEL's contracting unit carried out 83% of the company's maintenance work and outside contractors carried out the remaining 17%. The unit picked up more than the entire value of that lost 17% by working for other companies, he said.

Asked whether he believed DEL still had enough experienced staff for laying and joining cables to a good standard, Mr Walsh said "absolutely". DEL chairman Ray Polson

said one of the company's objectives was to earn a rate of return for its shareholder, the council. No discussions had been carried out about privatisation. "There's no intention of privatising it at all".

Private firms carried out DEL work but it benefited from asking for tenders, he said.

The company had an asset management plan, designed to maintain the lines network to a certain standard, and as far as the board was concerned, those standards had not been compromised, Mr Polson said.

The board was continually looking at the line and cable maintenance, and took advice from network management staff.

...

...

...

...

...

...

...

...

...

...

...

...

...

Ford
CH
ator