

21 September 2018

Cr Lee Vandervis
lee@vandervision.co.nz

Dear Cr Vandervis

Local Government Official information and Meetings Act 1987 Request

I refer to your e-mail of 4 August 2018 to Dave Tombs requesting information relating to the disposal of equipment belonging to DELTA. We forwarded your questions to Dunedin City Holdings and answers are provided below.

"There was a deal of expensive thrust-boring equipment that DELTA bought a few years back to do the work that KB's usually do, but they did not have the experienced operators to use this expensive equipment, so are using KBs anyway according to one of KBs managers I was talking with last year.

1. What happened to this new expensive equipment?

In July 2013, Delta made the decision to close its civil and water construction business operations. In October 2013, Delta entered into an agreement to sell the assets to Wilson Contractors. Further to this agreement, Wilson Contractors completed an outstanding commitment through a subcontract to Delta for Invercargill City Council. Wilson Contracting also provided employment to all but one Delta employee, who were employed in Southland at the time.

The equipment items associated with these operations were sold, along with the directional drilling equipment that you have asked about. The sale of equipment resulted in a gain on sale of assets of \$376,000. Sales proceeds were deposited into Delta's bank account and the asset disposals recorded in the financial records.

Negotiations with Wilson Contractors were reported through the board as part of the restructure of the business that took place at this time.

2. Also, what happened to the all the gear that the Christchurch Noble/Yaldhurst DELTA people used before that was shut down?

The equipment from the Christchurch business was sold and it is understood that this process was managed by Jim Upston from AVB Group.

3. And finally the following from FB:

Tell can any one say what happens to all the (redundant) plant and equipment? I have not seen a ward st auction for years there are stories of staff buying stuff really cheap on selling this was one of the council companys."

It is the company's standard practice that when an item of equipment is no longer required for business operations, disposal of the equipment is approved at a General Manager or Chief Executive Officer level (dependent on the delegation level required). Turners are engaged to sell all items.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Bodeker'.

Sharon Bodeker
Team Leader Civic