

**BEFORE A BOARD OF INQUIRY
EAST WEST LINK PROJECT**

UNDER

the Resource Management Act 1991 (the
RMA)

AND

IN THE MATTER OF

notices of requirement for designation
and resource consent applications by
the New Zealand Transport Agency
for the East West Link Project

**STATEMENT OF EVIDENCE OF MAGDALENA DIMITROVA
ON BEHALF OF WARD DEMOLITION LIMITED**

Dated: 22 May 2017

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LAWYERS

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I, Magdalena Dimitrova, financial controller, of Auckland, state:

Introduction

1. My name is Magdalena Dimitrova. I am the Financial Controller of Ward Demolition Limited (**Ward**). I have been employed at Ward for the past three years. I am authorised to give this evidence on Ward's behalf along with other witnesses.
2. As the Financial Controller at Ward, I am the head of the finance department and a senior member of the Ward leadership team. I am responsible for ensuring the financial compliance for the group along with overseeing the preparation of Ward's financial reports, such as balance sheets, income statements, job costing reports and other management reports. I participate in the planning, development, implementation and evaluation of strategic business goals for the Group, directing and coordinating activities of business or departments relating to accounts payable & receivables, payroll, financial statements, and other performance data required to proactively measure productivity and goal achievement, and continuously identify opportunities to reduce cost and assist project improvements.

Qualifications and experience

3. I am a Chartered Accountant and a member of the Institute of Chartered Accountants Australia and New Zealand (2014). I have a Bachelor and Masters degree in Commerce with a major in Accounting and Control. I have over sixteen years' experience as an accountant both in New Zealand and Bulgaria, working for small to medium sized companies up to large corporate organisations.
4. For the past three years at Ward, my experience has been in the demolition and recycling industry for one of the largest demolition and recycling companies in the Auckland region, and for the previous ten

years, in the construction and infrastructure sector as a management and financial accountant, and as a business analyst.

5. My specific experience relevant to my evidence is that I am familiar with financial operations of Ward, and the specific impact to Ward's concrete recycling business if there is a land take resulting in Ward either ceasing operations or relocating to a potential location south of Auckland.

Scope of Evidence

6. The main focus of my evidence is the significant adverse financial impact that the East West Link Project (the **Proposed Works**), involving the acquisition of land on which Ward's recycling business is situated (13-17 Miami Parade, Onehunga) will have on Ward's business.

Code of Conduct

7. My qualifications as an expert and fact witness are set out above. I confirm that I have read the Expert Witness Code of Conduct set out in the Environment Court's Practice Note 2014. I have complied with the Code of Conduct in preparing this evidence. Except where I state that I am relying on the evidence of another person, this evidence is within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed in this evidence.
8. My evidence should be read in conjunction with the evidence of the other Ward witnesses listed below. I defer to their expertise where necessary and relevant:
 - 8.1. Mr Peter Ward (concrete recycling business, impact on Ward);
 - 8.2. Mr David MacPherson (planning); and
 - 8.3. Mr Bryce Marx (project management).

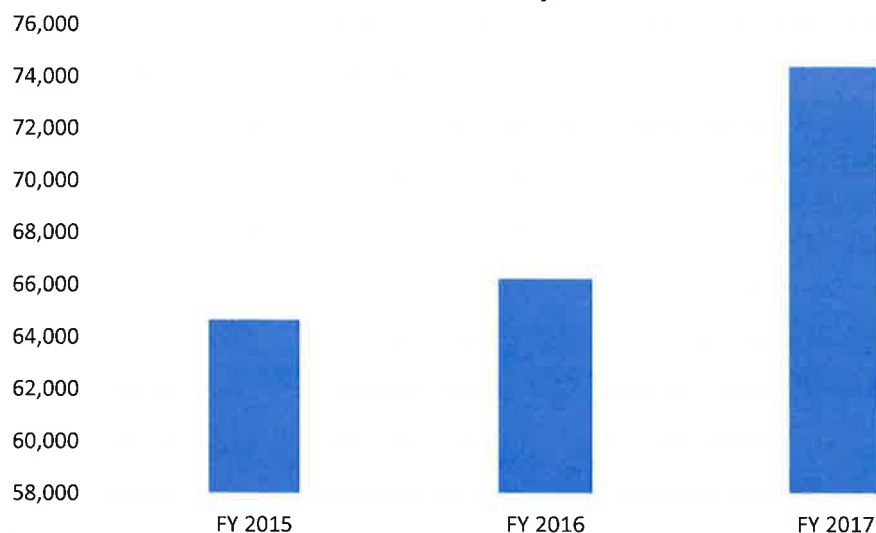
Business impact of proposed land take

9. Based upon my experience as Financial Controller, I am of the opinion that the Proposed Works would result in a significant reduction to the size of the Miami Parade site, and the remaining land would not be sufficient to make the present business operations viable. Ward would be faced with either closing down the business, or attempting to relocate.
10. I have looked at three potential scenarios and their specific impact on Ward's operations: (a) Ward ceases operations; (b) Ward discontinues its concrete recycling operation; and (c) Ward relocates to a site on the outskirts of Auckland.

Scenario A: Ward ceases operations

11. If Ward had to cease its operations, the commercial, financial and social impact would be devastating. Long-serving staff would lose their livelihood. The company stakeholders would lose revenue. The local business community would lose a long-term established brand and local identity.
12. Ward is a growing business with estimated revenue in 2018 projected to be higher than its 2017 revenue. This is likely a low estimate given Ward's involvement in the removal of thousands of old homes for Housing New Zealand as part of the announced Crown Building Project to build 34,000 new homes in the Auckland area over the next 10 years. The amount of concrete tipped and recycled is only expected to increase.

Ward Resource Recovery - Concrete Received Summary



Scenario B: Ward discontinued its concrete recycling operations

13. Ward would face a substantial decrease in its revenue – around \$10 million, in my estimate – were it forced to cease its concrete recycling operations. In my opinion, Ward would face an impact on revenue of approximately \$10 million per year due to its inability to comply with Environmental and Green Star clauses of demolition contracts.
14. In addition, there would be a significant environmental impact if the concrete waste collected by Ward was not able to be efficiently recycled.

Scenario C: Ward relocates to a site on the outskirts of Auckland

15. If Ward had to relocate to the outskirts of Auckland, I consider that the commercial and financial impact to Ward would be enormous. There would be an increase in trucking costs; an increase of capital expenditure and drivers in order to perform the same job as that performed at Ward's current location; relocation costs (if a suitable site can even be found); and the possibility of losing key staff. The result would be a company that is less competitive and responsive to client needs.

16. If Ward's yard is moved to South Auckland – for example, to Drury – its trucks would be required to spend an extra hour on the road per average journey. The additional truck movements that would be necessary would cost over \$2.5 million per year. This would not be a sustainable cost. As the current truck fleet is not large enough to accommodate the extra trips, a capital expenditure for additional trucks will be required in addition to the over \$2.5 million for running the trucks for tipping and recycling.
17. With the increased mileage required, there would also be an adverse impact on the environment, and on traffic movements.

Dated: 22 May 2017



Magdalena Dimitrova