



LOCAL GOVERNMENT COMMISSION

Media Release

15 April 2005

Commission issues financial and operational report and sets date for announcement of decision on the proposal for the abolition of Banks Peninsula District and its inclusion in Christchurch City

Financial and operational report

The Local Government Commission today issued the financial and operational report into the costs and benefits associated with an implementation of the elector-initiated proposal for the abolition of Banks Peninsula District and its inclusion in Christchurch City.

The report was prepared for the Commission by Capital Strategy Limited of Auckland. The affected local authorities and the representative of the electors were consulted in the preparation of the report.

Grant Kirby, Chairman of the Commission, said that: "In general the report shows that infrastructural spending of an additional \$27.3 million (GST excl.) over and above the budget estimates contained in the Banks Peninsula District Council's Long Term Council Community Plan is required over the next ten years to maintain assets at their current service potential, and to provide new capital spending to address other infrastructural needs".

"The report showed that if the area of the Banks Peninsula District was included in Christchurch City, the sale of investments returning less than the cost of debt and the application of Christchurch City's capital value rating system to the Banks Peninsula area would enable these additional infrastructure costs to be met while achieving significant rates reductions for Banks Peninsula ratepayers. At the same time, the impact on existing Christchurch City ratepayers would be insignificant."

The attached table shows the rating impact of the implementation of the proposal on a sample selection of Banks Peninsula properties based on the assumptions contained in the report.

“I would urge all those with an interest in the proposal to read the report. It contains key information to assist interested persons in forming a view on the merits of the proposal.”

Two versions of the report are available – a summary report and the full report. The summary report is intended for those persons who have an interest in the proposal, and who wish to consider the key findings and conclusions without reading the detail of the full report. Both documents are available on the Commission’s website: www.lgc.govt.nz.

Date for announcement of decision

The Commission has set the date for issuing its decision on the proposal for the abolition of Banks Peninsula District and its inclusion in Christchurch City.

The Commission’s decision will be announced publicly at 10.30am, Friday 29 April 2005, in the Lyttelton Club, Cnr Dublin Street & Coleridge Terrace, Lyttelton.

The Local Government Act 2002 provides that the Commission, in determining the outcome of a proposal, may decide to:

1. issue a draft reorganisation scheme based on the proposal; or
2. issue a draft reorganisation scheme based on some modification or variation of the proposal; or
3. decline to proceed with the reorganisation proposal.

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Rating impact (GST incl.) of an implementation of the proposal on a sample of Banks Peninsula properties, compared with rates that would apply if the Banks Peninsula District Council continued in existence (see report for assumptions that apply):

Area	Average capital value of a sample property (2005/06)	BPDC continues	Area included in Christchurch City
Wairewa Ward – rural	\$387,000	\$1170	\$844
Wairewa Ward – Kaituna	\$427,500	\$1231	\$920
Akaroa Ward – rural	\$427,500	\$1332	\$920
Lyttelton-Mt Herbert Ward –rural	\$478,500	\$1407	\$1016
Akaroa Ward – residential	\$372,000	\$2260	\$1500
Lyttelton- residential	\$264,000	\$1864	\$1098
Little River – residential	\$228,000	\$1172	\$769
Diamond Harbour – residential	\$235,500	\$1724	\$924
Governors Bay – residential	\$408,000	\$1701	\$1517
Duvauchelle – residential	\$301,500	\$1898	\$1151
Akaroa Ward Bays – residential	\$306,000	\$925	\$883
Akaroa Ward Tikao Bay – residential	\$231,000	\$1452	\$909
Akaroa Ward Takamatua – residential	328,500	\$1279	\$1058
Akaroa Ward Pigeon Bay – residential	252,000	\$1360	\$838
Akaroa Ward Wainui – residential	229,500	\$1792	\$774
Commercial Lyttelton	\$292,500	\$2425	\$1597
Commercial Akaroa	\$514,500	\$3427	\$2721
Lyttelton – Industrial	\$1,600,000	\$10494	\$8230