



LOCAL GOVERNMENT COMMISSION

Media Release

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Independent review confirms robustness of Beattie Rickman report

An independent report commissioned by the Local Government Commission has confirmed the key findings of the Beattie Rickman report relating to the costs and benefits of uniting the Otorohanga and Waitomo District Councils.

Following the identification of an error in the Beattie Rickman report prepared for the Commission, and subsequent questions raised by a number of parties about the robustness of the Beattie Rickman report, the Commission asked Capital Strategy Limited of Auckland to undertake a review of the Beattie Rickman report.

“The independent review confirms that the assumptions applied by Beattie Rickman were appropriate given the high level nature of the review, and that significant cost savings would arise from the union of the two local authority districts”, advised the Commission’s Chairman, Grant Kirby.

“The independent report confirms that the average annual savings per rateable property in the united district would be \$96 in the first year. However, the independent report identifies that average savings per property in the second and subsequent years after amalgamation would be in the order of \$118 per annum, rather than the \$113 identified by Beattie Rickman.”

“The independent review identified that Beattie Rickman took a conservative approach in some areas to estimating the savings. This suggests that it may be possible to achieve a higher level of savings.”

“The Commission is aware that both Councils have achieved operational cost savings since the Beattie Rickman report was compiled. However, this does not detract from the fact that significant savings would accrue through the union of the two Councils.”

The review of the Beattie Rickman report may be viewed on the Commission’s website – www.lgc.govt.nz - and copies are available from the Commission on request.

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Note: The Capital Strategy Limited report will be placed on the Commission's website by close of business 3 November 2003. Copies can be provided by email on request.