

Beattie Rickman

12 September 2003

Donald Riezebos
 Chief Executive Officer
 Local Government Commission
 46 Waring Taylor Street
 WELLINGTON

Dear Donald

REPORT TO LOCAL GOVERNMENT COMMISSION

As discussed, there is an error in our report that should be immediately corrected. In our view, the error is of no consequence to the conclusion reached and should not have been a factor in the Commission reaching its conclusion.

Changes are required as follows:

Section 1-Executive Summary:

	Report PV 10 years	Corrected PV 10 years
Estimated annual savings	\$16,125,007	\$7,871,000
Sale of assets	\$430,000	\$430,000
Transition costs	(\$573,000)	(\$573,000)
Total	\$15,982,000	\$7,728,000
Per rateable property (8,936)	\$1,788	\$865

Report Page Reference:*PV = Present Value – refer page 23 for explanation***Corrected Page Reference:**
*explanation**PV = Present Value – refer sections 4 and 6.5 for***Section 6.5- Total Estimated Savings:**

As per above table

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Members: Geoff Balme, Stuart Cann, Graeme Dick, John Dabson, Chris Luoni, Peter McLennan, Rob Pascoe, Jerry Rickman, Julie Rickman.


Section 9-Conclusion:

	Report	Corrected
Reduction in staff positions	13	13
Estimated annual savings – year 1	\$857,000	\$857,000
Estimated annual savings per rateable property	\$96	\$96
Estimated annual savings – subsequent years	\$1,007,000	\$1,007,000
Estimated annual savings per rateable property	\$113	\$113
Net present value of savings – for ten years	\$15,982,000	\$7,728,000
Average net present value per rateable property	\$1,788	\$865
Net present value of savings – in perpetuity	\$20,096,000	\$20,096,000
Average net present value per rateable property	\$2,248	\$2,248

We regret any inconvenience that this may have caused.

Yours faithfully

John Dobson
Beattie Rickman

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