foreshore skirting the Diamond Harbour Settlement. All these areas, the subject of the Council's proposals, form portion of the Mount Herbert County and, together with the Diamond Harbour Settlement, are supplied with electricity by the Banks Peninsula Electric-power Board.

The Council also proposed that its licensed area of supply should be extended to cover the Diamond Harbour area and the other areas which it considered should be included in the borough. At the initial stages of the inquiry, however, the proposal to include the Diamond Harbour, Church Bay, and Charteris Bay areas in the Council's supply area for electricity purposes was withdrawn, and in the final stages the proposal to include the Rapaki and Governor's Bay areas was also withdrawn.

While it may be admitted that, from a practical point of view, Lyttelton Borough, on its northern side, is almost wholly built up residentially, there was little evidence of any spill-over, either actual or potential. The fall in population is no doubt accounted for by the electrification of the railway between Christchurch and Lyttelton, which has made it convenient for many of the people who find their occupation in Lyttelton to live in the City of Christchurch. There was evidence to the effect that the Diamond Harbour Settlement was developing from a residential point of view, although it appeared clear that it was developing as a seaside suburb of the Christchurch metropolitan area. The Commission concluded that there was no justification for the Lyttelton Borough Council's extension proposals, which were based on the necessity for additional areas to accommodate potential residential demands.

As stated previously, there was no evidence of a spill-over from the Lyttelton Borough into the adjoining county areas and Rapaki in particular. In so far as Governor's Bay was concerned, there was evidence that subdivisions which had been undertaken in the past had not resulted in any residential development, and, in any case, from a general point of view, Governor's Bay cannot be regarded as a suburb of Lyttelton.

A petition was presented by the residents of Governor's Bay praying that the territory be included in Lyttelton. This petition was largely on the grounds that a high-pressure water-supply system was desirable in the area, but the evidence submitted to us indicated that little attention had been paid to the ultimate cost of providing water for this remote area. It was evident that the residents of Governor's Bay could not bear this cost themselves, and as a consequence the burden would fall on the residents of Lyttelton, who would find the incidence of rates oppressive. Furthermore, there was evidence that there was no community of interest between Lyttelton and Governor's Bay, but rather that the community of interest was with Christchurch, and finally, there was no real evidence that Mount Herbert County was not providing all the services necessary for a settlement of this size.

As regards the Church Bay and Charteris Bay areas, the position was little different from that of Diamond Harbour, as they are essentially seaside resorts. The ratepayers of the Church Bay and Charteris Bay areas petitioned for the areas to be excluded from the Mount Herbert County and included in the Lyttelton Borough. The main ground for the petition was that Lyttelton proposed to obtain water from the Charteris Bay area, and the main pipe-line would pass through Charteris Bay to Diamond Harbour. The residents also desired to be supplied with water from this high-pressure supply system. We considered that if this should eventuate the county could, without difficulty, arrange with the Borough for a high-pressure water-supply for the areas, and this desire was not sufficient justification for the exclusion of the areas from the county. Substantial areas of undeveloped land lie between Diamond Harbour and the partly built-up seaside areas of Charteris and Church Bays, and there was no evidence to indicate that the demand for residential development was sufficient to warrant the inclusion of these areas, together with the intervening areas, in the borough. In all, there was no effective evidence presented which suggested that the residents were not receiving efficient service from the Mount Herbert County.