

Regulatory Impact Statement: Carter Observatory Act Repeal Bill

Executive Summary

1. This regulatory impact statement addresses the transfer of assets and liabilities held by the Carter Observatory Board, of the Carter Observatory, to the Wellington City Council, and the proposed Bill to repeal the Carter Observatory Act 1938.
2. With the repeal of the Carter Observatory Act 1938, the ownership of the land will revert to the WCC. The Crown has no ownership interest in the land that the Carter Observatory occupies. Once the transfer of assets and liabilities is approved, it is proposed to introduce legislation in 2008 to repeal the Carter Observatory Act 1938. The legislation will vest the assets in the Wellington City Council at the time of its enactment, and will vest the liabilities post-2007.

Adequacy Statement

3. The Ministry of Research, Science and Technology has compiled this regulatory impact statement and confirms that it meets the requirements for regulatory impact statements.

Status Quo and Problem

4. The outputs offered by the Carter Observatory no longer meet the requirements of a National Observatory and do not align with government priorities for Vote Research, Science and Technology. In December 2006 the Crown appropriated capital funding of \$2.2 million for the Carter Observatory redevelopment project, as a one off payment to transition the Carter Observatory from dependence on the Crown.
5. The Carter Observatory Trust was established as a charitable trust, with the purpose of transferring the assets and liabilities of the Carter Observatory Board to the Trust. On 20 December 2007, the Wellington City Council (not the Trust) took over the management of the Carter Observatory, with the intention of taking over the assets and liabilities from that time. Currently the assets and liabilities of the Carter Observatory are held by the Carter Observatory Board, as per the Carter Observatory Act 1938. A Bill to repeal the Carter Observatory Act 1938 will complete the transfer of assets to the Wellington City Council, and will dissolve the Carter Observatory Board at the same time.

Objectives

6. To repeal the Carter Observatory Act 1938, and to transfer the assets and liabilities of the Carter Observatory Board to the Wellington City Council. The Bill to repeal the Carter Observatory Act 1938 will address:
 - The dissolution of the Carter Observatory Board
 - The transfer of the Board's assets to the Wellington City Council
 - The vesting in the WCC of liabilities incurred by the Board after 20 December 2007, and
 - The vesting in the Crown of liabilities incurred by the Board prior to 20 December 2007.

Options

7. The options for consideration are:
 - a. Issue drafting instructions to Parliamentary Counsel Office for a repeal of the Carter Observatory Act 1938;
 - b. Transfer the assets and liabilities of the Carter Observatory Board to the Carter Observatory Trust; or
 - c. Close the Carter Observatory.

Preferred Option

8. The preferred course of action is to repeal the Carter Observatory Act 1938 (Option a). The repeal will address the dissolution of the Carter Observatory Board; the transfer of the Board's assets to the Wellington City Council; the vesting in the Crown of liabilities incurred by the Board prior to 20 December 2007; and the vesting in the Wellington City Council of liabilities incurred by the Board after 20 December 2007.
9. The Wellington City Council has indicated they may elect to terminate the management agreement reached with the Carter Observatory Board and Carter Trustees if the Carter Observatory Act 1938 is not repealed by 31 December 2009.

Consultation

10. The Minister of Finance was informed. The Treasury and the Parliamentary Counsel Office were consulted. The Department of Prime Minister and Cabinet was advised. The Wellington City Council, Carter Observatory Board and Carter Observatory Trustees were consulted during the process on the proposed transfer of assets and liabilities of the Carter Observatory and they agree with this proposal.