

6. **REMISSION OF RATES – CANTERBURY BOWLING CLUB, 109 SALISBURY STREET**

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Corporate Plan Output: Rates Administration	

The purpose of this report is to seek Council’s approval for a remission of rates on the Canterbury Bowling Club’s premises in Salisbury Street over and above the mandatory 50% remission already granted under the Rating Powers Act 1988.

**BACKGROUND**

The Canterbury Bowling Club qualifies for a 50% mandatory remission of rates under the provisions of Section 179(2) of the Rating Powers Act on that portion of its premises used for sporting purposes. It does not qualify for a remission on that part of the property to which the liquor licence applies and therefore full rates are payable on this portion at the base residential differential under the Council’s operative differential rating scheme.

The Club is now seeking a greater remission of rates due to the continuing decline in its financial position. The club suffered a loss of \$21,500 in the year ending 30 April 1999 and a loss of \$19,700 for the year ending 30 April 1998. These losses were despite bar trading profits for the two years in question of \$15,600 and \$22,700 respectively. The Club’s annual report shows cash reserves of less than \$4,000. The Club also has a current mortgage of \$40,000. While the annual report for the year ended 30 April 2000 is not yet to hand, indications are that the financial position of the Club has worsened over the last 12 months period.

The Club has a number of gaming machines installed on its premises, but it is interesting to note that the income from these, after allowing for Government tax, annual licence fee and donations, was insignificant at less than \$250 for the year ended 30 April 1999 and \$1,600 for the year ended 30 April 1998.

The club currently has 70 members.

**REMISSION OF RATES**

As indicated above, the Club qualifies for a mandatory 50% remission of rates on that portion of the Club used for sporting purposes under the provisions of Section 179(2) of the Act. Section 179(1) of the Act also enables the Council to grant a greater remission of rates over and above the mandatory 50% should it think fit.

## **CURRENT POLICY**

With the exception of the Canterbury Lawn Tennis property at Wilding Park, where a 100% remission of rates was granted by the former Council many years ago, no sporting club in the city has been granted a remission over and above that provided under Section 179(2) of the Act. Therefore it is important to note that any greater remission of rates granted in this particular case will establish a precedent and it is conceivable that this application could be followed by many other requests for assistance, given the steady decline in membership of a number of local clubs around the city. Any remission granted should therefore be limited in duration and should not exceed a suggested maximum of 75%.

The Club's property currently has a 1998 capital valuation of \$1.3M comprising land of \$1.1150M and improvements of \$150,000. The 1999/2000 rates on the sporting portion of the property amounted to \$2,478 and on the licensed area \$2,191. An additional remission of 25% would reduce the current rates for the sporting portion by \$1,239. The remission for a 75% rating remission would be \$3,717.

**Recommendation:** That the Council grant an additional remission of 25% of rates payable on the sporting portion of the Canterbury Bowling Club's premises under the provisions of Section 179(1) of the Rating Powers Act 1988, with effect from 1 July 2000 for a period of two years to assist the Club in its present financial difficulties.

### **Chairman's**

**Recommendation:** That the above recommendation be adopted.