

13. **REMISSION OF RATES – ORANA PARK WILDLIFE TRUST, SOUTHERN ENCOUNTER AQUARIUM, REGENT THEATRE BUILDING, CATHEDRAL SQUARE**

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The purpose of this report is to seek Council consideration of an application for remission of rates in respect of the Southern Encounter Aquarium recently purchased by the Orana Park Wildlife Trust.

**BACKGROUND**

In her letter to the Council requesting a remission, Lynn Anderson the Director of Orana Park Wildlife Trust has made the following comments in support of the remission.

*“You will be aware that Orana Park Trust Board (OPTB) purchased the Southern Encounter Aquarium located in the Regent Building in Cathedral Square and took ownership on 16 October 2000.*

*The facility was originally developed at a cost of some \$5.5 million and provides a unique opportunity for people of Christchurch and Canterbury to truly appreciate, learn and discover the wonders of the ocean and our rivers and lakes.*

*It is no secret that the attraction has failed to achieve financial sustainability as a commercial entity since opening in September 1997. The outlook was grim and it looked as though Christchurch may lose this quality community facility.*

*The OPTB’s community focus compelled us to proceed with the purchase. It has been publicly stated by the Council that the City of Christchurch does not need another hole in the Square. The City needs the maximum possible leisure attractions to ensure that overseas visitors stay longer and spend more. Additionally, our local people deserve to retain this quality community asset. Most importantly, the OPTB possesses the skills and the experience to operate this attraction.*

*The Aquarium is an excellent fit with the core activities of OPTB, namely the successful operation of Orana Wildlife Park and it was therefore a very logical choice of new owner. OPTB is now able to offer the community both a wet and fine weather leisure attraction. In addition, it fits perfectly with OPTB’s mission of providing quality recreation facilities for the community, while creating positive attitudes through education and the undertaking of conservation work in support of endangered species.*

*The Aquarium is now officially operated as a charitable organisation to achieve these aims. Operational costs at the Aquarium are substantially minimised as the OPTB management team manages both attractions without an increase in staff numbers and through economies of scale. However we need the Council’s help in further reducing operating costs.*

*A full feasibility study was carried out before the OPTB proceeded with purchase. City Council representatives reviewed this study and gave their support. We have forward plans that will ensure the Aquarium becomes financially viable and is therefore saved to be enjoyed by the whole community. It will not be an easy job, but with community support we will make it happen.*

*The first three years of operation under OPTB will be the hardest, considering we have many initiatives to be put into place which will ensure future sustainability. We ask that you consider the granting of remissions for an initial three year period.”*

**CURRENT POSITION**

The Trust Board operates the Orana Park Wildlife Reserve at McLeans Island. The Council at a meeting held on 23 September 1999 approved a full 100% rate remission in respect of Orana Park for a three year period with effect from 1 July 1999. That remission was granted on the grounds that Orana Park was operated by the Trust Board for conservation or preservation purposes. 50% of the remission granted in respect of Orana Wildlife Reserve is a mandatory remission. The remaining 50% is at the Council’s discretion.

## LEGAL POSITION

The provisions of the Rating Powers Act under which Orana Park qualifies for a rate remission, are not available to the property which they now occupy in Cathedral Square. However, the Council does have power under the provisions of Clause (n) of Part I of the Second Schedule to remit rates on land *“owned or occupied by or in trust for any society or association of persons, whether incorporated or not, whose object or principal object ----- is to promote generally the arts or any purpose for recreation, health, education, or instruction for the benefit of residents or any group or groups of residents of the district”*. The Council, when considering an application from Science Alive in 1994, used the provisions of Clause (n) in granting a remission of rates in respect of that property. In granting that remission it was agreed that separate rates for water and sewerage would remain payable.

In considering any remission in respect of the Cathedral Square property there are two other added complications, the first being that the Orana Park Trust Board is not yet shown on the rating records as occupier of the premises it occupies. For any remission to be applicable it would be a requirement that Orana Park Wildlife Trust or its administering Board be shown on the rating records as occupier of the premises that they occupy. Secondly, as the property is not separately rated at the present time, any remission could not be granted until 1 July 2001 at the earliest.

There is a similarity between this application and that for Science Alive and it is therefore my belief that any rates remission for the Southern Encounter Aquarium should not exceed that granted to Science Alive and therefore should not include the separate rates for water and sewerage.

**Recommendation:** That pursuant to clause (n) of Part I of the Second Schedule of the Rating Powers Act (1988) the Council grant a remission of rates on the property occupied by the Orana Park Wildlife Trust in the Regent Theatre Building, Cathedral Square, as outlined in the above report, with effect from 1 July 2001.

**Chairman's Recommendation:** That the above recommendation be adopted.