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# BILLS DIGEST

Digest No. 1715

## Carter Observatory Act Repeal Bill 2009

<b>Date of Introduction:</b>	17 August 2009
<b>Portfolio:</b>	Research, Science and Technology
<b>Select Committee:</b>	As at 15 October, 1st Reading not held.
<b>Published: 15 October 2009</b> Prepared by <b>John McSoriley</b> BA LL.B, Barrister  Legislative Analyst  P: (04) 471-9626 (Ext. 9626)  F: (04) 471-1250	Caution: This Digest was prepared to assist consideration of the Bill by members of Parliament. It has no official status.  Although every effort has been made to ensure accuracy, it should not be taken as a complete or authoritative guide to the Bill. Other sources should be consulted to determine the subsequent official status of the Bill.

### Purpose

The aims of this Bill are: to repeal the Carter Observatory Act 1938 (the Act); dissolve the Board established to manage the Carter Observatory; transfer the assets of the Carter Observatory Board (the Board) to the Wellington City Council (the WCC); and to vest in the WCC the liabilities incurred by the Board on or after 20 December 2007

### Background

"Under the Act, the Carter Observatory was to function as the national astronomical observatory of New Zealand. The observatory no longer fulfils this function and, as such, the continued operation of the Board is no longer necessary"<sup>1</sup>.

"The public policy objective of this Bill is to terminate the statutory responsibilities of the Crown in relation to the Carter Observatory as it no longer meets the national interests of the public of New Zealand"<sup>2</sup>.

<sup>1</sup> Carter Observatory Act Repeal Bill, 2009 No 66-1, Explanatory note, General policy statement, pp. 1 and 2.

<sup>2</sup> Ibid.

"Since December 2007, the Wellington City Council has been effectively managing the Carter Observatory. The Council has agreed to take full responsibility for the Carter Observatory, to which the Crown agrees"<sup>3</sup>.

"The repeal of the Act will complete the transition of the Carter Observatory from dependence on the Crown. The Crown will bear responsibility for the liabilities relating to the Carter Observatory prior to 20 December 2007"<sup>4</sup>.

## Main Provisions

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### Purposes

The Bill provides that its purposes are to: repeal the Carter Observatory Act 1938; and dissolve the Carter Observatory Board; and transfer the assets of the Carter Observatory Board to the Wellington City Council; and vest the liabilities incurred by the Carter Observatory Board in the Crown and in the Wellington City Council; and provide for incidental matters. The Bill binds the Crown (*Part 1, Clauses 3-5*).

### Operational provisions

The Bill repeals the Act and dissolves, on the day the Bill comes into force ("... on the day after the date on which it receives the Royal assent)", the Carter Observatory Board established by section 4 of the Carter Observatory Act 1938, and ends the term of office of every member of the Board (*Part 2, Clauses 6 and 7*). On and from the day the Bill comes into force:

- the property and all rights of the Carter Observatory Board vest in the WCC;
- all liabilities incurred by the Carter Observatory Board prior to 20 December 2007 vest in the Crown;
- all liabilities incurred by the Carter Observatory Board subsequently vest in the Wellington City Council;
- all money payable to the Carter Observatory Board is payable to the Wellington City Council;
- proceedings pending by or against the Carter Observatory Board may be carried on, completed, or enforced by or against the Wellington City Council (*Part 2, Clause 8*).

### Taxes and duties

The Bill provides that anything transferred to the Wellington City Council under Clause 8 (described above) is not:

- a dutiable gift for the purposes of the Estate and Gift Duties Act 1968;
- a supply of goods and services for the purposes of the Goods and Services Tax Act 1985;
- a sale, disposition, distribution, or transfer of property or liability for the purposes of the Income Tax Act 2007 (*Part 2, Clause 9*).

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<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

## Board matters

The Bill provides that the person who is the Chairman of the Carter Observatory Board immediately before the day the Bill comes into force must arrange for a final report of the Board to be completed and he or she must submit it to the Minister who was responsible for the administration of the Carter Observatory Act 1938 immediately before this Bill came into force. The Minister must present a copy of the report to the House of Representatives. The Bill provides that Board members are not entitled to compensation for loss of office and makes consequential amendments to the Local Authorities (Members' Interests) Act 1968; the Public Audit Act 2001; and the Public Bodies Contracts Act 1959 (*Part 2, Clauses 10-12; Schedule to the Bill*).

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