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**Project title: CARTER OBSERVATORY DEVELOPMENT**  
**Strategy area: Economic Development**

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## **1. The Proposal**

The Council has been a partner of the Observatory since its establishment in the early 1900's.

Operating funding of \$150,000 has been provided to the Observatory for the past three years but is due to revert to \$64,000 from 2006/07. It is proposed that the current funding of \$150,000 be continued at the same level until the detailed business plan considering the future direction of the Carter Observatory is completed.

The business case is considering the remodelling of the current building to improve its use and creating a learning space that excites visitors to engage with science and technology through stimulating experiences in astronomy. Carter Observatory will request additional funding from Council to remodel the current building.

This business case is expected to be tabled in May – September 2006.

## **2. Strategic Fit**

The redevelopment of the Observatory aligns with the Economic Development outcomes of the Council and the 2006-09 priorities of strengthening and further developing the city's status as a centre of creativity and innovation. It supports the more entrepreneurial and innovative strategy by helping underpin strong education and training, research entrepreneurship and investment.

It makes an additional contribution to the city by enhancing the visitor experience within the Cable Car precinct and building a stronger tourism base and second-tier product alongside the major city attractions such as Te Papa, Karori Wildlife Sanctuary and the proposed Marine Education Centre.

The operating funding supports the Observatory as a visitor attraction and is approximately a \$7.50 subsidy per paying visitor which is comparable to other CCO levels of subsidy<sup>1</sup>.

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<sup>1</sup> Wellington Museums Trust subsidy is \$8.85 per visitor and Wellington Zoo Trust is \$14.26 per visitor.

### 3. Relationship to Existing Activities

The Observatory is currently funded through the grant funding process. The funding increased from \$64,000 to \$150,000 in 2003/04. This additional funding ends in 2005/06 and this proposal maintains the current level of expenditure for 2006/07 while the business case is completed.

As noted, the Observatory is linked to the other tenants in the “Cable Car Precinct”, including the Cable Car, the Botanical Gardens, Skyline Restaurant, Cable Car Museum, Met Service and department of Conservation.

### 4. Proposal Costs

<i>Outline project costs per year</i>										
Project Component	Operating expenses									
	\$000									
	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16
<i>Operating grant funding</i>	86									
<i>Total</i>	86									

Note

1. C130A includes \$64k as ongoing non-contestable grant funding

Carter Observatory has an operating budget of approximately \$890k, with major contributions from MORST (\$271k) and the Council (\$150k). About 25% of income is earned from visitors, and the proposal is intended to significantly increase that proportion. Ultimately it is intended that the visitor operation is self-sustaining, and may be able to contribute towards the core science and research functions.

### 5. Project Outline

The Carter Observatory Board is developing a business case to support its future direction.

This re-establishes the Observatory as a science learning and discovery centre based on its current site in Kelburn, based on and retaining its core astronomical science focus.

It is planned for the Observatory to be established as a charitable trust and that its empowering act is repealed. The Council will wish to be consulted on this to ensure its interests are protected given that the Council was a partner in the Observatory’s establishment and that the land is only held in trust by the board.

Maintaining the existing level of operating funding is necessary in the short term to maintain the current cashflow while the business case is being developed. The Observatory also seeks funds from science and education funding, grant funding, entrance fees and distance learning course fees.

## **6. Conclusion**

It is recommended that Council:

1. Maintain the current level of funding at \$150,000 operating funding in 2006/07 consisting of \$86,000 additional funding and \$64,000 non-contestable grant funding.