

8. CHRISTCHURCH CITY COUNCIL (LANCASTER PARK) LAND VESTING BILL



General Manager responsible:	General Manager Regulation and Democracy Services, DDI 941-8549
Officer responsible:	Acting Legal Services Unit Manager
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PURPOSE OF REPORT

1. The purpose of this report is to recommend that the Council approves the draft Christchurch City Council (Lancaster Park) Land Vesting Bill and agrees to promote the Bill through the parliamentary process. A copy of the Bill is attached.

EXECUTIVE SUMMARY

2. The Christchurch City Council (Lancaster Park) Land Vesting Bill enables the Council to acquire the land and some of the improvements at Jade Stadium/Lancaster Park. At present these are vested in the Victory Park Board pursuant to the Victory Park Board Act 1919.
3. The purpose of the Bill is to ensure the long-term viability of the stadium. This has not been possible under the existing Victory Park Board ownership arrangements. In recent years, a Council controlled organisation (Jade Stadium Limited) was formed to provide a more structured financial base. As well as operating the facility the company has been responsible for development of the new western and southern stands.
4. Because the current control and management structure is set out in an Act of Parliament, the only way it can be changed is by way of an amendment Act or a new Act. The draft Bill will be a new Act that replaces the Victory Park Act 1919.
5. Once the Bill passes through the parliamentary procedures and becomes law, the Victory Park Board will go out of existence. The Council will have ownership of the land and the improvements not owned by Jade Stadium Limited. The Company will continue to be responsible for operating the stadium.
6. The draft Bill is supported by the Crown, the Victory Park Board, the two major sports using Jade Stadium and Jade Stadium Limited.
7. A copy of a Declaration to the House (of Representatives) is also attached to this report. The original will accompany the Bill when it is introduced to Parliament.

FINANCIAL IMPLICATIONS

8. Supporting and promoting the draft Bill through the parliamentary process will not incur significant costs, although Council staff (in particular the Legal Services Unit) will continue to spend considerable time on the matter.

LEGAL CONSIDERATIONS

9. The Bill has been drafted to replace the Victory Park Act 1919. That Act provided for the land to be owned by the Crown, but for the land and buildings to be administered by a board of trustees, known as the Victory Park Board.
10. The draft Bill does not depart from the original purpose of the Victory Park Act which was that Lancaster Park be held in trust for sporting and recreational purposes in memory of Canterbury soldiers who died in the service of their country.
11. Over the years, the Victory Park Board acquired land adjacent to the main ground. The draft Bill provides for both Crown and Victory Park Board land to be vested in the Christchurch City Council.
12. The draft Bill is supported by all local members of parliament and by all current users of Jade Stadium/Lancaster Park.

13. The land owned by the Crown is subject to the Ngāi Tahu Claims Settlement Act 1998 which provides for a right of first refusal to Te Rūnanga o Ngāi Tahu. If the Council were to no longer require Lancaster Park for the purposes in the Bill then under the Claims Settlement Act, Ngāi Tahu would have first option to purchase the land.
14. Ngāi Tahu has also supported the possible future commercial development at the stadium. This has been provided for in the draft Bill on the basis that any such development must generate income for the benefit of and does not detract from the sporting, recreational and entertainment purposes for which the ground is currently used.
15. If the draft Bill is endorsed by Councillors the parliamentary process is primarily a political one. However, the Legal Services Unit will be involved in supporting the sponsor of the Bill, Tim Barnett MP.
16. The standing orders of the House of Representatives require a Declaration to the House to accompany the Bill when it is introduced to the House. This will be in the form attached.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

17. When enacted, the Christchurch City Council (Lancaster Park) Land Vesting Bill will provide security for the Council's financial commitment to the development of Lancaster Park. This commitment is included in the 2006-16 LTCCP. Council ownership of the land will also assist the position of Jade Stadium Ltd, a Council-controlled organisation.

ALIGNMENT WITH STRATEGIES

18. Approving and promoting the draft Bill is in line with the Council's intention to support Jade Stadium Limited in its development of Jade Stadium/Lancaster Park.

CONSULTATION FULFILMENT

19. The current draft Bill is the result of years of consultation with those people and organisations affected by or with an interest in the future of Jade Stadium/Lancaster Park. The point has been reached where the form and content of the draft Bill have been agreed to and it is now ready to be taken through the parliamentary process.

STAFF RECOMMENDATION

It is recommended that the Council resolves as follows to:

- (a) Promote the draft Christchurch City Council (Lancaster Park) Land Vesting Bill to Parliament.
- (b) Adopt the attached Declaration to the House.
- (c) Authorise the General Manager Regulation and Democracy Services to take such steps as are necessary to promote the draft Bill through the parliamentary process.
- (d) Authorise the General Manager Regulation and Democracy Services to make such changes as are required as a result of the parliamentary process, provided that those changes do not materially alter the intent or purpose of the Bill.

BACKGROUND

20. In the early part of the 20th century the sports ground known as Lancaster Park was vested in Lancaster Park Limited. This was a company set up to promote and develop principally football and cricket but other sports as well.
21. By 1919 the company was in financial difficulty. At that point, the government stepped in and vested the land in the Crown as a memorial to Canterbury soldiers who died in World War I. There may have been an intention at that time to change the name of Lancaster Park to Victory Park because the legislation giving effect to the government's decision was the Victory Park Act 1919, and the administering body was named the Victory Park Board.
22. Under the Act, the Victory Park Board was established to control and manage Lancaster Park. The sports of cricket and rugby were represented on the Board, along with the local businessman's organisation that had provided financial support, the Mayor of Christchurch and one other person representing sports other than rugby and cricket.
23. The Board complied with the government's purpose in commemorating Canterbury's involvement in World War I by building the memorial gates at the Stevens Street entrance to the ground.
24. Whilst the Victory Park Board developed the Lancaster Park ground by constructing new stands and enhancing the embankment, it was a struggle for the Board to remain financially viable. It borrowed the funds necessary to build the Hadlee stand and the lighting towers but this commitment meant that the Board did not have the financial capacity to carry out further developments required to meet the demands of professional rugby and cricket. It was the Christchurch City Council and its subsidiary, Jade Stadium Limited, that were able to provide the funding and management expertise for the construction of the new southern and western facilities.
25. When these were completed, it was apparent that the original structure for the control and management of Lancaster Park (now known as Jade Stadium) did not properly reflect the financial commitment made by parties other than the Victory Park Board. Because of the Victory Park Act 1919, neither of those parties were able to secure that commitment by way of an interest in the land on which the improvements they had funded were built.
26. The parties (including the Board and this Council) agreed that new ownership, control and management structures should be put in place and in 1999 a Deed of Succession was entered into that provided for:
 - (a) The promotion of a local Bill to repeal the Victory Park Act 1919.
 - (b) Abolition of the Victory Park Board.
 - (c) Vesting the land owned by the Crown and the Board in the Christchurch City Council.
 - (d) Vesting all other assets and liabilities of the Board in either Jade Stadium Limited or the Council.
27. The Deed also provided that from 1 December 1998, all of the management functions of the Victory Park Board in respect of Jade Stadium were to be managed by Jade Stadium Limited. This has been the case since that date
28. Since 1998, considerable time and effort has been invested in the preparation of a draft Bill that reflected the terms and conditions of the Deed of Succession. This has been approved by the Canterbury Rugby Football Union, the Canterbury Cricket Association, the Crown, Jade Stadium Limited and the Victory Park Board. Extensive consultation has been carried out with all parties who may have had an interest in the matter, including the Returned Services Association, the Canterbury Commercial Travellers Association (the original fundraiser for Lancaster Park) and Te Rūnanga o Ngāi Tahu.

29. The effect of the Bill is to vest land currently owned by the Crown and the Victory Park Board in the Council, along with all improvements on the land that are owned by the Board. These comprise, in particular, the eastern and north eastern stands, the Hadlee stand and the lighting towers. The improvements are subject to a Deed of Lease in favour of Jade Stadium Limited. The rental payable has been calculated and paid in one sum by way of the issue to the Victory Park Board of redeemable preference shares in Jade Stadium Limited. Once the Bill is enacted, the benefit of these shares will pass to the Council.
30. The effect of the Bill, when it is enacted will be to dissolve the Victory Park Board and repeal the Victory Park Act 1919.
31. The Bill provides that the Council will hold the Lancaster Park in trust for the following purposes:
 - (a) rugby union;
 - (b) cricket;
 - (c) all other sports;
 - (d) recreation;
 - (e) entertainment;
 - (f) public assembly;
 - (g) purposes ancillary to those specified in paragraphs (a) to (f).
32. Purposes ancillary to those purposes include any commercial development and use that generates income for the benefit of and does not detract from the purposes specified.
33. The legal effect of the trust is that the Council is responsible for ensuring that Jade Stadium/Lancaster Park can only be used for those purposes.
34. Including entertainment and public assembly as two of the purposes for which the stadium may be used reflects past events such as the U2 concert and a Papal visit.
35. Under the Ngāi Tahu Claims Settlement Act 1998, Te Rūnanga o Ngāi Tahu has a legal interest in the main stadium land currently owned by the Crown. Ngāi Tahu has agreed that it supports the Bill being introduced into Parliament on the basis that the right of first refusal they presently have under the 1998 Act is carried forward into the Bill.
36. Park 9 of the Claims Settlement Act imposes on the Crown an obligation to offer a right of first refusal to Ngāi Tahu if the Crown wished to dispose of or transfer its land at Jade Stadium/Lancaster Park. The draft Bill will impose a similar obligation on the Council if at some future date it wishes to dispose of or transfer the land. The process to be followed is the same as that contained in the Ngāi Tahu Claims Settlement Act 1998.
37. Ngāi Tahu also supports uses that may in the future include commercial development and uses that generate income for the benefit of and do not detract from the agreed purposes.
38. Tim Barnett, the MP for Christchurch Central has agreed to sponsor the Bill through Parliament. All local MP's have been briefed on the Bill and have indicated their support. Copies of the Bill will be distributed amongst government departments and Crown agencies. It is not expected that there will be any issues raised as a result of this, given that they received copies some time ago.
39. If the Council adopts the staff recommendation above, then under Parliamentary Standing Orders, the Council must publicly notify its intention to promote the Bill and have copies available at its service centres and at the District Court for at least 2 weeks.

40. The Parliamentary Counsel Office has also received and approved a copy of the draft Bill. Once the notice period is completed the Bill will be forwarded to the House of Representatives and placed on the legislative agenda. This will involve it being passed through the House and referred to a Select Committee. Tim Barnett will take responsibility for the passage through each stage of the process until the Bill receives its final reading and becomes law.
41. Earlier this year Councillors made a commitment to further development at Jade Stadium. This included funding support. The repeal of the Victory Park Act 1919 and its replacement with the Christchurch City Council (Lancaster Park) Land Vesting Bill will ensure that the Council secures that commitment by acquiring an interest in the land comprising Jade Stadium as well as the improvements that are built on it. It is therefore recommended that the Council adopts the Bill and promotes it through the Parliamentary process.