

1. PROPOSAL TO HOST RALLY OF NEW ZEALAND

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Corporate Plan Output: Grants/Economic Development	

The purpose of this report is to seek the Council's support to submit a bid for the Council to host the Rally of New Zealand for a period of five years from the year 2001.

INTRODUCTION

The Leisure Manager reported to the November meeting of the Council alerting Councillors to an opportunity for the Canterbury region to host the Rally of New Zealand from 2001.

The Council appointed a subcommittee comprising Councillor Ganda (Chairman) and Councillors Condon, Sheriff, Stewart and Wright to research the proposal.

BACKGROUND

The Rally of New Zealand has been run in the northern part of the North Island, based in Manukau City for approximately 18 years. In association with Tourism NZ and Events NZ, the organisers (Rally of New Zealand Ltd) have decided that, because of the international impact of this event in New Zealand, they would put it out to tender.

The rally organisers approached four regions to determine their interest in hosting this world championship event for a three to five year term commencing in the year 2001. It is understood that Auckland/Manukau and Rotorua have decided to submit bids to host the rally. Wellington and Dunedin have withdrawn.

INITIAL REVIEW OF THE PROPOSAL

At its meeting on 9 December 1999 the Subcommittee met with representatives of the Canterbury Car Club, Mr Ian McKee, a local rally expert, and Mr Chris Carswell of Deloitte Touche Tohmatsu. Following these discussions, the Subcommittee concluded that, in view of the benefits which would flow to Christchurch and Canterbury from hosting the rally, a more detailed investigation of the proposal was warranted.

The Subcommittee therefore requested staff to work with Ian McKee and Chris Carswell to put a proposal together for its consideration. Funding for this work was allocated from the Contingency Fund by the Director of Finance, acting under delegated authority.

CONSULTATION WITH ADJOINING LOCAL AUTHORITIES

Subsequently, approaches were made to Hurunui, Waimakariri, Selwyn and Banks Peninsula District Councils to gauge their support for the proposed bid. As, apart from the super special stage, all other stages of the rally would take place in rural Canterbury their support was crucial.

All Mayors have confirmed their support, in principle, for the Council's bid and signified their willingness to work co-operatively with the Council and event organisers to ensure the success of the rally.

The next step is to seek a commitment from the Councils concerned to accept responsibility for some costs.

RESULTS OF INVESTIGATORY WORK

The results of the investigations were presented to the Subcommittee at its final meeting on 15 February 2000. The presentation can be summarised as follows:

The Opportunity

- A direct economic input of \$121 million into the local economy.
- 6,500 visitors
- 95 million television viewers worldwide

This is Christchurch's opportunity to host an international icon event that has been a Council objective for several years.

The Rally

- Is held over a series of closed road stages
- It covers 1,170 km over 3¹/₂ days
- It uses cars that the public can relate to
- It is New Zealand's largest annual sporting event
- One of 14 rounds of World Rally Championship held in 14 different countries
- One of six rounds of the Asian Pacific Rally Championship held in six countries
- The rally is governed by FIA (Federation International de l'Automobile)

When is it Held?

- July or September are favoured months to host the event in Christchurch
- Total duration is 16 days with 3¹/₂ days of competition
- The bid is for 3-5 years from 2001
- The event includes two super stages with closed stages
- Three closed road stages on Banks Peninsula and North Canterbury, (including Ashley Forest) roads

Teams/Visitors

- The rally attracts 90 teams (50 international teams from 15 countries)
- Size of teams range from 4 to 65 people
- Teams stay for between 8-16 days
- The rally also attracts over 217 media from 14 countries, 1,500 international visitors and an estimated 5,000 domestic visitors
- 2.5 hours of domestic television, 0.94 million domestic viewers, 100 hours in 71 countries (95 million international viewers)
- 166,000 people watched 1999's stages, 27,000 attended super stages with 533,000 official web site hits

Economic Benefits

- Direct expenditure of 0.5 million
- Total output value of 12.1 million
- \$1M domestic visitor spent
- Timed during low visitor/economic activity
- Large indirect economic benefit (television/marketing etc)

Host City Requirements

- Cash payment
- Administration and media facilities
- Facilities for technical inspection
- Venue for super stage
- Local co-ordination
- Road closing and maintenance costs
- Host opening and closing ceremonies
- Assistance with event promotion

The Subcommittee discussed the financial aspects of the bid proposal.

In the ensuing discussion Councillors decided that the same presentation should be given to the full Council prior to the proposal being formally considered at the February Council meeting.

With the concurrence of the Mayor, a seminar meeting of the Council will be held at 12 noon on 24 February 2000, prior to the next Council meeting and will include opportunity for discussion on financial implication.

- Recommendation:**
1. That the Council support the proposal to host the Rally of New Zealand.
 2. That representatives of Rally of New Zealand be invited to Christchurch for the Council to present its bid.