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Corporate Plan Output: Grants/Economic Development	

The purpose of this report is to advise the Council of the opportunity for the Canterbury Region to be involved in hosting the Rally of New Zealand commencing in the year 2001.

INTRODUCTION

Rally of New Zealand organisers and Major Events New Zealand presented a proposal to the Mayor and various staff in respect to the future hosting of the Rally of New Zealand.

Because of the timeframe in respect to preparing documentation it was decided that a supplementary report go to the Strategy and Resources Committee on 15 November 1999.

The Rally of New Zealand has been run in the northern part of the North Island, based in Manukau City for approximately 15 years and the organisers (Rally of New Zealand Ltd) have decided that because of the impact of this event on tourism in New Zealand that they would put the event out to tender.

They have approached four regions to see if they would be interested in hosting this event for a three to five year term commencing in the year 2001. The regions approached are Auckland/Manukau, Rotorua, Wellington and Christchurch. The Rally of New Zealand is New Zealand’s only annually hosted world championship event.

ECONOMIC BENEFITS

The Manukau City Council has prepared the following details in respect of the benefits of the 1997 New Zealand Smokefree Rally:

Total number of bed nights	14,693
Total number of job years of work	163
Additional total output	\$21.2 million
Value added products and services	\$9.7 million
Additional income to workers	\$5.7 million

Ernst and Young have also carried out some research in respect of the impacts of the Rally of New Zealand and have predicted that this event creates a total spend of \$6.7 million in the host region with other major centres benefiting as follows:

Invercargill	\$4.8 million
Dunedin	\$4.7 million
Christchurch	\$5.7 million
Wellington	\$5.5 million
Rotorua	\$5.8 million

This results in a national value added impact in excess of \$27 million. A further report prepared by Ernst and Young for the New Zealand Tourism Board indicated that the total expenditure associated with the 1999 Rally of New Zealand was \$12.1 million, and of this \$5.4 million was international expenditure by teams, media and international spectators.

In terms of participation there were 87 teams in 1999, over 100 officials and 1,000 volunteers were involved in the event and over 217 media representatives were accredited of which 148 were international. An estimated 27,000 attended the official ceremonies and the super stage with 160,000 estimated to attend all stages of the Rally (of these 1,300 were foreign visitors).

MEDIA BENEFITS

Rally of New Zealand has an official website which received over 530,000 hits during the 1999 Rally. Some 5,000 posters and 10,000 programmes were produced and an estimated 2¹/₂ hours of domestic TV coverage was provided to an audience of .94 million. Six thousand minutes of Rally New Zealand coverage was broadcast to 71 countries in 1998.

PROPOSAL

Rally of New Zealand are putting the event out for tender with a cash cost of \$350,000 p.a. along with associated support (estimated to be around \$150,000) giving a total of \$500,000 p.a. and they are looking for a commitment from one of the four regions approached to host the Rally for three to five years. There are many benefits in respect of the city's involvement with this event not only in terms of tourism but also direct economic benefits for the city and surrounding areas, as outlined above.

Rally of New Zealand anticipate a response from the Council by 10 December 1999 but have been advised that while we could provide a letter of intent it would not be possible to put together a proposal by that time and they were happy for the Council to have the proposal ready by early February 2000.

There is considerable research required prior to presenting a document for their consideration and it would seem appropriate that a subcommittee should be formed to carry out this work which should include the Chairman of Christchurch and Canterbury Marketing.

Recommendation: That a subcommittee including the Chairman of Christchurch and Canterbury Marketing be set up to research this proposal and to prepare documentation to tender for the event.

Chairman's Recommendation: Not seen by Chairman.