CHRISTCHURCH'S "SHAKY" TOURISM

How to rebuild a destination

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Creating an iconic attraction is one way to put quake-hit Christchurch back on the tourist map.

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MODERN CITIES are surprisingly dependent on tourism and competition among them for tourist dollars—both domestically and internationally—can be extreme. New Zealand's second city, Christchurch, is no exception. In 2009, tourism reportedly earned $2.3 billion and accounted for more than 12 per cent of the region's employment. Then came a series of devastating earthquakes that claimed 185 lives and decimated the city's infrastructure.

MORE THAN 10,000 earthquakes and aftershocks have radically altered Christchurch's status as a tourism destination. Two years on, what is being done to recover from one of the world's largest natural disasters? Can the "Garden City" reassert itself as a highly-desirable Australasian destination with a strong competitive advantage over rivals that have not been the target of natural disasters.

Iconic first-tier attractions must be created to position Christchurch as an international destination

FIRST, WHAT do we mean by "destination"? In a general sense a destination is a place to which people have made a specific decision to travel. This could be as a tourist, for work or education or to visit friends. But what are the components of a destination? Are there certain qualities that distinguish one place from another, or is every place a destination, with some merely more attractive than others?

Perhaps the most common framework for assessing tourism destination development is conceptualisation of "the four As" of tourism. These are:

- Attractions (natural, man-made, cultural, festivals/events)
- Accessibility (including air, road and sea modes)
- Amenities (infrastructure and service, including accommodation that enhances the tourist experience)
- Ancillary Services (services that provide tourist-industry support, including marketing, promotional facilities, and travel agencies)

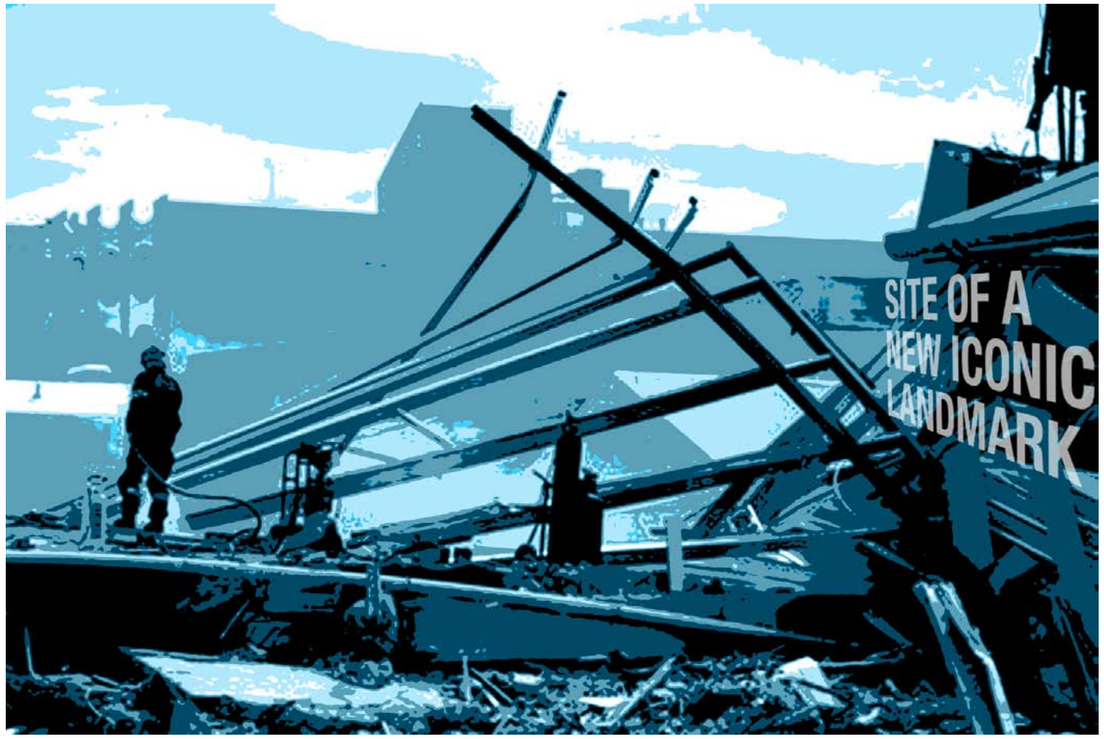
An assessment of Christchurch's standing using these criteria gives us a profile of how its competitiveness has been challenged in the recent past. In particular, we draw attention to the significance of the emergence of iconic attractions in contemporary destination competitiveness and note that the dispersed geography of Christchurch's existing attractions will be inadequate for enabling the city to regain its former standing or addressing its current default positioning as a "gateway" rather than as a destination befitting its status as New Zealand's second-largest city. In short, an iconic first-tier attraction must be created to position Christchurch as an international destination. Underpinning such a long term goal, a fluid set of short-term "bridging" initiatives must be developed to hold and attract existing visitors during the long journey to full recovery.

The visitor sector, pre-earthquake

Destination Christchurch

CHRISTCHURCH IS New Zealand's second-largest visitor destination after Auckland, and is one of six major visitor destinations along with Rotorua, Wellington, Queenstown and Dunedin.

While detailed economic analyses of tourism are hard to come by—in part due to the complexities of the sector—data suggests that a decade ago tourism accounted for 12 per cent of local employment and had a high value-added multiplier (1.98) —more than double that recorded in Rotorua and



significantly larger than the contributing centres of Kaikoura (1.38) and Akaroa (1.15).

In 2009, the Ministry of Economic Development reported that the Canterbury visitor sector was a $2.3 billion industry with a major impact not only in the traditional areas of food and beverage, accommodation and attractions and activities, but also on retail, transport and tax (GST). According to estimates prepared by the Canterbury Earthquake Recovery Authority (CERA), the visitor sector is the region's third-largest economic sector. Statistics such as these have been crucial in supporting the need for a specific recovery plan for the city.

Though visitor numbers have declined rapidly since the earthquakes, Christchurch had been losing visitors from traditional markets for a number of years—even in advance of the Global Financial Crisis. Between 2006 and 2010, Christchurch lost at least 80,000 international visitors from its top ten markets. This equates to an economic loss of about $48 million. If the additional losses since the 2011 earthquakes are taken into account, the economic loss totals almost $173 million over the five year period.

International visitor numbers fell from 826,052 in the year to March, 2010 to 541,461 in 2012 and are only slowly recovering.

Christchurch visitor-attraction portfolio

BEFORE THE earthquakes, Christchurch had a broad range of popular attractions, including Cathedral Square, the Botanic Gardens, the Arts Centre, Christchurch Cathedral, Canterbury Museum and Shopping. It is noteworthy that, as is the case with many other destinations, the core set of attractions

are public-property resources—and, one might add, only tangentially seen as being associated with tourism per se.

In a 2001 benchmarking study by one of the present authors, Christchurch's amenity features were also generally assessed very favourably. The study also highlighted the significance of local amenity design and local authority operations to a successful tourism destination, as indicated in Table 1.

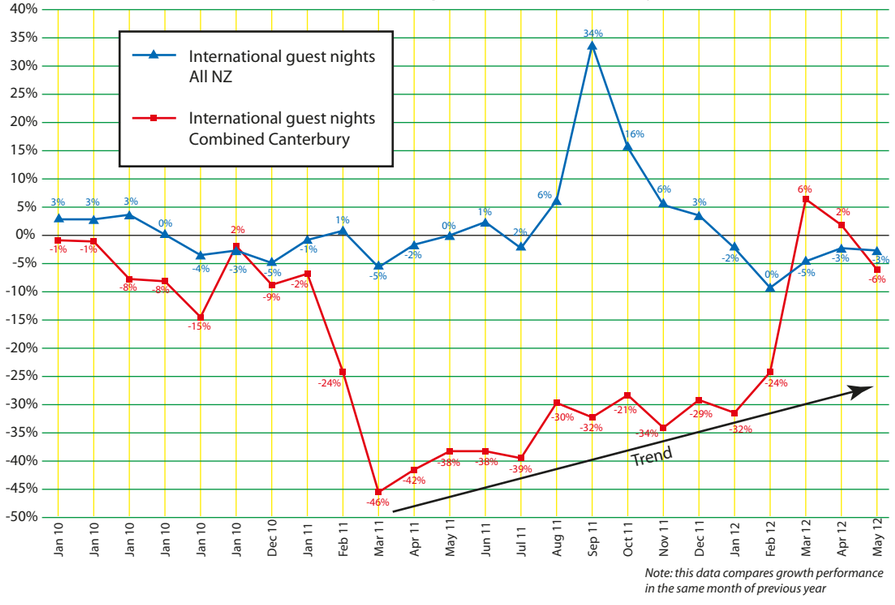
Post-earthquake status

THE FEBRUARY 2011 Christchurch earthquake was the second-deadliest natural disaster recorded in New Zealand (after the 1931 Hawke's Bay earthquake), and the country's fourth-deadliest disaster of any kind, with 79 nationals from more than 20 countries among the 185 victims. In the aftermath, hundreds of visitors were evacuated from the city and repatriated overseas or elsewhere in New Zealand. The immediate impact of the February 2011 earthquake was a devastating decline in both Christchurch and South Island tourism. This was highlighted in a number of ways:

- Damage to buildings and the creation of the "Red Zone" resulted in an immediate 40-50 per cent reduction in available beds, mostly in the CBD
- Only 13 of 27 hotels, and 15 of 31 backpackers, remained operational
- Demand for commercial accommodation in Canterbury reduced by more than one million guest nights—an annual reduction of 33 per cent for the year to December 2011. Most of the decrease in Canterbury commercial guest nights was from the international market (-73 per cent). Hotels (-782,000 guest nights) and backpackers (-278,000 guest nights) were the biggest losers. The economic loss for Christchurch was about $235 million
- For the convention market, the closure of the Christchurch Convention Centre and eight conference hotels reduced capacity by more than 50 per cent

International Guest Nights All NZ vs Canterbury

Figure 1.



Source: Statistics New Zealand; analysis by Christchurch & Canturbury Tourism (CCT).

Note: this data compares growth performance in the same month of previous year

As with all elements of change, there were both winners and losers. Motel use, for example, improved by 111,000 guest nights over the same period, as considerable capacity was taken up by contractors involved in the recovery.

Accommodation in both the hotel and backpacker sectors suffered the largest capacity losses due to both building damage and the concentration of properties in the closed "Red Zone". Whilst reinstatement of lesser-damaged hotels is expected to return approximately 1,200 beds during the 2012-2014 period, this will still leave Christchurch with a 45 per cent deficit of hotel beds relative to the February 2011 position.

Many attractions in the central city that were closed are yet to reopen, including Christchurch Art Gallery, Christchurch Tram, Christchurch Arts Centre, Science Alive and Christ Church Cathedral. The Arts Centre will be out of use for a number of years as will the Christ Church Cathedral which is substantially damaged and for which there is no current rebuild plan. The Rugby World Cup events planned for Christchurch were cancelled and so eliminated a partial visitor recovery in 2011. Nevertheless, a working stadium has been erected and is operational. An important facet of local life has been the establishment of a number of local famers' markets, whose role in recovery is worthy of note.

The attractions sector, particularly in the central city, has also been impacted by closures and potential demolition that will severely reduce the quality of the visitor experience. Table 2 shows the visitor appeal of the top 10 attractions from previous research and an update on their current and future situations following the earthquakes.

The result is that for the foreseeable future Christchurch will have significantly fewer attractions. As identified in the framework above, attractions are the "life blood" of any destination. Visitors travel to places to see and do things, and they are drawn to attractive settings and landscapes. If that need is compromised, visitors will stay away.

The loss of visitors has also had a major impact on other business sectors such as retail and food and beverage, and shrinkage in the visitor sector created a major risk that international air capacity into Christchurch International Airport would be further eroded. TransTasman flight capacity has fallen by 15 per cent since the February earthquake and the Christchurch Airport Company has actively repositioned itself and the city as a "Gateway"—a brand that might take many years to revert as the city

What Did You Like Most About Christchurch? Table 1

	Base No: 548 visitors	
Attribute	**Respondents** Per cent	Number
City environment—streetscape, landscape, parks and gardens	41%	237
Friendly atmosphere and people	28%	154
Weather/climate	13%	73
Buildings and architecture	8%	41
Uncrowded and relaxing	7%	39
Cleanliness of the city	7%	37
Ease of getting around	6%	32

Earthquake Impact on Visitor Attractions Table 2

Attraction	% Visitor Engagement	Current Situation	Future Situation
Cathedral Square	80%	Closed	Major demolitions to take place
Shopping	71%	Retail severely reduced	Dependent on central city rebuild
Botanic Gardens	67%	Operating	New visitor centre
Arts Centre	66%	Closed	Unlikely to open for many years
Chch Cathedral	47%	Closed	Uncertain future on current site
Canterbury Museum	39%	Re-opened	
Christchurch Tram	30%	Closed	Dependent on opening of central city
Antarctic Centre	28%	Open	Open
Chch Gondola	24%	Closed	Anticipated opening late 2012
Punting on Avon	17%	Operating	Operating
Orana Park		Operating	Operating
Air Force Museum		Operating	Operating
Willowbank		Operating	Operating
Chch Art Gallery	–	Closed	Dependent on completion of repairs (2013)

Sources: Destination Benchmarking Study; Christchurch & Canterbury Marketing (Sleeman, 2001), and CCT tourism-sector update.

...more reminiscent of a post-war zone than a visitor precinct

rebuilds. However, recent news of a possible Adelaide-Christchurch air service, along with Christchurch International Airport's announcement that it had been granted special dispensation to open for airlines that don't meet the necessary air trade regulations, offer hope of an early capacity rebuild.

The physical assets that enable the visitor industry to operate in the city have also been badly damaged, with the area from the botanic gardens to the square, in particular, more reminiscent of a post-war zone than a visitor precinct.

In sum, all elements of the destination development frame, save air access, have been significantly compromised by the earthquakes. Unlike one-off natural events such as floods and tornadoes, the ongoing aftershocks and the consequent destabilisation of the insurance market, have made the disaster especially challenging. This context brings the additional risk of a loss of recognition as a viable visitor destination, with a resultant erosion of visitor market-share for the region. In addition, some accommodation providers, retailers and attractions that remain open may not retain their financial viability, and the loss of skilled staff may cause problems for some operators when facilities reopen.

The visitor sector earthquake response

LIKE MANY other organisations, visitor businesses were displaced from their operational bases and many were unable to access essential records and computer systems from damaged buildings. This compromised the ability to respond quickly to the new business environment. Once it realised that there was no quick fix the industry, led by Christchurch & Canterbury Tourism (CCT), began the process of planning for the recovery.

The focus of the immediate tourism sector response initiated by CCT, the regional tourism organisation, has included:

- Assessing the total impact of the earthquakes on the visitor industry and the greater Christchurch community
- Assessing the capability of the visitor industry to host visitors
- Helping travel retailers and consumers to reorganise planned visitor trips by utilising accommodation in locations such as Ashburton, Methven and Kaikoura
- Re-establishing a Christchurch Visitor Information Centre—firstly, through an interim site in the Chateau on the Park and then in a new building in the Botanic Gardens
- Delivering a message to worldwide media that much of Christchurch was still functional and that the South Island remained open for business
- Working with other regional tourism organisations to develop a marketing campaign for the Australian market that promoted the South Island as offering some of the world's best road trips
- Helping businesses to better manage their operations during the recovery period
- Instigating industry workshops to understand specific sector issues and identify options for the recovery plan
- Preparing a submission in response to the Draft Central City Plan, based on visitor industry feedback
- Developing a comprehensive facilitation plan to enable Akaroa to handle the bulk of the 80 cruise ships scheduled for summer 2011/12
- Initiating a domestic marketing campaign to encourage people to visit friends and relatives in Christchurch
- Preparing a medium-term strategic plan to guide CCT's priorities over the first three years of recovery. This plan has already seen trade missions targeting Australians, who appear to have been reticent to return.

The CCDU plan

THE CHRISTCHURCH Central Recovery Plan, released by the Christchurch Central Development Unit (CCDU) on 31 July, 2012, acknowledged that tourism was central to the city's redevelopment. Among the 17 anchor projects it detailed are:

- A new convention centre (incorporating options for two hotels)
- A new sport complex linked by open space to the retail sector
- A New rugby/concert stadium
- A cultural performance precinct with a new cultural centre
- A green "frame" for a compressed city centre

An aspect of the plan that has been widely acclaimed is the framing of the new city by a "Papa O Otakaro /Avon River Precinct", intended to make the river a central visual focus to the north and west, with a "green frame" on the east and south. These lock together a central amenity frame, which along with the designated precincts (convention and performing arts, innovation and health), provide the skeleton for an amenity-rich destination. However, debate continues about how best to integrate a hospitality precinct, including cafés, bars, restaurants and night-clubs, within a denser commercial and residential central business district. As noted below, it is this latter step that now holds the key to how the city re-emerges as a destination.

The long path to recovery

WITH THE large capital works listed above expected to take five or more years to implement fully, the question now is: what needs to be done, both in the short term (immediate visitor flows) and medium term, to reshape Christchurch as a competitive tourism destination?

We suggest a focus, in the short term, on visitors already flowing through the city. Data presented for the tourism sector plan indicates that there are still a significant number of leisure-based visitors and those visiting friends and relatives.

Casual observations of the city centre suggest that most visitors have a genuine interest in the "stories" of response and recovery. Several initiatives have already been launched to satisfy this interest, including the CESMIC /Quakebox, an innovative mobile recording studio housed in a former Tourism New Zealand container. More recently, the City Council began a programme to celebrate buildings and streets re-opening via "pop-up" entertainment and small-scale events.

Passive display boards attached to fences are also being used to engage the passing visitor. The one noticeable gap is the lack of a central hospitality site, the establishment of which is fraught with debate around capital costs, payback times and leasing arrangements.

Meanwhile many other areas—Addington and Riccarton in particular—have enjoyed significant rejuvenation as social and business hubs.

We propose a three-stage plan that:

- Attends to immediate visitors (CCT has already implemented new marketing initiatives). Hospitality, events and attractions are also crucial for the anticipated influx of (largely young, male) reconstruction workers
- Re-energises the attractions sector. This is the key to a successful destination
- Grows the convention, sports-tourism events and general events markets as the major public infrastructure is completed

Re-energising the attractions sector

THOUGH A number of attractions will reopen over the next few years, it is apparent that the number and range of attractions will be less than before the earthquakes. While the new initiatives detailed in the Visitor Sector Recovery Plan will assist in the recovery, the reduced number of attractions will have a dampening effect on visitor arrivals and the city will be less competitive than previously.

The CERA Recovery Strategy for Greater Christchurch (May 2012) states that the challenge for tourism "is to ensure greater Christchurch continues to act as a gateway to the South Island, whilst rebuilding tourism and visitor infrastructure and developing as a destination in its own right". To grow as a destination Christchurch will require a compelling range and scale of visitor attractions to match the proposed enhancements of the city through projects such as the Avon River Park and others described above.

In its strategy, CERA indicates how success will be measured: "Timely development of visitor attractions that also support quality of life for greater Christchurch residents, with increasing visitor numbers and spend".

We advocate a purposeful attempt to find and implement a major attraction that has sufficient iconic status to both grow the overall New Zealand tourist market and re-direct tourist flows to Christchurch—and in so doing clearly position Christchurch as a major tourist destination. After all, a number of cities worldwide are readily identifiable by their iconic tourist attractions, including Sydney (Opera house), Paris (Eiffel Tower), London (Houses of Parliament), New York (Statue of Liberty), and more recently Bilbao (Guggenheim Museum) and Cornwell (Eden Project). Within New Zealand few now doubt the effect of Te Papa in reshaping tourism in Wellington.

Building a long term strategy

CHRISTCHURCH IS faced with a unique opportunity. Most destinations evolve over a considerable time and are based on a location's unique attractiveness. Today much of this can be measured and mapped and new places can be "chosen" for tourism development. The relatively short history of human settlement and commerce in Christchurch, and the devastating effects of the recent earthquakes, have left the city with a unique set of challenges and opportunities.

Tourism is a fickle industry and competition among destinations is fierce. As New Zealand's second-largest city, Christchurch is fortunate, but it needs to be much more than the "gateway" to the South Island if tourism is to regain its position as a major regional employer. It will take care to rebuild 150 years of slow development into a coherent sequence, all within a compressed time frame.

We have singled out attractions as the often unacknowledged but essential components of destinations. Amenities are the glue that hold attractions together and these appear to be well catered for in the central city—and hopefully wider Christchurch—redevelopment strategies. The gap that is now apparent is building short-term mobile attraction foci while the city reopens and establishing a significant attraction in the longer-term wait for the rebuild of major public infrastructure.

Lessons Learnt

TOURISM IS an essential part of recovery and has been signalled as such in the development plans presented to date. These plans, however, address long-term strategic investments and attention must now be directed toward anchoring a longer-term strategy and building a necessary bridge of tourism products and experiences during what looks to be a decade or more of recovery.

Existing residents, workers and new residents need things to do and see, and activities and attractions are at the heart of destination development and competitiveness. The tourism planning and development literature is anchored around the role and significance of core attractions. While it might seem a bold claim, it now appears that an iconic attraction needs to be considered in the recovery plans. Unfortunately, as the previous review of Christchurch indicates, attractions are often built around public resources and managed by public agencies that do not necessarily see themselves at the heart of the tourist experience.

Finally, given the broad palette on which tourism operates, in particular the wider considerations of access and amenities, the tourism sector needs to be much better integrated into both city planning and disaster planning.

The real secret appears to lie in rebuilding the attractions, amenity and ancillary services in a concerted and balanced way. Within the mix of destination competitiveness, access remains largely unchallenged but the move from the current positioning of a "gateway" to a "destination" will require rethinking the attractions profile, and ongoing attention from tourism managers for a considerable time to come. ■

KEY TAKE-OUTS

- **Tourism earned Christchurch $2.3 billion a year before the earthquakes struck, and it is an essential component of the city's recovery.**
- **Existing attractions alone will be insufficient to rebuild visitor numbers. Christchurch needs to create an iconic new attraction if it is to compete with other international destinations..**
- **Christchurch must be repositioned as a destination, rather than relying on its default branding as the "gateway" to the South Island.**

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