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Regional Tourism Organisations in New Zealand from 1980 to 2005: Process of Transition and Change

by

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A thesis submitted in partial fulfilment of the requirements for the degree of Doctor of Philosophy at the University of Waikato, Hamilton, New Zealand.

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Abstract

This thesis is a historical case study tracing the establishment and evolution of Regional Tourism Organisations (RTOs) in New Zealand. It describes their role, structure and functions and the political processes that have influenced how they have operated and changed from 1980 to 2005. RTOs are examined in the context of government policies, local and national politics and tourism private and public sector relationships. RTOs were central to many of the key recommendations of the New Zealand Tourism Strategy 2010 (NZTS 2010) released in 2001. The NZTS 2010 attempted to address a range of tourism policy gaps created by a policy vacuum in the 1990s whereby the public and private tourism sectors focused mainly on international marketing. This strategy shaped government policy during this decade. The research findings show that although public and private sector institutional arrangements impacting on RTOs have changed, there remains, as in the past, no uniformity in their role, structure, functions and their future financial and political viability remains insecure.

The NZTS 2010 raised destination management and its alignment with destination marketing as a major policy issue that needed to be addressed in the decade leading up to 2010 with RTOs having a pivotal role. A generic regional destination management model is presented. Structures and processes incorporated into this model include: a national destination management tourism policy; support for tourism by local government at the national level; a well defined destination management team; community collaboration; and tourism being integrated into the wider planning processes of local government. The model identified requisite building blocks to support regional destination management such as: the provision of staff and financial resources for regional tourism; the building of a high tourism profile in the community; the availability of statistics and research data at the regional level; local government planners acknowledging the impacts of tourism; and the existence of a legal mandate for tourism at the regional and/or local government level. When applying this model to the New Zealand context, it was found that a number of the structures and processes required for effective regional destination management were lacking, such as regional statistics and research data, staffing and financial resources for both RTOs and local government, the ability of council planners to understand
and integrate tourism into the wider planning processes and a legislative mandate for tourism. The thesis concluded that a vacuum remains in the alignment of destination marketing and management.

The historical and political processes of RTO change were also examined in the context of chaos and complexity theory. Chaos and complexity theory provided a complementary and different means to view change. This thesis also presented the opportunity to reflect upon the research process which led to the adoption of a multi-paradigmatic and bricoleur research methodology. Further reflexivity and reflection towards the end of the research process articulated ontological and epistemological philosophical investigations that underlay the multi-paradigmatic approach. A model is presented emphasising that a multi-paradigmatic research approach rests on ultimate reality (metaphysics) which informs the ontology. The model then highlights that ontology precedes and directs epistemology and that both inform the multi-paradigmatic research framework.
Acknowledgements

Many people have helped me during this PhD adventure, and I am deeply indebted to them all including those not singled out in this acknowledgement page. I would like to especially acknowledge and thank Chris Ryan, my chief PhD supervisor who in the first place suggested that I might like to consider RTOs as a topic for my PhD investigation. It has been a great topic and a good knowledge base for future research. Chris was always available whenever I needed him and returned drafts very quickly. He also allowed me room to ‘move’ while guiding me to ensure that I reached my destination. Special thanks must also go to Frank Scimgeour and Tim Lockyer for their support in helping me combine full time teaching and my PhD research and for making available research funds for data collection. Both Tim Lockyer and Alison McIntosh were great mentors and I will be ever grateful for their advice and encouragement. I want to express my appreciation to the anonymous reviewers for the constructive feedback and suggestions in publishing aspects of the thesis in the following journals: *Current Issues in Tourism*, *Anatolia* and *Tourism Management* and in refereed conference papers at CAUTHE, NZTHRC, ATLAS and the Asia Pacific Forum for Graduate Students Research in Tourism.

I have received outstanding support by both past and present New Zealand Tourism Industry personnel from both the public and private sector. A special thanks has to be made to Neil Plimmer, past General Manager of the New Zealand Tourism and Publicity Department and Tony Staniford, past Chief Executive of what is now called the Tourism Industry Association New Zealand (TIANZ). They were very receptive and encouraging when I first approached them in 2002 and between the two provided a long list of further contacts to inform the research investigation. RTO CEOs and staff from both the North and South Island have been supportive and forthcoming with any information I required. Special thanks to Linda Kean, Jim Archibald, Jim Little, Greame Osborne, Paul Davis, Paul Yeo, Jan Hindson, Dominic Moran, Ian Bougen, John Rasmussen, Tim Cossar, Oscar Nathan and Chris Lamers for their time and views on RTOs. I am greatly indebted to The Ministry of Tourism, especially Andrea Schollmann, Bruce Bassett, Ray Salter, Katherine Lowe, Sharon Flood and Simon Douglas. I would like to thank
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<th>Full Form</th>
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<tbody>
<tr>
<td>CAM</td>
<td>Commercial Accommodation Monitor</td>
</tr>
<tr>
<td>CBFG</td>
<td>Cluster Based Focus Groups (NZTS 2010, development)</td>
</tr>
<tr>
<td>DoC</td>
<td>Department of Conservation</td>
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<tr>
<td>DMO</td>
<td>Destination Marketing Organisation</td>
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<td>DTS</td>
<td>Domestic Travel Survey</td>
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<td>DTO</td>
<td>District Tourism Organisation</td>
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<td>DTG</td>
<td>District Tourism Group</td>
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<tr>
<td>EDAs</td>
<td>Economic Development Agencies</td>
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<tr>
<td>EDANZ</td>
<td>Economic Development Association New Zealand</td>
</tr>
<tr>
<td>EDU</td>
<td>Economic Development Unit</td>
</tr>
<tr>
<td>FoRST</td>
<td>Foundation for Research Science and Technology</td>
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<tr>
<td>IVA</td>
<td>International Visitor Arrivals</td>
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<td>IVS</td>
<td>International Visitor Survey</td>
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<tr>
<td>KPIs</td>
<td>Key Performance Indicators</td>
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<tr>
<td>LATE</td>
<td>Local Authority Trading Enterprise</td>
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<td>LG</td>
<td>Local Government</td>
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<tr>
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<td>Local Government New Zealand</td>
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<td>LTCCPs</td>
<td>Long Term Council Community Plans</td>
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<td>MRTOs</td>
<td>Maori Regional Tourism Organisations</td>
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<tr>
<td>MED</td>
<td>Ministry of Economic Development</td>
</tr>
<tr>
<td>MiE</td>
<td>Ministry for the Environment</td>
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<td>MoCH</td>
<td>Ministry of Culture &amp; Heritage</td>
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<tr>
<td>MOU</td>
<td>Memorandum of Understanding</td>
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<td>NZTS 2010</td>
<td>New Zealand Tourism Strategy 2010</td>
</tr>
<tr>
<td>OTSp</td>
<td>Office of Tourism and Sport</td>
</tr>
<tr>
<td>PRO</td>
<td>Public Relation Office</td>
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<td>RLO</td>
<td>Regional Liaison Officer</td>
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<td>SSC</td>
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<td>TPK</td>
<td>Te Puni Kokiri, Ministry for Maori Development</td>
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<td>TSA</td>
<td>Tourism Satellite Account</td>
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<td>TSMG</td>
<td>Tourism Strategy Marketing Group</td>
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<tr>
<td>VIN</td>
<td>Visitor Information Network</td>
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<td>WTO</td>
<td>World Tourism Organisation</td>
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Chapter 1 Introduction

1.1 Introduction

Regional Tourism Organisations (RTOs) “face political and resource based challenges not faced by private sector tourism enterprises” (Pike, 2004, p.57). The primary objective of this thesis is to examine the administrative history and challenges that have faced RTOs in New Zealand over the last twenty five years and identify the forces that led to their creation, evolution and current identity. The conclusion, Chapter Ten, will present alternative/combination of scenarios about where RTOs may be heading in the future. The catalyst for this PhD was the New Zealand Tourism Strategy 2010 released in May 2001, which had forty-three key recommendations, of which half relate to RTOs (MacIntyre, 2002). The secondary objective of this PhD thesis is reflection on the research process, starting with the search for a paradigm to inform a historical, descriptive and political analysis of RTOs and the research methods used. Further reflexivity and re-evaluation of the research premises are presented in Chapter Eleven. A third objective of the thesis, which could be called a by-product of the first and second objectives, is the examination of the political process of change in RTOs within the context of chaos and complexity theory.

RTOs face political challenges. Mathews (1975) claimed that there was a lack of political research within the tourism literature. Nearly twenty years later Hall (1994) reiterated the same claim and stated that mainstream tourism research “has either ignored or neglected the political dimensions of the allocation of tourism resources, the generation of tourism policy, and the politics of tourism development” (p. 2). Pike (2004), ten years after Hall (1994), stated that there was a lack of research in the governance and the political processes of decision making, organisational structures, alternative funding sources, and strategic planning and implementation for RTOs. This thesis, through the lens of RTOs, will fill a gap in the research and describe, in the form of a case study, the political dimensions of tourism in New Zealand from 1980 to 2005.

Decisions affecting tourism policy, the structure of tourist organisations, especially RTOs, and the nature of regional tourism development have evolved
from a political process (Hall, 1994). This thesis on RTOs, as outlined in the objectives, “is about politics, policies, different kinds of governments and their organisations; it is about how governments manage their relations with industry” (Elliott, 1997, p. xii). Politics have shaped RTOs over the last twenty-five years. Central, regional and local government policies or lack thereof, have impacted on the passage and process of change of RTOs. Relations between government and the private sector also impact on change of RTOs. The private sector, market driven and dynamic in response to a rapidly changing external environment, would not have experienced its growth in tourism without the support of government in the provision of infrastructure, marketing and coordination and leadership. Rather than looking at politics, government policies, and public and private sector relationships separately and how they have impacted on RTOs, this thesis will draw these three dimensions together and present them in an historical context.

RTOs have operated within a range of ideological beliefs and political philosophies at both central and local government levels. The 1980s saw a highly interventionist role in tourism development to achieve economic, social and environmental objectives. The late 1980s and the decade of the 1990s advocated the free market system as central to political ideology and policies. It was perceived that governments needed to “withdraw as much as possible from tourism and leave it to the industry and market forces” (Elliott, 1997, p.57). There were strong moves within government for the user-pays principle to be adopted at both central and local levels but this was never implemented in the tourism sector. The user pays principle was never widely accepted by the industry (as will be evidenced in Chapter Six), although most supported the free market system. Senior tourism industry personnel have also influenced tourism policy in New Zealand over the last twenty five years.
1.2 Overview of the New Zealand Tourism Industry 1980 to 2005

In 1980 there existed a large centralised tourism department. The New Zealand Tourism and Publicity Department (NZTP) was directly answerable to the Minister of Tourism. The NZTP was responsible for tourism planning, development, marketing and national film, media and publicity and had direct responsibility for governance roles in government owned tourist operations, such as hotels and a national and an international travel agency. New Zealand was a highly regulated economy, had a large and well established welfare system and political power concentrated at central government level. Yet in the context of government departments the NZTP viewed themselves as:

Small fry compared with the big fish that swim around Lambton Quay [street in Wellington where many government departments are located]. There are only about 550 of us, and there are more than ten times that number working at both Social Welfare and the Ministry of Works. Neither do we have access to great sums of money (Brooks, 1986, p.23).

A centre-left Labour government was elected in 1984 with a far-right economic reform mandate that came to be known as Rogernomics after the Finance Minister Roger Douglas. The economic and political agenda was driven by the view that the market system was the most optimal for economic and national development and there should be minimal government intervention. This led to the privatisation of and far reaching restructuring of the public sector. By the end of the 1990s the NZTP was divested of all its assets associated with tourism operations and the national airline was privatised. The Conservation Act (1987) established the Department of Conservation (DoC) to protect government owned lands from environmental degradation and provide recreational facilities for domestic and international visitors. In 1989 a radical reform and restructure of local government took place with some traditional central government responsibilities devolved to local government.

In 1990 a National Government was elected and continued with the same reform agenda. The National Government established the New Zealand Tourism Board (NZTB) responsible for international marketing, research, product quality and
development and a separate, smaller Ministry of Tourism providing policy advice to the Minister with significantly reduced research functions. The Ministry of Tourism was further downsized and restructured in 1994 and eventually became the Office of Tourism and Sport (OTSp) in 1998. In 1999 a Labour-led centre-left coalition came to power with the Third Way philosophy for government policy and the role of government in society.

The period from the late 1980s to the end of the 1990s was characterised by a negative image of bureaucratic inefficiency (Dye, 1992) yet government agencies were turned to for tourism policy implementation. However, the government’s highly organised bureaucratic structure stood out against the factional and fragmented nature of the New Zealand tourism industry (Simpson, 2003).

1.3 The New Zealand Tourism Strategy 2010

The 1990s saw the thrust of New Zealand’s tourism policy and National Government funding focused on international marketing (Hall & Kearsley, 2001). The international marketing focus led to a policy vacuum in areas such as domestic tourism, tourism research, sustainable tourism development and regional destination management. The New Zealand Tourism Strategy (NZTS) 2010 was released by the Tourism Strategy Group (TSG), a joint industry and Government initiative in May 2001. The main themes of the strategy were: quality, capability, marketing, sustainability, community and alignment (Ministry of Tourism, 2003). The strategy has shaped Government policy since 2001 and the Ministry of Tourism has provided leadership and funding to implement some of the recommendations of the strategy.

The NZTS 2010 did not just focus on the economic benefits of tourism but also examined the social, community and environmental impacts of tourism. The word ‘growth’ was not quite replaced with ‘sustainability’ but tourism growth in New Zealand was balanced against sustainability (Jeffries, 2001). It will be argued in Chapter Five that ‘sustainability’ is an ambiguous concept. This strategy recognised that tourism, as an activity, is chiefly sustained by private initiatives, however, governments have a key role in its development (WTO, 1996) and in the provision of infrastructure. The newly elected Labour Party in 1999, recognised
that the tourism sector had the potential to implement and achieve the wider objectives of government policy such as economic development, stronger communities, restoring trust in the government, improving skills levels, closing the gaps between Maori and non-Maori, and ensuring the sustainable management of the environment (Clark, 1999).

The NZTS 2010 and its extensive references to RTOs was the catalyst for this thesis. The strategy had wide ranging implications for RTOs. It recommended the clarification of the definition and role of RTOs, an examination of linkages with Local Government and stated that RTOs were not only marketing organisations but also had a role in destination management and needed to contribute to Maori tourism development. The NZTS 2010 recognised that Regional Tourism Organisations (RTOs) create a vital link across the tourism sector, and they also play a key role in regional development. The strategy recommended a rationalisation and consolidation of the number of RTOs across the country and the establishment of a second generation of new and fewer RTOs. These new RTOs were to take an enhanced role in regional tourism planning and development, destination management, domestic and international marketing and the facilitation of services to tourism operators. They were encouraged to work closely with regional and local government to align destination marketing and destination management (Tourism Strategy Group, 2001b).

1.4 Regional Tourism Organisations

Pike (2004) defines an RTO as “the organisation responsible for marketing a concentrated tourism area as a tourism destination” (p. 15). RTOs, in their response to the strategy, all agreed that they were destination marketing organisations. However, there was contention regarding their role in destination management and regional tourism development (MacIntyre, 2002). RTOs have been around since the 19th century (Pike, 2004) yet their role and functions are ambiguous in both the academic literature and in industry reports. For the most part RTOs are quasi-public sector bodies chiefly funded by local, state or central government and in some instances the funding authority will delegate to RTOs the role of tourism expert (Ryan & Zahra, 2004). Under the title of ‘tourism expert’ an RTO can have an advisory role and influence tourism policy, not only policy
related to marketing and product development but also tourism planning and the social, cultural and environmental impacts of tourism.

“The institutional arrangements for tourism influence the process through which the policy agenda for tourism is shaped, the way in which tourism problems are defined and alternatives are considered, and how choices are made, and decisions and actions are taken” (Hall & Jenkins, 1995, p. 19). The institutional arrangements, both formal and informal, surrounding RTOs can shape and influence the roles and structures of RTOs. This PhD thesis will consider these arrangements and the intergovernmental and inter-organisational relations and networks surrounding RTOs. The objective of this thesis is to present an understanding of RTOs in New Zealand, not by adopting an economic, functionalist and prescriptive approach, but rather a contextual descriptive analysis incorporating institutional arrangements and the social and political dimensions in which RTOs perform within the wider tourism stage.

RTOs were central to many key recommendations of the NZTS 2010. Nevertheless, there has been comparatively little research on the role, structure and functions of RTOs in New Zealand (Collier, 2003; Kearsley, 1997; Pearce, 1992; Pike, 2004) and the political processes that influence how they operate and change (Ryan & Zahra, 2004). The remainder of this section, will provide an overview of the academic literature on RTOs in New Zealand. Most of these studies did not focus solely on RTOs but contexts and issues connected to or surrounding RTOs.

Pearce (1990) provided a detailed analysis of the rapid growth of tourism in the 1980s, driven predominantly by international visitors and the regional implications of this growth. Significant growth was experienced in the metropolitan gateways (such as Auckland and Christchurch) and the resort areas of Rotorua and Queenstown while most other regions experienced significantly smaller incremental growth. An industry/government report implied that RTOs’ chief role was domestic marketing, with a central body responsible for international marketing (Tourism Strategy Marketing Group, 1990). The report recommended that it was the responsibility of the regions to ensure product and
supporting infrastructure met market needs and encouraged visitors to spend time in the regions. There was ambiguity about who was going to be responsible for this in the regions: RTOs, local government, regional government, operators or others especially after the closure of central government travel offices in the regions in 1990 which predominately promoted and sold domestic tourism. Pearce (1992) in his seminal study of a range of tourist organisations, both NTOs and RTOs, across seven countries, including New Zealand, looked at the structures, functions and interactions of tourist organisations and concluded that “organisations and their relationships with other organisations change over time, particularly in response to changing external forces” (Pearce, 1992, p.201).

Kaye (1994) described how RTOs were working together to stimulate the domestic travel market. There were 24 RTOs in 1994 with a collective budget of $11.3m, two thirds of this funding coming from local government and the balance from the private sector. Some RTOs were fully funded by local councils, while others were incorporated societies with representatives from local government, tourism, business and interest groups. It was the view of RTOs that there was a vacuum in the tourism industry following the demise of the NZTP. “Restructuring happened so fast no one ensured there was another agency to pick up responsibility for domestic tourism” (Kaye, 1994, p. 22) and the sector was handicapped by a lack of domestic tourism research. Dymond (1997) stated that RTOs were established across New Zealand to stimulate domestic tourism, many being offshoots of local authorities and the main vehicle through which local authorities deal with tourism matters. Dymond’s research examined local government’s reaction to a set of core indicators of sustainable tourism (IST) established by the WTO in 1995. He described the nature of RTOs as integrative and broad reaching and:

Well placed within the New Zealand tourism industry to assist in the implementations of IST. Although RTOs are not local bodies per se, they may still be considered a very important, albeit a peripheral, part of the overall local authority framework in New Zealand (Dymond, 1997, p. 282).
RTOs preferred economic and social indicators but were interested in some ecological indicators such as levels of stress on the environment from tourists in key sights indicating they were starting to embrace sustainable tourism concepts.

Ateljevic and Doorne (2000) describe RTOs within the context of place marketing by local authorities, operating through trusts with private sector dominated boards. Their activities and roles can be “difficult to operationalise given the more direct involvement of stakeholders and the relative difficulties of branding coherent regional identities in the context of uneven development and economic diversification” (Ateljevic & Doorne, 2000, p. 27). Simpson (2002) examined tourism planning in New Zealand at the local level. He found that 29 out of the 70 Territorial Local Authorities (TLAs) (there only being 74 in total) stated that a separate tourism strategy was prepared by the RTO for their local area. Simpson in his study had a 96% response rate from RTOs. There was no uniformity in structure and legal status with 9 RTOs being incorporated societies, 8 wholly dependent subsidiaries of local government, 6 were trusts and 2 were incorporated limited liability companies. Local industry had representation on the governing body of 20 out of the 25 RTOs surveyed. The research findings of Simpson (2002) contradicts Ateljevic and Doorne (2000) who claimed that most RTOs were private sector driven, he found that RTOs are not solely private sector driven but a combination of local government and private sector interests.

Blumberg (2005) examined in the form of a case study the potential integration of destination marketing and destination management by one RTO in New Zealand. She interviewed the main decision makers of Latitude Nelson, the CEO, directors and the Mayors of Nelson and Tasman Unitary Councils and surveyed local commercial operators. She found that the primary role of the RTO was perceived to be destination marketing yet “the notion of destination management has been inherent in the strategic directions of Latitude Nelson right from the start” (Blumberg, 2005, p. 55). The role the RTO had to play in destination management was seen to be growing in importance by the chief decision makers of the RTO but as a supplement to and extension of destination marketing. The RTO’s influence in destination management decisions was found to be tenuous since the RTO had a predominantly advisory role rather then direct systematic involvement.
in the destination planning process. This study highlighted the interdependence between the RTO’s limited funding sources and its mandate. Tourism operators preferred the RTO to focus its scarce financial resources on marketing rather than management. Blumberg (2005) concluded that if RTOs were to get more involved in destination management they needed to have both the financial and ‘political’ support of their stakeholders.

This brief literature review provides a 15 year historical thread of RTOs in New Zealand and highlights the research gaps relating to RTOs, especially in the context of the recommendations of the NZTS 2010 that will be addressed by this thesis.

1.4 Purpose of the Study

The previous discussion demonstrates the limited research on RTOs, their institutional arrangements and the social and political dimensions within which they operate. Concurrently, little research has been undertaken on tourism public policy in New Zealand (Hall & Jenkins, 1995; Kearsley, 1997; Pearce, 1990; Simpson, 2003) and although this thesis was labelled a descriptive case study, it also has many characteristics of an exploratory study “as knowledge is scant and a deeper understanding is required” (Cavana, Delahaye, & Sekaran, 2001, p. 109). One of the aims of this study is to understand the situational factors associated with RTOs in order to obtain a good grasp of the RTO phenomena along with the complexities of the problems associated with tourism policy and RTOs in New Zealand. Therefore this thesis in seeking ‘what’, could be labelled exploratory (Nueman, 2000).

The purpose of descriptive research is to describe the phenomena (Jennings, 2001) identifying ‘who’ and ‘how’ (Nueman, 2000). This thesis does document the ‘who’ and the ‘how’ of New Zealand tourism over a twenty five year period through the lens of RTOs. Jennings (2001) argues that the ‘how’ moves the researcher into the ‘why’ of the phenomena and the search for explanations or explanatory research. This investigation, using exploratory and descriptive data, does try to find causes for certain policies, behaviours and outcomes. As the researcher was asking ‘why’ at the beginning of the research process, this thesis
adopted a historical contextual research design and method with a major emphasis (chapters) being placed on the National Tourism Organisation (NTO), central government policy and local government’s response to tourism and how and why they have impacted on RTOs. The concluding chapter will provide some ‘whys’ and present scenario building on the future direction RTOs may take.

1.6 Structure of the Thesis

This thesis is divided into eleven chapters. This first chapter sets the context, objectives and aims of the study, highlighting research gaps relating to RTOs in New Zealand. The second chapter studies and reflects upon the problematic process of situating a historical, political investigation of RTOs within any given paradigm and the dilemma associated with the selection of an appropriate research methodology. This chapter expounds the underlying assumptions of seven paradigms and their applicability to the phenomena under investigation. The reflexive process and dialogue with the research question led to the adoption of a multi-paradigmatic and bricoleur framework for the thesis. A synopsis of the data sources and research methods and a brief commentary on the philosophy of history and the historical contribution of this study are then presented. Finally the chapter examines validity and reliability issues for this qualitative research investigation. Chapter Three provides a descriptive analysis of the policy process surrounding the development of the NZTS 2010 and its associated implications for RTOs. This policy document is investigated in the context of the wider political processes, both formal and informal and the integration of government and private sectors contributions. The strategy’s recommendations for RTOs, synthesised in Chapter Three, Diagram 3.1: NZTS 2010 RTO Responsibilities, frames the composition of the remaining chapters.

One of the chief responsibilities of RTOs identified in the strategy is destination marketing which is the subject of Chapter Four. Destination marketing is analysed in the context of the political activities and processes that RTOs in New Zealand have been subject to. The arguments for and against government intervention in tourism are presented as a background to central and local government financial support for tourism marketing and the link between funding models and RTO organisational structures. The complexities associated with marketing a
destination and the political elements associated with measurement and evaluation of RTOs’ marketing activities are presented next. The multi-paradigmatic framework is again utilised in a conceptual critique of the problems associated with marketing a destination rather than a product. The chapter concludes with a literature review on marketing alliances, stakeholder and network theories and their relevance to RTOs. The NZTS 2010 also recommended that RTOs have an increased role in sustainable tourism development, tourism planning and destination management. Chapter Five focuses on destination management, and examines how the NZTS 2010 described these terms. Due to the ambiguity in the strategy’s definitions, a literature review is undertaken of these constructs. The literature review studies sustainability and tourism development; tourism planning and the integration of tourism planning in the wider planning processes of local government; community participation in tourism planning; collaborative planning processes and destination management. The final section of Chapter Five examines implementation of sustainable tourism in New Zealand since the strategy. Chapters Four and Five are a combination of literature review and data analysis. There is dialogue with and application of the theoretical and conceptual constructs being examined, to tourism in New Zealand during this decade. It is also recognised that there can be an overlap of the theoretical frameworks discussed in both Chapters Four and Five, such as networks, stakeholder theory and strategic management since they are relevant to both destination management and destination marketing.

Chapter Six describes the change in structure and functions of New Zealand’s central government tourism agencies over a twenty five year period. The first section looks at the nature and role of tourism management at the national level and compares the functions of New Zealand’s National Tourism Organisation (NTO) to other international NTOs in the 1980s. This chapter then provides some background information on the NTO from its establishment in 1901 to 2001. The changing responsibilities and functions of the NTO are then examined using Pearce’s (1992) framework. The main objective of this chapter is the provision of rich descriptive data of the administrative and political forms associated with central government tourism policy over a twenty five year period with specific reference to issues pertinent to RTOs such as domestic tourism and the impact of
tourism across the regions. Chapter Seven describes the institutional and political frameworks surrounding local government in New Zealand and associated changes over the same twenty five year period. This chapter analyses local government reform and its influence on tourism, particularly local government’s responsibility for tourism and its impact on RTOs. Legislation, such as the Resource Management Act, pertinent to local government and tourism is also examined. The final section of Chapter Seven looks at local government’s response to the NZTS 2010.

Chapter Eight describes how RTOs evolved to be what they are today. This chapter commences with a pre-history of RTOs and links them to the establishment of provincial committees in the 1950s by the peak tourism industry organisation and local government Public Relations Officers. Perennial problems associated with RTO funding and regional boundaries are expounded upon. RTO relationships with central public and private sector tourism organisations and local government, along with RTOs’ self perception over the period are discussed. Chapter Eight concludes with the status of regional tourism and RTOs prior to the release of the NZTS 2010. Chapter Nine begins, where Chapter Eight left off with the release of the NZTS 2010. It describes the initial reaction of RTOs when the strategy was released and their formal and informal responses. It documents the establishment of the body representing RTOs: Regional Tourism Organisations New Zealand (RTONZ) and RTOs’ official response to the key recommendations in the strategy. Chapter Nine identifies the relationships between RTOs, the peak tourism industry body, TNZ, the Ministry of Tourism and Local Government New Zealand and the changes in these dynamics from the release of the strategy to present.

Chapter Ten integrates the findings of the previous chapters and demonstrates that the tensions and problems RTOs faced in the 1980s in their embryonic days are still present. Even with the government funding RTONZ has received to study issues such as: the recognition of the value and role of RTOs; fragmentation and coordination of RTOs; RTOs structure; efficiency and tenuous funding base and their weak and inconsistent links with local government, RTOs still have not found a comfortable and sustainable ‘space’ to operate in (Osborne, G. personal
communication, December 20, 2005) and their future is plagued by more threats than opportunities and therefore the chapter presents possible future scenarios for RTOs. The NZTS 2010 identified destination management as a priority for tourism policy during this decade. A conceptual model identifying the structures and processes that need to be in place for effective regional destination management is presented. Chapter Ten can be described as this thesis’s contribution to industry practice and management. Chapter Eleven is this thesis’s contribution to theory. The concluding chapter analyses the applicability of chaos and complexity theory to the process of RTO change. A model supporting the ontological and epistemological foundations of a multi-paradigmatic research framework is also presented.
Chapter 1 Introduction
Chapter 2 Research Methodology

2.1 Introduction

Hall (1994) warns the prospective researcher that substantial methodological problems associated with research in tourism and politics exist due to the multiplicity of potential paradigms and frameworks that can inform the research. This was a critical quandary for a PhD thesis on RTOs. The research topic and the research method for this investigation was an interactive process. In deciding which research method was best, one dialogued with the problem during the research process and revisited and assessed the question being raised. Due to the different pressures placed on a researcher such as publication deadlines and other exogenous factors that can drive research, many researchers do not have the luxury to engage in reflections, dialogue and time to redefine the problem. A PhD thesis is an appropriate forum for debate about the research problem and the less stringent time constraints also facilitate this debate. The paradigm and methodological dialogue remained in the background during data collection and writing up the following chapters. The paradigm dialogue will be revisited again in the concluding chapter.

Tourism is a complex social phenomenon. Tourism research should try and attempt to capture the complexity of this phenomenon. However, most research methods textbooks break down this complexity and analyse the phenomena through paradigm lenses (Davidson & Tolich, 1999; Jennings, 2001; Patton, 1990). Tourism research in general, and in particular a PhD investigation of Regional Tourist Organisations (RTOs), can choose from a range of paradigms and adopt a combination of quantitative and qualitative research methodologies. All paradigms can make a contribution to tourism research, yet at the same time each impose limitations. A multi-paradigmatic approach is preferable to a single paradigm because of the complexity of the phenomena being investigated: RTOs and process of change over 25 years; the political dimensions that influence change; tourism and its associated dynamics at both local and central public policy levels and their impact on RTOs. However it was soon realised that a clear understanding of ontology, epistemology, axiology, assumptions about human nature and research methodologies associated with the different paradigms was
required for a multi-paradigmatic approach. For this reason, seven paradigms have been studied in their own context separate from their application in the field of tourism: positivist, interpretative, critical theory, feminist, postmodernist, chaos theory and the participatory paradigm. An individual analysis and critique of each paradigm provides a clearer understanding of the methodological and philosophical underpinnings of the various paradigms, before applying and synthesising them in a research investigation.

Tourism researchers have used a variety of paradigms as a framework for research, adapting paradigms and methodologies to suit tourist phenomena. One example is Ury (1990) in *The Tourist Gaze*, in which a Foucaultian and Postmodernist framework is adapted to a tourist discourse and context. This study’s analysis and discussion of paradigms in tourism research are based on the premise that if one is going to undertake the more difficult multi-paradigmatic approach, then one needs to know the alternative paradigms in depth and trace their roots and sources. Such an approach is preferable to over-reliance on secondary sources such as a tourism researcher’s interpretation and applications of any given method applied to a specific tourism topic. In many ways it requires thinking afresh about the research problem. For example, RTOs are not simply a functional organisation charged with the task of promoting tourism. As Ryan and Zahra (2004) indicate, RTOs are subject to political processes for funding, are charged with differing roles by different stakeholders, are often under-resourced, and vulnerable to change imposed by key personalities. Given such a context it is questionable whether ‘simple’ positivistic approaches based on questionnaire completion are sufficient for understanding their roles and processes, and the phenomena under investigation needs to also be informed by more complex theories and alternative paradigms.

This chapter will examine the term ‘epistemology’ and provide a brief discussion of the notion of paradigm. The ontology, epistemology, axiology, and assumptions about human nature and the corresponding research methodologies of seven paradigms will then be studied. Issues related to a multi-paradigmatic approach and the researcher as ‘bricoleur’ will then be discussed. The chaos and complexity paradigm is then revisited through an expanded literature review to
further inform this investigation. The following section will examine the assumptions and presumptions surrounding history since this is a historical investigation. The final section looks at the methodological issues and data collection tools used to research RTOs in New Zealand over a twenty five year period.

2.1 Epistemology

The formulation of any research question and the research approach adopted implies an acceptance of a research paradigm, where a paradigm is a set of beliefs, assumptions and values that underlie the way that various perspectives interpret reality (Jennings, 2001).

Epistemology is defined by Blackburn (1996) as the science of knowledge, ‘epistem’ being Greek for knowledge and ‘ology’ the Greek word for science. In a wider philosophical context, epistemology is that part of philosophy that studies the nature, structure, value, transcendence and limits of human knowledge (Llano, 2001). These include

a) Speculation as to the capacity of the mind or reason to know the truth;
b) Speculation on the nature and structure of human knowledge;
c) Reflections on the essence and conditions of truth and certitude;
d) An attempt to establish criteria to certify the validity of knowledge.

The different paradigms or perspectives address, speculate or reflect on the above in different ways. Some tourism researchers adopt a narrow methodological definition of epistemology; that it is concerned with the development of theoretical method and specific techniques that underpin particular methodological approaches pertaining to the issues of tourism (Pritchard, 2001). The issue remains, however, “What is the nature of the 'knowable'?” otherwise known as the ontological question. Is reality external to the individual, 'out there' or is reality the product of individual consciousness, thus the product of one’s mind? (Burrell & Morgan, 1979). What is the nature of the phenomenon in this case of RTOs, the individual players, other organisations within and without the New Zealand Tourism Industry that interact with RTOs and what is the individual
consciousness of the researcher and does it have any influence over the existence of this particular phenomenon?

A second question, the epistemological question, seeks to identify what the relationship is between the knower (the inquirer) and the known (or knowable) (Guba, 1990). How might the researcher understand the world and communicate this knowledge to fellow human beings? In this investigation, what knowledge is the researcher focusing on? What knowledge is being ignored? What knowledge related to RTOs is the researcher ignorant of? What forms of knowledge can be obtained? In the case of RTOs in New Zealand very little has been documented. Indeed there has been a loss of corporate memory with individuals leaving the industry. Following from these questions one can then ask what is truth? How one can sort out what is regarded as 'true' or 'false'? In trying to put together the history of RTOs in New Zealand the only data source for some periods has been the recollections and memories of some of the key players at various periods over the last twenty years. However, in some instances these accounts contradict each other. Should the researcher keep investigating and analysing historical documents to try and determine which account is ‘true’ and set the record straight or should they stand back and record one actor’s perspective, another actor’s stance and the researcher’s understanding and draw an interpretative conclusion and not pursue the issue further? How do proponents view the nature of knowledge itself? It also questions whether it is "possible to identify and communicate the nature of knowledge as being hard, real and capable of being transmitted in tangible form, or whether 'knowledge' is softer, more subjective, spiritual or even transcendental, based on experience and insight of a unique and essentially personal nature" (Burrell & Morgan, 1979, p.2). Is knowledge something that can be acquired or does knowledge have to be personally experienced? Or is it both?

The third question is the axiological question or the role of values in the research process (Tashakkori & Teddlie, 1998). Do values feed into the inquiry process (Lincoln & Guba, 2000), or is the research process value free? What are values and do they change as the researcher interacts and engages in dialogues with individuals who have a role or connection with RTOs in New Zealand? How will
the values and biases of the researcher influence the questions that will be asked and the conclusions that will be drawn? RTOs and their evolution over the last twenty years has been so politically charged, from the decisions taken by national government to individuals who have used their roles in RTOs or the tourism industry to pursue their own political agendas. Faced with this panorama it will be difficult for the researcher to stay value neutral.

The fourth question is related to the definition of or assumptions about human nature. The question “What is human nature?” is closely linked to the ontological and epistemological questions but is conceptually separate from them (Burrell & Morgan, 1979). All social science researchers must address this question since human life is intrinsically the subject and object of inquiry. Addressing this issue requires the researcher to examine the motives behind the actions of human beings. At one extreme, some proponents hold that human beings respond in a mechanistic or deterministic way when they confront the external world. They argue that the environment conditions human beings. In contrast, others assume that human beings have 'free will', that they have choice and a more creative role in shaping the external world.

In these two extreme views of the relationship between human beings and their environment we are identifying the great philosophical debate between advocates of determinism on the one hand and voluntarism on the other. Whilst there are social theories which adhere to each of these extremes, as we shall see the assumptions of many social scientists are pitched somewhere in the range between (Burrell & Morgan, 1979, p.2).

Finally, the methodological question tries to answer how the inquirer should go about finding out knowledge (Guba, 1990). In answering the ontological and epistemological questions and in identifying the model or assumptions of human nature the researcher will incline to a particular methodology or way in which to gather data/information and produce or construct knowledge.
2.3 Paradigms

Kuhn (1970) first discussed the notion of a paradigm as a universally recognised scientific achievement that for a time provided a model of problems and solutions to a community of practitioners. Burrell and Morgan (1979) argue that paradigms are defined by meta-theoretical assumptions that form the modus operandi of the social theorists who operate within the paradigm. These meta-theoretical assumptions of ontology, epistemology and human nature were discussed in the previous section. Burrell and Morgan (1979) argue that it is very hard for a researcher to switch paradigms and that inter-paradigmatic journeys are much rarer, as this requires radical change in meta-theoretical assumptions.

Kuhn’s essay *The Structure of Scientific Revolutions* (1970) caused widespread debate amongst the philosophy of science community yet he was hailed ‘a hero’ amongst the sociologists of scientific knowledge (Nola, 2003). Kuhn’s paradigms assumed ontological, epistemological and methodological incommensurability and that there was “no supra-institutional framework for the adjudication of revolutionary difference” (Kuhn, 1970, p. 93). Therefore Kuhn argued that “in paradigm choice – there is no standard than the assent of the relevant [scientific] community” (Kuhn, 1970, p. 94) and that even within the paradigm there are no transcendental principles. Kuhn was a philosopher of science and his notion of a paradigm-relative account of the scientific method caused widespread debate in the 1960s and 1970s (his original thesis was published in 1962). Critics claim that he advocated ‘irrationality’, ‘mob rule’ and ‘relativism’ (Lakatos & Musgrave, 1970). It was argued that a paradigm is not a metaphysical but rather a sociological view of the world (Masterman, 1970). Kuhn was inherently inconsistent when he stated that the scientific revolution was not only incompatible but also incommensurable with what has gone on before. Watkins (1970) demonstrated this inconsistency by stating that while the Ptolemaic system is logically incompatible with the Copernican and that Newtonian theory is incompatible with Relativity theory they can co-exist because they are commensurable.

Popper (1970) was not comfortable with Kuhn’s notion of ‘normal’ science:
It is the activity of the non-revolutionary, or more precisely, the not-too-critical professional: of the science student who accepts the ruling dogma of the day; who does not wish to challenge it; and who accepts a revolutionary theory only if almost everybody else is ready to accept it - if it becomes fashionable by a kind of bandwagon effect. To resist a new fashion needs perhaps as much courage as was needed to bring it about (Popper, 1970, p. 52).

Popper viewed Kuhn’s normal science as a danger to science and Kuhn’s ‘normal’ scientist is one who has been taught badly as the objective is to encourage critical thinking (Popper, 1970). Lakatos (1970) notes that Kuhn recognised the failure of both justification and falsification in the philosophy of science in the advent of Einstein’s theory but that he has resorted to irrationalism since “For Kuhn the scientific change - from one paradigm to another- is a mystical conversion which is not and cannot be governed by rules of reason” (Lakatos, 1970, p. 93)

The rationalist philosophical school, noting that Kuhn was widely read and referred to by the social scientists (Masterman, 1970), claimed that by using Kuhn’s paradigms the sociologists were able to justify their anti-rationalist and relativist stance by claiming that “philosophical words such as truth, rationality, objectivity and even method are increasingly placed in scare quotes when referring to science” (Brante, Fuller, & Lynch, 1993). These philosophical notions along with metaphysics will be discussed again in the final chapter.

Kuhn’s notion of paradigm, as has been established is not without its critics, yet even amongst the sociologists it is not easy to define. Denzin and Lincoln (1994) stated that they struggled with the meanings they wanted to bring to terms such as paradigm and epistemology. Paradigms deal with first principles or ultimates of life (Denzin & Lincoln, 1998) or what Burrell and Morgan (1979) call meta-theoretical assumptions. In contrast to paradigms, Denzin and Lincoln (1998) identify qualitative research ‘perspectives’, which they claim are not as solidified or as well unified as paradigms, although a perspective may share many elements with a paradigm. For example, these authors argue that the perspective of feminism adopts its own criteria, assumptions and methodological practices that
are applied to disciplined inquiry within that framework. Denzin and Lincoln (2000) claim “that within the past decade, the borders and boundary lines separating these paradigms and perspectives have begun to blur” (Denzin & Lincoln, 2000) and that various paradigms are beginning to ‘interbreed’. Faced with diverse paradigmatic definitions and approaches to research and what seems to be an evolving definition of the notion paradigm itself, one questions, where does a researcher examining RTOs situate themselves? Denzin and Lincoln (1994), for example, examine four major paradigms: Positivism, post positivism, constructivism and critical theory. Riley and Love (2000) adopted these same paradigms when they investigated qualitative tourism research methods. Later Denzin and Lincoln (2000) add the participatory paradigm. Burrell and Morgan (1979) identified the following four paradigms: Functionalist, interpretative, radical humanist and radical structuralist. Jamal and Hollinshead (2001) adopt Burrell and Morgan’s paradigm framework. Pritchard (2001) follows Delanty’s (1997) classification of major research traditions as being positive, hermeneutic and Marxist, although she also adds feminism which she calls a newer but influential epistemology. Jennings (2001) lists and discusses six paradigms: Positivism, interpretative social sciences, critical theory, feminist perspectives, post modernism and chaos theory. These labels or groupings of the diverse views of the world are not so different from each other, as they are all systems designed to analyse, compare, and contrast the same phenomena. Jennings’(2001) paradigm framework, with the addition of Denzin and Lincoln’s (2000) participatory paradigm, will be adopted for this analysis.

2.3.1 Positivism
Traditionally, a significant proportion of tourism research is located within this domain, as is evidenced by statistical and quantitative analysis of a high proportion of journal articles. Ontologically, positivists assume an independent reality exists. This reality is outside the researcher and the natural world is believed to be organised by universal laws and truths (Jennings, 2001). Guba and Lincoln (1998) expand on this and explained that:

Knowledge of the ‘way things are’ is conventionally summarised in the form of time - and context - free generalisations, some of which take the
form of cause and effect laws. Research can, in principle, converge on the ‘true’ state of affairs (p. 204).

The independence of viewer and viewed allows the researcher to observe and study the object without influencing or affecting it. Likewise, this independent attribute assumes that the object observed does not influence the researcher, that is, the researcher sustains an independent stance. Any interaction between researcher and what is researched is deemed to threaten the validity of the research and therefore research strategies must be followed to reduce or eliminate these threats. The objective is to remove values and biases from influencing outcomes so that the research can be replicated as long as set procedures are closely followed. Consequently, datasets are examined as to their ‘reliability’ and ‘replicability’.

The axiological objective is to remove values and biases from influencing outcomes so that the research can be replicated as long as set procedures are closely followed. Consequently, datasets are examined as to their ‘reliability’ and ‘replicability’. These assumptions do not all seem to hold for this research investigation into RTOs. While it can be argued that the reality of the RTOs and the economic, social and political forces shaping them are outside the researcher and their existence are independent of the researcher, on the other hand, the researcher in entering the research field is not wholly independent, as there is interaction with respondents. The researcher’s values and biases and the exigencies of funding, time and access to information sources influenced data collection through the questions asked and the choice of issues that were followed, while other questions were perhaps overlooked and ignored. In New Zealand there are currently 27 RTOs and they were studied in the context of change, taking into consideration the New Zealand Tourism Strategy 2010 and its recommendations for RTOs, therefore it does not seem that that so called ‘dataset’ can be replicated in New Zealand or elsewhere.

Positivists assume that human nature (and behaviour in turn) is determined by the situation or environment the person is in. They are quite pragmatic in orientation when approaching human relationships and situations. Research is usually
characterised by a problem oriented approach, seeking to provide ‘practical’ solutions to ‘practical’ problems. Burrell and Morgan (1979) claim that this paradigm is committed to a philosophy of social engineering as the basis of social change with an emphasis on the importance of understanding order, equilibrium and stability in society and seeking ways to maintain these.

The research methodology for the positivist generally starts with a hypothesis deduced from a theory. Hypotheses are broken down into a series of propositions, which are then empirically tested to verify them (Guba & Lincoln, 1998). The view of science that underlies this paradigm emphasizes the possibility that objective enquiry is capable of providing true exploratory and predictive knowledge of external reality (Burrell & Morgan, 1979). This assumes that social science theories can be assessed objectively by reference to empirical evidence. Hypotheses and theories for positivists are tools for imposing order and regulation on the social world, although some would say that it is order and regulation from the standpoint of the observer (Burrell & Morgan, 1979).

Empirical studies in tourism can be predominately classified within the positivist paradigm (Riley & Love, 2000). Pritchard (2001) argues that this reflects the ‘industry prerogative’ that views tourism as a business. The aim of this section is to discuss how alternative paradigms, and their consequent research methodologies have been applied in a tourism setting. Hollinshead (1996) has noted that tourism researchers have during the “late 1980s and 1990s begun to escape slowly from the claimed rigour of heavy quantification” (p. 68) and that recently, researchers have started to use research methods from other paradigms to a greater extent. Yet Hollinshead (1996) does state “qualitative research as a method has been slow to develop in tourism studies” (p.68).

2.3.2 Interpretative Paradigm
Jennings (2001) claims that positivism has its roots in the Cartesian philosophy of Rene Descarte (1596-1650). Here it will be argued that the interpretive paradigm shares the same roots as the positivist paradigm and can be traced to Descarte’s “Ego sum cogito”, “I think therefore I am” meaning the starting point of reality and understanding phenomena is the human mind. The ontological basis for
interpretists is not objective reality ‘out there’ but multiple subjective mental constructions. For them, reality comes from the mind. Any one of a range of multiple realities is not more or less ‘true’ in an absolute sense but simply more or less informed and/or sophisticated (Guba & Lincoln, 1998). These realities and their construction can change over time. This relativism can lead to conflicting social realities not only between researcher and informant but also for the individual researcher if his/her constructs change as he/she gets more informed and experienced over time. The starting point of this research was not in the mind of the researcher but a reality of phenomena: RTOs in New Zealand, which exists independent of the researcher’s investigation. Yet independent existence is no guarantee of “objective” interpretation.

As already noted, the relationship between researcher and the subjects or objects is the epistemological question. The researcher in the interpretative paradigm needs to understand the social world as it is, at the level of subjective experience. It seeks an explanation within the frame of reference of participant as opposed to the observer of action. The researcher or investigator and the ‘object’ investigated are assumed to be interactively linked, which in this case of research of RTOs has to be acknowledged if not assumed. Conventionally the interpretative researcher needs to avoid imposing the researcher’s viewpoint. The researcher should become one of the actors so they can understand the subjective experience of those being researched. Relating to the subjective experience of all the individuals involved in this research was problematic as one is not just investigating one particular group or one perspective but a range of views and perspectives and often conflicting views and perspectives. Guba and Lincoln (1998) claim that for the interpretative paradigm there is no clear distinction between the ontological basis and the epistemological basis. In other words there is no distinction in how the world is perceived by the researcher and the relationship between the researcher and the subject matter being researched. This assumption was not applicable as the epistemological and ontological can be delineated for a research investigation in RTOs.

The interpretative paradigm questions the axiology of the positivists and claims that human values intrude on the research process. The frame of reference and
values of the researcher is increasingly seen as an active force that determines the way that knowledge is obtained. For this thesis the researcher recognised that there was choice among a range of objectives, perspectives and research focus for this investigation. The focal point could have been on a few RTOs at the local/regional level and an examination of the forces at play and their interaction with local actors but instead the national level was investigated because of the interest of the researcher in the national political scene and the way the political agenda swings from high government intervention in tourism to leaving tourism to the market forces. This choice was most likely influenced by the views and values of the researcher: relying solely on individualism and market forces will benefit some players but will leave a high proportion on the fringe, especially since the majority of tourism operators in New Zealand comprise small to medium-sized enterprises and there needs to be some government leadership and coordination for the common good of all stakeholders, including those not directly affected by ‘the industry’ but which are affected by its decisions. It must be acknowledged that the values or biases of the researcher did influence the questions that were asked and the conclusions that were drawn. The examination of the values of the researcher on the research process is an example of reflexivity, reflecting on the assumptions that are made when researchers produce what they regard as knowledge (Locke, 2001).

In examining the assumptions of human nature for the interpretative paradigm, the focus is on the essentially complex and problematic nature of human behaviour and experience (Burrell & Morgan, 1979). The human being has a free will and a rational nature that is often influenced subjectively by the emotions and the senses. Therefore human subjects cannot be studied through the methods of the physical sciences, such as cause and effect laws. Humans are not subject to deterministic laws in the physical sense, but rather they are ‘free’ beings. These assumptions match the behaviour of the individuals in this investigation and their reactions to the New Zealand Tourism Strategy 2010. Would the designers of the New Zealand Tourism Strategy 2010 have predicted the reaction of the RTOs in coming together and assertively claiming ownership and driving the study of the recommendations and their implementation of the of the strategy, albeit to control their destiny and fight for their survival? Would Local Government New Zealand
have got so actively involved in the dialogue and discussion of the recommendations of the tourism strategy if the CEO at the time had not been previously employed by the New Zealand Tourism Board in the 1990s and at the time the strategy was released?

An attraction to the researcher was the fact that research methodologies associated with the interpretative paradigm reject the view that human affairs can be studied utilising the same method as that applied to the natural sciences. The objective of the interpretative research approaches is to examine the subjective world of human experience, therefore retaining the integrity of the phenomena being investigated. To achieve this, the researcher needs to get inside and understand from within. Qualitative research methodologies, rather than quantitative, are preferred by researchers in this paradigm. In the interpretative paradigm, exceptions are important to the researcher. The researcher undertakes an inductive approach to their research by getting involved with the data or the participants in order to develop explanations for the phenomena. These generalisations are used as the basis for ‘theory’ building and generation (Locke, 2001). This can be contrasted to the positivist paradigm and the deductive approach of starting with theory and testing the theory in the empirical world (Jennings, 2001). The variable and personal nature of these theories and the social constructions of the researcher can only be elicited and refined through interaction between and among the investigator and respondents (Guba & Lincoln, 1998).

Jamal and Hollinshead (2001) claim that there appears to be confusion over the term interpretative research in tourism studies, and that the term ‘interpretative’ is often broadly used to signify a qualitative method. In attempting to define qualitative research, Dann and Phillips (2000) acknowledge its association with the interpretative paradigm. They describe the application of this paradigm to tourist motivation, tourist satisfaction and tourist experience and cite a number of empirical applications to the field of tourism. Ryan (1995) discusses the need for qualitative research if one is looking at the impact of tourism on host communities and it is implied that such an investigation could be undertaken within an interpretative framework.
2.3.3 Critical Theory

It will be argued that ontologically, critical theory can swing between nominalism (our ideas have no counterpart in reality) and realism (ideas have their foundation in reality). One critical theory approach is to focus on ‘consciousness’ as a basis for a radical critique of society (more aligned with interpretative social sciences) while other critical theorists focus on structural relationships, such as structural conflict, modes of domination and deprivation within a realist world (whose roots can be traced to Marxism).

The ontological unity of the critical theory paradigm is that it “portrays the world as being complex and organised by both overt and hidden power structures” (Jennings, 2001, p.41). If critical theory was adopted as the paradigm to inform this research investigation, the researcher would have looked for the hidden and overt power structures in the New Zealand tourism industry. For critical theorists the world can be described by “oppression, subjugation and exploitation of minority groups who lack any real power. The social world is perceived as being orchestrated by people and institutions in power who try to maintain the status quo and subsequently their positions of power” (Jennings, 2001, p.42). The role of the researcher is to provide a critique of the status quo and, by implication at least, the researcher seeks to become an agent of change by the act of questioning. In this case, would Tourism New Zealand (the National Tourism Organisation, responsible for destination marketing of New Zealand) and the Tourism Industry Association of New Zealand (the primary industry body) through the 2010 strategy be seeking to secure and strengthen their power base and the recommendation of the strategy to reduce the number of RTOs and have fewer and ‘newRTOs’ just for their own convenience in dealing with fewer regions in the international marketing arena? This represents an interesting perspective and will need to be analysed but it does not dominate nor will it be the driving force of the investigation for this researcher. Given the previous discussion of the ontological question and that the phenomena of RTOs is independent of the researcher and therefore tending towards a more realist perspective, the ontological analysis for this investigation is more aligned with the critical realists’ view. Denzin and Lincoln (1998) claim that for critical realists, reality is assumed to be apprehensible. This reality has changed over time and has been shaped by a
range of factors/forces that have led to a series of structures that are now taken as real. These structures are currently assumed natural, immutable, and referred to as the *status quo*. Denzin and Lincoln (1998) also argue that for all practical purposes these structures that are perceived to be real are nothing but a ‘virtual reality’ that has been shaped by internal and external forces that can and ought to change, this is otherwise known as historical realism. This investigation would have had to start with the premise of what needs to be changed and how could this be changed. Is the New Zealand Tourism Industry dominated by a few large players, including the four large RTOs of the mass tourism route: Auckland, Rotorua, Christchurch and Queenstown, and is the role of the researcher to expose this and bring about change? However, this was not the premise for this research investigation. The premise was to investigate change but not for the researcher to bring about change.

The epistemological foundation for this investigation from a critical theorist’s stance is more subjective. The researcher can approach the investigation from the ‘underdogs’ perspective, the smaller RTOs who could be subsumed into the fewer and larger newRTOs that were recommended in the strategy. If this stance was taken the researcher would have had to become identified with the minority group and be committed “to changing the social circumstances of those being studied” (Jennings, 2001, p. 42). However, the questions being raised by the researcher go beyond just the small RTOs and their perspectives and were inclusive of the larger players.

Axiology for the critical theorists is value bound (Tashakkori & Teddlie, 1998) and the researchers’ values are an important part of the research process (Jennings, 2001) and these values become the motivating factor for the research investigation with the purpose of the investigation being to bring about change. However, the dominating values of the researcher, in this investigation, were not limited to being the champion of the ‘oppressed minority’ and to bring about change on their behalf. The purpose of the research investigation, at least at the beginning, was to analyse change. It has to be acknowledged though, that the values of the researcher did not remain static throughout the research process. Values, such as looking out for the underdog, who had the power and influence,
were subtly present at the beginning but they gained ascendancy as the research project unfolded and now colour the final writing up of the thesis, with ample evidence being provided in Chapter Three.

Critical theorists’ perceptions of human nature assume that the human consciousness is dominated by ideological superstructures by which a person interacts with others and society and that these superstructures drive a true wedge between the person and his/her consciousness. This is the wedge of ‘alienation’ or ‘false consciousness’, which inhibits or prevents true human fulfillment (Burrell & Morgan, 1979). The objective of researchers is to release the person from the constraints which existing social arrangements place upon human development. The researcher is thus a ‘change agent’. This stance and the corresponding assumptions do not seem relevant to this investigation.

The research methodology of critical theory is dialogic and dialectical. Dialectics presupposes opposing views or contradiction and pursues the removal of this contradiction (Calhoun, 2002). Critical theorists seek to produce transformations in the social order, by producing knowledge that is historical and structural. The value or contribution of this knowledge or research is evaluated by its degree of historical situatedness and its ability to produce praxis or action. Thus the methodological research process is value laden. The researcher needs to ‘get below the surface’ to find the meaning of the power plays that are assumed to be implicit in social interactions. The researcher needs to transact and interact with the subjects of inquiry. This interaction requires dialogue. This dialogue needs to be dialectic in nature in order to transform ignorance and misapprehensions into more informed consciousness, discerning how structures might be changed (Denzin & Lincoln, 1998). Research methods utilised by critical theorists are mostly qualitative, such as focus groups, participant observations and in-depth interviews. The aim of the methods used is to expose the oppression, subjugation and explanation of the minority group being studied (Jennings, 2001) and to bring about transformation. Critical theorists can also use quantitative research methods; their perspective however will inform both the questionnaire design and the interpretation of the results.
The work of critical theorists in tourism has been evidenced by research relating to image of place and associated meaning such as Dann (1996b). A sample of six critical theory articles were analysed; three were also feminist or gender-related: Small, Ryan and Faulkner (1999), Kinnard and Hall (2000) and Wilkinson and Pratiwi (1995). One had a tourist theme (Stephen, 1990) but appeared in a sociology journal. Two articles applied critical theory in an empirical tourism setting. Van der Weiff (1980) analyses an Italian beach resort within the framework of critical theory and economic development while Pretes (1995) examines the development of the Santa Claus industry in Lapland, Finland and applies critical theory to develop an understanding of why tourists visit such attractions.

### 2.3.4 Feminism

Feminism, as mentioned previously, is probably viewed more as a perspective than as a paradigm. Jennings (2001) calls feminists’ perspectives an emergent paradigm. Denzin and Lincoln (1998) argue that a perspective can be identified by its own criteria, assumptions and methodological practices. Feminism’s prime criterion is research related to women. For some it is based on the assumption that women are disadvantaged in some way. Yet the methodological practices of feminist research are highly diverse (Olsen, 2000). Although this paradigm has these underlying criteria and assumptions, there are multiple feminist perspectives (Jennings, 2001), which makes analysis and discussion of this paradigm, from the standpoint of its ontology, epistemology, assumptions about human nature and axiology difficult. However, Olsen (2000) claims that one cannot position feminists’ research as a passive recipient of transitory intellectual themes and controversies because it has and will continue to influence the directions of qualitative research.

Ontologically Jennings (2001) proposes four views of the way feminists perceive the world:

1) **Radical Feminism**, borrowing heavily from the critical theory paradigm, views society as patriarchal, with men occupying the ruling class and women the subject class. The family, as an institution,
reinforces this class structure by exploiting women and their free labour in the domestic sphere.

2) Marxist and Socialist Feminism, also having a lot in common with critical theory, views the subordination and suppression of women as being the result of historical circumstances. The role of the researcher is to actively bring about a change in these circumstances.

3) The Liberal Feminist view sees the oppression of women is not due to structures and institutions but due rather to the culture and attitude of individuals. The role of the researcher is to educate society so that there can be equality of the sexes. This view can be linked to the interpretative paradigm.

4) Postmodern Feminists criticise the current order of society of male domination in language, texts, concepts and meanings and seek to reject and eradicate sexism.

All these views see the world and researchers as gendered beings. Researchers necessarily have a gender that will shape how they experience reality, which, in turn, will affect their research. Gender has a persuasive influence in culture and shapes basic beliefs and values that cannot be simply isolated and insulated in the social process of scientific inquiry (Neuman, 2000).

Epistemologically, feminist researchers are not objective or detached. They interact and collaborate with their subjects. Not only do they create empathic connections between themselves and those they study, but feminist researchers also incorporate their own personal feelings and experiences into the research process. Neuman (2000) provides an example of the feminist researcher attempting to comprehend an interviewee’s experience while at the same time sharing their own experience and feelings. This process may even lead to a personal relationship between the researcher and interviewee that might mature over time. “This blurring of the disconnection between formal and personal relations, just as the removal of the distinction … between the research project and the researcher’s life, is characteristic of much if not all feminist research” (Reinharz, 1992, p. 263). Therefore, the relationship between the feminist researcher and the subjects being researched is subjective. Jennings (2001) even
claims that the researcher and the women being studied are subjects together, jointly generating knowledge. This is another connection between this paradigm and the interpretative paradigm. This joint generation of knowledge is characteristic of most ethnographic work.

This paradigm’s assumption about human nature cannot be summarised in a simplistic way, due to the complexity of the feminist paradigm. Feminism recognises the emotional and mutual dependence dimensions in human experience.

Feminists use multiple research techniques and they do not hesitate to cross boundaries between academic fields (Nueman, 2000). Pritchard (2001) states that central to feminist research methodology is the contention that no researcher practices research outside his or her system of values, and that feminism directly uncovers the hidden agendas and assumptions of the researcher. Feminism brings these long hidden agendas and assumptions into “the research agenda rendering them visible and integral to the research equation” (Pritchard, 2001, p.12).

Feminist researchers tend to avoid quantitative analysis and experiments and they are rarely rigidly attached to one method and often combine multiple methods (Nueman, 2000; Swain, 1993).

Within tourism research, a feminist perspective has been used in an analysis of imagery, gender roles and different economic impacts as evidenced by the work of Swain (1993), Henderson (1994) and Sinclair (1997). Although the themes of feminism and gender are appearing more frequently in the literature, only a small number have been selected for this discussion to analyse the feminist framework and examine the research methodologies that they apply. For example, Jordan (2000) undertook a small-scale exploratory research project. She conducted a series of in-depth interviews with predominately senior female policy makers to examine specific characteristics of women’s employment in tourism. Jordan’s article could be classified as Liberal feminist and her role as a researcher viewed as an educator of society so that there can be more equality between the sexes in this industry. Ryan and Martin’s (2001) work is also a good example of feminist research methodology applied in a tourism context. It indirectly acknowledges
that researchers have a gender that will shape how they experience reality, which in turn will affect their research. The researchers interacted and collaborated with their subjects. Furthermore, in this investigation one of the subjects became a researcher who then jointly generated the knowledge from the investigation and received acknowledgement for this. It was assumed and then established that the relationship between the researchers and the subjects was subjective. The Ryan and Martin (2001) study is an example of the blurring between formal and personal relations which Renharz (1992) claims is characteristic of much of feminist research. The research methodology of the Ryan and Martin article could also be classified as postmodernist as they rely on intuition, personal experience and emotion, although this article could not be described as postmodern feminist as it does not focus on language, concepts and meanings (Jennings, 2001).

2.3.5 Postmodernism

“Postmodernism is not a single, unified and well-integrated approach” (Wang, 2000, p. 54) For the postmodernists ontologically there is no reality beyond sensations; reality is perceived. “The individual is actively involved in the creation of his world and not a mere observer or reflection of it. Postmodernists do not ‘survey the world’ but rather ‘are engaged by it’ (Burrell & Morgan, 1979). For postmodernists there is no one truth but multiple interpretations of reality. Reality is replaced by signs or representations (Jennings, 2001). ‘Extreme’ postmodernists reject all ideologies and organised belief/value systems, including social science theory, as grand theories cannot be promulgated as the world is in a constant state of change (Nueman, 2000). Thus causality cannot be studied because life is too complex and changing rapidly. Most postmodernists are relativists, claiming that there are infinite interpretations, none superior to another. They reject truth, even as a goal or an ideal. Truth makes reference to order, rules and values. Truth depends on logic, rationality and realism, all of which the postmodernists question.

To a postmodernist, knowledge is limited to what we, as individuals, experience. At one extreme some postmodernists see knowledge as an entirely individual and personal affair; that is, there is nothing beyond oneself and one’s ideas. There is no distinction between the mental representation (in the mind) and the external
world. What counts is the individual meaning one can deconstruct from a text, event or experience. There is no referential reality for knowledge, as postmodernists do not hold that there exist contradictory forces of true and false or real and imaginary (Baudrillard, 1983). However many tourism researchers do not hold this extreme view and are tempered by a sense of external reality but its boundaries are fuzzy. For instance, “in Disneyworld there is no absolute boundary between the real and the fake. The real may turn into the fake and vice versa” (Wang, 2000, p. 55).

In discussing assumptions about human nature, it was claimed that the external environment could either determine the behaviour and actions of human beings, or humans could influence or change the environment. Postmodernists reject determinism, yet much of postmodernism is also characterised by a sense of meaninglessness and pessimism, a belief that the world never improves (Nueman, 2000), thereby in part betraying its nihilistic roots dating back to the late nineteenth century and existentialist thought of the 1950s and 1960s.

Postmodernists assert that research can never truly represent what occurs in the social world. Research cannot be presented in an objective, detached and neutral way. The researcher should never be hidden. His or her presence needs to be unambiguously evident in the research work.

Thus a post-modern research project is similar to a work of art. Its purpose is to stimulate others, to give pleasure, to evoke a response, to arouse curiosity. Post-modern reports often have a theatrical, expressive or dramatic style of presentation. They be in the form of a work of fiction, a movie, or a play. The post-modernists argue that the knowledge about social life created by a researcher may be better communicated through a skit or musical piece than by a scholarly journal article. Its value lies in telling a story that may stimulate experiences within the people who read or encounter it (Nueman, 2000, p. 84).
They see no difference between the arts, humanities and the social sciences (Nueman, 2000). Their research methodologies have a strong reliance on intuition, imagination, personal experience and emotion. They seek to deconstruct or tear apart surface appearances to reveal internal hidden structures (structuralism and constructivism). They distrust abstract explanations and hold that a researcher cannot do more than describe. All research and descriptions are equally valid and they only describe the researchers’ personal experiences (Nueman, 2000). Language used in post-modern research includes subjectivity, discourses, discourse analysis, reflexivity, subject and self, and deconstruction (Jennings, 2001). Such concerns have been voiced in heritage interpretation and discussions about the nature of tourism such as Hollinshead’s (Hollinshead, 1994a, 1994b) on the Alamo and Disney.

Some of the more significant works in tourism of the postmodernist paradigm are the seminal works of Ury (1990) and Dann (Dann, 1996a). Wang (1999) looks at the meaning of authenticity in tourist experiences and compares the objectivism, constructivism and postmodernist perspectives. The use of semiotics has been incorporated into the postmodernist paradigm. Semiotics is the study of systems of signs and the structure of meaning (Echtner, 1999). Semiotics has been used in a number of empirical tourism studies. Selwyn (1993) examined the text and photographs of tourist brochures and the semiotic approach was used to move beyond the surface and interpret patterns of meaning at the deeper symbolic and connotative level. Cooper (1994) used the semiotic approach to examine the question of tourism imagery and the ways it is employed to manipulate the tourist experience, once again using brochures. Dann (1996b) undertook a semiotic analysis of tourist brochures. Dann (1996a) in his book entitled *Language of Tourism* claimed that tourism promotion creates its own language. This is an empirical study of tourism marketing in a semiotic and postmodern context. Williams (1998) studied English pubs and the marketing of these pubs from a postmodern perspective.

### 2.3.6 Chaos and Complexity Theory

The analysis of chaos and complexity will commence with a literature review and description of the major constructs associated with this paradigm. This will be
followed by a discussion of the ontological, epistemological and axiological premises underpinning this paradigm and its related assumptions regarding human nature and methodological approaches. Finally a brief overview is provided of this paradigm’s application to tourism research.

Axelrod and Cohen (1999) argue that chaos theory and complexity theory are different. Chaos deals with situations such as turbulence, which lead to disorganised and unmanageable systems. Complexity theory deals with systems that have many interacting agents and although hard to predict, these systems have structure and permit improvement. Jennings (2001) claims that chaos theory is being challenged by complexity theory. McKercher (1999) on the other hand treats chaos theory and complexity theory as companions describing how complex systems function and this view is supported by Byrne (1998), Lewin (1993), Faulkner and Russell (1997) and Russell and Faulkner (2004). For the purposes of this discussion on RTOs no clear distinction is being made between chaos theory and complexity theory.

Chaos in popular language is associated with anti-order. However, scientific usage views chaos as not-order and sees chaos as containing and/or preceding order (Hayles, 1991). Waldrop (1992) sees complexity as the emerging science at the edge of order and chaos. Hayles (1991) unifies these two definitions by stating that the concept of chaos represents extremely complex information rather than an absence of order in social science research. Faulkner and Russell (2000) state that chaos is a creative stage that leads to a new more complex order and this is the linkage between chaos and the notion of complexity.

Most modern social scientists are reductionists (Byrne, 1998); the world, human behaviour and society are studied in components and parts. Chaos theory takes into account the fact that the whole is greater than the sum of the parts and that systems and organisations are dynamic and complex. The application of chaos theory in the social sciences has developed out of mathematics and systems biology. For the mathematician chaos is a state in which one cannot be certain of what is going to happen next, even when there is a good grasp of what is happening in the present (Legge, 1990).
Chaos theory questions positivist assumptions of: hypothesis formulation that leads to predictable outcomes; the quantification and measurement of dynamics; replication of findings and producing a theory of behaviour that can be applied to all systems, for all time (Young, 1991). In systems theory the optimal situation is where stability and equilibrium are achieved. In a chaotic system, a small change can lead to a dramatic and unpredictable outcome (Nilson, 1995). However, dynamic chaotic systems are not totally out of control and chaos does not imply a complete lack of order. Systems that are totally out of control, otherwise known as totally turbulent systems (Nilson, 1995), move beyond the boundaries within which chaos theory operates. In chaos theory the system tends to work in a seemingly random and complex way, in that each element in the system may seem to act in an independent manner but the system as a whole does not pass certain boundaries. Although the system is unpredictable and individual behaviour is highly complex “because of some inbuilt constraints in the totality the end effect is within boundaries, there is non-repetitive repetitiveness” (Nilson, 1995, p. 20).

The order that emerges from chaos is generally described in terms of ‘strange attractors’ (Byrne, 1998). A strange attractor in geometry has a pattern but it is dynamic, it has twists and turns and reverses (Young, 1991). Strange attractors have fractal dimensions. In geometry a fractal is the measure of the irregularity of the shape of an object, it is neither a straight line nor a smooth curve. Fractal geometry is associated with chaos theory where “in nature, whenever a chaotic process leaves a permanent result, that result seems to be a fractal shape. The chaotic pounding of the ocean on the shoreline leaves a fractal coast” (Legge, 1990, p. 132). In a business context, strange attractors have been likened to a common vision, sense of meaning, strategy or value system that drives people to achieve a common goal. This often leads to a system managing itself, often in an unknowing manner towards a common goal, but it is difficult to predict the future position of the system (McKercher, 1999).

In western thought, reasoning is based on linear relationships, 2 plus 2 equals 4, and 4 plus 4 equals 8. Reasoning searches for linearly founded laws to support the search for predictive abilities (Byrne, 1998). Most systems do not work in a
simple linear fashion. Chaos theory highlights that very few relationships are linear and non-linear relationships are very hard to fathom and solve, let alone predict (Nilson, 1995). The chaotic system is a system in which the relationship between any two parts, variables, events or states cannot be predicted and these relationships change non-linearly and unpredictably over time (Young, 1991).

In mathematics, dynamic is the equation that describes how something changes over time (Byrne, 1998). If one has a non-linear relationship then dynamic in a social science context means one does not know the exact outcome. Systems which have a chaotic dynamic develop through a pattern of bifurcations. Bifurcations are connected to fractal phase-shape in that they move out of the linear realm and instability begins and nonlinearity sets in (Young, 1991). As one gets close to the bifurcation points, the values of fluctuations increase dramatically. This leads to the butterfly effect in which a small change can lead to a significant change in the system. The butterfly metaphor has been borrowed from weather forecasting. Lorenzo, an atmospheric physicist, discovered this phenomena when he re-ran some weather data by re-inputting print-out results which were accurate to three decimal places instead of to the six the computer used in internal calculations. Re-inputting the data produced very different outcomes because the measures differed in the fourth decimal place (Byrne, 1998, p. 19).

He demonstrated the effect of a butterfly flapping its wings in Beijing initiating a series of effects that lead to a cyclone in Florida (Faulkner & Russell, 2000). This is an explanation of why elaborate computer programmes cannot predict, with one hundred percent accuracy, weather patterns. However, even though the weather is unpredictable it remains within a boundary. A chaotic system is dynamic and non-linear and it is hard to predict the outcome of a given input and the feedback loops it causes. When the feedback is positive then there is progression, the system is moving forward. Feedback loops do not always produce the same effects and are not predictable, however, it is complex feedback systems, creating loops that are controlling the chaos system and keeping it within its boundaries (Nilson, 1995).
Byrne (1998) argues that chaos and complexity theory is based on ontological realism. Young (1991), a postmodernist, on the other hand, argues that the ontology revealed by chaos theory is non-linear and that there are no universal standards or natural and necessary forms in society, that all are “human constructs and fit within the poetics of postmodern social theory” (p.297). The author is adopting the realist stance in that what is observed in the world is real and that it is the product of contingent causal mechanisms which may not be directly accessible to the researcher (Byrne, 1998).

Chaos/complexity is evolutionary, dealing with processes that are fundamentally historical. Byrne (1998) states that one needs to combine the two themes of complexity: evolutionary development and holistic systems. This is demonstrated when looking at change over time.

At the points of evolutionary development through history, the new systems which appear (a better word than ‘emerge’ because it is not gradualist in implication) have new properties which are not to be accounted for by the elements by which they can analysed (i.e. they are holistic), or by the content of their precursors. (Byrne, 1998, p. 15).

Chaos and complexity theory is characterised by:

1) Ontological realism;
2) The living systems metaphor. Behaviour cannot be predicted and sees real-life systems as unpredictable;
3) Evolutionary development of systems;
4) Systems and relationships are nonlinear, complex and difficult to predict.
5) Systems are inherently unstable and positive feedback processes are more common;
6) The Butterfly effect describes a situation where a small change can precipitate a chain reaction that cumulates in a significant change in the system;
Chapter 2 Research Methodology

7) Bottom up synthesis: individual agents driven by simple rules provide the basis for the emergence of complex dynamic systems (Casti, 1994);
8) Individual differences and random externalities provide the driving force for variety, adaptation and complexity;
9) Life is viewed as involving an energy, force or spirit that transcends mere matter;
10) ‘Edge of chaos’, analogous to a phase shift in physics, whereby a system is in a state of tenuous equilibrium on the verge of collapsing into a rapidly changing state of dynamic evolution;
11) Order emerges out of chaos.

Ontologically, chaos and complexity theory assumes that reality is ‘out there’, it exists outside the human mind (also known as ontological realism), but this reality tends to instability, disorder, disequilibrium and non-linearity. The current social world is seen to be characterised by an accelerated pace of technology driven change, leading to the destabilisation of social relationships and increasing levels of uncertainty (Faulkner & Russell, 1997). This reality is perceived as being unpredictable and cannot be ordered. The premise of ontological realism is congruent with a research investigation of RTOs. The phenomenon is ‘out there’ but this investigation is attempting to analyse and document change. Grasping and recording this change was difficult due to the complexities and interrelationships between individual players and organisations and it has been even more difficult to reduce all this to a simplistic model that can be used to predict future directions for RTOs. This problem will be revisited in the final chapter, taking into consideration that the role of post-positivism is to pursue prediction, and that perhaps complexity theory in this context may be pertinent for RTOs.

From an epistemological point of view the application of chaos theory to the social sciences assumes that there is a distinction between the researcher and the phenomena being investigated and that the nature of inquiry by the researcher will be dynamic. The object of the investigation will be always changing and the researcher will need to spend time in the field to ensure that the disorder being experienced is not forced into patterns or explanations (Patton, 1990) and thus
bearing similarities with phenomenological and grounded theory research. One of the major difficulties that has been encountered in this research investigation of RTOs is the dynamic change that is taking place and how one handles this change. One approach has been to let all the changes settle and then go back and record what has happened. The limitations to this approach however, is that the process of change does not stop, therefore any report is artificially constrained by imposing start and finish dates of enquiry, a necessity for a Ph.D. but which bears little pertinence for the subject of the research. Another difficulty that has been encountered is deciding what change does one try to capture and record and what change has to be left out of the investigation. One example being Maori Regional Tourism Organisations. RTOs, newRTOs and Maori are being empowered to form their own regional tourism organisations and all are all interlinked in the dynamic process generated by the New Zealand Tourism Strategy 2010. The researcher acknowledged that it was going to be difficult to capture all these complex dimensions taking place at the same time and therefore made a conscious decision to exclude Maori regional tourism organisations from the study, thereby constraining research to those organisations with a recorded history and avoiding those that were embryonic and it might be argued potentially based on oral cultures.

Chaos implies loss of control, which can be threatening to an individual or an organisation or even the researcher. This loss of control adds a new dimension in the relationship between the researcher and objects/subjects being researched. The researcher needed to acknowledge early in the investigation that the research process could not be smoothly managed and that decisions and outcomes would be constantly changing. The chaos and complexity paradigm also assumes that periods of instability are intrinsic to the operation and essential for change to complex systems (McKercher, 1999) and the researcher needs to be aware of this during the investigation process otherwise complex relationships would be overlooked. There was instability in the mid to late 1990s for RTOs when the tourism industry was left predominantly to market forces, with little leadership from government. This instability provoked the tourism industry, through its peak body, the TIANZ, to take some initiative and generate discussion for the 2010 Tourism Strategy. There was a subsequent shorter period of instability when the
Strategy came out with some of its radical recommendations (especially for RTOs) but this in turn provoked change. One example of the Strategy being a catalyst or bifurcation for change was the collaboration of RTOs, who were not working together at the time (Lamers, C., personal communication, October 5, 2005) and the decision to form the Regional Tourism Organisation New Zealand (RTONZ). Another example is Local Government New Zealand and its member organisations studying the planning and management of tourism from the perspective of territorial organisations and councils.

For both chaos and complexity theory, the axiological assumption is that the researcher remains objective and value free, similar to the positivist paradigm, (Jennings, 2001). As explained in the discussion of the positive paradigm it is going to be difficult if not impossible for the researcher to maintain this stance.

The stance chaos and complexity theory take on human nature is not clear. Donahue (1999) defines chaos theory as the qualitative study of unstable aperiodic behaviour in deterministic nonlinear dynamic systems. One could draw the conclusion from this statement that if the system is deterministic then the nature and the behaviour of humans that comprise the system are also deterministic. Yet on the other hand McKercher (1999) assumes that relationships are open and complex, therefore complexity brings about an innate level of instability, which makes it extremely difficult to predict accurately the future movement or direction of the organisation or the system. It seems that when chaos and complexity theory are used in the social sciences as ‘metaphor’ it is assumed that human beings have free will and that their actions are not always predictable. Chaos theory challenges us to deal with unpredictability and indeterminism in human behaviour (Patton, 1990). Russell and Faulkner (1999 & 2004) look at the free actions of entrepreneurs and their action or inaction on the development of a tourism destination. In studying the evolution of regional tourism organisations in New Zealand over twenty five years one can see how the actions of certain individuals can bring about change. RTOs began and grew under the Tourism Industry Association (NZTIF) and the New Zealand Tourism and Publicity Department (NZTP). Then after a few years certain individuals and the RTOs they represented started to flex their muscles and wanted to make their own way and be
more independent. However, this independence for some RTOs such as Taranaki, may have contributed to their long term demise. Exploring some of these issues is one of the objectives of this thesis.

The research methodologies of chaos theory that are applied to the social sciences can be either quantitative or qualitative. The qualitative techniques rely heavily on metaphors to make sense of the results (Jennings, 2001). Metaphors are “an intersection with qualitative inquiry that holds particular promise because much qualitative analysis includes a resort to a metaphor” (Patton, 1990, p. 82). Gleik (1987) even offers a metaphor to explain the very nature of inquiry into chaos. “It’s like walking through a maze whose walls rearrange themselves with every step you take” (Gleik, 1987, p. 24). This metaphor can describe a lot of the fieldwork in real world settings and the implications for the researcher are significant. From one perspective the researcher working within the chaos theory paradigm has to avoid the need for order, to avoid describing the rearranging walls of an evolving maze by reference to a single static diagram (Patton, 1990). In working with the phenomena surrounding RTOs, it has been very difficult to simplify things and reflect the interrelationships and changes that are taking place in diagrams and models. Some of the subsequent chapters have used tables, diagrams and models to encapsulate and grasp complex relationships as the alternative would have been dense and complicated text. In the case of this research investigation more time has been spent on interviewing people, and observing outcomes of the process rather than the interactions of people. Researchers will generally spend a lot of time in the field observing and describing the system or the organisation. The researcher needs to value chaos rather than force the data into ordered and patterned explanations. In describing non-linear dynamics (chaos), one needs to be careful to avoid imposing false order to fulfil the presumed traditional purpose of analysis. The challenge the researcher needs to address is how to observe and describe dynamic, constantly changing phenomena without imposing a static structure yet still being able to define and understand the phenomena (Patton, 1990). The problem is that such a process implies that description is the best that the researcher can offer.
Finally the researcher needs to consider that by the very fact of entering into a setting the researcher may not only create problems of validity but “the researcher’s entry may make it a different setting altogether – and forever” (Patton, 1990, p. 83) and there are examples of this already. As Gliek (1987) aptly describes using a metaphor, “non-linearity means the act of playing the game has a way of changing the rules” (p. 24). Some of the key actors are very interested in the findings of the researcher. One of the consultants who has been commissioned by the Ministry of Tourism, Local Government New Zealand and the Regional Tourism Organisations Network, is seeking reassurance that there is no great divergence between his findings and recommendations and this research investigation’s findings and he is also using the findings of the research in his other consultancy work. Another example, of the researcher’s entry perhaps leading to a different setting, is that the researcher gave a presentation of the evolution and history of RTOs over the last 25 years at an academic conference that had research and policy staff from the Ministry of Tourism in the audience. The conclusion of this presentation was that RTOs in the past have had a life of their own and although there have been attempts to manage and direct RTOs from the top, this has not worked in the past. Some of the Ministry of Tourism staff took note and have pursued discussions with the researcher on some of the obstacles that the researcher perceives for the implementation of the recommendation in the 2010 strategy of fewer and new RTOs and that it is perhaps unrealistic for this recommendation to be implemented.

Faulkner and Russell (1997) present chaos and complexity as an alternative framework to explain tourism phenomena because of the deficiencies in trying to understand systems, by dissecting them into their component parts and then assuming that the relationships between these parts are stable and static. They apply some of the basic concepts of chaos and complexity to tourism contexts: The butterfly effect: Terrorism activities in Europe in the 1980s increased inbound tourism to safe destinations such as Australia; Bottom up synthesis: competition between operators providing similar products and cooperative relationships between vertically integrated providers at a single destination; Edge of chaos (phase shift): phase shifts in the life cycle of a destination. To date complexity theory has been primarily used by a group of Australian researchers inspired by
Russell and Faulkner’s (1999 & 2004) studies of the non-linear, dynamic and serendipitous development of sites such as the Gold Coast.

McKercher (1999) advocates the use of the chaos model for tourism because of the complex interplay of the many elements of the community, combined with the influence of a wide array of external elements explains why tourism operates in a non-linear manner. The unpredictable and, therefore, uncontrollable nature of tourism and the failure of most organisations to plan effectively for the future is again indicative of a chaotic system. These factors further explain why tourism defies top down control, while offering insights into how public sector organisations can strive to influence (if not control) the direction of growth (p.429).

Other empirical studies in a tourism context are Edgar and Nisbet (1996), Parry and Drost (1995) and Faulkner and Vikulov (1995). The first two articles are in a hospitality management context in which mainstream management concepts such as long-term strategic planning and forecasting are questioned and practical recommendations provided. Faulkner and Valerio (1995) discuss the influence of the chaos theory paradigm on tourism demand forecasting. Faulkner and Viulov (2001) demonstrate that tourism development is often characterised by non-linear spurts and interventions that are significant within these are individual events such as a natural disaster (the Katherine Flood in Australia).

2.3.7 Participatory Paradigm

Denzin and Lincoln (2000) introduced this paradigm as they believe it reflected current thought and that it is an important issue as it “bespeaks a new awareness” (Denzin & Lincoln, 2000, p.164) and that this paradigm may influence other paradigms and the researcher’s conception of how the research is to be carried out.

Participatory, research, whereby the researcher is a participant observer in an organisation or community for an extended period of time, has been around for many years (Whyte, 1990). This paradigm includes participatory action research
Participatory action research has two objectives, first it provides practical advice to the communities and organisations where they become participants or actors and secondly they advance research through furthering an understanding of the change process and of the possibilities for organisations (Locke, 2001). Researchers, in this paradigm participate in the very phenomenon they are studying. They become actors and through their research they develop and contribute knowledge to the communities or organisations they are working with and their purpose is to influence the course of events. The first question to be raised in this research investigation is: Is the researcher really an actor or is she ‘participating’ directly in the life of RTOs and the RTO Network? There is no simple answer to this question. At face value the answer would be no in any formal sense. Some of the key personnel in the Ministry of Tourism and the RTO network, who are driving the process of change, inherent in the 2010 Tourism Strategy, are aware of the researcher and are seeking and using the knowledge obtained but the researcher has no formal role. However, even though there is no formal role, the knowledge generated by the research may influence the course of events and therefore the participatory paradigm could inform the policies relating to RTOs or shape the reactions of stakeholders in the negotiating stance they take.

Ontologically, reality swings from the subjective to the objective depending on the level of participation. In this research investigation of RTOs, given the limited level of participation and there being distance between the researcher and the process of change that is taking place in RTOs, ontologically the researcher would be potentially viewing reality as from a more objective perspective. Epistemologically the relationship between the knower and the known for the participatory paradigm is critically subjective, transactional (Denzin & Lincoln, 2000) and context bound (Greenwood and Levin, 2000). The researcher tries to understand the world through experiential, propositional and practical knowing, and communicates this knowledge through co-created findings with the participants and stakeholders involved in the research. “Only local stakeholders, with their years of experience in a particular situation, have sufficient information and knowledge about the situation to design effective social change processes” (Greenwood & Levin, 2000. p. 96). This RTO research is definitely recognising...
this, the researcher is not being an armchair academic and theorising about RTOs and proposing a new model or theory for the structure and functions of RTOs. Yet this research project is not producing co-created findings, developed by the researcher and the participants together, and therefore does not seem to fit neatly into the participatory paradigm.

The axiological premises of the participatory paradigm assumes that values influence and have a role in the research process but the researcher needs to adopt the values of the participants or stakeholders for whom the outcomes of the action research need to benefit. This a problem for the research investigation in RTOs, as there is not a specific group meant to benefit from this research and therefore the researcher is not seeking to identify with a particular group’s values. Also central to participatory paradigm is that the researcher’s theory-laden values are not privileged over the participants’ views and values (Hall, 1996). The advantage of the investigation discussed here is that there are very few theories that can inform the investigation and it could be argued that the researcher is open and has no preconceived theoretical views. However, some participants’ views and values are informing the views and values of the researcher. Greenwood and Levin (2000) claim that “action research emphasizes the role of human inquirers as acting subjects in a holistic situation” (p. 97), this would imply that the researcher and the participants are free agents and can determine their destiny and are not determined by external forces.

Methodologically therefore, the researcher collects data through political participation in collaborative action inquiry. The researcher collaborates with the participants and stakeholders in defining objectives, constructing research questions, interpreting results and applying the outcomes to bring about change. Qualitative research methodologies are most commonly used but it does not mean that quantitative techniques are never used.

2.4 A Multi-paradigmatic Approach

The previous section has discussed the major and emergent paradigms that the researcher believes can best inform a research investigation of RTOs in New Zealand. As previously stated, Burrell and Morgan (1979) argue that inter-
paradigmatic shifts are very rare as this requires a radical shift in the meta-
theoretical assumptions that form the basis of the *modus operandi* of the social
science researcher. Kuhn (1970) views paradigms as an evolutionary process in
which the transition from one paradigm to another is not smooth. A paradigm shift
is a radical change of the prevailing paradigm’s assumptions that have been
questioned, challenged and found wanting. As a consequence, new sets of
assumptions are developed and a new paradigm supersedes the previous dominant
paradigm. Denzin and Lincoln (1994) identify five moments in the evolution of
qualitative research, with each moment building upon and superseding the
previous moment. Yet Denzin and Lincoln (2000) also claim that this evolution is
not a clear progressive movement but rather defined by breaks and ruptures which
can move in cycles and phases.

The evolutionary notion of dominant paradigms and the view that alternative
paradigms are necessarily incompatible has been challenged by the multi-
paradigmatic notion. In the 1970s, Feyeraband (1975) argued that the world we
want to explore is a largely unknown entity and no one methodology can provide
all the answers. One should be wary of any one single epistemological perspective
(or paradigm) and the researcher should keep his/her options open. If researchers
keep their options open, they have more of a chance not only to discover a few
isolated facts but also perhaps some more profound ‘truths’ (Freyeraband, 1975).

Denzin and Lincoln (2000) have observed a “blurring of genres” among
paradigms and that various paradigms are beginning to “interbreed” as researchers
situated in one paradigm are being informed by other paradigms. The multi-
paradigmatic approach has the added advantage for tourism research in that it
reflects the multidisciplinary aspects of tourism (Faulkner & Ryan, 1999). Echtner
and Jamal (1997) see the methodological and philosophical conflicts of the
diverse disciplines underpinning tourism (such as geography, economics,
sociology, marketing and anthropology) as preventing tourism researchers from
developing a unified tourism theory. This is because of the constraints and terms
of reference of their own disciplinary paradigms and boundaries. Without a
unified tourism theory it is hard to work towards developing a discipline or a
dominant paradigm for tourism (Echtner & Jamal, 1997).
A distinction needs to be drawn between the multi-paradigmatic and the multidisciplinary. Echtner and Jamal (1997) define multidisciplinary as studying a topic by including information from other disciplines but still operating within one disciplinary boundary. Prezeclawski (1993) argues that multidisciplinary research involves the study of tourism from only one discipline’s theoretical and methodological paradigm. This leads to discipline specific results that are unable to be synthesised with other disciplines, except superficially. Faulkner and Ryan (1999) state that multidisciplinary research draws on different disciplinary perspectives in shedding light on a topic but there is no integration of these perspectives. It seems that there is a distinction between a multidisciplinary approach and a multi-paradigmatic approach that integrates research methodologies and paradigms.

Faulkner and Ryan (1999) distinguish between a multidisciplinary and an interdisciplinary approach. An interdisciplinary approach is one in which different tourism phenomena are studied using various disciplinary perspectives. Synergies between the different disciplines are developed to produce a more holistic synthesis. An interdisciplinary focus means ‘working between’ the disciplines and ‘blending’ various philosophies and techniques so to bring about this synthesis intentionally and explicitly (Echtner & Jamal, 1997). One potential problem of moving towards an interdisciplinary approach is the fact that some disciplines might reject this new approach by creating different discourses and putting up barriers to integration (Faulkner & Ryan, 1999). Echtner and Jamal (1997) also warn that

A clear understanding of the methodological and the philosophy of science issues involved is essential in integrating the multitude of theoretical developments from the various contributing disciplines. The study of tourism is enriched and yet complicated by this theoretical diversity (p.878).

An interdisciplinary approach will be open to accepting that different research problems may require different ontological and epistemological approaches.
In the context of research on RTOs, the nature of the subject matter may touch on different disciplines such as political science, government policy, sociology, economics, marketing, psychology and urban and regional planning. In addition to this range of disciplines underpinning the research into RTOs, one may need to draw upon different paradigms to capture an insight into the phenomena under investigation. The adoption of paradigms according to their usefulness in specific situations is a pragmatic and potentially productive approach (Faulkner & Russell, 1997). Denzin and Lincoln (2000) define qualitative research as an interdisciplinary, transdisciplinary and sometimes counter-disciplinary field. It crosses the humanities, the social sciences and the physical sciences. Qualitative research can be many things at the same time. It is multi-paradigmatic in focus. Its practitioners are sensitive to the value of the multi-method approach. Therefore, rather than assuming that alternative paradigms are mutually exclusive, they should be applied to certain domains of phenomena depending on where they prove to be more or less useful. However, this approach seems to imply that a researcher will move from one paradigm to another depending on the nature of the research investigation. The challenge for a research study on RTOs will be how to use various aspects of different paradigms in the one research investigation. As mentioned earlier, one will need to have a clear understanding of the methodological and philosophical underpinnings of the various paradigms to be able to synthesise them in one research project (Echtner & Jamal, 1997). Jamal and Hollinshead (2001) claim that this can be achieved and that a dialogue on multi-approaches, theories, practices, methods and techniques can assist researchers in tourism to do justice to the research topic and the research questions that are formulated and pursued. “Tourism is not unlike other social sciences which borrow techniques and concepts across conventional boundaries” (Ryan, 1997, p. 4). By connecting more fully with the wider debate in the social sciences and embracing pluralist multi-dimensional epistemologies (Pritchard, 2001), innovative insights about the phenomena of RTOs that will be investigated may be gained.

The tourism researcher has a wealth of research methodologies available to him/her as demonstrated by the seven paradigms that have been analysed in this
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Denzin and Lincoln (1994) recommend that the researcher learns to be a *bricoleur*.

The qualitative researcher as bricoleur uses the tools of his or her methodological trade, deploying whatever strategies, methods, or empirical materials are at hand. If new tools have to be invented, or pieced together then the researcher will do this. The choice of which tools to use, which research practices to employ depends upon the questions that are asked, and the questions depend on their context, what is available in the context, and what the research can do in that setting (Denzin & Lincoln, 1994, p. 2).

The researcher as bricoleur needs to be widely knowledgeable about many philosophical lines of approach and needs to be able to conduct a large number of diverse tasks from interviewing to intensive introspection (Hollinshead, 1996). A bricoleur researcher is a Jack (or Jill) of all trades, a pragmatic person and for “tourism research such flexibility of approach is ‘manna from heaven’” (Hollinshead, 1996, p. 72).

This multi-paradigmatic and bricoleur approach is further supported by “the notion of political analysis as a form of craft work” (Hall, 1994, p. 15). Craft based on the components of the task at hand, referred to as material, formal efficient, and final causes was first presented by Aristotle in *Nicomachean Ethics* (Hall, 1994; Ross, 1995). The material cause is related to the problem or the question being raised. Aristotle defined material cause as *that from which, as constituent, something is generated* (Ross, 1995). Formal cause points to the essence of the issue being raised, the argument being presented and the conclusion drawn based on the evidence. The efficient cause is the agent, maker, producer and the tools and methods used. The final cause is related to the question, *What is it for?* Final cause examines the end purpose, the conclusion and how it is communicated. Hall (1994) argues that craft knowledge is significant for an investigation of the political dimensions of tourism, because of the subjective nature of policy formulation and value positions which cannot be proved as in the case of natural sciences or what positivism seeks to achieve.
A multiparadigmatic and bricoleur approach is advantageous for the research of tourism phenomena due to its complex nature in approaching dynamic situations. Furthermore, the bricoleur approach enables the researcher to remain open to drawing upon new research methodologies and paradigms if new and unexpected scenarios eventuate. To be bricoleur does not permit the researcher to be any the less rigorous or ethical in the research processes; indeed, to be a bricoleur entails an even heavier burden of research rigour.

2.5 A Multi-paradigmatic and Bricoleur Approach in Researching Regional Tourist Organisations

A reflection on the investigation of RTOs in New Zealand shows that to conduct the research successfully requires a multi-paradigmatic approach to be adopted. RTOs, the players, structures and phenomena associated with them and the New Zealand tourism industry have an existence independent from the researcher. These phenomena will continue to exist even if this researcher never commences the investigation. Ontologically this investigation will be conducted on the premise that objective reality is out there. However, the research project itself does not seem to fit totally within the positivist or post-positivist paradigm.

This reflection has highlighted the ‘fact’ that the subjective values and interpretations of the researcher will most likely intrude on the investigation of RTOs, and in turn the participants and stakeholders in RTOs, who as the object of the research, will influence the researcher. Thus, from an epistemological perspective there are similarities with the interpretive paradigm as a reiterative process of unfolding influences emerge. Most interpretive researchers try to avoid imposing external forms and structures on their findings and acknowledge that their values may influence the research process. The researcher did not commence the investigation with a fixed agenda or any preconceived ideas regarding the role, organisation and structure of RTOs and their future direction. However, the premise of detached researcher was hard to maintain especially as one entered into discussions, especially through interviews, with a range of personalities representing the New Zealand tourism industry that had their own conflicting views and agendas regarding RTOs. This was further compounded when there
were further interviews and discussions with the same people, since a central feature of this thesis has been repeated conversations/interviews and through this research process personal and perhaps enduring relationships have been formed. It has been difficult for the researcher to separate the personal and professional as the professional researcher relied on the personal relationships to gain the openness and trust of those interviewed. Now that the professional has ceased the personal will continue since the New Zealand tourism community is relatively small and the researcher continues moving in these networks.

This swing from the objective ontology to subjective epistemology can also be associated with the participatory paradigm. Indeed officers from RTOs may perceive the researcher as a source of information to be used. The frame of reference will be one of a ‘participant’ rather than detached observer in trying to understand the political and social world of the New Zealand tourism industry and RTOs. Another factor that may arise, compromising the premise of detached researcher, is that the researcher was working concurrently on other research projects for specific RTOs, such as Tourism Cormandel, and in the process forming professional relationships through which the views and biases of the key players in specific RTOs may have influenced both the researcher and the type of questions that could be asked in interviews.

Guba and Lincoln (1998) claim that there is no clear distinction between the ontological and epistemological basis for the interpretative paradigm. This premise will not be held for this investigation, as ontologically (the nature of the knowable), it will be assumed that RTOs have an independent existence, that they are external to the researcher and not a product of the researcher’s consciousness. However epistemologically, the relationship between the knower (the researcher) and the known (RTOs) will not be entirely independent yet at the same time acknowledging that the two, knower and known are separate entities. At this stage it is foreseen that the issue of validity and trying to remove influences between the researcher and what is researched will not be given a lot of importance as replication will not be a chief objective of this study.
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After reflection on the research process it would seem that this investigation drew upon the interpretative, participatory and chaos theory paradigms. The researcher was not always objective and value free as assumed in the chaos theory paradigm but the object of the investigation, RTOs, were and are constantly changing (such as their number) and the nature of the inquiry by the researcher was therefore dynamic. Furthermore time was spent in the field, which is characteristic of these three paradigms. However, there was another complicating factor in the epistemological dimension of the proposed study; that of the researcher being an agent of change. This role as an agent of change can take two forms. Firstly, the agent’s questions can prompt new thought on the part of the respondent which may then influence his/her future actions. Secondly the RTO environment at the moment in New Zealand is highly political both at the national and local level and the potential exists for the researcher to become involved in these political processes. This role of the researcher as an agent of change could be characterised as a role that a critical theorist would take. The chief difference with this study is that the researcher did not have a set political and personal agenda at the commencement of the project. It is questionable if this stance was maintained throughout the whole investigation.

2.6 Data Sources and Data Collection Methods

This thesis used both primary and secondary data sources (Jennings, 2001). The primary data sources were open-ended, unstructured and semi-structured reiterative interviews, observation at meetings, industry and RTO forums and conferences, listening to speeches and presentations and examining RTOs as a collective in the form of a case study. The secondary data sources included historical archived government documents, such as memos, agendas and minutes of meetings, directives, cabinet documents, speeches, letters, internal consultant reports and written feedback from consultative processes as well as publicly available government and consultants’ reports, annual reports, conference and forum proceedings and the Ministry of Tourism files accessed under the Freedom of Information Act (2002), relating to: the New Zealand Tourism Strategy 2010 development process, Local Government and RTOs.
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A case study “is not a methodological choice but a choice of what is to be studied. By whatever methods we choose to study a case” (Stake, 2000, p.435). This case study is complex, because it examines an entire sector and parts of it - public and private institutions, individual actors and players, over an extended twenty five year time frame. Nonetheless the researcher has placed boundaries. This complex case study is operating within a number of contexts: physical/environmental, geographical, political, legal, economic, social, ideological and therefore a holistic approach has been adopted. Benefits include in-depth data being collected and recorded for future research and the fact that the evidence is grounded in a social setting (Jennings, 2001). The limitations of this case study is that it is still emerging and evolving. Although boundaries have been set by the researcher, they are not clear and defined especially between the phenomena and context (Yin, 1994) and the findings may not be generalised to other cases. “A case study is both a process of inquiry about the case and the product of that inquiry” (Stake, 2000, p. 436). This chapter has already dealt with the reflection and reflexivity associated with this process.

The interview is recognised as a distinct research method, as opposed to being located in the broader methodological category of ‘case study’ (Platt, 2002). One finds a range of diversity in research interviews such as survey, structured, semi-structured, unstructured, in-depth, focus group and life story (Gubrium & Holstein, 2002). This research investigation used both unstructured and semi-structured face-to-face interviews. Fifty percent of those interviewed were interviewed more than once. Unstructured interviews predominated early on in the research process. There were no planned sequence of questions; the objective was to let the issues surface after raising some initial broad themes or questions such as “What role did you have in the tourism industry in the 1980s?” These interviews were managed through probing questions, paraphrasing and summarising (Cavana et al., 2001). The interviewees led the interview via their recollections and order of thoughts (Jennings, 2001). The interviewer tried not to dominate the conversation but listening to the tapes and reading the transcribed material for some interviews, the interviewer became the subject with the interviewee, as the interviewees in controlling the interviews also probed the researcher on her knowledge and findings. Many of these unstructured interviews
did wander away from the topic of RTOs but they did provide rich data of the wider contextual issues surrounding RTOs. The interviews were characterised by an extended, open-ended exchange, focused on particular topics and the related subject matter that emerges in the interview process. The exchange is not designed so much to collect the facts, as it were as to gather information that meaningfully frames the configuration and salience of those facts in the interviewee’s life (Gubrium & Holstein, 2002, p. 57).

The unstructured interviews were relaxed, explorative and collaborative but they could not be classified as in-depth interviews that delved into the emotional realm or the ethnographic lived experience (Gubrium & Holstein, 2002). The subject matter dealt with politics which can have its associated winners and losers and in a few interviews the subject matter touched on the personal. In these cases the interviewer respected the interviewee’s privacy and did not probe further. One person categorically said he would not talk about a specific period within the historical timeframe being examined. All those interviewed provided their informed consent, which only requested information related to a historical thesis on RTOs. No consent was obtained to pry into the overflow of their professional life into their personal life (Fontana & Frey, 2000; Warren, 2002).

Semi-structured interviews became far more common later in the research process. They commenced in a similar style and interaction as the unstructured interviews but as they progressed they were managed more by the interviewer to elicit specific information and towards the end of the interview, prepared questions were asked if specific subjects had not been raised. These interviews were still “fluid in nature and followed the thinking processes of the interviewee” (Jennings, 2001, p.165).

Most people interviewed were not selected as such, they were referred via snowballing. The first two, Neil Plimmer and Tony Staniford were mentioned by the first PhD supervisor and the rest followed. An element of network selection and sampling was used for data related to present day RTO and Local Government activities. For both the unstructured and semi-structured interviews
gaining trust was important to the success of the interview (Fontana & Frey, 2000). The forging and maintaining of trust continued after the interview(s) with correspondence, the checking of transcripts, facilitation of feedback and it still continues with interviewees being sent relevant sections and chapters of the thesis where they have been quoted. The interpretation of the transcripts was not unproblematic with most being between 20-30 pages long and some of those interviewed contradicted each other. The researcher was then faced with the challenge of integrating the interpretations and text from the interviews with data collected from other sources. For some chapters, such as Chapter 8: The evolution of the RTOs, the interview data framed the chapter and its structure and the archived documents supported and extended the interview data. In the case of other chapters such as the politically charged Chapter 3: The New Zealand Tourism Strategy 2010 and Chapter 9: RTO response to the strategy, it was the published documents that framed the chapters and the transcripts were added later as an overlay. The researcher felt the tension in these chapters and automatically went to the “objective” written data first as it appeared more secure even though much of the written data was just as opinionable as the transcript/interview data.

As mentioned previously, data obtained via observation at meetings, industry and RTO forums and conferences, listening to speeches and presentations were all used in the interpretation process and presentation of the findings. These observations helped to understand the rich, complex and idiosyncratic nature of human operations (Cavana et al., 2001), interrelations and politics associated with tourism in New Zealand and RTOs. Most observations were from an outsider’s perspective, or that of researcher/interpreter rather than the emic observation, that of the insider (Jennings, 2001). The researcher was never perceived as being part of the RTO network. She was allowed in, as an observer, but never involved in RTO discussions when they were formulating a collective response to the NZTS 2010. Observation in this thesis can be classified as ‘complete observer’ (Junker, 1960); total researcher (Gans, 1982) and peripheral membership (Adler & Adler, 1983) but can still be categorised as participant observation (Jennings, 2001). The value and contribution of observation in this thesis should not be underestimated, as it was through observation and being immersed and part of the tourism industry in New Zealand (as much as anyone can be part of it) that facilitated the
holistic/inductive framework to the research. It was through observation and reflection that the researcher was able to unify the fragmented data gathered from other sources.

Document Analysis deals with mute evidence that endures physically and therefore can be separated across time and space and from its author and user (Hodder, 2000). Since this thesis is dealing with contemporary history the researcher was able to interview some the authors of the documents referred to. This provided and opportunity of the interaction between the emic, ‘insider’ and etic, ‘outsider’ perspectives, yet surprisingly, these authors when questioned in an interview did not provide great insights as they had either forgotten, or had only very vague recollections of the memo, the study or the report. This highlighted how fast issues and topics come and go in the New Zealand tourism industry and the lack of corporate memory, integration and reflection surrounding tourism policy issues. The advantage of contemporary and retrospective secondary data sources in the form of historical archived government documents, such as memos, agendas and minutes of meetings, directives, cabinet documents, speeches, letters, internal consultant reports and written feedback from consultative processes as well as publicly available government and consultant’s reports, annual reports, conference and forum proceedings and the Ministry of Tourism files, is that they are non-reactive, non-intrusive and unobtrusive (Jennings, 2001). If documentary data were not used, this thesis would not have provided the historical insights and perspectives to RTOs and the wider tourism industry.

2.7 Validity and Reliability within a Qualitative Research Framework

The validity and reliability of this research approach also needs to be examined. In qualitative research, the researcher is the instrument. Validity in qualitative methods, therefore, hinges largely on the skill, competence and rigor of the person doing the fieldwork (Patton, 1990). For Neuman (2000), “validity means truthful” (p. 171). Qualitative researchers are more interested in authenticity than validity. Authenticity means giving an honest and balanced account of social life from the perspective of one who lives in it everyday (Neuman, 2000). The authenticity
approach still adheres to the core principle of validity, to be truthful, that is to avoid false and distorted accounts.

Qualitative researchers have developed several methods that serve as substitutes for the quantitative approach. Thus, field researchers discuss ecological validity or natural history methods. These emphasize conveying the insider’s view to others. Historical researchers use internal and external criticisms to determine whether the evidence they have is real or they believe it to be (Nueman, 2000, p. 171).

It seems that qualitative researchers cannot escape addressing the notions of validity and truth even those in the relativist postmodern paradigm. Gergen and Gergen (2000) call this the crisis of validity.

If there is no means of correctly matching word to world, then the warrant for scientific validity is lost, and researchers are left to question the role of methodology and criteria evaluation. As Denzin and Lincoln cogently ask, *How are qualitative studies to be evaluated in the poststructural moment?* (Gergen & Gergen, 2000, p. 1026).

This crisis of validity in a postmodern era is further elaborated by Gergen and Gergen, (2000, p. 1027):

If the language as a picture or map of the real world is rejected, then there is no rationale by which qualitative researchers can claim that their methods are superior to quantitative ones in terms of accuracy or sensitivity to what exists. A thousand-word description is no more valid than a “picture of the person” than a single score on a standardized test. By the same token, the validity critics challenge the presumption that language can adequately map individual experience.

This crisis of validity has led to a range of innovations in research methodology in an effort to discover and record the truth. Qualitative research methodologies such
as reflexivity, multiple voicing, literary representation and performance are increasingly being used (Gergen & Gergen, 2000).

Jennings (2000) defines *reflexivity* as the sense of seriously locating oneself in one’s research. In reflexivity the researcher reveals where he/she is historically, culturally and personally situated to their audience and their subjects. Reflexivity tries to accommodate subjectivity in trying to explain and justify truth. *Multiple voicing* tries “to remove the single voice of omniscience and to relativize it by including multiple voices within the research report” (Gergen & Gergen, 2000, p. 1028). This can be done by inviting research subjects and clients to speak on their own behalf, or the researcher can seek out respondents who hold different views. Alternatively, the researcher can locate a range of conflicting interpretations that they accept and avoid reaching a single integrative conclusion. Another form of multiple voicing is for the researcher to work closely with their subjects so that their conclusions do not eradicate minority views.

A mixed methodology will be used to gather data. Triangulation in a social research context tries to look at something from different angles (Neuman, 2000). Denzin and Lincoln (1994) argue that triangulation is not a tool or strategy of validation, but an alternative to validation. Denzin (1978) identified four types of triangulation: methodological triangulation, data triangulation, investigator triangulation and theory triangulation.

*Methodological triangulation* involves the researcher using several methods to gather data relevant to the study (Jennings, 2001). Oppermann (2000) elaborated further stating that methodological triangulation refers to using more than one research method in measuring the same object of interest. *Data triangulation* means drawing on different sources of data, yet using the same approach “in order to verify or falsify generalisable trends detected in one data set” (Oppermann, 2000, p. 142). *Triangulation of investigators* refers to multiple researchers or observers engaged in a study. These different investigators add alternative perspectives, backgrounds and social characteristics and will reduce the limitations of the sole observer (Neuman, 2000). *Triangulation of theory* involves the researcher using more than one theory or perspective to analyse data. Multiple
theoretical perspectives can be used either at the planning stage or the interpretation stage or both. The use of more than one theory can be difficult but it will increase the chance of making a creative synthesis or developing new ideas (Neuman, 2000). Jennings (2001) suggests a fifth type of triangulation: interdisciplinary triangulation. Other disciplines can inform the research process and thereby broaden understanding of the method and data.

Triangulation will be used not to correct any bias, as it will be assumed from the outset that the subjectivity of the researcher will be present in this study. Rather triangulation will be used because the different methods will reveal different aspects of the empirical reality being studied.

The use of multiple methods, or triangulation, reflects an attempt to secure an in-depth understanding of the phenomenon in question…. The combination of multiple methodological practices, empirical materials, perspectives and observers in a single study is best understood, then, as a strategy that adds rigor, breadth, complexity, richness, and depth to an inquiry (Denzin & Lincoln, 2000. p. 5).

Triangulation of theory was utilised both at the planning stage and the interpretation stage. Chaos theory, network and alliance theory will be used to inform this investigation. It should be noted that after data collection in the field, other theories might be utilised to interpret the data. This could be likened to what Jennings (2001) calls interdisciplinary triangulation.

The research provides a descriptive case study highlighting the political dimensions of tourism, looking at why things evolved in the way they did in the New Zealand tourism industry generally and RTOs specifically.

2.8 A Commentary on History

A research methodology chapter of a descriptive historical analysis of RTOs would be incomplete if it did not discuss the concept of history. This section will examine both metahistory, the nature and meaning of history (Dawson, 1957) and the philosophy of history or the idea of history (Dray, 1964) and their relationship to the data collection (facts) and the writing up (interpretation) of the historical
components of this PhD. This methodology chapter commenced with a reflection on the research process which led to philosophy and how it informs paradigms and the way researchers view the world. The chapter will conclude with a reflection on the historical process and how this researcher views history and in turn the recording of the history of the New Zealand tourism industry and RTOs.

Carr (1961) asserts that unless one has “a constructivist outlook over the past we are drawn either to mysticism or cynicism” (p. 109). Carr (1961) calls mysticism, Hegel’s rationalism and his ‘World Spirit’, Toynbee’s historical laws leading to cause and effect of the rise and fall of civilisations that he claimed can be empirically validated, and Neibuhrr’s claim of the historical relevance of religious faith/theology to secular life (Dray, 1964). One can question how a constructivist can put three such divergent philosophies of history under one category or label? One must assume that for a constructivist, his/her ‘world view’ presumes that one can only understand the past through the lens of the present and that contemporary conditions shape the historian, therefore these other divergent views of the philosophy of history can be reduced to realm of fantasy and the mystical. Carr’s (1961) reference to ‘cynicism’ means that “history has no meaning or a multiplicity of equally valid or invalid meanings or the meaning we arbitrarily choose to give it” (p.109), which seems to be the antecedent of postmodernism. For Carr, history did have meaning and purpose and it was linked to social and political consciousness having a past and being linked to the future and therefore he would not have agreed with Derrida’s claim that *history is dead* (Derrida & Caputo, 1997).

In addressing the nature and meaning of history, Dawson (1957) argued that to maintain the independence of history at all costs is to render history as an end in itself and just a collection of facts for their own sake. The purpose of history is to understand the past as an organic process rather than as a set of isolated facts. This thesis is examining as an evolutionary historical process the social and political dimensions of tourism in New Zealand, and the formal and informal structures associated with it. “History by itself is not enough, for it is impossible to understand a society or a culture in purely historical terms” (Dawson, 1957. p. 22) and therefore this investigation is analysing the historical process in the context of
the relations of the New Zealand tourism industry to its natural (geographic) environment, its economic activity and the wider ideological and cultural influences during the period of study.

Carr (1961) claims that the

Facts of history cannot be purely objective, since they become facts in history only in virtue of the significance attached to them by the historian. Objectivity in history – if we are still to use the conventional term – cannot be an objectivity of fact, but only of relation, of the relation between fact and interpretation, between past, present and future (p.120).

What needs to be clarified is the relationship between facts and the historian’s interpretation. Carr (1961) claims that the two are not totally dependent or independent of each other and yet the historian is not a slave to, or a tyrant over, the facts, “if he stops to reflect what he is doing as he thinks and writes, the historian is engaged on a continuous process of moulding his facts to his interpretation and his interpretation to his facts” (Carr, 1961, p. 29). In recording this particular history what needs to be recognised is that at the beginning of the research process the facts were independent of the researcher and did stand alone. Facts such as:

1) The Government in 1982 adopted a new set of regional boundaries, called United Councils, and requested all government departments to align their own regional boundaries with this new set (Chapter Eight);

2) The Tourism Industry Association (NZTIF) in the mid 1980s arranged for RTOs to meet twice a year, giving them their own Vice-President, and allowing them to elect four representatives to the NZTIF Board (Chapter Eight);

3) The Labour Government in the late 1980s announced its intentions of a comprehensive reform of local government. The earlier drafts of the legislation stated that local government was responsible for tourism planning. This clause, which would have provided a legislative mandate for tourism planning, was later removed (Chapter Seven);
4) The National Government in 1990/1991, through its Minister for Tourism, John Banks, delivered on their tourism election policy promise and established the New Zealand Tourism Board (NZTB) (Chapter Six);

5) The development and release of the NZST 2010 in 2001 and RTOs being repeatedly named as being central to that vision (Chapter Three).

All these ‘facts’ were objective and independent of the researcher. However this researcher/historian recognises that she has picked up these facts, and others, and organically interwoven, processed and connected them to RTOs and their past, present and future. What also needs to be recognised is that this organic historical process is laden with the researcher/historian’s interpretation. Other tourism researchers, come historians, can pick up these same objective facts and can use and interpret them in a different manner and context. The opinions, values, judgements and prejudices of the researcher/historian enter into the selection of facts and the interpretation process, issues which have already been discussed in this chapter. With regard to historical events, especially as presented in a case study, the researcher has tried to avoid causal determination of events but present the context to highlight that events are not simply and singularly caused (Stake, 2000).

One views history in the way one views society (Carr, 1961) but also the way the historian/researcher views ontology and epistemology, axiology and human nature. Therefore the historical question is intrinsically linked to the research question and the paradigm dilemma addressed in this chapter, which will be revisited again in the concluding chapter. The historical analysis of this thesis is underpinned by the ‘truism that we cannot understand the present without a knowledge of the past or the part of the whole” (Dawson, 1957, p. 3).

2.9 Conclusion

In adopting a true bricoleur approach at the commencement of the research investigation one was purposely not being prescriptive about the strategies, methods and empirical materials that were used in the various stages of the research. The plan developed was to enter the field, observe and be open to new research methodologies as new and unexpected scenarios presented themselves.
The research process was reiterative and in order to remain open to alternative methodologies it was thought important to have a thorough knowledge of all the paradigms available. It can be concluded that since one commenced with the observation of the phenomena, the dominant research methodology was qualitative.

RTOs, like other tourism research phenomena, are highly social, interactive and political and it seems that no one paradigm or research methodology will provide all the answers. Therefore a multi-paradigmatic and a bricoleur methodological approach was adopted which facilitated revisiting the nature of the research topic and the method at various stages in the research process and this reflection and reflexivity will be expanded upon in the concluding chapter.
Chapter 3 The New Zealand Tourism Strategy 2010

3.1 Introduction

The New Zealand Tourism Strategy 2010 (NZTS 2010) was released in May 2001. The policy issues raised in this document were the instigators for this thesis. The strategy had 43 recommendations of which over half related strongly to RTOs (MacIntyre, 2002). The NZTS 2010 may or may not be a catalyst of change for RTOs in New Zealand. The purpose of this chapter is to provide a background to the development of the strategy and briefly examine its implementation. The NZTS 2010 has been the overarching guide for tourism public policy under the New Zealand Labour Government prior to and since its release. Before examining RTOs in detail and their reaction to the strategy one needs to understand the causes and consequences of government policy on RTOs.

Government tourism policy needs to be studied in the context of wider political processes, both the formal government and informal government/private sector political processes. Public policy can be defined as what governments choose to do or not to do and embraces action and inaction (Dye, 1992; Hall & Jenkins, 1995). The NZTS 2010, when published, indicated that tourism was an agent of regional development but the question remained whether individual agencies would present a resistant or cooperative attitude to central policy (Simpson, 2002). This chapter focuses on central government policy formulation; the NZTS 2010 and its implementation. The following chapters will examine the response of other agencies, such as TNZ, LGNZ and RTOs to the strategy. It needs to be noted at the outset that there is generally no clear dichotomy between policy formulation and implementation since the policy process is complex and dynamic and policy can be formulated as it is implemented and implemented as it is formulated (Hall & Jenkins, 1995) as this thesis will demonstrate.

This chapter is a descriptive analysis of the policy process documenting how policy and its associated processes came into being. Both primary and secondary data sources have been used such as interviews and administrative and archived
documents. More reliance was placed on secondary data sources since the
Ministry of Tourism made available to the researcher, under the Freedom of
Information Act, the original NZTS 2010 policy documents, minutes of meetings,
working papers, memos, consultants’ correspondence and reports. These
documents proved to be more reliable than the memories of the key actors and
players. From document analysis the researcher perceived that the process was
tense and politically laden, with personal agendas interwoven with political and
ideological agendas. Given that the object of the thesis was RTOs and not the
NZTS 2010, a stance was taken that it did not seem expedient to alienate key
tourism industry leaders by asking them in an interview to relate their insights and
views on the personal and ideological conflicts of the strategy process when the
documents at hand spoke volumes.

3.2 The embryonic stages of the New Zealand Tourism Strategy 2010

Chapter One highlighted the radical shifts in central tourism policy in the 1980s
and 1990s and Chapter Six will document these changes, and how they impacted
on RTOs in more detail. This chapter focuses on a specific time period: 1999-
2001. The end of the 1990s witnessed changing roles and alliances between the
public and private sectors with industry taking a more proactive role in tourism
policy and lobbying, specifically TIANZ (The New Zealand peak tourism
industry organisation) under Glenys Coughlan. There were perceived gaps in
tourism policy such as product development, research and tourism development
beyond the main tourist routes. Questions were being raised about the role of TNZ
(international marketing), RTOs and the role of the industry. The 1999
government election, saw the opposition raise tourism as a political issue because
of what is referred to as the ‘Murray McCully affair’ (Ryan & Zahra, 2004) in
which a Tourism Minister went beyond his Ministerial duties and interfered in the
day to day running of the NZTB which resulted in the resignation of the CEO and
Members of the Board. Helen Clark, Leader of the Opposition, capitalised on the
all this ‘politicking’ and publicity and made tourism an election policy issue,
stating that New Zealand needed a vision for tourism. She stated in an address to
the annual TIANZ Conference 1999 that for tourism to reach its full potential it
needed a clear strategy and vision for both the tourism industry and its role in
New Zealand society. Tourism needed to address its impact on and contribution to seven long term goals: economic development; stronger communities; restoring trust in the government; improving skills levels; closing the gaps between Maori and non-Maori; and ensuring the sustainable management of the environment (Clark, 1999). This vision shaped government’s involvement in tourism and policy initiatives related to RTOs over the next decade.

In September 1999, TIANZ circulated a discussion document entitled *Tourism 2010: A Strategy for New Zealand Tourism*. The Office of Tourism and Sport (OTSp) in their brief to the incoming Minister of Tourism noted that TIANZ had begun a New Zealand Tourism Strategy process and recommended that it was inappropriate to run a parallel Government strategy process, and that the Minister should engage in the process initiated by TIANZ. The new Minister of Tourism acted on this recommendation and called for a strategy to be developed as a partnership between the public and private sectors building on the work of TIANZ.

### 3.3 Achieving a vision for the Strategy amidst political and personal agendas

A Tourism Strategy Establishment Group, comprising of TIANZ, OTSp and TNZ was convened in March 2000 (Tourism Strategy Establishment Group, 1999). It was recognised at the outset that for the strategy to be effective it needed: a unified approach from all sectors; to consider all factors critical to the success of domestic and international tourism; address the objectives of both the public (central and local) and the private sectors and acknowledge the needs of all industry stakeholders (local Maori, community, customers and the environment). The private sector was seeking an industry that was profitable and sustainable. The public sector was seeking to address the role of tourism in relation to the following:

1) Fostering opportunities for small and medium sized businesses;
2) Celebrating the diversity and uniqueness of New Zealand culture, specifically Maori culture;
3) Preserving and enhancing the natural environment;
4) Nurturing cohesive communities;
5) Ensuring the health and well-being of the regions (Tourism Strategy Establishment Group, 1999).

The establishment group recognised that the composition of the governance group responsible for strategy development would be critical to the Strategy’s success. They looked at two options. Option A, the inclusive approach, would include a range of stakeholders in governance of the project as a means of securing early engagement and commitment to the project such as private sector, TIANZ, central and Local Government, RTOs and Maori. Option B, the direct interest approach, placed greater reliance on the consultation process to secure stakeholder commitment, but the governance of the Strategy would be driven by those agencies expected to make the greatest financial contribution, that is, the private sector represented by TIANZ, OTSp, TNZ and other private sector representatives (TIANZ, 2000). The Board of TNZ preferred option B, believing the private sector would drive the strategy and lead to greater industry ownership and more robust engagement and consultation with stakeholders. There were also concerns that the groups involved in governance in option A had limited ability to commit their constituency to the Strategy and therefore not necessarily improve the credibility or acceptability of the Strategy. It was argued that significant industry interests, such as large tourism product operators, were not included in either option, yet due to their investment, activities and influence it could be argued that they had a stronger case for direct involvement than some stakeholders represented in Option A (Winder, 2000). Option A won the day even though there was a risk that some parts of the tourism industry might have seen this approach as conceding too much control to non-tourism interests, with the consequence of less direct accountability and the perception that direct results would not be achieved. TIANZ viewed the approach a little differently to TNZ Board claiming that a partnership approach between the private and public sectors, “led by the industry is the most effective way of developing a strategy for tourism is a significant breakthrough” (Coughlan, 2000). Covert political agendas started appearing at this early stage. Private sector interests represented on the TNZ Board wanted to maintain their ascendancy in dictating tourism policy, as they had over the past decade, with their ideology and values (Hall & Jenkins, 1995) of industry knows best and market forces should prevail over bureaucratic processes,
leading to a lack of confidence in other stakeholders making a positive contribution to tourism. Added to this mix was a charismatic TIANZ CEO, who seemed set to leave her mark in the historical pages of New Zealand tourism, seeking a leadership role within a collaborative framework and her own personal and political agenda.

3.4 Getting the right mix of people (politics) around the table to lead the Strategy development process

RTOs and more specifically the Regional Tourism Council of TIANZ were always ‘in the mix’ as part of the strategy process (Morrison, 2000). The Tourism Strategy Establishment Group listed Local Government and RTOs in their indicative strategic projects with the objective of defining their roles and clarifying responsibilities for policy and planning, promotion, development and funding (Tourism Strategy Establishment Group, 1999). RTO and Local Government presence in the strategy process is further supported by both Local Government and RTOs being named in the original TIANZ strategy document (TIANZ, 1999). This document acknowledged the role of Local Government in tourism and the need to define its role in relation to policy/planning, promotions and development. It recognised that the role of RTOs was changing, that in some areas there was a disconnection between planning for tourism, economic development and promotions leading to the duplication of overheads and a low level coordination of regional tourism activity. The TIANZ strategy document argued for the need for stronger partnerships between Local Government and tourism to drive regional development. This document also stated that the funding base for RTOs needed to be addressed with best practice models established for RTOs and better engagement with host communities (TIANZ, 1999).

The Tourism Strategy Group (TSG) was formed in 2000 out of the Tourism Strategy Establishment Group. Tourism Strategy Group (TSG) members were: Evan Davies (Chair), Sky City and Chairman of TIANZ; Geoff Burns, Air New Zealand; Glenys Coughlan, CEO TIANZ, George Hickton, Tourism New Zealand (TNZ); Hugh Logan, Department of Conservation; Ngatata Love, Te Puni Kokiri (TPK); Kerry Marshall, Local Government New Zealand; Mike Noon, Office of Tourism and Sport; Brian Roberts, Destination Northland; and Wally Stone,
Whalewatch Kaikoura. Hugh Logan from the Department of Conservation (DoC) was not on the original list proposed by the Establishment Group. DoC’s inclusion in the TSG broadened the scope and the direction the strategy would take. At the outset DoC identified their position as a major stakeholder in tourism and identified that limited information on environmental effects of tourism as a major constraint to tourism management and a major risk for the tourism sector. In regards to sustainability DoC identified the following trends and issues (Department of Conservation, 2000):

1) What ‘sustainable tourism’ might mean in New Zealand Tourism was unclear;
2) New Zealand’s previous strategic approach to tourism of primarily focusing on maximising the short term benefits from increased international visitor numbers does not address issues of medium to long-term sustainability;
3) The tourism strategy needed to provide for a sustainable future;
4) The need for a development of marketing that enabled the whole industry to benefit from a wide range of attractions that are sustainable and reduced negative impacts;
5) A need to ensure that a focus on quality products and services does not exacerbate tensions between overseas visitors and New Zealanders through the development of a two tier overseas vs. domestic tourism industry.

Although DoC and TPK were not in the original TIANZ strategy process mix, Maori tourism interests were included to represent a broad range of stakeholder interests in tourism and to develop a national strategy. Direct political intervention by the Minister of Tourism led to Maori appointment on the TSG. The ideology behind these appointments can be traced back to Helen Clark’s address to the Tourism Industry in 1999 where she presented the Labour Party’s policy on tourism in the context of the environment and ‘Closing the Gap’ policy in relation to Maori. This is an example of tourism not being independent of the wider political means and contexts (Hall, 1994). Some members of the industry viewed these appointments as political correctness entering the tourism public.
policy arena. One industry representative commented to the researcher that ‘the strategy process was hijacked by Maori’. This latter comment reflects divisions in values and ideology representative of wider New Zealand society that enter the tourism policy arena. Another view, alleged that the then Minister of Tourism used the strategy development process ‘to score political brownie points’ with the Prime Minister and fellow Ministers wanting to appease everyone and ensure that the process appeared to be trouble free, in which case tourism public policy is interwoven with the personal styles and ambitions of the chief players.

This thesis, examining structures and political processes, must acknowledge that the funders for the development of the strategy could have had an influence on content. The authors were TSG, but funding for strategy development came from TIANZ (industry) and OTSp (Government policy) contributing $100,000 each and TNZ (government funded international marketing), who committed to contribute up to $500,000 (Hickton, 2001). This should be kept in mind when looking at the final key recommendations of the strategy.

3.5 The process of developing a strategy

In October 2000 Cap Gemini Ernst & Young were appointed project managers. The purpose of the strategy was to identify what needs to be done to maximise earnings potential from tourism while ensuring cultural, social, environmental and economic sustainability and to provide a framework for policy and decision making over the next decade. The strategy process involved an evaluation of achievements and the current state of the industry; review of global trends and best practice initiatives; development of a vision for the industry and finally identification of gaps and the actions required to achieve the vision. What emerged early in this process was a range of responsibilities/outputs not prescribed under the NZTB Act as it then stood and that were beyond the portfolio and resources of the OTSp such as destination management, product development, tourism planning, development and coordination and the role of RTOs (Cap Gemini Ernst & Young, 2001c).

The strategy development process comprised eight ‘Cluster Based Focus Groups’ (CBFG) that provided feedback to the TSG. Each focus group was provided with
a background paper. The purpose of these groups was to ensure “we had got it right” (Cap Gemini Ernst & Young, 2000, p. 3). A total of 264 people were sent an invitation to participate and 101 attended one or more focus groups. The focus groups were targeted to ‘experts’ and the purpose of the focus groups was to contribute towards developing the strategy. The focus groups were not a comprehensive consultation of the strategy with stakeholder groups. There remained other opportunities for other stakeholders to provide input into the strategy (Burton, 2000b). Feedback from the CBFG process included:

1) Perception that the sector is ready to ‘come of age’, ready to move to a more mature model;
2) Recognition, across all groups, that more can be gained through collaboration and cooperation;
3) “Sustainability in its broadest sense is perceived as the bottom line for the sector and for the strategy. All elements: Social, economic, cultural and natural need to be ‘future proofed’ or NZ tourism won’t survive, let alone thrive” (Cap Gemini Ernst & Young, 2000, p. 7);
4) There was concern about capability to implement the strategy and this needed to be addressed immediately.

The TSG allowed six weeks of stakeholder and sector feedback and consultation on the draft vision, mission, values and goals of the Strategy. Parallel to TSG sector feedback, TIANZ organised a NZ Tourism Strategy Update road-show attended by 400 people in nine locations across the country. TIANZ still had leadership and buy-in the strategy development process.

The strategy implementation had a regional development focus group and the six top issues raised by this group were (Cap Gemini Ernst & Young, 2000):

1) Difficulties in determining tourism’s economic contribution, both at a national and regional level. The economic impact of tourism is measured at the regional level in different ways by different organisations/RTOs and therefore it is difficult to make comparisons;
2) Many New Zealanders especially in the regions with low populations do not understand or appreciate the benefits of tourism or realise its economic contribution;
3) Land transport and road signage seems to be under-funded, regional highways/roads in particular, and too many agencies are involved;

4) A need for a better planning environment for regional tourism investment regional strategies and public/private partnerships;

5) A need to increase quality and range of visitor experiences, infrastructure, and to increase yield and spread of visitors over the country;

6) A need for better linkages/communication between tourism operators/industry and local communities;

7) There is a limited ‘whole of region’ planning for tourism, not only at TLA level but also a regional level and there needs to be a ‘fit’ with a national tourism strategy;

8) Lack of understanding of regional differentiation/strengths and how to capitalise on differences;

9) Lack of best practice regional tourism planning/implementation models – ‘tool box’ was required.

### 3.6 Public-Private Co-operation in Tourism

The new Labour Government, in fulfilling one its election promises, fully supported the development of a national tourism strategy. From the beginning it wanted the industry to “…..take a leading role if not the leading role, in developing it. After all, it is tourism businesses that will create the jobs, make investments, win the markets and deliver product to customers” (Burton, 2000a). Yet for the Strategy to be successful a meaningful partnership between the private and public sectors was required. A broad range of public sector organisations needed to be involved: TNZ, OTSp, TPK, DoC, RTOs and Local Government to enable a broader partnership for tourism to realise the full potential of tourism.

Public-private sector relationships were examined during the strategy development process making reference to a World Tourism Organisation (WTO) report (WTO, 2000). This WTO report concluded that there was no ideal model for co-operation and partnership as the nature, purpose and structure of private-public relationships is dependent on a range of country specific factors including the maturity of the sector, the extent of development of the destination and the
economic capability of the private sector. Factors identified as critical to the success of public-private co-operation/partnership models for tourism were:

1) Balanced structure;
2) Clear roles and accountabilities for each partner;
3) Shared leadership;
4) A flexible approach and a willingness to share and to understand each other’s needs;
5) Agreement between partners that tourism is triple bottom line sustainable;
6) Good communication between partners and other stakeholders.

3.7 The potential restructuring of the NZ Tourism Sector

During the strategy development process there was considerable discussion and debate over structure, roles and responsibility in the implementation of the strategy (Cap Gemini Ernst & Young, 2001d). Structural issues that emerged included:

1) Lack of lead organisation or co-ordinating body for the sector;
2) Lack of role clarity and accountability for the impact of tourism on the environment;
3) Closer link required between brand marketing and product development;
4) Functional overlap/under-lap;
5) Capability issues at a local level;
6) Alliance and partnership issues not leveraged;
7) Low level of public/private co-operation on strategic initiatives;
8) Lack of cohesion between central and local agencies;
9) Low level of Local Government involvement in tourism.

The TSG in their meetings debated if there should be one or two central government organisations, with one focusing on internal markets (policy advice, training, infrastructure, VIN, RTOs) and another that focused on external markets. To some extent this was just a confirmation of the status quo as envisaged by the NZTB Act 1991 and the de facto situation of TIANZ and TNZ. Discussion points were:

1) That it would be easier to run one ‘super vehicle’, yet this cannot be TNZ which by legislation can only undertake international marketing;
2) Should international and domestic marketing be together or separate;
3) Closer links required between marketing, product development and delivery;
4) Policy functions need to remain independent (Tourism Strategy Group, 2001a).

One of the earlier drafts of the strategy looked at establishing a new entity that would place greater emphasis on public/private sector partnership and strategic alliances (Cap Gemini Ernst & Young, 2001d). The new entity would take over the majority of the TNZ’s activities; assume some of the functions that were then undertaken by TIANZ, such as TRENZ and take on new responsibilities and capacity to work with:

1) Industry on destination brand development, international marketing and product development
2) RTOs on product development, destination and domestic marketing and regional capability building.

This new entity would address the structural issues that were emerging during the strategy development process and source funds from central government and industry. Ownership structures of crown entity, State Owned Enterprise (SOE) and private enterprise were considered. The OTSp would still be responsible for policy development and whole of government approach and along with DoC it would assume responsibility for a joint tourism/environment interface.

The arrangement surrounding this new entity implied an increase in roles undertaken by RTOs. They would work with the new entity to leverage its international marketing campaigns and take a more active role in regional tourism planning, product development, domestic marketing and destination management. Besides this RTOs would provide a range of services to local operators that might include co-ordination of industry training opportunities, shared services for local operators and technology and support infrastructure. It was expected that a consolidation of RTOs would occur over time to accrue the benefits of critical mass and scale efficiency. The new entity would actively support RTOs in their
new roles. “We are still analysing how NewCo [new entity] could best do this, but options include such things as:

1) Providing shared resources;
2) Assisting with business case developments;
3) Working with RTOs to develop effective approaches to Local Government and private industry for funding;
4) Assisting with the coordination/roll-out of key sector wide initiatives such as technology changes” (Cap Gemini Ernst & Young, 2001d).

It is important to note the vision, and more importantly support, for RTOs under the new entity/new industry structure model being discussed. The introductory chapter mentioned that the initial reaction of RTOs to the Strategy’s recommendations was one of surprise and even of being overwhelmed at what was being entrusted to them. The strategy process identified structural gaps in the industry and at this stage in the process it seemed logical that RTOs were a uniquely placed body that could address some of these gaps if it was coupled with restructuring, funding and support from both central and local bodies.

Finally, after much debate, the national tourism sector structure arrangements were reduced to six options. The viability of each option was discussed during the strategy development stage (Cap Gemini Ernst & Young, 2001d). Table 3.1: Tourism Sector Structure Options, describes the six options, the nature of change implied for each part of the sector and how this new arrangement would contribute to achieving the strategic goals (as at 23/02/01) being identified in the strategy development process. A lot of time and effort was spent in examining the problem of the fragmented structure of the tourism industry with a number of alternative solutions being presented (see Table 3.1: Tourism Sector Structure Options). Some of the options were quite radical, such as the merging of TNZ and TradeNZ (International Marketing) and the merger of TNZ and TIANZ which implied a loss of an independent industry advocate. No barriers or limits were placed to possible scenarios for the restructuring of the tourism sector to address the gaps identified. Each option had implications for RTOs. The first option in Table 3.1: Minimal structural change/functional alignment sought an increase in Local Government resources and support for tourism, specifically improved
funding arrangements for RTOs which might or might not lead to a rationalisation of RTOs. The second option: Regional capability building had by far the most radical implications for RTOs.

The second option implied an expanded role for RTOs, including product development, improving the capability of local tourism operators, acting as a conduit between central and local agencies and tourism planning and destination management; a rationalisation and reduction of the number of RTOs and the creation of New RTOs; and a higher priority to be given to domestic marketing. However, this option recommending increased responsibilities for RTOs was directly linked with the establishment of a central funding resource to drive regional and local implementation of the strategy along with the provision of a range services from central agencies to support RTOs.

The final recommendation for structural change of the tourism industry that appeared in the strategy as recommendation one was:

By July 2002, a new jointly owned and funded private/public sector organisation is established to lead international branding and marketing. It should be governed by a Board with members appointed by:

- Central Government
- LGNZ on behalf of TLAs and RTOs
- TIA on behalf of the industry

In appointing representatives to the Board, consideration should be given to nominating people with industry experience, including Maori (Tourism Strategy Group, 2001b).
### Table 3.1: Tourism Sector Structure Options

<table>
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<tr>
<th>Proposed Option</th>
<th>Description</th>
<th>Implications for each sector</th>
<th>Contribution to achievement of strategic goals</th>
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| Minimal structural change/functional alignment | ▪ No change to current structures  
▪ Some realignment of functions to increase efficiency, reduce duplication & leverage greater value from existing systems:  
▪ Joint marketing initiative between TNZ, RTOs and private sector  
▪ Accountability of OTSp & DoC for tourism/natural environment interface  
▪ Formalise ‘whole of government’ approach  
▪ IVA & IVS to move from TNZ to OTSp  
▪ TRCNZ co-ordinate public funded research and interface with private sector | ▪ Central Government Role: Alignment  
▪ Rationalisation of research function  
▪ Local Government:  
▪ Increased resources and support for tourism  
▪ No compulsion to rationalise RTOs but incentives to do so  
▪ Improved funding arrangements for RTOs  
▪ Private sector:  
▪ More joint marketing initiatives | ▪ Positive contribution to destination brand  
▪ Closer relationships  
▪ Better management of information  
▪ Some efficiency gains through information and relationships within central government  
▪ Overlooks sustainability of tourism: social, cultural and environmental  
▪ Limited participation by Maori |
| Regional capability building            | ▪ Strengthen local level capability and capacity  
▪ Expanded role for RTOs  
▪ Establishment of a central resource to drive local/regional implementation of the strategy  
▪ Create a vital link between | ▪ Central Government:  
▪ Minor realignment of roles  
▪ Local Government:  
▪ NewRTO coordination  
▪ Reduction of no. of RTOs  
▪ Efficient use of resources and less duplication | ▪ Positive contribution to destination brand  
▪ Good platform for development of capability and support for investment decisions  
▪ Efficiency gains  
▪ Strengthening of regional/local |
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<tr>
<th>Proposed Option</th>
<th>Description</th>
<th>Implications for each sector</th>
<th>Contribution to achievement of strategic goals</th>
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<td></td>
<td>central &amp; local agencies</td>
<td>Private sector:</td>
<td>&amp; regional central relationships</td>
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<td></td>
<td>▪ Provide a range of services to RTOs</td>
<td>▪ Assistance and services for local businesses</td>
<td>▪ Strengthen community support for tourism</td>
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<td></td>
<td>▪ Role for Maori RTOs</td>
<td>▪ Closer link between National/LG initiatives, resources and structures</td>
<td>▪ Regional/infrastructure planning and development</td>
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<td>▪ Building capability of local tourism business</td>
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<td>▪ Priority for domestic marketing</td>
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<td>▪ Better support for product development</td>
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<td>Private sector:</td>
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<td></td>
<td>▪ Assistance and services for local businesses</td>
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<td>Public/private marking integration</td>
<td>Merger of TNZ &amp; TIANZ</td>
<td>Central Government:</td>
<td>Strong contribution to destination brand</td>
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<td></td>
<td>▪ Purchase of public outputs from the Minister</td>
<td>▪ Significant structural and cultural change</td>
<td>▫ Efficiency gains in organisational structures, information and trans-sector relationships</td>
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<td>▪ Funding of other outputs by industry</td>
<td>▪ Reduction in overheads in the long term</td>
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<td></td>
<td>▪ Integrated brand development, marketing and product development</td>
<td>▪ Local Government:</td>
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<td>▪ Central Government</td>
<td>▪ No change</td>
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<td>Partnership approach to leadership</td>
<td>Establish a public/private sector governance group (not a new organisation)</td>
<td>▪ Private sector:</td>
<td>Framework to support achievement of strategy</td>
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<td>to lead the strategy and enable sector development</td>
<td>▪ Loss of independent advocate</td>
<td>▪ Positive contribution to all goal areas</td>
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<td>▪ Sector councils to focus on key areas such as international</td>
<td>▪ Loss of some member services</td>
<td>▪ Partnership with and participation by Maori difficult</td>
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<td></td>
<td>▪ Central Government</td>
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<td></td>
<td>▪ Realignment of roles</td>
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<td></td>
<td>▪ Participant not leader</td>
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<td></td>
<td>▪ Local Government</td>
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<td></td>
<td>▪ More input and involvement of RTOs at a strategic level</td>
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<td></td>
<td>▪ Framework to support achievement of strategy</td>
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<td></td>
<td>▪ Positive contribution to all goal areas</td>
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<td></td>
<td>▪ Partnership with and participation by Maori difficult</td>
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### Proposed Option

<table>
<thead>
<tr>
<th>Description</th>
<th>Implications for each sector</th>
<th>Contribution to achievement of strategic goals</th>
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</table>
| marketing, product development, environmental protection and sector performance  
• Representatives appointed by constituent groups  
• 10 members but including RTOs, industry, LGNZ, DoC and OTSp  
• Sector leadership would need to have the authority to decide and capacity to respond otherwise of little value | • Link between tourism sector decision makers and operators  
• Private sector:  
  • Enhanced role in sector wide decision making and development | to assess |
| Merger of TNZ and TradeNZ International Marketing  
• Single international marketing organisation to leverage and optimise the NZ brand  
• Combined brand development and international marketing budget  
• Joint initiatives with private sector  
• Significant structural change within the two organisations | • Central Government:  
  • Realignment of roles  
  • Highly centralised approach  
  • OTSp to stay separate  
• Local Government:  
  • Enhanced role for the coordination of marketing effort for RTOs  
• Private sector:  
  • Some efficiencies  
  • Risk of loss of autonomy and freedom to differentiate | • Strong contribution to brand, destination marketing, yield/seasonality goals  
• Limited to bring about change especially in the areas of capability, investment, environment and sustainability |
<table>
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<tr>
<th>Proposed Option</th>
<th>Description</th>
<th>Implications for each sector</th>
<th>Contribution to achievement of strategic goals</th>
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</table>
| **Integration of OTSp with TNZ** | ▪ Single central government tourism organisation:  
  ▪ Policy advice  
  ▪ Facilitate ‘whole government approach’ including responsibility for tourism/environment interface  
  ▪ Core tourism statistics  
  ▪ Coordination of tourism research programme  
  ▪ Destination brand development and marketing  
  ▪ International marketing including joint initiatives with the private sector  
  ▪ Facilitate product development  
  ▪ Supporting role in regional and domestic marketing  
  ▪ Responsibility for Qualmark and VIN  
  ▪ Board appointed by the Minister responsible for the organisation  
  ▪ Organisation accountable to the Ministerial Board | ▪ Central Government:  
  ▪ Minister loses independent policy advice  
  ▪ Reduction in overheads and management and support structures  
  ▪ Local Government:  
  ▪ No Change  
  ▪ Private sector:  
  ▪ No change | ▪ Little impact on branding and marketing  
  ▪ Does not address the need to strengthen central, regional and local links  
  ▪ More effective communication of the benefits of tourism  
  ▪ More effective management of tourism/environment interface, sustainability, marketing and product development  
  ▪ More participation in and partnership with Maori  
  ▪ Assist regional capability  
  ▪ Strengthen policy and delivery |
The outcome of this process led to a recommendation more aligned to the status quo with little change to TNZ, the only major difference being that it may receive some additional private sector funding. The implication for RTOs was that they were identified as the best agency to fill a crucial gap required to address the many and varied problems in the structural arrangements of the New Zealand tourism sector at that time. It was acknowledged during this process that for RTOs to fulfil their new role they would need support and funding from the new central structure.

The strategy development documentation provides evidence of evolving views and structures. An earlier draft stated:

Successful delivery of these recommendations will require some structural change as the current structure does not position the industry well for the future. Critical to its success will be the establishment of partnerships between government, industry and Maori and greater integration between destination marketing and destination management. A key change proposed by the TSG is the establishment of a new private-sector based organisation to expand on the role currently undertaken by TNZ (Cap Gemini Ernst & Young, 2001b).

The view of the TSG was that TNZ needed to have wider responsibilities.

The TSG view was arrived at through an analysis of TNZ’s past tendency to operate in isolation from government and industry. They also took account of the incentive structure created by all Board members being government appointees with no direct financial stake in the success of the business and all revenue coming from the Crown. This analysis led them to believe that it was highly unlikely that the Board or management of TNZ would place the emphasis needed on new roles and new ways of working they consider necessary for TNZ to add maximum value to the tourism industry’s own efforts (Office of Tourism and Sport, 2001).
The TSG wanted TNZ to work more closely with RTOs to ensure the combined effect of TNZ’s generic and targeted advertising strategies would be maximised to foster domestic tourism and to work with industry, Local Government and relevant government agencies to ensure destination marketing campaigns promised to visitors were congruent with what the regions were able to deliver.

However the structural recommendation in the final strategy document was diluted to:

NewTNZ – Establish a new jointly owned and funded private/public sector organisation to lead international branding and marketing. It will work closely with the private sector and regional tourism entities to leverage sales and marketing opportunities and ensure destination management and destination marketing are closely linked (Tourism Strategy Group, 2001b).

This final recommendation moved the emphasis of the new entity, NewTNZ, away from being responsible for the integration of destination marketing and destination management. The NewTNZ, the main central government body, would remain chiefly responsible for destination branding and marketing.

As mentioned in the introduction of this chapter, this part of the strategy process: the restructuring of the tourism sector, was riddled with personal and political agendas. The process just described provides “valuable insights into the nature of the policy-making process and the relative ‘power’ of participants and interest groups in the process” (Hall, 1994, p.53). Reading between the lines of the strategy development process, the original agenda of the TIA representative on TSG was a central tourism body that could unite and coordinate both destination marketing and management and provide a central strategic vision for tourism in New Zealand. During the process the role and influence of TNZ grew and TNZ started managing the agenda to ensure the final recommendations were not too radically divergent from the status quo at the time (Hall, 1994, p.57). The motives for TNZ fighting to keep the status quo are not clear. One strong motivating factor may have been that TNZ by legislative mandate is limited to an international marketing role and therefore the responsibility for both domestic marketing and
destination management rests with other bodies such as the Ministry of Tourism, RTOs and TLAs. Another factor may have related to funding. TNZ’s annual budget is small by international standards and since there were no clear indications in the strategy process that there would be increased funding (funding being outside the mandate of the TSG), the most advantageous approach for TNZ was to stay focused on international marketing and deliver specific outputs that can be identified and measured in its performance reviews. In other words TNZ should keep doing what it does best, with the limited funds available to it, and not pretend to be in a position to address the wider strategic problems of the New Zealand tourism industry. From TNZ’s point of view:

The strategy provided a foundation and reference point for the work everyone is doing in the tourism industry. Firstly the strategy reinforced the role we had to play and reaffirmed the need for us to be somewhat selective in whom we want to target, from which countries and consider the issue of quality more than quantity (Hickton, G., personal communication, October 5, 2005).

3.8 Overview of the New Zealand Tourism Strategy 2010

The strategy was released in May 2001. The document itself was complex, dense and difficult to read. The consultants, not ‘tourism industry experts’ were presented with the mammoth task of trying to synthesise all the complexities associated with the sector, with the object of delivering a sector ‘strategy’. Added to this was the tight, if not to say impossible, deadline they were set. Given these circumstances this researcher is not going to condemn the TSG or the consultants for delivering such a convoluted document.

The NZTS 2010 identified the challenges for tourism in New Zealand as: long term sustainable growth; integrating destination marketing and destination management and increasing yield and increasing participation and partnerships across public sector bodies, with Maori and through the alignment and rationalisations of structures (Tourism Strategy Group, 2001b). The Minister of Tourism outlined the following underlying principles: social, environmental and economic sustainability; financial and economic prosperity; confirmation of the
important place of Maori in Tourism; and the need to ensure sector structures are heading in the same direction (Burton, 2001).

Table 3.2 Overview of the New Zealand Tourism Strategy 2010, synthesises and summarises the chief tenets of the 177 page document (including appendices). This table identifies the objectives, goals and strategy implementation recommendations, together with the agencies responsible for each recommendation. RTOs have a significant role to play in implementing many of the strategy recommendations. Under the objective of securing and conserving a long term future, RTOs had a significant role to play in regional tourism planning, development, marketing and destination management, liaising with Maori and Maori RTOs. RTOs were informed that they should also be involved in the development of arts, culture and heritage in their regions. RTOs in the strategy’s marketing objective should be responsible for all elements of the marketing mix, together with the development and packaging of year round, regionally differentiated, high yield products and events. The responsibility of RTOs in the objective: being financially and economically prosperous is to seek premium pricing strategies for quality and authenticity and the alignment of yield and capacity to target visitors and product development. There was a significant emphasis on the role of RTOs in the working smarter objective to achieve the alignment of destination marketing and destination management, and they were responsible for both domestic and international marketing plus the provision of advisory services and support to local operators. This objective also called for identification and clarification of RTO functions, a reduction in the number of RTOs and their associated cost structures through the amalgamation and sharing of back office expenses.
Table 3.2: Overview of the New Zealand Tourism Strategy 2010

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Goals</th>
<th>Strategy Implementation &amp; Agencies Responsible</th>
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</table>
| Securing and conserving a long term future    | § Environmental Protection  
§ Maori Participation  
§ Heritage Promotion  
§ Community Goodwill                      | § Develop environmental standards: MFE, MoT & TIA  
§ Monitor and manage impacts: DoC  
§ Environment friendly recreation and service facilities on conservation land: DoC  
§ Whole sector model approach to tourism planning: LGNZ, LG, RTOs, MoT, Maori  
§ Maori Partner with RTOs for regional tourism planning, development, marketing and destination management: RTOs, MoT, MaoriRTOs, TPK  
§ Build Maori capability and investment in tourism to lead to greater participation  
§ Establish Maori RTOs and then a national Maori Tourism Organisation: MoT, TPK  
§ Industry development of arts culture & heritage: RTOs, Maori, MoCH, TNZ  
§ Increase community & stakeholder understanding & support for tourism: TIA, TNZ |                                                                                                 |
| Marketing and managing a world class visitor experience | § Brand Positioning  
§ Target Markets destination of choice  
§ Optimise yield and regional spread  
§ Strengthen distribution channels | § Building & integrating the New Zealand brand: TNZ, public & private sector  
§ Maori mark of authenticity to improve use and quality of Maori experiences  
§ Plan, develop & implement joint initiatives for all parts of the marketing mix: TNZ, |
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<th>Objectives</th>
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<th>Strategy Implementation &amp; Agencies Responsible</th>
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<td></td>
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<td>RTOs, tourism operators</td>
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<td>• Development and packaging of year round,</td>
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<td>regionally differentiated &amp; high yield</td>
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<td>products: RTOs, TNZ, tourism operators</td>
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<td>• More regional events/products: Tourism and</td>
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<td>event operators, RTOs, TNZ, MoT</td>
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<td>• Develop a tourism distribution channel</td>
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<td>strategy based on CRM &amp; TRM (Customer &amp;</td>
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<td>Trade Relationship Marketing: TNZ,</td>
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<td>Tourism operators &amp; offshore distributors</td>
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<td>• Adoption of Visitor Information Network</td>
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<td>strategy: TNZ</td>
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<td>Working Smarter</td>
<td>• Improve business capability</td>
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<td></td>
<td>• Public Sector Alignment</td>
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<td></td>
<td>• Infrastructure and regional investment</td>
<td>Rationalisation of industry associations: TIA,</td>
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<td>industry associations</td>
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<td>Government investment in the tourism sector</td>
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<td>and infrastructure: TLAs &amp; central government</td>
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<td>Alignment of destination marketing and</td>
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<td>destination management: RTOs &amp; Local Government</td>
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<td>RTOs enhanced role in regional tourism</td>
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<td>planning and development, domestic and</td>
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<td>international marketing, providing support to</td>
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<td>operators: RTOs</td>
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<td>• Identification of RTO functions, reduction</td>
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<td>of number of RTOs and back office costs: RTOs</td>
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<tr>
<td>Objectives</td>
<td>Goals</td>
<td>Strategy Implementation &amp; Agencies Responsible</td>
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| Being financially and economically prosperous | ▪ Economic growth: regions & country  
▪ Greater financial contribution for tourism operators and investors | ▪ Research, develop and promote pricing and yield management strategies: TIA  
▪ Operators to use pricing strategies and competitive yield strategies: Tourism Operators  
▪ Premium pricing strategies for quality and authenticity: Tourism Operators, TNZ, RTOs  
▪ Yield and capacity alignment with target visitors and developing products: TNZ, RTOs, Tourism operators |
The recommendation to reduce the number of RTOs was the one that caused the most controversy when the strategy was initially released (Douglas, S., personal communication, October 5, 2005). This researcher tried to find out what was the motive behind this recommendation or if it was part of a political or personal agenda, and many RTOs raised the same question. However nobody seemed to know, and no clear answer ever came forward. One of the objectives of this thesis is to try and present reasons for this recommendation and to examine the complexities and nuances that have arisen as a consequence of this recommendation. Most people interviewed, including RTOs, agree that there are too many RTOs trying to promote their own message and products in the international marketing arena and perhaps the only reason why the TSG recommended a reduction in their number was common sense and international marketing expediency.

The strategy also recommended a number of specific enabling strategies and new approaches to technology, human resources, research and development, infrastructure and investment and quality management which have not been reflected in Table 3.2: Overview of the New Zealand Tourism Strategy 2010. Responsibilities assigned to RTOs in these enabling strategies include: identification of regional training needs and co-ordination of training opportunities, building human resource capability and training at the regional level. It was noted that indirectly, RTOs have the potential to get involved with the technology strategy designed to support sustainable growth through: promoting marketing expenditure efficiency and effectiveness; assisting in destination management and understanding visitor needs, preferences and behaviours to potentially create one to one relationships with visitors to the region. Diagram 3.1: NZTS 2010: RTO Responsibilities, list the responsibilities identified in the strategy and the public and private sector agencies and operators they need to work with. This diagram highlights the responsibilities that fell upon RTOs but with no central support. The structure of the remaining chapters of this thesis has been framed around the main recommendations in Diagram 3.1: NZTS 2010: RTO Responsibilities.
Diagram 3.1: NZTS 2010: RTO Responsibilities

Responsibilities of RTOs

Destination Management
- Sustainable Tourism
- Tourism Planning
- Tourism Development
- Arts, culture and Heritage
- Community education and participation

Support Operators
- Developing quality products
- Authenticity
- Pricing Strategies
- Yield management
- Marketing

Enabling
- Regional Training needs
- Technology utilisation
- Operators & marketing

Destination Marketing
- Regional Events
- Regional Differentiation
- Facilitate joint initiatives in all parts of the marketing mix
- Domestic Tourism
- International Tourism

Public Sector Linkages
- Ministry of Tourism
- LGNZ
- Regional Councils
- Ministry for Culture & Heritage
- TLAs
- Other Govt Agencies

Private Sector Linkages
- TNZ
- Tourism Operators
- TIANZ
- Maori RTOs
3.9 Implications for RTOs that arose out of the strategy development process

It was recognised that a lot of responsibilities were being placed on RTOs with enhanced roles in destination marketing and management, domestic marketing, regional tourism planning and development and the facilitation of provision of services to tourism operators. The strategy recommended that there would be one-off funding and additional ongoing funding sourced from central and Local Government and industry operators (Tourism Strategy Group, 2001b, Appendix 9). The one-off funding was to be for back-office development, restructuring and efficiency development. The ongoing funding was to go straight to RTOs to assist with new roles not currently resourced, and for ongoing activities such as brand differentiation, facilitating Local Government planning and development and sector education (Cap Gemini Ernst & Young, 2001a). The strategy recognised that there was a need to increase the capability of RTOs both individually and as a group. There was also a need for best practice case studies, establishing uniform activities and measures of outcomes and rationalisation of RTOs to eliminate duplication of activities and better utilise resources.

Northland and Nelson RTOs were already undertaking some destination management activities. These two RTOs were present in the strategy development process. One was on the TSG and both were involved in the infrastructure, investment and regional development CBFG. The strategy recommended that RTOs incorporate elements of destination management but this did not mean that all RTOs agreed with this proposal and the strategy did not clearly articulate from where the funding was going to come. Chapter 9, RTO response to the strategy will study further the divergent responses and views of RTOs to the NZTS 2010. Other RTOs involved in other CBFG’s were Destination Taranaki, Hurunui Tourism Board and Destination Lake Taupo, and Tourism Auckland.

The role of central government in infrastructure/investment and regional development was raised by the consultants with representatives of OTSp. Issues included:

1) Was there a policy position on the current or appropriate future role of Local Government in tourism?
2) Was there an appropriate mechanism for ensuring that central government tourism policy and resources are effectively applied in the regions?

3) Which agency is most appropriate to co-ordinate, organise, and mobilise Local Government agencies’ role in tourism?

4) If the primary interface at a regional level is between TLAs and RTOs, is there a role for central government to play in facilitating / influencing / directing these relationships at a regional level?

5) Is there an ideal number of regional tourism organisations? How different is this from the current state? Is there a difference for planning/funding and marketing?

6) Which existing agency is the most appropriate to develop or modify a template for optimal performance of regional tourism plans and organisations?

These issues reveal the tourism public policy gaps that existed in New Zealand at the beginning of this decade. This historical investigation will address these six questions raised by the strategy consultants in the following chapters describing, from 1980 to the end of the 1990s, the public policy themes and gaps raised in the strategy that pertain to RTOs and how public policy (represented as the public/private sector partnership model) since the strategy’s release dealt with these complex issues.

3.10 Implementation of the NZTS 2010

The Minister announced on May 21, 2001 that central government would be making a financial commitment of $4.9m in 2001/2002 to equip the public sector to respond to the strategy. This commitment comprised (Burton, 2001):

1) Strategy Implementation $4m in 2001/2002 Vote Industry and $2.5m further years Regional Development

2) Tourism Data Set $600,000 in 2001/2002 New Vote Tourism $800,000 further years

3) Maori Tourism $338,000 in 2001/2002 Vote Maori Affairs
There was an immediate response to the NZTS 2010 recommendations by central government including:

1) The convening of an officials group to prepare a report for Cabinet by August 1, 2001 led by OTSp. The group included the State Services Commission (SSC), Ministry for Economic Development and Treasury. This group consulted with Te Puni Kokiri (TPK): Ministry for Maori Development.

2) A secretariat was established by the Minister of Tourism and the Chair of the TSG to consider recommendations relevant to both Government and key stakeholders in the industry. There were consultations with a wide range of public and private sector organisations about existing and proposed programmes related to the implementation of the strategy.

3) TPK started investigating ways to strengthen Maori RTOs.

4) DoC immediately commenced a study on the impact of increasing visitor numbers on the conservation estate (Cabinet Policy Committee POL (01) 198, 2001).

TNZ, TIANZ and RTOs also started investigating the implications of the NZTS 2010 recommendations for their operations and organisations.

In 2003, the Ministry of Tourism released *Towards 2010, implementing the New Zealand Tourism Strategy* (Ministry of Tourism, 2003). This report outlined what had been done to date and the challenges remaining. During the two years immediately after the release of the NZTS 2010, the Ministry of Tourism undertook a leadership role by funding and encouraging a number of projects.

Projects funded in relation to RTOs were:

1) Enhanced TNZ-RTO co-ordination;

2) RTO Best-practice governance and accountability;

3) RTO Best-practice operation manuals;

4) Formation of Regional Tourism Organisations New Zealand (RTONZ) to enhance collective activity, ensure consistency and raise capability;

5) Memorandum of understanding between RTONZ and Local Government New Zealand (LGNZ);
6) Designated tourism advocates within TLAs.

A detailed analysis of these projects is the subject matter of Chapter 9: RTO response to the strategy.

Table 3.3: 2003 Strategy Implementation: Challenges remaining for RTOs lists recommendations in the strategy which fall within the gambit of RTOs, that the Ministry of Tourism identified as not yet having been addressed and therefore still on the strategy implementation agenda. Challenges listed in Table 3.3, which this thesis will explore further in the following chapters, include:

1) Sustainable tourism planning and destination management;
2) Community and stakeholder understanding of and support for tourism;
3) Closer alignment between destination marketing and destination management;
4) Improving the structure, functions and capability of RTOs;
5) Improved governance and operational efficiency of RTOs.

In Towards 2010, implementing the New Zealand Tourism Strategy, there is silence on a number of the recommendations in Table 3.2: Overview of the New Zealand Tourism Strategy 2010 related to RTOs such as:

1) Rationalisation of RTOs into new and fewer NewRTOs;
2) Tourism planning;
3) RTO involvement in arts, culture and heritage;
4) RTO responsibilities in marketing, especially of regional events, regional differentiation and joint initiatives in the marketing mix;
5) Regional training needs;
6) Utilisation of technology;
7) RTOs assisting local tourism operators in the development of authentic, quality products and pricing and yield strategies and marketing.
<table>
<thead>
<tr>
<th>Strategy Themes</th>
<th>Challenges pertaining to RTOs that had not been addressed, as at 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>- Implementation of Qualmark, as a quality brand. Operators need to invest in quality to ensure that operators deliver on the quality promise underpinning the Strategy</td>
</tr>
</tbody>
</table>
| Marketing       | - Wider adoption of distinctive branding, through the use of the New Zealand fern mark: Greater use of 100% Pure by regions and companies  
                  - Greater focus on cultural tourism opportunities and products to differentiate New Zealand in the global marketplace  
                  - Closer alignment between destination marketing and destination management so they can work towards the same vision for the tourism industry in New Zealand |
| Capability      | - Promotion and use of pricing and yield management strategies  
                  - Business employing best practice in every aspect of their operations  
                  - Refinements to business training to better meet SME needs |
| Sustainability  | - Community support for tourism  
                  - Sustainable tourism planning  
                  - Sound destination management  
                  - Addressing the nervousness about whether sustainability represents simply another business cost which SMEs may feel they can ill afford |
| Community       | - Local Government to build its commitment to tourism in terms of awareness-raising, planning and forming relationships with both public and private sector bodies in tourism.  
                  - RTOs to work with partners to better align destination marketing and destination management  
                  - Initiatives to increase understanding of and support for tourism among stakeholders. |
| Alignment       | - Improve RTOs structure, functions and capability  
                  - Increase RTO efficiency and improve governance  
                  - Advocacy and co-ordination with TNZ for offshore marketing  
                  - Closer partnerships between Maori and RTOs for regional tourism planning, marketing and management |
Tourism public policy includes government action and inaction and decisions and non-decisions as inaction and non-decision can imply a deliberate choice (Hall & Jenkins, 1995): Do nothing. The silence on the above recommendations can be attributed to the fact that it is one thing for the TSG to list some great ideas, relating to RTOs, in a strategy document but another thing for the Ministry of Tourism and RTOs to implement all the recommendations immediately. The Ministry is due to undertake another review of the implementation of the NZTS 2010 in 2006 and only after this review can one assess if there has been an attempt to address the above issues and perhaps list them as challenges remaining to focus on in the remaining years to 2010 or if they remain great ideas in an historical strategy document.

In August 2004 the Ministry released the first issue of the On Track to 2010 newsletter (Ministry of Tourism, 2004a) as a means of communication to inform the tourism sector of the work and achievements in implementing the strategy. This issue had one article on RTOs (Ministry of Tourism, 2004c). RTONZ was described as an advocacy and project management organisation by Paul Yeo, the then RTONZ Chairman. Ten projects, supported by the Ministry of Tourism had been successfully completed. It was signalled that the next issue that needed to be tackled was RTO rationalisation as recommended by strategy. The challenging issue of rationalisation will be addressed in Chapter 8: The evolution of RTOs and Chapter 9: RTO Response to the NZTS 2010. An article on environmental and cultural sustainability (Ministry of Tourism, 2004b) also featured in this issue. Enterprise Northland approached the Ministry for the Environment (MfE) for assistance in developing a Sustainable Tourism Charter. Brian Roberts, TSG member and former CEO of Destination Northland is now heading Enterprise Northland. The Ministry of Tourism agreed to fund phase two of the project. The Ministry of Tourism announced in 2005 (Ministry of Tourism, 2005c) that it was supporting five other regions in the establishment of Sustainable Tourism Charters, four years after Tourism Rotorua initiated a sustainable charter for its members. RTOs were required to bid on behalf of their region. RTOs will work with the Ministry for the Environment and the Ministry of Tourism. RTOs and their role in sustainable tourism is the subject matter Chapter 5: Destination Management.
3.10 Conclusion

Simpson (2002) made reference to the NZTS 2010 as being New Zealand’s first ever national tourism strategy. If one takes a narrow definition of what is meant by a *strategy*, perhaps this is the case. Chapter Six will however provide details of two tourism policy documents issued in 1984 and 1990 that raised a broad spectrum of tourism public policy issues in a strategic context. The NZTS 2010 is not really a strategy from a strict strategic management perspective as it is too general and therefore documents such as *New Zealand Tourism: Issues and Policies* (New Zealand Tourism Council & New Tourism and Publicity Department, 1984) and *Destination New Zealand (Tourism Marketing Strategy Group, 1990)* can be labelled national tourism strategies. Simpson (2002) also described the NZTS 2010 as an ‘economic’ approach to tourism planning, but it is not clear if he was referring to TIANZ’s original purple document (TIANZ, 1999) or the final NZTS 2010 (Tourism Strategy Group, 2001b). The original purple document from TIANZ’s perspective was economic and bottom line profit driven (Burns, G. personal communication, September 19, 2005). However, by the time TPK, LGNZ and DoC came on board the TSG, with OTSp ensuring the TSG work within the Labour Government’s vision for tourism, the final version of the strategy could not be called a purely economic approach to tourism. The following chapters will be exploring the economic and non-economic themes contained in the NZTS 2010 viewed through the lens of RTOs.

The NZTS 2010’s themes and recommendations for RTOs, which are summarised in Diagram 3.1: NZTS 2010: RTO Responsibilities, will shape the structure of the remaining chapters, starting with a literature review of destination marketing and destination management. This will be followed by two chapters providing a historical and descriptive political analysis of central and Local Government agencies and their relationships with RTOs and the private sector. Chapter Eight on the evolution of RTOs will examine the roles and functions of RTOs as they developed through the 1980s and 1990s, in the context of the main tenets raised in the strategy and identified in Diagram 3.1: NZTS 2010: RTO Responsibilities. This chapter will focus on the rationalisation of RTOs, funding, domestic and
international marketing, tourism planning and product development and their linkages with both the private and public sector.
Chapter 4 Destination Marketing

4.1 Introduction

The challenge RTOs face is “marketing a multi-attributed destination in a heterogeneous and dynamic global market” (Pike, 2004, p. 3). At the most basic level, destinations are communities based on local government boundaries. The WTO (2002) described a local tourism destination as having “physical and administrative boundaries defining its management, images and perceptions and defining its market competitiveness. Local destinations incorporate various stakeholders often including a host community and can nest and network to form larger organisations” (p.2). The NZTS 2010 specified destination marketing as a major responsibility of RTOs. Pike (2004) describes tourism marketing as an exchange process between the supply-side of the tourism product, and the demand-side, driven by consumers/visitors. Central to destination marketing is government intervention in tourism.

To understand the marketing activities undertaken by Tourism Organisations, it needs to be appreciated that for the most part they are quasi-public sector bodies, primarily funded by local and national government, and often have politicians present on their executive and/or advisory boards. In addition, in some instances, the funding authorities will effectively delegate to the NTO or RTO a number of responsibilities that de facto places the NTO or RTO in the position of possessing that authority’s main source of tourism expertise. Thereby, the tourism organisation becomes an important source of advice and indirectly influences policy in matters beyond promotion. Product development thus shades into a consideration of social and environmental issues (Ryan & Zahra, 2004, p. 80).

This chapter focuses on destination marketing within the context of the political activities and processes that RTOs can be subject to. Managing tourism within defined boundaries or destination management is the subject matter of the next chapter. The following chapter will also address the non-marketing functions of
RTOs and the political processes related to ‘management’ of tourism at the local level.

Some argue that tourism marketing should be left to market forces, and that central and local government funding of tourism organisations such as TNZ and RTOs is a subsidy to the tourism industry. This thesis in examining the structure and processes of public and public/private sector bodies in tourism needs to consider the arguments for and against government intervention in tourism via destination marketing. This chapter will examine funding models and structures of tourism organisations, this section will also briefly describe marketing and promotion concepts pertinent to RTOs. Following this is a multi-paradigmatic analysis of the issues associated with marketing a destination or place that moves beyond the marketing functions of the RTO and examines the implications of tourism marketing for the community, concerns alluded to in NZTS 2010. Finally this chapter will discuss networks, the formation of alliances and stakeholder theory in light of the NZTS 2010 and RTOs’ roles in destination marketing.

4.2 The case for public sector support for tourism

International organisations such as Organisation for Economic Cooperation and Development (OECD) and the World Tourism Organisations (WTO) justify public sector support for tourism development and promotion based on economic, political, social and environmental arguments. One of the most common arguments for government financial support in tourism is market failure (Alford, 2005; Pike, 2004). Yet the strongest argument for government intervention at the regional level is economic development (Dredge, 2001). Bonham and Mak (1996) argue that intervention in the form of public funding is necessary because tourism promotion is a public good and thus the benefits are enjoyed by all. Tourism marketing, especially international marketing, “is a good example of where government intervention is necessary. Because of the diversity and differences in the industry it is difficult to get agreement and raise funds for marketing promotion, and therefore government organisations and funds are necessary” (Elliott, 1997, p.181). Wanhill (2000) argues that government intervention in tourism marketing is driven by the complexity of the tourism product. This
section will provide an overview of the arguments for public sector support for tourism and more specifically the marketing of tourism.

4.2.1 Market failure
The notion of market failure stems from Adam Smith who argued that government has a “legitimate role in providing those services which benefit the community but which the market mechanism, driven by self-interest and profit, could not” (Michael, 2001, p. 310). If the supply and demand for tourism were left solely to market forces the industry would not operate efficiently and the economic and social benefits would not be realised (Alford, 2005). The tourism industry is comprised of numerous operators; most of them small, yet in the consumers mind they are all perceived to be part of the one product. Poor product/service delivery of one supplier or sector can have a flow-on negative impact on other suppliers (Pike, 2004). Effective interrelationships and collaboration between stakeholders is required for the tourism industry to succeed and deliver visitor satisfaction (Collier, 2003). It is very difficult to identify who belongs to the ‘tourism industry’, transport operators, national parks, museums, recreation reserves, local amenities, pubs, cafes and retail outlets can all be included. Additionally, besides this variety of suppliers, most operators in New Zealand are Small Medium Enterprises (SMEs).

It is extremely difficult for tourism to adopt a cooperative producer board approach, such as is found in the horticulture and agriculture industries due the difficulty in identifying those businesses that benefit from tourism spending. Since the vast majority of businesses are small businesses a vast pooling of resources would be required to achieve a reasonable destination marketing budget (Pike, 2004, p.27)

Central government funding for TNZ and local government funding for RTOs, is justified to correct an inability to achieve marketing economies and a poor realisation of social benefits.
4.2.2 Fragmentation
Market failure leads to fragmentation of the industry. There is the dilemma of who will claim responsibility and bear the cost for marketing and promotion. In theory a collaborative pool of financial resources can be raised to promote the country/region yet competitive elements remain amongst suppliers and an impartial facilitator is generally required to initiate and coordinate campaigns (Alford, 2005). RTOs fulfil the role of an umbrella organisation, given the volume of SMEs in the regions, and are entrusted with the responsibility of directing and coordinating marketing campaigns.

4.2.3 Industry risk
Market failure and fragmentation can lead to an increased perception of high financial risk and low returns on investment for tourism operators. The authenticity of the tourism product and visitor satisfaction in New Zealand is also correlated to the service delivery of SMEs. However, SMEs have a financial disadvantage in comparison to larger operators as they do not have the financial base to invest (and expect a return on investment) in research, tourist information, marketing and promotion. The NZTS 2010 identified RTOs as fulfilling this role by supporting operators through yield management, pricing strategies, marketing, product development and providing regional training needs.

4.2.4 Free riders
With the existence of market failure, fragmentation and the tourism product not owned and managed by a small number of large operators, the investment of some firms in marketing their own brand or product will have spill-over benefits to others both inside and outside the industry. Known as free riding, the beneficiaries of tourist spending do not contribute to the costs of attracting tourists in the first place (Alford, 2005). It is the classical dilemma of where a ‘free-rider’, personal self-interest can threaten collective action, the absence of which threatens the individual; but if collective action exists, non-payment of promotional fees is an economic gain. The benefits of tourism are widespread and therefore government needs to support tourism marketing via organisations such as TNZ and RTOs. Even on a collective NTO or RTO basis, free riding solely amongst tourism
operators can inhibit the private sector in funding tourism organisations, an example being the Hawaii Visitor Bureau (Bonham & Mak, 1996).

4.2.5 Consumer risk and infrequency of purchase
Tourism products/services operate at some distance from the point of purchase. The tourism product cannot be examined before purchase and therefore presents a risk to the consumer. This perception of risk is reduced when the consumer can rely on government assurances about product quality and value for money (Alford, 2005). Purchase of a tourism product is not a regular purchase for most consumers and therefore perceived as high risk. Efficient information, price, product and booking mechanisms are required in a highly competitive market, otherwise the consumer will go elsewhere. Government intervention through vehicles such as TNZ and RTOs fills the gaps left by the private sector and minimises consumer risk.

4.2.6 Economic development: National and regional
Tourism is labour intensive with little scope for capital substitution in the production of tourism services and therefore is perceived as a major source of employment. It is also a foreign exchange earner, leads to diversification in both the national and regional economies and increases government revenue, especially in New Zealand as Goods and Services Tax (GST) paid on products and services cannot be reclaimed by the tourist. It is against the background of wealth and job creation that government tourism policies are developed (Hall, 1994; Pike, 2004; Shaw, Greenwood, & Williams, 1988). “Government recognition of the economic value of tourism activities to communities has to a large extent been responsible for the proliferation of DMOs [destination marketing organisations] world wide” (Pike, 2004, p.25).

Other arguments for public support for tourism not directly related to marketing include: provision of infrastructure, border controls, spatial distribution, protection of resources, legislation and regulation, crisis management, social benefits (Pike, 2004), institutional structure and guardianship of the resource base (Wanhill, 2000).
4.3 The case against public support for tourism

Tourism marketing organisations such as RTOs are vulnerable to waning public sector funding support, when other interests bid for limited central or local government funds, or when politicians promise tax cuts. This is compounded when the prevailing philosophy is for a diminished role for government in society (Wanhill, 2000). Arguments commonly presented include:

a) Reducing government expenditure, reduces the need for taxation; thereby leaving income in the hands of income generators;

b) Public sector expenditure interferes with the market system by distorting price/demand relationships;

c) Reducing taxation can increase profitability for industry who can then invest;

d) Reduced political funding reduces political intervention in the industry and thus removes sources of distortion in resource allocation arising from individual political aspirations.

The major problem associated with public funding for destination marketing is the difficulty to specifically quantify RTO outputs and its contributions to the success/improvement of the destination, which leaves marketing organisations open to attack from politicians and other industry sectors, seeking justification for the non-funding of tourism marketing from public funds (Pike, 2004). Marketers have also criticised the public sector’s involvement in tourism as it is perceived to be monopolistic in character, and lagging behind the private sector in responding to the needs and requirements of consumers, citizens and a rapidly changing global economy (Kotler, Haider, & Rein, 1993). The political scenarios associated with the establishment of the New Zealand Tourism Board (NZTB) relayed in Chapter Six will illustrate that the larger private sector tourism operators did agree with Kotler et al. (1993) in the early 1990s, arguing that the private sector would be more responsive and professional in marketing New Zealand internationally. However these tourism industry representatives did not want to relinquish public sector funds, only public sector control.

Other arguments against government funding of tourism relate to non-marketing effects, such as the negative impacts on: the character of the destination; the social
and cultural effects on the host community and the local economy due to profits going to outside investors and most of the employment being low skilled and low paid (Pike, 2004).

4.4 Destination Marketing Organisations: Funding models and structures

Organisational structure should drive funding models, but for most RTOs the funding model drives the structure. Funding is a critical issue for RTOs since they do not have products or services of their own to generate revenue (Pike, 2004). Alford (2005b) cites a survey, commissioned by WTO, of 239 national and regional tourism organisations describing the source of their funding from either the public or private sector. The results of this survey are reproduced in Table 4.1.

Table 4.1: Funding status and structure of national and regional tourism organisations

<table>
<thead>
<tr>
<th>NTO</th>
<th>Region</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>National government department</td>
<td>47</td>
<td>2</td>
</tr>
<tr>
<td>An agency accountable to national government</td>
<td>41</td>
<td>3</td>
</tr>
<tr>
<td>A department of regional, provincial/state or local government organisation</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td>An agency accountable to a regional, provincial/state or local government organisation</td>
<td>36</td>
<td>20</td>
</tr>
<tr>
<td>A ‘not for profit’ public/private partnership</td>
<td>13</td>
<td>21</td>
</tr>
<tr>
<td>A ‘not for profit’ association of tourism businesses</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td>A profit driven commercial company</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>13</td>
</tr>
</tbody>
</table>

Source WTO (cited by Alford, 2005)

At a national level the funding model is predominately public sector led while at the regional and city levels there is proportionately more private sector involvement. Yet overall the major funder of tourism organisations both at the national or regional level is the public sector. The partnership of the public/private sector model is increasingly being used in developed countries. A requirement for
Chapter 4 Destination Marketing

this model is that the private sector must contribute a reasonable component of the
total costs of tourism promotion (Alford, 2005b). The New Zealand national
model with Tourism New Zealand (TNZ) is not strictly speaking a public/private
sector model as TNZ is accountable to and chiefly funded by central government
even though TNZ does enter into joint off-shore marketing activities with the
private sector. The public/private partnership model generally involves a mix of
SMEs and the larger scale tourism operators who become engaged in strategic
planning and strategic marketing decisions as well as tactical campaigns (Alford,
2005b). The TNZ CEO answers to a Board, the majority being representatives
from the private sector, therefore the private sector does have a say in the strategic
direction of the offshore marketing undertaken by TNZ. This demonstrates that
the line between the public and private sector is not clear (Elliott, 1997).

The high dependency on public sector funding leaves many tourism organisations
vulnerable to their political masters (Pike, 2004) and political processes (Ryan &
Zahra, 2004). A number of examples can be cited of how RTOs have struggled to
survive or have ceased to operate in New Zealand, such as Tourism Taranki and
Tourism Waikato (Ryan & Zahra, 2004); in Australia (Jenkins, 2000); Scotland
(Kerr & Wood, 2000) and the US (Bonham & Mak, 1996; Sheehan & Ritchie,
1997). Some RTOs have another complicating layer added to their funding woes
with tourism boundaries not matching local government boundaries and some
RTOs needing to lobby several different councils for funding support (Bramwell
& Rawding, 1996; Kerr & Wood, 2000; Pike, 2004). Lobbying absorbs already
scarce funds and RTO personnel. The NZTS 2010 suggested a rationalisation of
RTOs to maximise limited resources and minimise back office costs, but any cost
savings may be absorbed by additional expenditure on lobbying.

Some RTOs supplement funds for destination marketing through the provision of
other services such as commission on sales (Bramwell & Rawding, 1996) or
through subsidiary visitor information centres (Pike, 2004), but these measures
have associated problems as highlighted by Bramwell and Rawding (1996) and
Pike (2004).
Chapter 4 Destination Marketing

The range of names of RTOs: Christchurch and Canterbury Marketing Ltd, Venture Southland tourism, Destination Northland, Go Wairarapa, Latitude Nelson, Hawke’s Bay Tourism hint at the range of structures possible, not only for RTOs in New Zealand but around the world. The NZTS 2010 did not go as far as to suggest specific structures for RTOs but sought only clarification of the functions, roles and rationalisation. There have been moves in recent years for the rationalisation of RTOs with Pike (2004) citing Scotland, 32 to 14 and Western Australia 10 to 5, but this was coupled with a commitment to annual funding of RTOs by central and state governments. There was silence in the final version of the NZTS 2010 regarding funding for new and fewer RTOs from central or local government sources. Pike (1995) provides a good description of tourism organisation structures:

There is a plethora of DMO structures, with no widely accepted model. Historically, DMOs emerged as government departments or as industry collectives. More recently there has been a shift towards the establishment of public-private sector partnerships (PPPs), as a way of ensuring destination marketing programmes are industry driven but accountable to public funders (p. 67)

Linked to structure and funding of RTOs is governance. However, the distinction between politics and governance is problematic. Politics in decision-making is a significant component of NTO/RTO decision making and perhaps unavoidable (Pike, 2004). Ryan and Zahra (2004) and Zahra & Ryan (2005a) provide a number of examples at both the NTO and RTO level of political interference in tourism organisations. Pike (2004) claims that “from one perspective politics may be viewed as the art of getting things done” (p.61), yet Elliot (1997) believes that the most insidious corruption “is organisational corruption, where public objectives and principles are displaced by private objectives” (p.7). Elliot (1997) outlines five general principles underlying governance of bodies funded by the public sector:

1) Public interest. Public sector managers are to manage in the interest of the public and not for any private, political or commercial interest. “Public sector managers have a much wider responsibility to the whole of society
and not just to their organisation or tourism sector” (Elliott, 1997, p.41), hence the formality and sometimes bureaucracy associated with process, regulations and systems of accountability to ensure there is no abuse of trust and power assigned to them.

2) **Public Service.** The foundation of tourism management should be service to the people and not “just achieving economic objectives and responding to market demands but also for social objectives, social justice and equity” (Elliott, 1997, p.42). This is reflected in the NZTS 2010, especially the objective of *securing and conserving a long term future* espousing goals of environmental protection, Maori participation and tourism embracing social and community values.

3) **Effectiveness.** Effectiveness is measured by the achievement of the goals and objectives of the organisation. Formal organisational objectives cannot be replaced by informal private objectives and the task of managing the organisation and associated management of stakeholders, political and vested interests does not supplant the achievement of objectives. “Tourism is so important economically that it requires effective PSM [public sector management or governance] but also because it is so potentially destructive” (Elliott, 1997, p.43).

4) **Efficiency.** Gaining the most value out of public sector expenditure. Managers need to ensure efficient use and control of resources, finance and personnel and cannot be accused of wasting public funds.

5) **Accountability.** Incorporates control, monitoring, answerability and evaluation and the four previous principles. Ultimately it is the Minister who needs to account to Parliament, the public and the media for the actions of TNZ, the Ministry of Tourism and the Mayor and elected councillors for RTOs. Elliot (1997) states that “ideally there should be no conflict between the wishes of the government of the day and the public interest and so no conflict for public sector managers” (p.44). However we do not live in an ideal world.

Open to debate, is how the board or the governing body of a tourism organisation should be structured. Should the Board be small or large, directors appointed or elected, if appointed, by whom and how long should the term of appointment be?
For publicly funded RTOs it is argued that the board should in some way be accountable to the local electorate (Bramwell & Rawding, 1996) and this can be achieved through local councillors being part of the board or a board election system. The risk of special interest groups and/or sectoral interests using governance bodies to serve self interests has been documented (Greenwood, 1993; Kelly & Nankervis, 2001; Ryan & Zahra, 2004). It has been difficult to appoint/elect the right people to match the responsibilities associated with boards/governing bodies, leading to a focus on: 1) tactical marketing instead of strategic marketing (Pike, 2004); 2) operations thereby overlooking the ‘big picture’ (Kelly & Nankervis, 2001, p. 3). The very wide diversity of sectors and interest groups all around the same table pushing their own agendas and placing obstacles to consensus (Gee & Makens, 1985). Parochialism in New Zealand has also bedevilled the governance of RTOs (Ryan & Zahra, 2004). The NZTS 2010 did not raise the governance of tourism organisations but RTOs in responding to the strategy did (MacIntyre, 2002).

4.5 Marketing the Tourism Destination

The objective of this thesis is to describe, within a political context, how RTOs have evolved over the last twenty five years. One of their main functions, if not their only function, is the promotion or marketing of tourism. The technicalities of marketing will not be elaborated on as RTO marketing (strategic or tactical), is not a major or secondary objective of this thesis. This section and the following one will briefly examine the attributes of marketing that are unique to destination marketing organisations and the complexity associated with marketing a destination leading to political pressures and processes.

Marketing is about product design, price, service delivery and promotion. Yet RTOs have no control over a often eclectic range of tourism products on offer in their destination and have little influence over price and service delivery, leaving therefore only promotion. The challenge for RTOs is to collect this assortment of products, prices and quality and present it to “the market in a way that not only cuts through the clutter of crowded markets to offer benefits desired by travellers, but also satisfies the interest of host community, local businesses and travel intermediaries” (Pike, 2004, p.4).
Marketing for any organisation needs to be addressed in the context of the strategic planning and management goals of the whole organisation. The dilemma in the organisation of this thesis was which chapter should be first, destination management or destination marketing. In good organisational management both are intrinsically linked to each other. Destination marketing came first in this thesis as this is the *raison d’etre* for most RTOs. Tourism marketing is part of the economic component of tourism but economics is only one dimension. Marketing theory, principles and practices are a derivative of the profit-motive business model that has been applied to non-profit organisations, such as RTOs.

Heath and Wall (1992) provide a strategic framework for regional destination marketing starting with a situational analysis incorporating an environmental and resource analysis leading to regional goal and strategy formulation. This is followed by marketing strategies: selecting the target market(s); positioning the region amongst competitors in the market place and deciding on the regional marketing mix: product, pricing, distribution and promotion. Finally, the regional organisation structure and management support systems (information, planning and evaluation) to deliver the strategic and marketing goals and objectives are set in place. This rational, positivistic, prescriptive approach does not accommodate the complex political dimensions that RTOs need to accommodate. Another problem faced by RTOs is their ability to engage in strategic and tactical marketing which may be compromised by the 12 month funding cycles of the TLA. Strategic management, of which marketing is a component and the difficulties associated with its application in a destination context are dealt with more extensively in the next chapter. This section deals with some of the more problematic elements of destination marketing with specific reference to those issues that were raised in the NZTS 2010 such as *building and integrating the New Zealand brand, regional differentiation and joint initiatives in all parts of the marketing mix*. Dredge and Jenkins (2003) found that one Australian State’s top-down regional tourism agenda chiefly focused on marketing as a globally competitive regional product, led to dysfunctional behaviour such as RTOs concentrating on improving local competitiveness through regional product differentiation at the expense of international destination place marketing. The
NZTS 2010 recommendation of RTO rationalisation has the potential to be perceived as a top-down approach to regional destination marketing.

“Branding is at the very heart of marketing strategy, and so the purpose of all destination marketing activity must be to enhance the value of the brand” (Pike, 2004, p.69). The purpose of developing a destination brand is speedy identification and value recognition (Kotler & Gertner, 2002) in a highly competitive and crowded market in which destinations are becoming increasingly substitutable (Morgan, Pritchard, & Pride, 2004). Destinations need to create a unique identity and differentiate themselves from their competitors. Successful brands all have a clearly defined core or personality (Crockett & Wood, 2004) that is both distinctive and enduring (Aaker, 1996). The central, timeless essence of the brand endures and remains constant (Aaker, 1996) regardless of changing target markets and advertising strategies. Operating in an experiential market instead of a commodity based market; price does not produce a competitive edge. Instead emotional provocation leading to a quick and decisive purchase decision supplies the advantage. The challenge for all destination marketing organisations is how to deliver this given small budgets, little control over the delivery of the product, vulnerability to political pressures and balancing the needs of a range of stakeholders. Additionally, much of their available marketing material is produced by others over whom they have some influence but no control and who generally create promotional material with little or no reference to other attractions and accommodation suppliers in the destination.

Branding implies that the marketing budget, specifically those components allocated to strategic marketing and brand advertising, be regarded as a long term investment of consumers’ association with the brand (Pike, 2004). The problem is that most RTOs have very short time-frames in their funding commitments and their funders want to evaluate the immediate returns on their investment before they commit future funding. RTOs generally do not have shareholders that are willing to sacrifice some return on their investment for a year or two on the condition that it is recouped later in the form of higher returns along with a capital gain on the investment. Indeed this is one reason why RTOs often have vested interests in economic impact studies that emphasise the economic contribution
tourism makes to a region, as such studies help justify RTO existence and expenditure.

Destination brand identity is represented through brand image in the mind of the consumer and alignment of both is crucial for regional differentiation. Branding requires wide-ranging and ongoing market research in identifying and creating brand values (Morgan et al., 2004). Market research is also required in understanding consumer decision sets in assessing destination image (Pike, 2004). Along with short term funding commitments very few RTOs can allocate significant resources towards any research, especially any on-going research. If RTOs are able to convince their funders and stakeholders to commit ongoing resources to build a destination brand based on long term effort another problem arises out of short term political cycles that deliver new political masters, who generally have a new agenda that seeks to differentiate themselves from the previous regime.

Destination positioning is what delivers the aligned brand identity and image to the consumer via a simplified and focused message that cuts through both information overload in the market place and clutter in the consumers’ mind. Positioning requires a frame of reference with competitive destinations (Pike, 2004) that offers differentiation. The challenge faced by RTOs is tailoring a sometimes large and diverse product range “to meet the needs of target segments, to gain ‘cut through’ in crowded heterogeneous and dynamic markets” (Pike, 2004, p. 115). To reap the long term benefits of successful branding and positioning a consistent message is required. “It takes patience to establish brand reputations and building a powerful destination brand is a long term effort, which more often than not yields incremental and not exponential results” (Morgan & Pritchard, 2004, p.73). To successfully differentiate New Zealand regions to compete in a global market place, RTOs, especially their CEOs need to be highly competent marketing experts as it is not a game for amateurs or the inexperienced. The funding instability and political insecurity surrounding most RTOs is not supportive of consistent brand positioning or conducive in attracting and retaining high calibre marketing staff.
The New Zealand brand 100%PureNewZealand, has been described as a holistic place brand and this is an example of a brand building initiative that is inclusive of tourism and economic development (Morgan et al., 2004). Most RTOs are independent of the economic development units in local government, and tourism regional boundaries are not aligned to geographic regional boundaries, based on watersheds which are the basis of regional council boundaries in New Zealand. So while it is easy to build a holistic place brand for a country it becomes problematic at a regional level in New Zealand. The link between branding and economic development is pertinent to RTOs with the strengthening of economic development units in local government, and with some RTOs either combining with or falling under these units, while in other regions these units can be envious of the perceived prestige of and resource allocation to RTOs.

4.6 Evaluation Models for marketing

One of the factors contributing to destination marketing being a political baton and vulnerable to being used for political point scoring, is the difficulty in measuring and evaluating the performance of RTOs’ marketing activities. RTOs focus on the marketing inputs such as the amount spent on trade events, advertising, and publicity rather than outputs or impacts. Public sector funding requires accountability and there is pressure on NTOs and RTOs to measure their effectiveness. Challenges inherent in evaluating destination marketing include (WTO, 2003):

1) Access to robust data. Detailed regional statistics are often not available. Visitor data can be derived from the International Visitor Survey (IVS) and the Domestic Tourism Survey (DTS) but issues pertain to reliability due to sample size. The RTO does not own the product it promotes and operators may be unwilling to provide information such as occupancy rates, number of visitors, changes in yield and profitability.

2) Difficulty in evaluating the outcomes of the different components of the marketing mix on destination performance such as website, media relations, trade events and promotion events. Proxies do exist such as the number of hits and bookings through websites, enquiries received and conversion rates etc. that permit some limited trend analysis.
3) Distinguishing the individual impacts on destination performance such as NTO marketing activities from RTO’s marketing activities; new product development; major events/attractions etc.

4) Isolating impacts of uncontrollable external environmental variables such as economic cycles, exchange rate fluctuations and weather from the impacts of RTO activity. A limited form of discrepancy analysis might be possible, but for most RTOs neither the resource of time or expertise exists.

5) Differentiating between the impact of prior knowledge and image of the destination and the RTO’s recent marketing activities in inducing visitor decisions to travel.

6) Isolating RTO marketing activities from the marketing activities of the tour operators/travel agents in the originating destination.

7) Difficulty in estimating the time frame for which specific marketing activities can have an impact. Consumers can be convinced that the destination is a priority preference but years could pass before they undertake the trip.

All these challenges contribute to the political vulnerability of RTOs.

4.7 A Multi-paradigmatic analysis of destination marketing

The chapter so far has focused on the destination as a commodity to be promoted and sold (Philo & Kearns, 1993) and has not evaluated the implication of destination marketing on the people living in the destination (Hall, 1997). Most marketing discourse is located within the positivistic/empiricist paradigm and therefore problem oriented, seeking ‘practical’ solutions to ‘practical’ problems. Most, but not all the issues raised in the previous sections can be classified as positivist. The problematic analysis of the political processes of destination marketing can traverse both interpretative and critical theory paradigms. Destination image has not been dealt with deeply in this chapter but postmodernism has been a useful paradigm to deconstruct image (Dann, 1996b; Wang, 2000).

Destinations are competing against one another in a global market place, not just from a tourism perspective but also for economic development purposes. It is perceived that destinations need to mimic the corporate/capitalist model by
developing products, being customer and market focused and seeking to maintain a competitive edge (Kotler et al., 1993). A destination needs to satisfy target markets and buyers of the goods and services that the destination has to offer, therefore place buyers (tourists and investors) have the advantage over place sellers (tourism operators, local communities) (Kotler et al., 1993). Destinations that can respond to rapid change in a globalised economy will succeed and those that cannot will become marginalised.

Destinations become economic commodities and contemporary monetarist economics can trace its roots to the philosophy of liberalism. The labelling of ‘factors of production’ as in Marshallian economics of the 1880s with capital, wealth creation and humans reduced to a resource and equated with land and equipment all had precedence over humans as persons. Hall (1997) states that “in objectifying place as a commodity, as within the empiricist tradition of the majority of marketing, including tourism marketing, the people constituting place have been placed outside of the place marketer’s frame of reference” (p.66). Local people, along with their dignity and associated rights, one right being to shape their own identity partially based on their cultural and geographic heritage, are part of the destination. Yet the role and significance of the local inhabitants are generally overlooked in destination marketing (Hall & Jenkins, 1995). Trauer and Ryan (2005) also highlight human interaction, including that between visitor and host, as an important component of destination experience and image and comment that this perspective is broadly missing from traditional destination marketing.

Destination branding and image should not only be developed by tourism or marketing experts but also by local people and this process should facilitate critical analysis of the purpose and beneficiaries of tourism development and destination marketing (Hall, 1997). The NZTS 2010 espouses: *manaakitanga* visitors receiving the warmth and hospitality of the local people; tourism planning processes that uphold community values and involve these communities in identifying local assets and defining acceptable limits to change and thirdly, community values are incorporated as part of sustainable tourism development (Tourism Strategy Group, 2001b). The strategy in its second objective: *Marketing*
and managing a world class visitor experience did not consider the communities but only focused on the techniques and tools of the specialists to market New Zealand for economic gain. The strategy did emphasise the need for the alignment of destination management and destination marketing and this responsibility was passed onto local government and RTOs. The TSG highlighted fragmentation as major weakness of the New Zealand tourism industry yet the strategy itself fosters fragmentation by segregating those responsible for destination management such as local government and DoC and destination marketing such as TNZ and the private sector.

4.8 Networks, Strategic Marketing Alliances and Stakeholder Theory

Regional tourism marketing in New Zealand has been characterised by public and private sector networks and international marketing alliances such as the now defunct Centre-Stage. Networks are socially, culturally and historically situated (Dredge, 2006) and subject to political processes. Network theory is concerned with formal and informal public/private sector organisational arrangements that transcend organisational boundaries and structures (Rhodes, 1997) and assumes that “relationships do not occur within a vacuum of dyadic ties, but rather in a network of influences, where a firms stakeholders are likely to have a direct relationship with one another” (Rowley, 1997, p. 890). Networks require a commitment by members to work towards common goals leading to knowledge transfer, innovation and competitiveness (Porter, 1990).

Network theory has been applied to a number of tourism settings and “used as an organising concept to understand the messiness of local tourism networks” (Dredge, 2006, p. 279). Pför (2006), documents how the private, public and non-profit sectors and actors shaped tourism policy in Northern Territory, Australia. He focused on three different network analyses: influence/reputation, cooperation in activities and participation in communication and activity exchanges. The findings show a strong alliance between political and business interests in tourism mostly based in Darwin with only one RTO having a significant role to play in the network. There was evidence of a traditional top-down tourism industry approach ignoring outside interests such as community, indigenous and environmental
groups. Pavlovich (2003) demonstrated how networks between organisations within a destination can be self-organising and lead to competitive advantage. She used the construct of density to describe the structure of the network and the ties that link the actors within the network. These ties can be either weak or strong. Another construct in her study is centrality or the nodal position in the network. Centrality focuses on how resources are used in the network, the emphasis being on power rather than individual attributes and importance given to the position that the organisation has, the more central the greater importance to the network’s coordination functions. She found “that limited relational ties within the destination contributed to limited resource and information flows” (Pavlovich, 2003, p. 215) but as the ties increased the exchange of information led to knowledge creation throughout the network.

Dredge (2006) in her qualitative study of the complex relationships between local government, a local tourism organisation, industry and the local community did not solely focus on the structural-functional relations of network theory but also investigated the less tangible, social and cultural dimensions of networks. She found that

Networks operate within and outside formal arenas to craft the spaces in which the formation of the local tourism association was debated, created and implemented. Limited agreement as to roles, responsibilities, competition and poor communication contributed to unstable relational ties. Moreover, the imbalance between active and inactive network membership tended to raise destabilising questions about the legitimacy of the organisation (Dredge, 2006, p. 279)

The effectiveness of networks rests on network diversity, the role of nodal points, direction of information flow, mutuality and inclusiveness.

This chapter has demonstrated the complexity of relationships that RTOs manage and the difficulties associated with managing and marketing a destination. Those responsible for marketing a destination, be it national or regional, recognise their interdependence and some have formed tourism marketing alliances (Bhat, 2004;
Palmer & Bejou (1995). Some of the benefits of marketing alliances are: economies of scale through the pooling of resources; knowledge transfer leading to risk reduction and synergy; collective collaboration can achieve more than the combination of individual efforts. The essential features of an alliance are: joint dependency, collaboration, improved competitive position and a long relationship (Collins & Doorley, 1990). Bhat (2004) identifies tourism marketing alliances to be characterised by: combination of private and public sectors; ongoing and involve multiple organisations; no choice in partner selection and lack of clear and separate management structure leading to blurred boundaries. Therefore tourism marketing alliances have different characteristics to other alliances such as joint ventures.

Palmer and Bejou (1995) compare and contrast tourism marketing alliances in the UK and US. The UK alliances were more developed with strategic marketing activity, stronger stakeholder involvement and financial commitment such as shares in the alliance or investment in jointly funded activities and featured smaller governing bodies. Most of the funding for the US alliances came from the public sector (taxes) rather than stakeholders, with larger governing bodies. Stakeholders had less formal involvement in the alliance and the focus was on operations and promotion. The authors concluded that the social and cultural environment can influence marketing alliances and that no one marketing alliance structure is applicable to all tourism destinations.

There is pressure in the international marketing arena for RTOs in New Zealand to form marketing alliances. The international market perceives New Zealand as a country and can only cope with a small number of geographic/regional offerings, and that New Zealand can only provide a regional offering that makes sense to Australians (Hickton, G., personal communication, October 5, 2005). A top-down approach by TNZ that is not embraced by RTOs will lead to short-lived marketing alliances. The International Marketing Alliances (IMAs) were formed in accordance with a MOU that was agreed between TNZ and RTONZ. This MOU defined the activities and markets that the IMA structure would be applied to. It was not intended at the time that the IMA model would be applied to all RTO/TNZ offshore marketing initiatives. Currently the networks and
communication channels between TNZ and RTOs are strong and since George Hickton has been CEO of TNZ he has provided strong leadership and support for RTOs (Osborne, G., personal communication, December 20, 2005). However if a leadership vacuum appears and political elements amongst RTOs becomes divisive the current marketing alliances arrangement can rapidly destabilise.

Both networks and marketing alliances take into account stakeholder theory or more specifically stakeholder interests. “Networks and economic clustering strategies have been applied unproblematically and do not take into account that stakeholder interests coalesce temporarily and that struggles between interests do indeed take place that continuously redefine the nature of action” (Dredge, 2006, p. 269). Stakeholders in an Australian RTO, rejected historical notions of intra-regional homogeneity and asserted their differences while concurrently developing alliances with complementary products and services outside their region. This study (Dredge & Jenkins, 2003) found that stakeholders in asserting their identity (parochialism) led to both a marketing edge and RTO instability. Stakeholder theory and the marketing rationale of an RTO need to be interwoven with the RTOs political and social environment. The stakeholder concept was introduced in 1963 by the Stanford Research Institute who defined a stakeholder of an organisation to be any group, without whose support the organisation would cease to exist. Freeman (1984) popularised this notion and redefined stakeholder as “any group or individual who can affect or is affected by the achievement of the organisations objectives” (p. 46). The stakeholder-RTO relationship is often determined by the stakeholder’s interest in the RTO and its functions/activities rather the RTOs interest in the stakeholder. However RTOs do “recognize stakeholders as being important, because they supply or facilitate funding, provide tourism superstructure and product, participate in or generally support their programs, or influence governance” (Sheehan & Ritchie, 2005, p. 729)

Stakeholders are often reduced to categories or groups that need to be managed by the organisation. Sheehan and Ritchie (2005) argue that such a reductionist approach masks the heterogeneity that can be found within groups and that one stakeholder can belong to multiple groups. One question, in their exploratory study of tourism bodies similar to New Zealand RTOs, asked CEOs to describe
the most serious problem caused by a stakeholder. The most common response was a threat to funding, other answers included: poor cooperation and communication; threats to dissolve the RTO; disagreement with marketing methods; trying to gain an unfair advantage in tactical marketing; lack of interest or understanding of the RTO; negative portrayal of the RTO to other stakeholders and trying to direct RTO efforts beyond marketing. CEOs cited collaborative and involvement strategies as the most effective ways to manage stakeholders, such as: membership on the board; involvement in partnerships and cooperative arrangements; communication and education about the RTO and its role; bringing all the stakeholders together to give input into the strategic direction of the RTO and providing value to stakeholders. The most frequently cited failed strategies were: poor communication; strategy change in response to one or a few stakeholders and excluding stakeholders from RTO decisions and activities.

### 4.9 Conclusion

The NZTS 2010 recommended that there needs to be increased understanding and support for tourism among stakeholders (Tourism Strategy Group, 2001b). RTOs in their Response to the NZTS 2010 – Stage 2 (RTONZ, 2003a), recognised that they have a wide range of stakeholders. Some stakeholders such as TNZ, TIANZ, the Ministry of Tourism, airlines, airports, and Inbound Tour Operators Council (ITOC) are perceived as partners in educating other stakeholders in tourism. RTOs perceived responsibilities to these stakeholders are to educate them on specific RTO and community issues to improve sector alignment.

RTOs listed other stakeholder groups which had significant gaps in knowledge and understanding of both tourism and RTOs (RTONZ, 2003a):

1. Local government, a major stakeholder and funder for most RTOs
2. Central government: MPs Cabinet Ministers and government agencies such as Transit NZ and New Zealand Trade and Enterprise
3. Non-tourism business community, some, such as farmers, see the public funding of tourism as unfair and can strongly lobby against it to local and central government
4) The wider community is a stakeholder of tourism and therefore
communication channels are required to maintain a positive opinion of
tourism and to minimise negative views.

RTOs recognise that a core part of their role is the education and communication
of stakeholders and most RTOs have communications strategies in place
involving:

1) Newsletters
2) Web sites
3) Local and regional media relations
4) RTO presentations at community organisations and schools
5) Highlighting tourism within council ratepayer communications
6) Meeting and updating MPs
7) Building personal relationships with council officers and councillors
8) Building relationships with regional branches of central government
agencies
9) Building relationships with non-tourism industry sectors

RTOs analysis of their stakeholders and communication strategies highlight most
of the complex issues raised in this chapter and demonstrate the context of the
political activities and processes that RTOs are subject to. The challenge RTOs
face is balancing wider stakeholder management and investment in
communication strategies with other priorities such as strategic and tactical
marketing and getting buy-in for these ‘other’ activities from funders and
proximate stakeholders such local tourism operators, who need to understand the
value of these activities as an important output within funding contracts (RTONZ,
2003a).

This chapter has highlighted that destination branding is not simply a rational
marketing activity: it is also a political act and “nowhere is the paradox of public
policy and marketing forces more sharply defined than in destination branding”
(Morgan et al., 2004, p. 6). Besides handling the stakeholder and political
dimensions of tourism, RTOs need to have a good understanding of: the market;
the competition; how the RTO can position itself to offer a unique experience to target markets and how to tap in and influence the consumers’ buying process. RTOs in their Response to the NZTS 2010 – Stage 2 (RTONZ, 2003b), defined their regional positioning in the context of working with TNZ in the international market to facilitate improved product differentiation, highlighting the brand, international positioning, icons, sub icons, domestic positioning and cultural distinction for each RTO.

The theoretical frameworks discussed in this chapter such as network theory, alliances and stakeholder theory are equally pertinent to destination management, strategic management and sustainable tourism planning, topics explored in the next chapter. The collaborative tourism planning approach is signified by “a group of autonomous stakeholders of a problem domain engaged in an interactive process, using shared rules, norms and structures, to act or decide on issues related to that domain” (Wood & Gray, 1991, p. 142). Stakeholder theory is also linked to strategic destination management and the need for the RTO to prioritise and manage their stakeholders.
Chapter 5 Destination Management

5.1 Introduction

The NZTS 2010 introduced increased attention to destination management as a major tourism policy issue. The 1990s saw the thrust of New Zealand’s tourism policy and National Government funding focused on international marketing (Hall & Kearsley, 2001). This international marketing focus led to a policy vacuum in areas such as domestic tourism, tourism research, sustainable tourism development and regional destination management.

This strategy has shaped Government policy over the past five years. The Ministry of Tourism has provided leadership and funding to implement some recommendations of the strategy. The NZTS 2010 recognised that Regional Tourism Organisations (RTOs) create a vital link across the tourism sector, and that they also play a key role in regional development. As has already been identified the strategy recommended a rationalisation and consolidation of the number of RTOs across the country and the establishment of a second generation of new and fewer RTOs. Again to reiterate the main points, these NewRTOs were to take an enhanced role in regional tourism planning and development, destination management, domestic and international marketing and the facilitation of services to tourism operators. They were also encouraged to work closely with regional and local government to align destination marketing and destination management (Tourism Strategy Group, 2001b).

The first section of this chapter outlines the issues associated with destination management identified in the NZTS 2010, and its recommendations. Given the strategy’s poor description and definition of sustainability, sustainable tourism development, and destination management, the next section is a literature review analysing these constructs. The theoretical frameworks in this chapter are picked up again in Chapter Ten which will identify a gap in the destination management literature and also present a generic model for the structures and processes required to achieve effective destination management at the regional level, that can be applied to diverse regions. In Chapter Ten this model is used to analyse the New Zealand context to identify what is lacking to achieve effective sustainable
tourism and regional destination management, discusses how these gaps can be addressed and possible recommendations to move forward.

### 5.2 NZTS 2010: Agencies and Responsibilities for Destination Management

The NZTS 2010 raised the issue of sustainable tourism development, tourism planning and destination management and placed these responsibilities squarely on RTOs and local government. The interconnectedness between the strategy, the Ministry of Tourism, local government, Local government New Zealand (LGNZ), RTOs, RTONZ and destination management is reflected in diagram 5.1.

Diagram 5.1: Destination Management Responsibilities & Support

Local government’s approach to, and involvement in tourism needs to be examined as it has had an impact on the evolution and role of RTOs. This was not the first time that sustainable tourism development has been raised at central government policy level. The newly created NZTB (in 1991) in its first strategy document stated “Tourism growth in New Zealand cannot be at the cost of our natural resources. One of our greatest assets in an increasingly green
conscience world is our pristine environment. The NZTB accepts the principles of sustainable management and environmentally sensitive development” (NZTB, 1991, p.17). The Ministry of Tourism in the early 1990s was promoting, as a policy issue, tourism and sustainability within the wider context of sustainable management as defined by the Resources Management Act (1991), which integrated resource use, ecological systems and environmental quality. The Ministry released an issues paper on sustainable tourism and identified the key elements of sustainable tourism as meeting the need of present visitors, the host community and protecting and enhancing the attraction for the future (Ministry of Tourism, 1992).

5.3 The New Zealand Tourism Strategy on Sustainability

The publication of the NZTS 2010 and its espousal of sustainable tourism development supports the claim that the concept of sustainable tourism is “not just an abstract academic idea” (Hall, 2000, p. 4). The strategy defines sustainability as: “The intergenerational management of the physical, natural and social environmental and economic factors that make New Zealand unique, for the enjoyment of New Zealanders and visitors, both for the present and in the future” (Tourism Strategy Group, 2001, Appendix 1, p. 9). Although this definition is a little cumbersome it is not dissimilar to standard definitions of sustainable development based on the Brundtland Report (World Commission on Environment and Development, 1987) and sustainable tourism (Hall & Lew, 1998; Inskeep, 1991; Wahab & Pigram, 1997b). The strategy discusses and loosely links the following as components of sustainable tourism:

1) Tourism does not deplete the natural resources on which it depends;
2) The development and promotion of initiatives that efficiently use resources and environmental management systems working to meet agreed international benchmarks, such as the Kyoto protocol, Green Globe, Seoul Declaration (2000) and the APEC/PATA Code;
3) The monitoring and managing of visitor impacts on the environment;
4) New Zealand’s environment and culture is conserved and sustained in the spirit of kaitiakitanga, guardianship of the land and natural resources for the benefit of present and future generations (refer to Chapter Three and
the political processes related to Maori involvement in the development of the strategy);

5) Greater integration between destination management and destination marketing;

6) Sustainability needs to be financially viable (embracing the economic, at both sector and individual firm level);

7) A need to balance the interests of business and the use of collective resources.

Tourism planning and development processes are perceived to be crucial to sustainability. However, the strategy describes the state of tourism planning to be: *Fragmented* - too many agencies often independent of the tourism sector; *Complex* - hard to understand; *Inefficient* - too many organisations, and that the working relationships between RTOs and local government could be more effective.

The strategy identified local government as being responsible for setting policy, tourism planning and development, environmental and destination management, and recommended that NewRTOs take an active role in tourism planning and destination management. The strategy noted that RTOs are involved in tourism planning and development, but to different extents across the country. The strategy thus concludes that all these combined factors have led to a varying and arguably inconsistent range of influences on the tourism planning process. Ambiguity however remains in the Strategy regarding local government’s role in tourism and sustainability:

Its role and commitment [to tourism] will increase to reflect the requirements of NewRTOs, the significance of tourism to local economies and the need for more involvement in destination management. Each TLA will continue to determine the level of its involvement in tourism planning and development and the extent to which they fund tourism (Tourism Strategy Group, 2001, p.23).
This statement implies that some regions may still overlook or ignore tourism in their planning and development processes. The strategy recommends an active role for NewRTOs and emphasises that they must work with the Territorial Local Authorities (TLAs). This is to be expressed in the form of contractual arrangements between a TLA (or a ‘club’ of TLAs) and the RTO for the purchase of services, such as the facilitation of tourism planning, co-ordination of domestic marketing and destination management. TLAs, in conjunction with NewRTOs, should develop and implement district and tourism planning processes that uphold community values, and involve communities in identifying local assets and defining acceptable limits on change for these. The vision was that NewRTOs were to have a co-ordinating role between local tourism operators, local government interests and local communities.

Destination management is identified in the strategy as the key regional issue and it was the view of the Tourism Strategy Group that many RTOs did not yet have an understanding of how to manage it. Destination management is defined as: “Management of the tourism destination elements related to the tourism environment and setting e.g. land management, tourism environment, tourism planning, roading planning” (Tourism Strategy Group, Appendix 1, p.8.). The strategy, in its discussion of tourism planning and development, described elements as being items reproduced in diagram 5.2. Taking this definition of destination management and the elements in diagram 5.2, it seems that tourism planning is part of destination management and that local government and RTO have responsibilities for sustainable tourism development, sustainable tourism planning and destination management, which are not separate and distinct, but rather converge in the strategy, and are the crucial elements of sustainable tourism. However is this overview sufficient for the effective implementation of sustainable tourism in New Zealand? It can be argued that tourism planning also involves the development of marketing and promotional strategies; while destination management involves an attempt to deliver ‘product’ that is consistent with the marketing strategy. The documentation is not wholly explicit as to where marketing fits here –as indicated in diagram 5.1, yet marketing is generally, in the marketing literature, perceived to impact on carrying capacity.
5.4 Sustainability and Sustainable Tourism Development

This section examines how a range of authors understand and interpret the concepts of sustainability and sustainable tourism development. This discussion focuses on academic literature, to shed light on the ambiguities in the strategy described in the previous section.

The notion of sustainability itself is loaded with ambiguity (Lane, 1994b). Hall (1998) states that sustainability is a contestable concept and its use and application is often disputed. The problem of sustainable use of natural resources has been around since the Romantic period. This movement valued the spiritual over the material and was a reaction to order, scientific and industrial progress, and a shift towards valuing nature (Hall, 2000). These ideals have existed for a long time, even if the term sustainability was not specifically used until a few decades ago. “It is a deep rooted concept that relates to the fundamentals of life which sometimes can be obscured by the ongoing public/private debate, regulation and rationalized government intervention” (Wahab & Pigram, 1997a, p. 277).

Sustainable tourism is an adaptation of the concept ‘sustainable development’ (Weaver, 2004) defined as: development that meets the needs of the present without compromising the ability of future generations to meet their own needs (World Commission on the Environment and Development, 1987). Bramwell and
Lane (1993) define sustainable tourism as “a positive approach intended to reduce the tensions and friction created by the complex interactions between the tourism industry, visitors, the environment and the communities which are host to holiday makers (p.2)” . This definition does not link present and future generations, but does encompass some of the issues raised in the NZTS 2010. It is similar to Davidson and Maitland’s (1997) explanation that sustainable tourism tries to reconcile the tensions between host areas, and their habitats and peoples, with holiday makers and the tourism industry, while minimising environmental and cultural damage, and optimising visitor satisfaction and maximising long-term economic growth for the region. Lane (1994b) calls this the ‘triangular relationship’ as sustainable tourism tries to reconcile the tensions between the components and balance economic growth with the conservation needs of the environment. In the past the tourism industry and growth have dominated the triangle.

Researchers within the postmodernist paradigm argue that sustainable tourism, sustainable development and sustainable tourism development are constructs and therefore ambiguous and malleable terms that lead to multiple interpretations (Smith, 2001; Weaver, 2004). Since these terms can mean anything to anyone, they are in danger of becoming meaningless (Weaver, 2004). Another perspective is that these terms are popular (Butler, 1998) precisely because they, along with the concept of sustainability itself, are imprecise (Wall, 1997). In implementing strategies, policy makers, such as the TSG and the Ministry of Tourism, can safely espouse them without being held responsible for either implementation or criticism for their espousal. Despite this ambiguity, the construct of sustainable tourism still provides an ideal and a goal that one can work toward (Weaver, 2004). McKercher (1993) disagrees with these propositions. He sees that “the inherent vagueness of ‘sustainability is its greatest weakness’” (p,131) and that it could be used by tourism developers and the conservation movement to legitimize and justify their existing activities, and to create policies without real regard to the substance of policy implementation and the consequences of such implementation.

One can also use the lens of the critical theory paradigm to analyse sustainability. Mowforth and Munt (2003) claim it is a “concept charged with power” (p.20).
The strategy identifies values underpinning the vision, one of which is sustainability. Along with these values, the strategy elaborates on the elements each incorporates and encompasses to achieve financially viability and balance between the interests of business and the use of collective resources (Tourism Strategy Group, 2001b). Some would argue that the concept of sustainability in the strategy has been developed by the more formal structures (big business) to sustain profits (Mowforth & Munt, 2003).

The strategy recommends that all operators and organisations should recognise the value of the natural environment by actively protecting, supporting and promoting sustainability as part of what they do. This will be achieved if all sector participants embrace the values of manaakitanga and kaitiakitanga, but the strategy does not encourage collaboration amongst all stakeholders to achieve sustainable development. Rather the emphasis is on each individual operator to incorporate the values of sustainability within their own organisation. The strategy passes the identification, monitoring and management of the cumulative effects of tourism activities on the environment onto TLAs, Regional Councils and the Ministry for the Environment. The strategy bypasses the main tourism stakeholders, such as TIANZ, other industry organisations such as ITOC, Hotel and Motel Association, and does not directly state that RTOs should be responsible for the impacts of tourism and sustainability. It seems that the strategy is fostering further dispersion and fragmentation in the implementation of sustainable tourism, which is specifically identified as a major weakness of tourism in New Zealand. The question arises of how individual operators can incorporate the values of sustainability without being educated in those values by their industry associations and RTOs. Another question that arises, more pertinent to the role of RTOs is: do the RTOs have the capacity to a) reach the numerous small tourism operators spread across the country? and b) foster and educate them in the principles of sustainability? An alternative would be for the industry organisations to drive the principles of sustainability and for the RTOs to act as their broker/agent in the regions. However, as discussed in Chapter 4, RTOs with their limited funds and resources may not be able to carry out this task. Another question that arises, is the strategy actually a strategy? Or is it simply a document that identifies issues and outlines general principles but not specific
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policies/actions by which to ‘solve’ these issues. This raises the question of what are the issues? If the issue is sustainability then what are the specific targets? The argument is circular.

McKercher (1993) claims that the tourism industry generally advocates a development-orientated approach to sustainability, based on the natural wealth concept that assumes the natural resource base can be consumed, degraded or otherwise used as long as it produces wealth. At the other extreme is the ecologically sustainable perspective, which argues that the natural resource base cannot be allowed to decline over time, hence species biodiversity, ecosystem integrity and threat of irreversible impacts takes precedence in development decisions. However ambiguous the NZTS 2010 is in its discussion of sustainability, it does seem to fall within these two extremes. It does talk about sustainable tourism growth and that sustainability has to be financially viable, which can be interpreted as being more aligned to the development-orientated approach. However, at the same time, the strategy recognises that “critical to sustainable growth is conserving the natural, built, cultural, and social environment with which tourism interacts and on which tourism is dependent” (Tourism Strategy Group, 2001, p. v.). It also encourages the development of tourism products which are consistent with long-term environmental stability. This may not be the ecological imperative of the conservationists (McKercher, 1993), but the strategy does seem to be sending a warning about the potential irreversible impacts of tourism on the environment. McKercher (1993) gave the following warning:

For tourism to survive sustainability, it must take a proactive leadership role in addressing the difficult challenges of integrating the needs of all user groups. Tourism is in the unique position of both supporting and fearing the consequences of the differing concepts of sustainability. If the industry does not take a leadership role in the near future, it may not survive (p.136).

Eight years on, the New Zealand tourism industry, in developing the NZTS 2010, may have heeded this warning, by taking a leadership role in initiating the strategy
(and its associated discussions) and attempting to walk the middle ground and find a balance between these conflicting views of sustainability.

Butler (1998) states that it is unrealistic and a philosophical impossibility for sustainable tourism to be separate and independent from the wider activities and processes of sustainable development. This implies that the NZTS 2010’s ideals regarding sustainable tourism cannot be achieved without local government and RTOs establishing wider community and environmental sustainable development processes, in conjunction with regional economic development. Wall’s, (1997) understanding of sustainable tourism is:

..if tourism is to contribute to sustainable development it must be economically viable, environmentally friendly and culturally appropriate, the forms which this might take are likely to vary with location. This in turn means that it will be difficult to come up with useful principles for tourism development which are true for all places and all times (p.46-47).

In light of Wall’s (1997) précis, the strategy’s vagueness is seemingly the appropriate way to go and it is for local government and RTOs to implement and manage sustainable tourism through tourism planning and destination management. The question remains however: are the mechanisms in place for this to be achieved at a local level?

While the strategy talks about sustainable tourism development, it does not provide a time frame. A time frame is important for the planning process and, according to Hall (2000):

Sustainable development as it has often been portrayed implies an infinite planning horizon. This is of course unrealistic. We need to be adopting some of the tenents of strategic thinking in which we seek to reach desired futures in some 50 to 100 years hence and utilise our resources and resource use as such (p.130).
5.5 Tourism Planning

Planning is also a difficult and ambiguous word to define (Hall, 2000). There is a lack of one predominant and coherent approach to tourism planning (Hall, Jenkins, & Kearsley, 1998). In 1977 Gunn argued that the overall planning of the total tourism system was long overdue since there is no overall policy, philosophy and coordinating force that brings together the many pieces of tourism and assures their continuous harmonious function. This discussion uses Hall’s (2000) approach with a focus on the complex and conceptual issues associated with tourism planning. It is noted at the outset that tourism “planning is difficult – it is irrational, complex, political, value-laden and, often frustratingly incomplete” (Hall, 2000, p. 60). If tourism planning in itself is complex then combining it with sustainability poses even more difficulties.

Tourism planning texts (Gunn, 1994; Inskeep, 1991) often describe the ideal prescriptive model in planning for tourism which seeks order and harmony within the economic development context and they fail to recognise the complexity of the planning environment (Hall, 1998). The original focus of planning was on zoning, regulations and the density of development (Hall et al., 1998) which “commenced in the late 1950s when it became apparent that tourism was going to become a significant socio-economic activity that could bring both benefits and problems” (Inskeep, 1991, p.17). The next stage incorporated environmental and socio-cultural concerns (Pearce, 1989) and the concept of sustainable tourism planning started being used. This stage also recognised and increasingly required community participation (Gunn, 1994; Inskeep, 1991; Murphy, 1988). From community participation it was then deemed important to involve diverse stakeholders in tourism planning and consequently it had to be undertaken through collaborative arrangements or partnerships (Bramwell & Lane, 2000).

The strategy may not have actively identified the means to effectively implement sustainability, but it did prescribe both a collaborative approach to tourism planning and that outcomes should reflect community values. It recommended the development and implementation “of district and community planning processes that uphold community values and involve communities in identifying local assets and defining acceptable limits to change for these. This will be undertaken by
TLAs and NewRTOs” (Tourism Strategy Group, 2001b, p. 31). The strategy’s key recommendation for tourism planning and development was the adoption of “a whole sector model to reduce complexity and improve efficiency in tourism planning and development by 2004. This will be led by LGNZ with local operators, investors, local government, Maori, NewRTOs, NewTNZ and central government agencies” (Tourism Strategy Group, 2001b) p.31). These recommendations require further study of the literature including:

1) Integrating tourism planning into the wider planning processes of TLAs;
2) Community participation in tourism planning;
3) Collaborative planning processes.

### 5.5.1 Integrating tourism planning into the wider planning processes of Territorial Local Authorities

Integrated approaches to tourism planning are neither ‘top down’ nor ‘bottom up’, and neither are they simply the goals of individual units being aggregated together. It is an interactive approach which requires participation and interaction in the tourism planning process between horizontal partnerships; organisations and government agencies at the same level, and vertical partnerships: different levels of community, industry and government agencies e.g. local, regional and central (Hall, 1999).

Dredge and Moore (1992) found that district and town planners have difficulty in integrating tourism into their strategic plans for the following reasons:

a) The tourism industry is driven by market dynamics while town planning falls within the public sector realm and the pursuit for the public good. It is hard for planners to reconcile market dynamics, profit maximisation and the public good, so they sideline tourism. Most planners in New Zealand come out of the geography and environmental planning discipline with little exposure to entrepreneurship.

b) Planners find it hard to identify what is tourism. How do you draw the line around or between tourism, recreation, national parks, lakes and waterways, restaurants, cafes and the retail sector? To integrate tourism planners need to be able to cope with industry’s dynamics and complexities.
c) Planners need tourism data and research. In New Zealand it is hard to come by this information on a region by region basis, and it is even more difficult to obtain this data at the TLA level where integrated tourism planning needs to take place (Drew, C., personal communication, December 12, 2004). RTOs argued that “official and consistent RTO boundaries need to be agreed upon and formally defined before any further regional-level research is conducted” (Covec, 2003, p. 2). Until there is the political will to undertake local government reform, the rationalisation of TLAs and regional boundaries for Statistics New Zealand, tourism data sets are going to remain problematic providing the tourism data required for planners at the TLA level.

d) Lack of tourism voice during public consultation stages due to fragmentation and numerous SMTEs. The strategy recommends that RTOs provide this bridge with an enhanced role in regional tourism planning and development. The reservation and question remains that unless RTOs are integrated into and working with, town planners and economic development units of councils, they remain a soft voice for the tourism industry that may not be heard and to justify their existence they will seek to continue singing a marketing tune. If RTOs become embedded in planning functions – do they represent a growth orientated industry? How does one sort this dilemma?

e) Marketing professionals whose role is to develop an image of a destination and then sell it, operate in a different arena to the town planning decision making process and the players in these two different arenas do not see their relevance to each other. The strategy recognised this problem and recommended the integration of destination marketing and destination management and that “NewRTOs work closely with regional and local government to closely align destination marketing and destination management” (Tourism Strategy Group, 2001b) Appendix 2, Recommendation 24, p. 14). Do RTOs have the capacity, training and resources to do this?

Hall (2000) contends that sustainable tourism planning requires not only the understanding of the physical environment but also the economic, social, political
and physical systems of which tourism is a part. Since the 1980s tourism planning in New Zealand has focused on marketing and development and has been led mainly by central government agencies and the larger industry operators. In this decade, through the NZTS 2010 strategy, there has been a recognition of the need to decentralise planning and that the goals for tourism need to be integrated into overall community objectives (Simmons, 1994).

5.5.2 Community participation in tourism planning

Community participation models in tourism planning (Gunn, 1994; Inskeep, 1991; Jamal & Getz, 1995) assume an even and pluristic allocation of power within a community and therefore they may be unwittingly serving to reinforce existing values and power structures (Jenkins & Hall, 1995).

Haywood (1988) identified the following obstacles to community participation in tourism planning:

a) **Fragmentation of tourism with too many agencies and overlapping interests.** Due to what Hall (2000) called the ‘metaproblem’ because tourism effects are diffused through society and the economy and cut across government agencies. The strategy identified this as a problem and recommended a whole sector model approach led by LGNZ working with a number of agencies, including RTOs and central government agencies. NZTS 2010 does recognise that “this will require relationships and processes to be put in place to support better planning and development efforts” (Tourism Strategy Group, 2001b, p. 31). Relationships have been formed mainly due to the Ministry of Tourism’s leadership role and the provision of funding. The Ministry of Tourism has supported and worked with LGNZ in the dissemination of the Tourism Planning Toolkit to regional councils, TLAs and RTOs. The Ministry for the Environment and the Ministry of Tourism are working together with the sustainable tourism charters. Government agencies cannot relinquish their responsibilities in tourism planning and leave it to market forces as in the 1990s as “the various impacts associated with tourism growth, the fragmented nature of the industry and concerns over regional development and long-term
environmental change suggest that there is a role for government agencies as central players in tourism planning.” (Simmons, 1994, p.106).

b) **Tourism planning is not integrated into the wider planning processes with many TLAs content with unmanaged adaptation of tourism since it is not a priority for them.** The difficulties associated with integration, as discussed in the previous section show that tourism is not a priority for many TLAs in New Zealand (Beca Planning, 2002). **Public participation is time consuming, uncontrollable and an idealistic dream.** It is costly and has high ‘executive burdens’.

c) **Scarcity of time and resources for TLAs to manage integrative tourism planning and all its ramifications.** To have a specialist who can handle this can lead to more bureaucracy. A potential role for an RTO as has been stated. Simpson (2002) in his study highlighted that some RTOs are responsible for the TLAs tourism plan.

d) **Industry may perceive this approach as implying more compliance costs or irrelevant to earning profit.** There is a perception from some RTOs that there is too much government involvement in tourism. Currently there is a climate of antagonism in New Zealand by the private sector, against local government compliance and rules, not just by tourism operators but across a wide range of sectors especially small businesses and farmers. RTOs generally have positive image among tourism industry members

e) **Concerned citizens and community groups can feel alienated from the centre of the decision making process.** “The political process of public debate and controversy, both formal and informal, will need to play a significant role” (Hall, 1999, p. 280) otherwise community groups can perceive they are being ostracised. Arguably and paradoxically the RMA resource consent process may have exasperated this alienation with only 4% of all applications reaching the public consent process.

For community participation to succeed, the public need to be educated in tourism to be confident to contribute fully (Simmons, 1994). The community needs to have access to all the information on current and potential tourism activities. Industry members must be willing to invest time in briefing meetings and may even need to learn negotiating skills (Haywood, 1988). This education process
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would be part of the wider tourism planning process and based on research and evaluation of how tourism can be optimized to contribute to the community and enhance rather than detract from the environment (Simmons, 1994). If the ideals in the strategy are to come to fruition TLAs and RTOs need to jointly undertake strategic planning “as in any business strategic planning is meaningless unless it is accepted and implemented at the operational level. There is a need for partnership—the wholesale participation of and gain sharing with, all people concerned with the tourism product” (Haywood, 1988, p. 112). All these great proposals require resources. The question is how are TLAs and RTOs going to find these resources in an environment of competing demands for funds and ratepayers recoiling from being charged higher rates to pay for community services let alone to equip council staff to enhance community planning? Tourism planning is not mandatory under the Local Government Act (2002). Yet ratepayers have a mandate to elect councillors and some councillors win local government elections on promises to ensure rates are not raised further.

5.5.3 Collaborative planning processes

Building upon integrative tourism planning, and community participation, collaboration can offer a dynamic and process driven method for resolving planning issues, especially in an environment of interdependence, complexity, uncertainty and turbulence (Jamal & Getz, 1995). Partnerships involved in tourism planning can contribute to the wider objectives of sustainable development (Bramwell & Lane, 2000) because collaborative approaches to tourism planning have the potential to increase both political participation and social equality, both being an expression of sustainable tourism (Hall, 2000).

Bramwell and Lane (2000) propose the collaborative partnership model, whereby all sectors of society participate in development decision making as this is perceived as the only way to achieve both socially equitable and sustainable development. These approaches can help further the core principles of sustainable development by:

1) Collaboration among a range of stakeholders, including non-economic interests, might promote more consideration of the varied natural built and
human resources that need to be sustained for present and future well being;

2) Involving stakeholders from several fields of activity and from many interests there may be greater potential for integrative or holistic approaches to policy making that can help promote sustainability (Jamal & Getz, 1995; Jamal & Getz, 1996; Lane, 1994a);

3) Reflecting and safeguarding the interdependence that exists between tourism, other activities and policy (Butler, 1998);

4) Involving multiple stakeholders, affected by tourism development, in the policy planning process which may lead to more equitable distribution of resulting benefits and costs. Participation will hopefully raise an awareness of the impact of tourism on all stakeholders and lead to policies that have fairer outcomes;

5) Fostering broad participation in policy-making thereby leading to a democratisation of decision making, empowering participants through capacity building and skills acquisition through participation in the process.

The collaborative partnerships being recommended by the NZTS 2010 would bring together interests in the same destination but from different sectors such as investors, Maori, current operators and local government. Partnership arrangements are becoming increasingly popular in developed countries, because of the belief that tourist destination areas and organisations may be able to gain competitive advantage and contribute to the wider objectives of sustainable development by bringing together the knowledge, expertise and resources of a range of stakeholders (Bramwell & Lane, 2000).

The collaboration framework moves beyond community participation and seeks to involve wider stakeholders. According to Jamal and Getz (1995) this collaborative planning process needs to have the following features:

a) Joint decision making and the need to avoid what Hall and Kearsley (2001) call ‘placation’ rather than a genuine attempt to incorporate a wide range of stakeholder opinions and values;
b) Autonomous ‘key’ stakeholders who retain their own independent decision powers;

c) Inter-organisational approaches focusing on the collective rather than organisational self interest although “power-dependence and resource-dependence theories argue that inter-organisational relations are primarily driven by the need for power and control over external resources” (Jamal & Getz, 1996, p. 174);

d) Resolves planning problems of the destination;

e) Manages both planning and development;

f) Shared rules within the collaborative alliance.

These features have many implications starting with legitimacy. Who determines who are the key stakeholders? Jamal and Getz (1995) define the legitimate stakeholder as:

One who has the right and capacity to participate in the process: a stakeholder who is impacted by the actions of other stakeholders has the right to become involved in order to moderate those impacts, but must also have the resources and skills (capacity) in order to participate (p.194).

Power balances can easily arise in this environment as some groups can be excluded in the selection process which can inhibit both the initiation and the success of the collaboration. This is further complicated when there are diverse organisations and groups who hold widely different viewpoints and strong vested interests. Business groups can also tend to dominate to the detriment and exclusion of other groups (Hall, 1999). Are RTOs or TLAs in a position to resolve these disputes over legitimacy and act as mediators and arbitrators? Not likely, as they can be part of the politics and contribute to the disputes, both at the individual level and via conflict through group interests and values. If the only solution to resolving disputes over power and legitimacy is an outside mediator, then this would just add to the bureaucracy and the costs. Another implication is that of inter-organisational independence, which entails that no single organisation or individual can exert control over the destinations development process. With a history of distinct parochialism and politics at the local level (Ryan & Zahra,
2004) how can domination by one person or organisation be averted in the long run? Another danger of this model trying to limit the participation of ‘key’ stakeholders who have resources and skills to participate, is that individuals and small groups can be excluded and by default “the predominance of narrow corporatist notions of collaboration and partnership in network structures may serve to undermine the development of the social capital required for sustainable development” (Hall, 1999, p. 274). The strategy document itself is the voice of the corporatist economic and political agenda in New Zealand which has shifted from the public administration model and the implementation of public policy to achieve the public good to that of the corporatist model which focuses on efficiency, the role of the market and stakeholders (Hall, 1999). Who were the ‘key’ stakeholders in the strategy? Industry was represented by large players, such Air New Zealand and Sky City. If this happens at a national level what is to say that it will not happen at the local level. It is, of course, easier for government agencies to deal with larger corporations:
1) Fewer to deal with;
2) Common belief in rational processes based in shared management theories;
3) Corporates are seen as the most influential determinants of economic, social and possibly environmental impacts; and
4) SME’s are seen as inconsistent, too many in number, distrustful of government etc.

The whole collaborative tourism planning process seems wrought with problems. Jamal and Getz (1995) recognise these difficulties and provide the following proposals to overcome them:

a) All stakeholders need to accept that tourism relies on a high degree of interdependence and on the natural resource;
b) Transmit the perception of benefits;
c) Provide confidence that collaborative decisions will be implemented;
d) Key stakeholders need to represent the wide and diverse perspectives of tourism development reflecting the interrelated ‘open tourism’ system. Mandatory stakeholders would include: local government since tourism is a public and social good; RTOs, community service organisations and environmental groups. The difficulty here is that different stakeholders
have different access to resources which can lead to differences in their power to influence policy processes (Hall, 1999);
e) Convenor/facilitator of the process needs to have authority, expertise, legitimacy and resources;
f) Strategic tourism planning requires: formulation of goals and objectives; monitoring of implementation and revision when necessary.

A key performance indicator, in the strategy was: sector involvement in tourism planning (Objective 1: Securing and conserving a long term future). Groups identified as accountable are TIANZ, DoC, tourism operators TLAs, New RTOs, Regional Councils, LGNZ and OTSp (now the Ministry of Tourism). What was meant by sector involvement in tourism? Did this only imply key stakeholders? Who can be the facilitator who meets all the requirements from the groups identified? The Ministry of Tourism seems to fit the job description but then the politics between central and local government can interfere with local government continuing to espouse subsidiarity in all its documents related to tourism (Local Government New Zealand, 2003; MacIntyre, 2002). We will wait and see who is going to drive tourism planning across the various regions, but they will need to understand the wider political structure in which they operate (Jenkins & Hall, 1995).

Hall and Kearsley (2001), argue that the “complex nature of the tourism industry and the poorly defined linkages between its components are major barriers to the integrative strategic planning which is a prerequisite for sustainable development” (p.289) and destination management. Jamal and Getz (1996), on the other hand, suggest an integrated theory for the planning and management of a destination that is processed based and incorporating both collaborative concepts and stakeholder involvement. They argue that corporate strategic planning can facilitate a dynamic and interactive planning process that can be managed and adapted to meet the changing needs of the destination.

5.6 Destination Management

Destination management is an ambiguous concept. It can be identified and associated with marketing (Alford, 2005; Blumberg, 2005; Hassan, 2000),
managing information technology via destination management systems (Buhalis, 1999; Mansfield, 2002) conservation, environmental and community concerns, and sustainability (Davidson & Maitland, 1997; Eligh, Welford, & Ytterhus, 2002; Laws, 1995). In the context of this analysis, destination management is linked to place. Agnew (1987) identifies three major elements of place: Locale – settings in which social relations are created; Location – geographical area encompassing those settings, which can be identified with wider socio-economic and political processes; ‘Sense’ of place – sensory qualities of a particular locality as experienced by an inhabitant over a long period of time. Destination management requires the successful integration of locale, locations and ‘sense’ of place or “the so-called trinity of place” (Eligh et al., 2002, p. 224). This identification with place, quite important in New Zealand as reflected in strong levels of parochialism, may be one of the reasons why the TSG devolved destination management down to the local/regional level. However the strategy may be naïve assuming that effective regional destination management can be achieved without any reference to central government agencies and the activities of the wider industry or national destination management. Regardless of the place being regional or national, a tourism destination is the result of two related activities: 1) the development of facilities to cater for visitors; and 2) marketing activities to attract visitors (Laws, 1995).

The management of tourism in a destination “requires a sense of the whole which can be effectively planned and managed” (Hall, 1999, p.276). If RTOs and TLAs are going to manage tourism they first need to know what they are managing, then they need to devise a plan to manage it. Tourism planning is integral to destination management.

5.6.1 Management and strategic management in a destination context
This literature review focuses on the ‘management’ component of destination management. The key features of ‘management’ in any classical management textbook are: planning, organising, controlling and evaluating. From management, one can move to strategic management. Lane (1994b) states that “almost all successful businesses and many successful regions develop according to carefully worked out business plans and strategies” (p.143). Destination management can
be linked to strategic management, strategic destination planning (Jamal & Getz, 1996) and tourism strategies.

Strategic management models undertake environmental scanning (STEP) to assist in a situation analysis (SWOT), then develop a strategic plan, an implementation strategy and monitor the situation, via performance indicators and finally revision of the original plans. These models are a start, but “destinations are complex domains with multiple stakeholders who can hold diverse views” (Jamal & Getz, 1996, p.61) on goals, objectives and basically on all the major aspects of the planning and management process. Strategic management models focus on the ‘organisation’ as a unit of analysis, while destinations possess a macro level and inter-organisational domain, characterised by public and private multi-sectoral organisations with political and environmental influences on destination development. Yet despite this, there are parallels between a firm and a destination (Jamal & Getz, 1996) as outlined in Table 5.1. Another problem with strategic management at a destination level is that master strategic plans for the destination have been found to be too rigid and not feasible to implement over the long term. Incremental approaches to planning are more useful, as they facilitate continuous monitoring and evaluation of impacts (Jamal & Getz, 1996). Yet applying strategic management models to a regional destination is not simple or straightforward and requires caution (Jamal & Getz, 1996). The similarities and divergence are outlined in Table 5.1: Strategic management parallels between a firm and a destination.

The biggest drawback, for most destinations, of the parallels identified in Table 5.1 is the lack of a well-defined management team or ownership/stewardship for tourism in the region. However, coordination, collaboration and partnership in strategy development can still contribute to sustainable tourism planning and destination management (Hall 1999) and therefore contribute to overcoming some of the problematic features of implementing destination strategic management.
Table 5.1: Strategic management parallels between a firm and a destination

<table>
<thead>
<tr>
<th>Firm</th>
<th>Destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources: capital, human, entrepreneurial</td>
<td>Resources: place, environment, culture and heritage, distinctive competencies and entrepreneurs</td>
</tr>
<tr>
<td>Product life cycle</td>
<td>Destination life cycle</td>
</tr>
<tr>
<td>Seeks market share and competitive advantage</td>
<td>Seeks a share of both the international and domestic market and competitive advantage</td>
</tr>
<tr>
<td>Strategic marketing plan, identification of target markets</td>
<td>Destination marketing plan, identification of target markets</td>
</tr>
<tr>
<td>Capital investment</td>
<td>Infrastructure investment</td>
</tr>
<tr>
<td>Well-defined top management team</td>
<td>Ill-defined collaboration and partnership (the strategy identifies local government and RTOs as being responsible)</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>Stakeholders: visitors, industry, community and interest groups</td>
</tr>
</tbody>
</table>

Sustainable tourism strategies, at the destination level, need to include the following additional unique features (Lane, 1994b) to strategic management plans:

a) Ongoing dialogue between tourism operators, local government, RTOs, local communities, and interest groups such as Fish and Game and Bird and Wildlife (in New Zealand) about the role of tourism in the destination, now and in the future;

b) Infrastructure investment in transport, facilities, marketing, Visitor Information Network (VIN) and interpretation;

c) The inclusion of nature conservation, arts and cultural activities. These need to be perceived as a positive. “The human and political energies behind the arts and nature lobbies should be used to guide tourism not simply protect their position against tourism of any kind” (Lane, 1994b, p. 104);

d) Public discussion, as it can lead to the consideration of the costs and benefits of alternative types of tourism and investment;

e) Small to medium tourism operators have limited marketing and training resources, the strategy working process should encourage cooperation between tourism operators and communities;
f) A well-researched and clear plan backed by the whole community can lever local government funding and investment, which in turn encourages private sector investment.

5.6.2 Features of a strategic destination management process
Lane (1994b) warns that the following prescriptions need to be in place for the success of the strategic destination management process:

a) Those responsible for strategy formulation should not only be specialists in tourism development, but should also incorporate economic, ecological and social analysis.

b) Local knowledge is important but equally important is impartiality, if trust between a diverse range of parties is to be gained and maintained.

c) Wide consultations between all interest groups. If strategic planning and management processes are “to fulfil the sustainable goal of equity” (Hall, 1999, p.279), they need to be inclusive of the entire range of values, interests and opinions related to tourism development.

d) Openness and a two-way dialogue with the community and to avoid what Hall (1999) identified as recognising “the importance of involving the community in destination management because of their role as key stakeholders although in actuality this often meant working with industry and community based groups in a destination context rather than wider public participation mechanisms” (p. 275).

e) On going and evolving.

This destination management strategy process requires specific skills and training, can be costly, and funding the strategy can be as difficult and time-consuming as designing and implementing the strategy (Lane, 1994b). Other impediments to effective destination management are:

1) Lack of synchronisation of policy and practice (Hall and Kearsley, 2001).

2) The strategy process for destination management is long and complex and developers generally seek rapid short term returns on their investment (Lane 1994).

3) The NZTS 2010 recommended the alignment of destination marketing and management at the regional and TLA level. If one uses a whole systems
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approach to tourism, incorporating demand and supply, marketing or the demand side is undertaken at national level with RTOs having some influence but not a significant influence. Yet the strategy places all the responsibility for destination management, chiefly the supply side, on the regions. This regional approach or, more specifically, a TLA level approach, implies that tourism is intrinsically local and internally focused (Dredge & Moore, 1992). Destination management requires tourism to be integrated into a TLA’s strategic plan and backed up by statements of implementation that guide the pattern of tourism development (Dredge & Moore, 1992).

4) Destination management is a political activity and because of politics at the local level (Ryan & Zahra, 2004) coordination can be extremely difficult, as in the case of regional issues where there are a large number of parties involved in the decision-making process (Hall, 1999).

Law (1995) claimed that it is difficult to make universal and generalised statements about destination management. Destinations vary quite significantly and each has its own unique features, problems and opportunities which have to be individually managed. This may be why no comprehensive model has been developed for destination management and the literature is quite descriptive. Jamal and Getz (1996) also concluded that determining what strategies are best for attaining both competitive advantage and destination sustainability is difficult and perhaps situation-specific.

Hall and Kearsley (2001), however have the following comment to make about New Zealand tourism strategies:

Unfortunately present tourism strategies are often poorly defined and evaluation and accountability mechanisms poor. In short, at the national or regional destination level we rarely explicitly state where we want to be, how we are going to get there, who is responsible for getting us there, and take steps to measure our progress in case we are going in the wrong direction (p.291).
Hall and Keasley (2001) in this quote are alluding to what the NZTS 2010 called the alignment of destination marketing and destination management. A key feature of regional tourism in New Zealand to date, is that RTOs focus on marketing and TLAs are responsible for management leading to dysfunctional destination management.

5.7 Implementation of the NZTS 2010 and Sustainable tourism

Discussion of sustainable tourism provokes a range of responses from heated debate to indifference across the industry (Ministry of Tourism, 2003). For its part Tourism New Zealand’s marketing strategy is targeting the highly interactive traveller with the following characteristics:

Regular international travellers who consume a wide range of tourism products and services. They seek out new experiences that involve engagement and interaction and they demonstrate respect for the natural, social and cultural environments. Interactive travellers decide to visit New Zealand primarily for the scenery and natural wonders (Tourism New Zealand, 2005).

These visitors not only expect a pristine 100% pure environment, but also seek evidence that the tourism services they consume while here actively contribute to keeping it that way— with recycling bins, energy-efficient vehicles to travel around in and the re-use of hotel towels (Ministry of Tourism, 2003). The Ministry of Tourism (2003) found that:

Some tourism industry players have made major strides towards the goal of actively protecting, supporting and promoting sustainability. Others have not. Many operators would like to do more, but they are uncertain about where to begin, and lack time to investigate options. There is some nervousness about whether sustainability represents simply another business cost, which small and medium-size enterprises may feel they can ill-afford (p.12).
Chapter 5 Destination Management

The New Zealand Tourism industry comprised of eight large companies listed on the New Zealand Stock Exchange, then a small number of operators who employ more than twenty people. The majority of the industry is classified as small to medium tourism enterprises (SMTEs), with most employing less than five people with minimal financial returns. The challenge is to reach, convince and enable these small operators.

The Tourism Industry Association of New Zealand (TIANZ) recognized that certification would be a useful tool to address the sustainability challenge and approached the Ministry of Tourism and the Ministry for the Environment for financial assistance to implement the Green Globe 21 sustainable tourism certification programme (Moriarty, J. personal communication, May 5, 2005).

GREEN GLOBE 21 is the worldwide benchmarking and certification program which facilitates sustainable travel and tourism for consumers, companies and communities. It is based on Agenda 21 and principles for Sustainable Development endorsed by 182 governments at the United Nations Rio de Janeiro Earth Summit in 1992 (Green Globe 21).

Certification involves the implementation of detailed environmental planning, and management systems and operators are independently audited against environmental performance targets. “There are now over 145 companies working through the programme’s ‘A - B - C’ process” (Tourism Industry Association New Zealand, 2005). ‘A’ means Green Globe 21 awareness, ‘B’, Green Globe 21 benchmarking and ‘C’ means certification (Green Globe 21). There was only one certified tourism operator in 2003, with Kaikoura benchmarked as a Green Globe 21 sustainable tourism community in 2002 (Ministry of Tourism Te Manatu Tapoi, 2003). In 2005, only four certified Green Globe 21 New Zealand tourism operators existed (Green Globe 21) with “over 50 companies in the process of benchmarking and 25 have already reached this goal” (Tourism Industry Association New Zealand, 2005). It seems that more than half are only at the awareness stage. TIANZ needs to be given credit for taking a leadership role in promoting Green Globe 21 but there seems to be a breakdown in reaching and convincing the majority of tourism operators spread across the country, mainly
due to lack of time and resources by TIANZ staff. RTOs can fulfil this gap as they are closer to the operators, but promotion of Green Globe 21 is not a priority at the moment for them (Yeo, P., personal communication, September 21, 2004).

RTOs were once, but no longer, closely aligned to TIANZ. For political reasons they have now formed their own network: Regional Tourism Organisations New Zealand (RTONZ). Even though it has a long way to go before the New Zealand tourism industry can be espoused as truly sustainable, this sustainability initiative would not have been implemented if it was not for funding from central government agencies (Moriarty, J., personal communication, May 5, 2005).

The Green Globe 21 initiative did not continue gaining supporters. There were administrative problems in Australia. New Zealand tourism operators became disillusioned as they were not getting the support they expected, one reason why many operators did not proceed to full certification. Without central government funding for Green Globe 21, TIANZ were not in a position to support their members. At the TIANZ 2005 Tourism Conference, a workshop on sustainability revealed operators disillusionment with Green Globe 21 and how disconnected TIANZ staff were to the problems they had encountered.

The Ministry of the Environment and the Ministry of Tourism are now supporting Sustainable Tourism Charters. These charters are a regionally defined, community-developed vision of sustainable tourism. They outline what businesses, community groups, local government, and iwi groups see as the key characteristics of a tourism sector that can exist in the long term. Operators are supported to make change, not reach a set standard. (Ministry for the Environment, 2005). The first charter was the initiative of Tourism Rotorua and it was then replicated in Northland with funding from central government agencies. Sustainable Tourism charters are being piloted in five other regions around New Zealand with RTOs taking a leadership role. This move towards Sustainable Tourism Charters has come about because they are: cheaper, self-policing, incremental and have or should have, peer support systems. They do have their critics, even some RTOs who argue that RTOs should just focus on marketing and have no role in getting involved in destination management. Critics claim that these charters are green washing, have no effective implementation procedures, very dependent on key personalities and they have no international status. This
researcher may be a cynic but Sustainable Tourism Charters may only be popular because the golden carrot, i.e. funding being provided by central government and they may just be a passing fad like Green Globe 21.

In 2003 TIANZ, through its regional seminar programme for tourism operators, ran seminars on environmental plans (EP):

The EP has been integrated into the Qualmark Endorsement Systems, and is based on the Green Globe 21 programme. Over time all tourism businesses in New Zealand will require an EP to achieve a Qualmark endorsement. These businesses that go on and become GG21 Benchmarked and Certified all receive a higher quality score as part of the Qualmark endorsement process (Tourism Industry Association New Zealand, 2005).

TIANZ has taken the lead with Kyoto Protocol on climate change, given its reliance on transport which makes it a high energy use sector. It had the greenhouse gas emissions from its annual tourism conference and roadshows calculated, and then contributed through the EBEX 21 programme to the restoration of native bush to offset the environmental impact (Ministry of Tourism, 2003). This practical programme is reaching and educating a wider range of tourism operators about sustainability.

The Ministry of Tourism has supported the distribution of the Tourism Planning Toolkit to help local authorities and RTOs plan for tourism, tackle specific tourism-related issues and prepare a tourism strategy. It is designed for use by local authorities and RTO staff responsible for destination management in their area (Ministry of Tourism, 2004). The toolkit is the end result of Lincoln University’s tourism planning research programme funded by the Foundation for Research, Science and Technology (FoRST). One of the aims of the toolkit is to engage communities in planning for tourism that is socially, culturally, economically and environmentally sustainable. The toolkit does not define sustainability but the tenets of sustainability are implied through the VICE model, which identifies the key groups of stakeholders as: Visitors, Industry, Community and the Environment. The model can be used to check the future viability of tourism decisions:
• How will this issue/decision affect the visitor?
• What are the implications for the industry?
• What is the impact on the community?
• What is the environmental effect?

Unless there is a positive answer to all four questions, the decision and its outcomes are likely to be unsustainable (Ministry of Tourism, 2004d).

The purpose of the Tourism Planning Toolkit is to: describe the ‘enablement’ and ‘management’ roles that local government plays in tourism; provide research and management systems to obtain information, prepare strategic tourism plans and monitor their effectiveness; ensure appropriate investment in infrastructure and services for tourism; enable the development of Community Tourism Plans; enable input to regional and national tourism strategies; describe how the Resource Management Act (RMA) and Local Government Act (LGA) can be used for sustainable tourism development and provide a resource to enable issues to be discussed and resolved at the local level (Tourism Recreation Research and Education Centre, 2004). The Tourism Planning Toolkit states it has been designed for use by staff (from TLAs or RTOs) that are responsible for destination management. The toolkit walks through the key components of the strategic management process: situation analysis, strategic planning, implementation and monitoring of performance. The Ministry of Tourism and Local Government New Zealand funded a road show to travel around the country in 2004 to explain the Tourism Planning Toolkit and raise the level of awareness of tourism at the local/regional level to senior staff and planners in Regional Councils and TLAs.

The consensus view is that the toolkit has been a good raising awareness document but it does not seem close to being implemented in a systematic way.

I do not think there’s a high enough level of engagement yet by the industry in picking up on it. Most people are aware of it now…I think RTOs can benefit a lot by picking it up but it’s not really an RTOs role. Well it is and it isn’t. If you’re taking the tourism toolkits and explaining it, it is a
wonderful resource and it’s one that I’ve used and no doubt will use again in
the future (Moran, D., personal communication, September 19, 2005).

The road shows were targeted to Council senior executives and policy
planners. It helped them understand tourism better. Are they using it
[Tourism Planning Toolkit]? They are aware of it but they are not using it in
detail, or integrating tourism into their wider plans. In the Councils there are
some passive supporters of tourism but there are no champions of tourism,
they do not stick their neck out to support tourism (Davis, P., personal
communication, October 12, 2005).

The tourism planning toolkit is another practical initiative, supported by
government funding, that has the potential to reach key decision makers to deliver
sustainable tourism planning and the framework for destination management.

5.8 Conclusion

In 2001, the NZTS 2010 put sustainability on the tourism policy agenda. The
Labour Government and the Ministry of Tourism have not only provided
leadership, but also significant funding for strategy implementation projects. This
Government has also actively collaborated with other stakeholders in tourism,
such as Local Government New Zealand, The Ministry for the Environment, the
Department of Conservation and the tourism industry to try and ensure that the
objectives of the strategy, including sustainable tourism development, are carried
out. TIANZ has developed and promoted initiatives that efficiently use resources
and environmental management systems that meet the Kyoto protocol and Green
Globe 21. These initiatives are a start, but they have not as yet penetrated very
deeply into the tourism industry and individual SMTEs. The small, but significant
success to date is mainly due to Government funding and Government partnering
with TIANZ. If Government funding continues, TIANZ will have the resources to
keep promoting sustainable tourism practices, especially in linking environmental
plans as part of quality endorsement (Qualmark) for tourism operators. However,
if the political and financial support ceases, it is predicted that these initiatives
will not continue unless RTOs fill in the gap -which does not seem likely at this
stage. If the latter happens, the industry may look back and say, ‘yeah
Chapter 5 Destination Management

sustainability, nice idea, we tried it but it did not work; we should stick to our main priority which is focusing on the single bottom line’.

The strategy’s use of sustainability and destination management is ambiguous, but it does aim to reconcile the tension between visitors, the tourism industry, host communities and the environment, along with seeking a balance between economic growth and conserving the environment. The Tourism Planning Toolkit has not only embraced the main tenets of sustainability, but has also successfully translated them into useable tools for the implementation of sustainable tourism planning and destination management. The biggest drawback to implementing sustainable tourism planning is that under the Local Government Act 2002, it is not mandatory for Regional Councils and the 78 TLAs across New Zealand to include tourism in their planning processes. This issue will be raised and expounded upon in Chapter Seven. The Local Government Act (2002) does require local authorities to prepare long term Council Community Plans (LTCCPs) and a sustainable tourism strategy is just one strategy that can provide direction for the Annual Plan, but this still requires an openness to tourism and the political will to allocate resources to tourism planning. For many local authorities, tourism is not deemed to be a priority (Beca Planning, 2002) and, as long as tourism planning is not enshrined in the Local Government Act sustainable Tourism Planning Toolkits, which are freely available may not reach council planners; or they may reach them, but they may then sit on their shelves collecting dust. The Ministry of Tourism, the tourism industry and especially RTOs need to do a lot of lobbying and educating of local authority staff and local communities about the value of sustainable tourism planning, if the Tourism Planning Toolkit is to be implemented across New Zealand. Otherwise, sustainable tourism and its implementation will remain an academic idea that may or may not be put back on the drawing board in the next decade.

Many of the concepts and issues developed in this chapter will be expanded upon in the following four chapters from the perspective of the NTO, local government and RTOs. The Chapter Ten will again address sustainable tourism planning and destination management identifying gaps in the current structures and processes at
the central and regional level and a model is presented identifying the chief characteristics required to deliver regional destination management.
Chapter 6 Role of the National Tourism Organisation

6.1 Introduction

State institutions “provide the framework within which tourism operates” (Hall, 1994, p.57). Government, both central and local, have an important role in the tourism system (Cheyne-Buchanan, 1992) and a significant influence over RTOs. This chapter and the next will describe select events and political processes at both central and local government levels that have influenced the process of change in RTOs over the last twenty-five years. Hall (1994) draws a distinction between the administrative and political forms of government/states and tourism. The administrative form is comprised of the non-elected administrative departments such as the Ministry of Tourism (policy) and TNZ (marketing and promotions). The political form is the relative balance of power between central and regional/local government recognising that policy formulation can be difficult if there are divergent goals and priorities between the three levels of government. The administrative form at the NTO level is at the heart of this chapter which will demonstrate how political forces and change at the central bureaucratic level have impacted on RTOs. The objective of this chapter and the next is to illustrate how the political form and the problems and issues emanating from incongruent policies among the three levels of government have impacted on the evolution and development of RTOs.

Most countries have a national body responsible for tourism (Pearce, 1992) and National Tourism Organisations (NTOs) have the most potential to either develop or limit a destination’s tourism industry. They are both the catalysts that stimulate the industry, and the coordinators that bring the industry together (Pacific Area Travel Association, 1986). The role NTOs play is important to a country’s tourism industry some research has been published about NTOs, their functions and policies (Baum, 1994; Kearsley, 1997; Pearce, 1992; WTO, 1979). Pearce (1992) in his seminal study of a range of tourist organisations across seven countries, including New Zealand, looked at their structures, functions and interactions and concluded that “organisations and their relationships with other organisations
change over time, particularly in response to changing external forces” (Pearce, 1992, p.201). Yet little has been published in the academic literature since Pearce’s (1992) work and more specifically little research has been conducted on the changes of and the political influences over NTOs during the last two decades. Hall (1994) argues that one of the reasons little research has been undertaken on the politics of tourism, is that it rarely generates enough controversy to attract the attention of political parties, politicians and the media. This chapter will illustrate how tourism became an item on the political parties’ agendas leading into elections, how ‘tourism and politics’ was debated in the House of Parliament and how the media in New Zealand has engaged with tourism’s policies and politics.

This chapter will also look at changes in the structure and functions of New Zealand’s NTO and associated government bodies since the 1980s. A brief history and background of the NTO has been provided to help contextualise this discussion. The chapter is structured around the functions of an NTO, using Pearce’s (1992) framework, to examine the changes that have taken place over the last two decades. It will be argued that while organisations change, the core functions of promotion, planning and advice remain; although the importance and interpretation attributed to these functions are also subject to change. This chapter provides evidence on how government decisions through the NTO came about and which sectors’ values and interests were being served (Hall, 1994). The consequences of the NTOs direction and action on RTOs will be addressed in Chapters Eight and Nine.

6.2 The nature and role of National Tourism Organisations, National Tourism Authorities and National Tourism Administrations

The Australian Government Inquiry into Tourism (1986) drew a distinction between National Tourism Authorities (NTAs) and National Tourism Organisations (NTOs) (Zahra & Ryan, 2005a). National Tourism Authorities were defined as the central government’s portfolio responsible for tourism. NTOs, on the other hand, were distinct government, semi-government or private sector bodies largely responsible for the promotion of inbound tourism. National Tourism Authorities generally possess responsibilities other than promotion,
whereas for an NTO, promotion lies at the heart of its role. A National Tourism Authority may have functions besides tourism, such as economic development, and tourism can become secondary and supplementary to a wider goal or remit, as shown in Table 6.1.

<table>
<thead>
<tr>
<th>Country</th>
<th>NTA</th>
<th>NTO</th>
</tr>
</thead>
</table>
| UK      | **Department of Employment**  
          Policy inputs (e.g. to promote tourism in high unemployment areas) | **British Tourist Authority**  
          Data-base  
          Information services  
          International Liaison  
          Marketing/promotions  
          Overseas offices  
          Policy advice  
          Regional Liaison  
          Research  
          Sales-publications etc.  
          Trade support |
| USA     | **Department of Commerce**  
          Policy inputs (also from other bodies) | **US Travel and Tourism Administration**  
          Information services  
          Marketing/promotion  
          Policy and planning  
          Regional liaison and advice  
          Research  
          Trade support  
          Visitor reception |
| NZ      | **NZ Tourism and Publicity Department**  
          Database  
          Investment incentives  
          Marketing/promotions  
          Overseas posts  
          Planning  
          Policy advice  
          Regional information and coordination  
          Research  
          Travel service (commercial) | |
| Canada  | **Department of Regional Industrial Expansion**  
          Industry Assistance  
          Infrastructure Development  
          Regional Liaison | **Tourism Canada**  
          Marketing/promotion  
          Policy advice  
          Product development  
          Research |
| Japan   | **Ministry of Transport**  
          Infrastructure (development incentives)  
          International cooperation  
          Planning  
          Policy inputs  
          Registration of restaurants, hotels and travel agents | **Japan National Tourism Organisation**  
          International liaison  
          Marketing/promotion  
          Overseas offices  
          Planning  
          Regional information  
          Research  
          Tourist assistance |
| Australia | **Department of Sport Recreation and Tourism**  
          Coordination (industry & states)  
          Incentives  
          Policy advice  
          Research | **Australian Tourist Commission**  
          Marketing/promotion  
          Overseas offices  
          Research (market) |
Pearce (1992) argues that the WTO in its 1979 report “uses the term NTA in preference to the more customary NTO to reflect the new concept of tourism management at the national level and to stress that the majority of countries are moving away from the traditional system, where the National Tourist Organisation is essentially a central publicity body to the new concept of a national tourism administration which sees promotion and marketing as one of many functions” (p. 7).

The Report of the Australian Government into Tourism (1986) described the functions and the division of responsibilities between NTOs and National Tourism Authorities as summarised in Table 6.1. This table shows the different arrangements from country to country as existing in 1986. New Zealand in the 1980s was the only country that had all these functions managed by one organisation.

The definition of NTO/NTA is still problematic. In 1995, the World Tourism Organisation published a report on the Budgets and Marketing Plans of National Tourism Administrations (WTO, 1995) using the word administration rather than authority. They do not actually define what they mean by National Tourism Administrations but discussed their changing roles in tourism promotion and the different levels of government intervention in promotion. The OECD, in 1996 (OECD, 1996) in looking at changes in tourism policy strategies also used the title National Tourism Administrations and likewise did not provide a concise definition but proceeded to describe a broad range of roles and responsibilities of government and semi-government tourism bodies for each country. At the end of the 1990s the WTO was ambiguous in drawing a distinction between NTOs/NTAs and listed their functions as: tourism planning and development, general administration of travel and tourism, marketing and promotions, research, education and training.

6.3 History and background of New Zealand’s NTO

New Zealand was one of the first countries to establish an NTO (Kearsley, 1997; Pearce, 1992). The Department of Tourist Health and Resorts was set up in 1901. In 1950 various information and publicity units of the government were
amalgamated and became a division of the Department and its name was changed to the New Zealand Tourist and Publicity Department (NZTP) (Collier, 2003). The NTO did not take an active role in the development of tourism policy until the Tourist and Publicity Act 1963 (Kearsley, 1997; Pearce, 1992). The tourism portfolio was elevated to a full ministerial cabinet status in 1967 (Kearsley, 1997) reflecting the growth stage of the industry and its contribution to the economy. The 1969 Tourist Development Conference led to the establishment of a Tourism Development Council that studied strategies to see how New Zealand could increase its export targets for tourism and encouraged more development and research. (Pearce, 1992). In 1977 the Tourism Minister announced the replacement of the Tourist Development Council by a smaller Tourism Advisory Council (TAC) (Collier, 2003). The 1978 Tourism Advisory Conference focused predominantly on marketing and set a target growth rate of 8% per year for the next ten years (Pearce, 1992). In 1982 the Tourism Minister reviewed the role and functions of the Tourism Advisory Council and in early 1983 he established the New Zealand Tourism Council to replace it (Collier, 2003). In reviewing the Tourism Council’s (TC) agenda and minutes in the 1980s, their major preoccupation was addressing the needs of a rapidly expanding industry. Growth rates for inbound tourists were exceeding the 8% target set at the 1978 conference: 1984/85 -15.2%; 1985/86 -15.4%; 1986/87-10.8%; 1987-88 -12.1% (Collier, 2003). The TC were trying to address: shortages in accommodation; especially quality accommodation; skilled labour shortages; a lack of affordable accommodation for the labour force that services the industry in tourist destinations such as Queenstown; the consequences of unplanned tourist development; infrastructure requirements such as Auckland airport as the main tourist gateway, just to name a few of the issues associated with a rapidly expanding industry.

The NZTP was at its peak, in terms of functions and responsibilities in the mid-1980s (Kearsley, 1997) including being directly responsible for a number of public sector commercial operations, the largest being the Government Tourist Bureau (GTB) travel offices and indirectly responsible or associated with the government owned Tourist Hotel Corporation (THC). Pearce (1992) cites 1984 to 1990 as years of change for the tourism industry from an organisational
perspective. This period also coincided with the Labour Government’s time in office and the drive of ‘Rogernomics’ towards a full market economy and minimal public sector ownership. A strong Minister of Tourism, coinciding with rapid growth in the industry prevented the Finance Minister Roger Douglas and the Treasury from immediately eroding the NZTP’s coffers but it was obvious to all that the writing was on the wall for the NZTP’s commercial operations. In 1990 Air New Zealand, THC and the GTB were privatised (Collier, 2003).

The State Services Commission in reviewing the role of the NZTP in 1990 (then still under the Labour Government), clearly reiterated their philosophy from the previous five years: lowering overall assistance by the Government to all sectors and what assistance was given needed to be uniform across and within sectors (Carpinter, 1990). It categorised product development as part of marketing and noted that the interests of government investment in tourism significantly differed from those of the tourism industry. The State Services Commission believed the argument of market failure for government intervention in tourism was best overcome by co-operative marketing investments within the industry itself rather than by government intervention. Any service other than policy advice should be funded by the industry on a voluntary basis. It was advised that the NZTP’s marketing activities be restructured into a co-operative marketing authority managed and funded by the industry.

The State Services Commission does recognise that there would be high transactional costs and some practical difficulties such as identifying all the beneficiaries of marketing activities. In our view these can be overstated. In the absence of government funding it is likely that the major airlines and other key players would readjust their promotional activities. The potential inefficiencies and distortionary effects of current Government intervention outweigh any extra cost involved. Practical difficulties in identifying beneficiaries and encouraging them to support co-operative marketing activities should ultimately be issues for the industry to resolve. However, we consider that reductions in Government funding may need to be phased so as to avoid disruption to marketing services. Phasing out of government involvement in destinational marketing
could occur over a four year period, say with NZTP’s vote reduced by 25% per annum to provide the appropriate incentives for the industry (Carpinter, 1990).

In 1989 the then Tourism Minister Jonathan Hunt asked the NZTP to organise what ended up being called *Tourism 2000: New Zealand Grow for It* Conference. The focus of the conference was the directions the industry should take in the 1990s. Four hundred participants from inside and outside the industry participated and the Tourism 2000 taskforce was set up to implement the recommendations of the conference. The taskforce presented a report to the new Labour Party Tourism Minister Fran Wilde with 16 recommendations for action (Collier, 2003). These recommendations included: the establishment of a New Zealand Tourism Board, a joint private/public sector funded body focusing on the marketing of New Zealand offshore (Pearce, 1992) and the renaming of the NZTP to the New Zealand Tourism Department (Collier, 2003). The Minister implemented the latter but instead of establishing a marketing ‘Board’ she set up the Tourism Strategic Marketing Group (TSMG) comprising of the eight major industry players and the Tourism Department. Pearce (1992) quotes the Minister outlining the purpose of the TSMG:

> A small and specialised group of companies with the simple objective of doing good business for themselves and New Zealand by working as a team. This marketing group will facilitate co-operation amongst the big investors in the marketing of New Zealand so we can get the most clout out from our limited resources and compete successfully against bigger and wealthier tourist destinations…….To begin the process the Department will lay its marketing plans on the table (Pearce, 1992, p.168).

The TSMG prepared a strategy focusing mainly on inbound tourism marketing, with most visitors destined for Auckland, Rotorua, Christchurch and Queenstown. They set a target of 3 million visitors and $10 billion in foreign exchange by the year 2000 (Kearsley, 1997; Pearce, 1992). Another initiative of the last Labour Minister, Fran Wild, was the disbanding the Tourism Council and establishing a
new body called The Tourism Forum, a sixty member body that would meet with the Minister three times in 1990.

1990 was an election year, the National Party went into the election stating that if elected it would establish a board to market and promote New Zealand internationally. This became a policy issue as tourism was seen as a major driver to kick start the economy (Collier, 2003), then deemed to still be in a fragile state. National won the election and the New Zealand Tourism Board (NZTB) was established in 1991 as the successor to the TSMG and took over most of the functions of NZTD. The NZTD was renamed the Ministry of Tourism, was smaller and had fewer functions that the former NZTD. This new Ministry of Tourism then became the Tourism Policy Group (TPG) within the Ministry of Commerce (Kearsley, 1997). The metamorphosis of the Ministry continued and the TPG was renamed to the Office of Tourism and Sport (OTSp) and relocated to the Department of Internal Affairs in 1998 (Collier, 2003).

The NZTB was a crown entity with a private sector board appointed by the Minister. It became the main government department charged with the responsibility for the development and marketing of New Zealand tourism (Collier, 1999). In 1997 the NZTB announced a five year strategic plan focusing on its core business: Destination marketing and divesting itself of non-core projects such as KiwiHost and the New Zealand Tourism Awards. The regional liaison service, in operation since 1982, was also disbanded. In 1999 NZTB changed its trading name to Tourism New Zealand (TNZ) (Tourism New Zealand. www.tourininfo.govt.nz).

In 2001 the New Zealand Tourism Strategy 2010 was released. This strategy was initiated by the peak industry association: Tourism Association of New Zealand (TIANZ) as a discussion document in the late 1990s. The new Labour Party Tourism Minister, Mark Burton, announced that a tourism strategy would be developed by the private and public sector in partnership (Collier, 2003). The NZTS 2010 recommended that central government’s policy arm needed to be strengthened and that there needed to be more integration amongst government
agencies to progress tourism through the creation of a Ministry of Tourism. The Ministry of Tourism came into existence on the 1st January, 2002.

### 6.4 Changes in the responsibilities and functions of New Zealand’s NTO since the 1980s

Pearce (1992) argued that “the functions of tourist organisations reflect their goals, at least their operative goals” (p.7) and he identified the following functions that NTAs/NTOs may undertake: Marketing, visitor servicing, development, planning, research, and coordinating and lobbying. These functions will be used as a framework to discuss the changes in the functions and responsibilities of the New Zealand NTO since 1980. This discussion will also include some of the political motivations that may have underpinned or contributed to these changes.

#### 6.4.1 Marketing

Marketing gradually became the dominating function of New Zealand’s NTO in the 1980s, taking over 50% of the budget of the NZTP in 1989 (Pearce, 1992). This domination became total in the early 1990s under the newly established NZTB when the whole focus was on international marketing and achieving the goal of three million visitors by 2000 (Kearsley, 1997) with most of government and public sector tourism funding directed to offshore marketing. The split between policy and marketing with the advent of the NZTB conformed with the thinking of the National (political) Party at the time, who wanted the private sector to have a bigger say in marketing (Plimmer, N., personal communication, December 12, 2002). In the early 1990s the Ministry staff were cut quite drastically to around 14-15 people and there were further cuts when it became the Tourism Policy Group and part of the Ministry of Commerce. The policy function was not favoured as much as the marketing arm (Bassett, B., personal communication, December 14, 2002). It is worthwhile to discuss the politics behind this marketing drive that led to the establishment of a tourism ‘marketing body’.

Private enterprise did have a role in the direction and functions of the NTO, especially marketing, prior to the establishment of the NZTB in 1991. The Tourism Council (established in 1983) and its predecessor the Tourism Advisory
Council (established in 1978) were “appointed by the Minister to assess and advise upon the major developments and trends affecting the growth of the tourism industry in New Zealand and to consider and advise upon the activities and policies required to achieve the most beneficial expansion of the industry” (New Zealand Tourist and Publicity Department, 1984a, p. 52). The Tourism Council was composed of successful businessmen and the senior players of the tourism sector; however, towards the end of the 1980s the membership of the Tourism Council were becoming frustrated as they were asked for advice on policy and direction, especially marketing but had no authority or role in policy implementation (Burt, D., personal communication, May 22, 2003). The revival of neoclassical economics and the disillusionment with large government bureaucracies and their perceived inefficiency fuelled this frustration towards the end of the 1980s.

The concept of a private sector led tourism board was present right through the 1980s (Staniford, A., personal communication, August 17, 2002) and this concept was heavily promoted at the Tourism 2000 conference held in 1989. Trends in other countries of the private sector being involved in the structure of NTOs reinforced this drive. “The private sector is bottom line orientated while the government wants to develop the overall product – that kind of partnership is ideal” (Pacific Area Travel Association, 1986, p. 26) and “once it is understood that a country’s tourism profile and attractions are a mixture of government and private industry infrastructure it necessarily follows that international marketing should be a combination of both” (Pacific Area Travel Association, 1986, p. 27).

In the late 1980s international markets, except for Australia, did not have a regional focus. In Australia, a six region concept was being used that operated independently of twenty two RTO boundaries (New Zealand Tourist and Publicity Department, 1988c). With forthcoming 1990 elections, and the fact that some of the key tourism industry players had strong political connections with the National Party (the major conservative party who were in opposition at the time), a window of opportunity appeared for a change of policy (Burt, D., personal communication, May 22, 2003). The subsequent success of the National Party led to the establishment of the New Zealand Tourism Board (NZTB), a crown entity,
with the purpose of marketing and developing New Zealand as a visitor destination (New Zealand Tourism Department, 1991a), in which the industry had executive authority over direction through its directors on the Board. This allowed industry to formulate policy and direction, in so far as it applied to marketing, which was a fundamental shift in thinking (Burt, D., personal communication, May 22, 2003).

Norman Geary, Chairman of the NZTB from its creation in 1991 to 1995 was a private sector operator, and a key person behind the drive to get three million inbound tourists visiting New Zealand by 2000 (which turned out to be unsustainable). In a radio interview, July 1991, Geary, was asked what was being done to promote New Zealand overseas. His response was “Well firstly what’s being done is not enough, secondly the sort of thing we’ve got to do is create an awareness overseas just what a wonderful country we have and just what we have to offer the mass tourist market and so one of our big jobs is communication” (Newsmonitor Service Limited, 1991, p.3). The objective of the Board was to “maximise return on investment by concentrating on niche marketing –precisely targeted origin markets. We recognise the absolute necessity to develop and implement marketing strategies within the tourism master-plan. We need to think smart about destination positioning, consumer preferences and detailed competitive analysis” (Newsmonitor Service Limited, 1991, p. 2).

Norman Geary played politics and spoke unashamedly about picking winners (Winder, P., personal communication, May 8, 2003, & Burt, D., personal communication, May 22, 2003). The joint venture marketing activities undertaken by the Board led to some of the private sector being substantial beneficiaries of marketing monies. The fact that there were specific winners and that others were precluded led to questions of equity and fairness in the way the NZTB worked (Winder, P., personal communication, May 8, 2003).

Although marketing was the dominating function of the NTO in the 1990s the promotional budget did not grow significantly. For example, in 1991, the newly established New Zealand Tourism Board had an annual budget of $55 million; the figure remained more or less constant for much of the 1990s. Tourism New
Zealand, in 2003, received around $70 million for the marketing and promotion of the brand ‘New Zealand’ (note this budget includes staffing and administration costs, it is not simply an implementation/publicity budget), which included a ‘top up’ of $15 million to take advantage of the success of the Lord of the Rings Trilogy.

The success and growth of the international marketing sector during the 1990s was outstanding for a small country such as New Zealand. This decade the 100%Pure brand was a success and the envy of other NTOs. A factor in this was the development of the brand with web-based marketing. However issues remained:

1) Uncertainty about product positioning and the ability to actually match the delivery of the product and infrastructure with the position established;
2) Not enough understanding how to move visitors (international and domestic) to the regions and entice them to travel outside peak times and how to grow yield;
3) Product often packaged around price and by people offshore rather than around product offerings. Current packaging determined by strategic focus rather than the customer;
4) Products can be developed from the perspective of those who have an interest in the product rather than from the perspective of the visitor;
5) Lack of information about visitors motivations and reasons for visiting or not visiting NZ or the regions (Cap Gemini Ernst & Young, 2000).

6.4.2 Visitor Servicing
The New Zealand Tourism and Publicity Department was not only a promoter of tourism but also a major tourism operator until 1990. The Department’s commercial operations included the Government Tourist Bureau which had 215 staff in April 1984, Tikki Tours and the administration of tourist reserves such as Whakarewarewa and Wairakei tourist parks in Rotorua (New Zealand Tourist and Publicity Department, 1984a). One of the main goals of these operations was the provision of information and quality services to visitors. These commercial operations were subsequently divested from the NTO in 1990 (except for the administration of the tourist reserves which was passed onto the Ministry) under
the neo-classical economic policies termed ‘Rogernomics’ because of their association with the finance minister, Roger Douglas (Ryan & Zahra, 2004).

Until the end of the 1980s Public Relations Offices were the main providers of visitor information services, with some RTOs having a ‘shop front’ providing information services. At the end of that decade there were approximately 70 visitor information outlets across the country. However they were not formally linked and no national standards existed in regards to operations and the information they disseminated (Lane, J., personal communication, December 17, 2002). There was movement by public relations offices and the regional members of the NZTIF to form a national network of information offices with the aim of achieving operational efficiencies and improving the quality of service. The NZTP was very supportive of this proposal as this network could stimulate visitor flows and expenditure to the regions chiefly via the FIT international market and domestic tourists (New Zealand Tourism and Publicity Department, 1989e).

The development of TRAITS, a computerised reservation system, combined as a database began in 1984 (Cheyne-Buchanan, 1992). It was starting to become clear in 1988 that the Government was considering the disposal of the NZTPs commercial operations, known as NZTP Travel and TRAITS Divisions. The effect of these subsequent government asset disposals on domestic and regional tourism caused concern among the private sector and the NZTIF (Walsh, 1989). NZTP offices provided booking facilities and information services for both overseas and domestic visitors. These services were supported by independent locally funded information offices promoted tourism attractions in their own regions and for their local tourism industry. Information centres provide non-revenue information, mainly in the local area and receive revenue earning commission on product sales and in some cases revenue from membership subscriptions. The perceived vacuum after the removal of the NZTP retail outlets was that information centres received no funding for the provision of non-revenue information from other regions, nor was there sufficient commissionable income to provide an effective booking service for operations outside the local regions as the communication and processing costs were very high. It was assumed that the private sector would not fill this vacuum as it would not be commercially viable.
The alternative was ratepayer funds financially supporting the provision of information on other regions, which was perceived to be unreliable and precarious (Walsh & Staniford, 1989). It was foreseen that the lack of an effective network of regional information and reservation services, linked to each other, would lead to a loss of earnings from international and domestic visitors.

TRAITS provided an information base for the tourism industry and a reservation service for a selected range of tourism products. There was no alternative comprehensive information database available. In 1988/89 it was believed that the full potential of TRAITS had yet to be fully realised, and it had taken years and considerable investment to reach a stage whereby the regions had a comprehensive booking and information service to meet the needs of the growing FIT and domestic visitor segments (Walsh & Staniford, 1989). The NZTIF at this time was also trying to achieve a fully integrated network of information offices from small local offices to district and regional offices under the overall control of regional bodies and the provision of information on the TRAITS system (NZTIF, 1989b). Members of the Community Public Relations and Information Centres Association were also canvassed about their views in participating in an integrated information service network.

The removal of the Government Tourist Bureau left a vacuum in visitor servicing that needed to be filled and under the leadership of the Tourism Minister, Fran Wild, two visitor servicing initiatives were introduced in 1990, namely the KIWIHOST tourism awareness programme and the establishment of a nationwide Visitor Information Network (VIN) (Ryan & Zahra, 2004). Under the new VIN scheme the newly established Tourism Department made grants to selected offices which met specified criteria. But even these initiatives were coloured by personal and political motivations. A professional colleague of Fran Wilde notes that:

Fran Wilde, who was the last Tourism Minister for the Labour government, arrived on the scene. She was flamboyant, colourful in her use of language; she wanted to achieve an awful lot in a hurry. So we had gone through this big soul searching (referring to the Tourism 2000 Conference) and there was this huge debate about the direction of the industry. Fran saw that the
Labour government was not going to last too long, she decided that she wanted to do something and she wanted to have some initiatives that left her stamp and to really push some things in the time she had which was not long.

When the NZTB was established, the VIN network became a part of it but the original funding scheme did not remain. Despite this, the VIN network with the support of the NTO went from strength to strength. In 1997 a new structure was established for VIN with three categories of information centres: National Centres that are open seven days a week and offering a comprehensive booking centre; regional centres, also open seven days a week but offering limited booking facilities and local centres providing information and some booking facilities (Collier, 2003). By the end of the 1990s it was a network of 94 member centres with a recognised brand at a combined operation cost of around $8m with TNZ funding just $300,000 administration expenses (Cap Gemini Ernst & Young, 2001c). VIN was re-launched in 2002 with a new brand, i-SITE (Ministry of Tourism, 2003). In the 2002 Budget, the government allocated $632 000 through the NTO, in this case TNZ, over a three year period to significantly strengthen the VIN network (Collier, 2003).

One initiative, of the NZTB that did not survive was a common database. In the period 1994 to 1997 the NZTB created a common database across information offices that listed accommodation, events and festivals. When McCully become Minister this was abandoned on the principle that it was a service best left to the private sector and it was sold to Telecom Yellow Pages who then sought to levy a charge on operators for inclusion on the database (which hitherto had been free). This effectively killed off the project and by 1998 it had collapsed (Ryan, C., personal communication, August 15, 2005)

6.4.3 Development
In the 1980s the NZTP took the view that the management of tourism involved taking an informed and integrated approach to both marketing and development, instead of just focusing on marketing as many other NTOs did. In this light development required a holistic view of what central and local governments and
the private sector could do (Plimmer, 2002). Grants and subsidies as forms of facilitators for development were introduced and administered by the NZTP. Incentives available for tourism operators included: Tax depreciation allowances for large new accommodation projects; Export Programme Grants Scheme; Export Performance Incentive – tax rebate on foreign exchange earnings; Export Market Development Incentive – tax rebate on marketing and promotion expenditure overseas; Regional Promotion Assistance Scheme and the Tourist Facilities Grants Scheme; Tourist Facilities Development Scheme (projects assisted under this scheme included Napier’s Marineland, Rotorua’s Agridome and Taupo’s Huka Village (New Zealand Tourist and Publicity Department, 1984a). The NZTP built its development arm, especially after 1984, to increase its input into regional, district and maritime planning schemes with the Regional Liaison Offices (RLOs) having a large role to play here. All these schemes created a better environment for tourism investment to proceed and for regions, cities and towns to gain stronger benefits from tourism (Plimmer, 2002). Again, it can be noted that these policies were part of a wider international practice with, for example, many European countries following similar policies.

None of these grants and tax benefits survived the Rogernomic reforms, except for the Tourist Facilities Grants Scheme and the 1990s was a desert wasteland for grants and tax relief for tourism operators in New Zealand. It could be said that New Zealand is now moving into a semi arid zone when it comes to grants to stimulate economic development. The Ministry of Tourism administers a Tourism Facilities Grants programme of NZ$300,000, special business advisory programmes for Maori tourism operators and in addition has secured funding for specific programmes for the assessment of funding for infrastructure in Rotorua, Queenstown, Kaikoura and Stewart Island. This was not funding for infrastructure per se, but research into the nature of infrastructure problems that arise from tourism. Interestingly enough these initiatives are tied to policies of regional economic development as projects were jointly promoted by the Ministries of Tourism and Economic Development.

The NZTD recognized that an NTO based on a comprehensive model including both development and marketing activities provides the easiest information flows
for planning and development (New Zealand Tourism Department, 1991d). In the 1980s this related chiefly to infrastructure which required cooperation between the Department and other Central government agencies such as Department of Conservation, the Ministry of Transport and Transit New Zealand. With the establishment of the New Zealand Tourism Board (NZTB) development was one function that ‘got lost’ in the 1990s. The NZTD, in a paper prepared for the Minister of Tourism on Tourism Structures in November 1990, stated that the Government is involved in tourism to ensure the economic and social gains to New Zealanders are maximised and negative impacts minimised as the costs and benefits of tourism are spread throughout the community rather than solely incurred and returned to the private investor. In short, industry investments do not necessarily take into account the interests of the wider community (Plimmer, 1990).

The NZTP did monitor the social and cultural impact of tourism recognising problems arising from high guest: host ratios in peak tourism periods in some regions (New Zealand Tourism and Publicity Department, 1989c). They noted criticism of tourism and irritation levels of tourism in tourist areas such as Queenstown, Te Anau, Wanaka and Taupo. Tourism was accused of increasing the cost of living, traffic congestions and the feeling of being a stranger in one’s own town. Yet these same communities noted the economic benefits of tourism. Thirteen destinations across New Zealand were selected in this study and 88% of respondents viewed international visitors as bringing more benefits than costs to the local community. Notably though, lower tolerance scores were found in Queenstown and other fast developing tourist locations.

The Tourism Marketing Strategy Group (TMSG) released its strategy: Destination New Zealand in December 1990. Jim Scott, Chairman of the TMSG, said that the strategy was not only about marketing and investment to reach a three-fold increase in visitor numbers but “development balanced with the need for sustainable and sensitive tourism growth. Environmental sustainability is vital. As the world goes green, New Zealand’s natural environments will continue to appreciate in value as a tourism resource” (Scott, 1990, p. 2). The strategy called for industry restructuring with the establishment of a Board with three industry
councils. The three councils were designed to support the core functions of international marketing; product and destination development and policy and resource management. The Minister of Tourism’s speech on the day of the launch of the strategy acknowledged that the “challenge is to manage change so that the benefits of tourism growth can be reaped and the negatives avoided” (Banks, 1990). The Tourism Board would assume responsibility for following NZTD’s divisions related to tourism planning:

1) Industry Development: Regional Liaison Officers (RLOs), education, Maori Liaison;
2) Industry quality assurance programmes, VIN, Kiwihost and Hospitality skills programme;
3) Tourism Planning: work with local authorities, conservation interests and developers and provides advice for tourism infrastructure (New Zealand Tourism Department, 1991b).

The NZTB in 1993 stated that its planning, policy and investment division provided “analysis and advice relating to the achievement of sustainable growth, environment, and conservation issues relating to tourism, and the operations of the Resource Management Act 1991” (NZTB, 1993b). The NZTB in 1994/95 undertook a review of infrastructure for transport, accommodation, conference and convention facilities, activities, attractions and public amenities and services. Transport included: airports, air services, port facilities, Cook Strait ferries, roads, long distance travel, coach services (scheduled, long-distance tours, local tours, shuttle buses, backpacker service and domestic charters) and rental vehicles (cars, motor-homes). This review did not lead to comprehensive outcomes due to the fragmentation of central government agencies and the tourism industry. The NZTB’s annual reports and public documents towards the end of the 1990s, became predominately marketing orientated as a consequence of its new strategic direction under CEO: Paul Winter.

In the 1990s, New Zealand’s New-Right governments sought to facilitate tourism growth and development through the removal of what were perceived as restraints upon the market (Ryan & Zahra, 2004) and thus for the NTO, as represented by the NZTB, marketing rather than development was their primary responsibility.
The Labour Government, elected in 1999, has been more policy driven, re-established a Ministry of Tourism strengthening its funding and staffing. Yet a focus on destination development by the NTO in the first few years of the new government was significantly lacking. The government and the NTO had a predisposition towards pro-active planning, but did so from the perspective of facilitating entrepreneurial activity to address social and infrastructure problems, rather than seeking to specifically direct industry (Ryan & Zahra, 2004). An example of this industry facilitation was the release in 2002 of a Tourism Industry Association of New Zealand (TIANZ) paper on water and waste water, as a case study of pressures on local infrastructure and catalyst for wider discussion of the issues. This indirect approach showed signs of changing under Mark Burton, when he was Minister, but the appointment of Damien O’Conner as Minister in 2005 might yet signal a return to less direct means as he emanates from a tourism SME background. The Ministries of Tourism and Economic Development have developed a government policy position on issues for local authorities with low rating bases and high tourism flows in the provision of core local infrastructure, to be able to absorb the costs associated with significant tourism flows and impacts. Cross-Departmental Research Pool (CDRP) funding was secured for a Ministry-led three year project on infrastructure demand (Ministry of Tourism, 2003) with reference to four tourist locations. Current research emphasis has also in 2004-2005, switched specifically to the role of industry and its economic performance with a project on yield management and industry profitability and the means by which it can be achieved; something which the new Minister signalled in a speech to Tourism Auckland (one of the larger RTOs) in November 2005 as important, while issues of sustainability featured less strongly.

6.4.4 Planning

The NZTP Department during the 1980s undertook a real leadership role in planning, having a section of the organisation dedicated to planning, development and research.

We had reached a half million visitors to the country and the pressure was on to get tourism recognised as a legitimate use of demand on the environment and a natural use of resources. There was pressure on more
development and tourism was not taken seriously in a policy sense. When we started to address planning issues it became obvious that there was very little at the regional or local government level to handle this beast called tourism. Whilst we were commenting on district and regional plans as they came up we realised there was not the framework to follow through on it (Burt, D., personal communication, May 22, 2003).

Some of the larger projects during this period were providing input for Rotorua’s geothermal field, future development and planning options for Rotorua, hydro development options for the Kawarau River and their impact on the Queenstown tourism industry and managing the ‘growing pains’ of Queenstown (New Zealand Tourism and Publicity Department, 1985).

During much of the period of the 1990s in New Zealand, the NTO retreated from this planning function in the belief that the market was a better regulator of needs than central direction. This effectively left issues of resource management to regional and local authorities (Ryan & Zahra, 2004). Equally, it must be noted that under the terms of the Act that established the NZTB, and specifically as interpreted by that body especially as the decade progressed, its chief role was overseas promotion.

The New Zealand Tourism Strategy 2010, released in August 2001 put planning back on the agenda. This strategy and its 43 recommendations could have simply remained an industry ‘wish list’ but the Labour Government through the Ministry of Tourism adopted a leadership role and committed monies to study the recommendations and implement them. Recommendation 11 proposed the adoption of a whole sector model to reduce complexity and improve efficiency in tourism planning and development by 2004. Recommendation 27 proposed that by mid-2002, Territorial Local Authorities and central government confirm their long-term commitment to the tourism sector and confirm infrastructure development. Recommendation 40 said that central and local government and the private sector should develop a model and agree on roles and responsibilities in relation to tourism infrastructure needs. The new Ministry of Tourism, established in 2001, funded a four step programme initiated by Local Government New
Zealand which culminated in ‘Postcards from Home: The Local Government Tourism Strategy’, May 2003. The Ministry continues to support planning by providing further funding to Local Government New Zealand to investigate the Resources Management Act and its relationship with tourism and produce a best practice guide. Consequently New Zealand is seeing a complete turn of the policy cycle with the Ministry again taking a leadership in regards to planning, albeit in a different guise to the 1980s.

6.4.5 Research

Tourism research was very high on the NZTP agenda in the 1980s. In December 1981 the Department convened a seminar on the co-ordination and planning of tourism research. The General Manager, Neil Plimmer explained the purpose of the seminar:

There is clearly a very rapid growing interest in research into tourism throughout New Zealand. We see it in government departments and agencies, in the universities, in private companies, and in the institutions of tourism.

It is worth asking why all this is happening? I am sure that it relates to the increasing sophistication and complexity of tourism. Our competitors are spending more money in analysing consumer wants and in developing the most advanced marketing strategies. The gains of tourism are becoming more widely appreciated and more countries, airlines and companies are fighting for a share of the global tourism market. They are doing it from the basis of improved research and we must do the same.

An important reason for the surge in research in New Zealand is the growing competition for scarce resources between different sectors of the economy within New Zealand. Forestry, fishing, agriculture, manufacturing are all involved in research designed to improve the performance of their sector and to stress its importance and tourism must do the same.

A further reason why research is being undertaken more widely must be simply a matter of costs. Building costs, production costs, media costs for advertising and travel costs of all sorts are escalating rapidly – in many cases in real terms. It obviously follows that investment decisions involving large
outlays of money have to be made on the best information available. The sums are too great to be left to “seat of the pants” judgements. Clearly if we want to compete for tourism in the world market and if we want to compete for resources for tourism within New Zealand, we are going to have to move towards more professionalism. (Plimmer, 1982, p. 1)

The research undertaken by the NZTP was quite sophisticated and state of the art for its day. In 1980 researching tourism’s economic impact was a priority because tourism was not a ‘sector’ according to the United Nations agreed definition. While the tourism industry wanted statistics of the same quality as other sectors these were not immediately available, because tourism was spread across a series of sectors or sub-sectors, all of which included non-tourism as well as tourism components. What was needed was to construct a statistical tourism sector by identifying how much accommodation, transport etc. could be attributed to tourism or in other words the extent that these sectors sold their outputs to tourists. This was not any easy project but the first results came through in 1982 (Plimmer, 2002). In marketing, psychographics and the VALS (Values, Attributes and Life-Styles) approach to segmentation was used as early as 1982/83 (Plimmer, 2002). Another research demand in the 1980s was for data relating to each region as planners and promoters in each region found it difficult to deduce much relevance from nationally aggregated statistics. Over time the IVS (International Visitors Survey) and the DTS (Domestic Travel Survey) were regionally segmented and regional profiles prepared. By 1989 the Tourist Activity Model (TAM) was able to generate historic, current and forecast data by regions or major tourist towns (Plimmer, 2002). This is not the forum to discuss all the research undertaken by the NTO in the 1980s but significant emphasis and investment was placed on research as evidenced by the quarterly newsletter *New Zealand Tourism Research* which existed throughout the decade and the money that went into research increasing from $50 000 in 1980 to $1 million in 1990/91 (Plimmer, 2002).

Research did continue into the 1990s but was divided. The NZTB had a mandate to undertake market research and strategies: “identifying change in existing markets and emerging new markets, and the development of strategic approaches
Public sector involvement in tourism has turned 360 degrees and research as a high priority is back on the agenda. The Tourism Research Council was established in 2001, as a private/public sector advisory body (Ministry of Tourism, 2003). It is the central point of access and seeks to co-ordinate the work of projects funded through the Foundation of Research, Science and Technology (the means by which the Government directs public sector research funding), Tourism New Zealand and the Ministry of Tourism, and at regional and local level through various initiatives of local authorities, regional and district tourism organisations. One outward sign of this has been the establishment of the Tourism Research Council website and the full disclosure of statistical data and a research bibliography. While the previous thinking of Ministers was that if the market placed value on the data they needed to pay for it, by 2003 the thinking was that data only possesses value if it is freely disseminated for others to use, and it is that use in informing better decision taking that provides value for such datasets (Ryan & Zahra, 2004).

The new thinking was that a core responsibility of government in tourism related to generic information and research. It was recognized that high quality research was needed to underpin effective policy analysis and advice and inform practical and strategic thinking across the sector. The argument of market failure was again recognised as valuable and used to identify research as a public good, since the benefits of this information and research is not specifically applicable to
individual businesses or groups and so without government support the tourism sector would under-invest relative to the benefits of the economy as a whole (Cabinet Policy Committee POL (01) 200, 2001). Central Government in 2001 invested approximately $2m in applied tourism research under Vote: Research, Science and Technology. The tourism data set (DTS) is funded $1.8m from Vote: Tourism, (Cabinet Policy Committee POL (01) 200, 2001). TNZ was responsible for the International Visitor Survey (IVS) and the International Visitor Arrivals (IVA) while the OTSp had responsibility for Domestic Travel Survey (DTS), Commercial Accommodation Monitor (CAM) and Tourism Satellite Account (TSA) and forecasting. All these core data sets were transferred to the new Ministry of Tourism on January 1, 2002 (Cabinet Policy Committee POL (01) 200, 2001).

6.4.6 Coordinating and Lobbying

Tourism is a diffuse industry or sector, and co-ordination is arguably required both vertically (i.e. between local, regional and national institutions) and horizontally (i.e. between agencies at the same level of activity). The NZTP Department in the 1980s placed significant emphasis on this co-ordinating role. The Tourism Advisory Service was established in 1983, with the objective of assisting regional and local authorities and tourist operators to develop and promote tourism within their regions. Regional Liaison Officers (RLOs) were funded by the Department and located in the regions. The role of the RLOs was threefold: Marketing liaison: development and information provision – namely to provide detailed information on tourism related subjects, including information on Government assistance and marketing, and research data to aid organisations and individuals in decision making (New Zealand Tourist and Publicity Department, 1984a). The RLOs were one of the few survivors of ‘leave it to the market’ and lasted until 1997 under the NZTB.

In the 1980s the NZTPD also undertook a co-ordinating function with:

a) International tourism organisations such as the World Tourism Organisation (WTO), Pacific Area Travel Association (PATA) and also developed close links with Australian bodies;
b) National Organisations: It provided co-ordinating and secretarial services to the Tourism Council and the General Manager was the Deputy Chairman; The General Manager of the NZTPD was on the Board of the New Zealand Tourist Industry Federation (NZTIF), the Boards of the Tourist Hotel Corporation and the Maori Arts and Crafts Institute in Rotorua; The NZTPD was represented on the Council of the New Zealand Institute of Travel; There was representation on the External Aviation Policy Committee and a Department Officer sat on governing body of the Aviation and Travel Industry Training Board (New Zealand Tourist and Publicity Department, 1984a). The co-ordinating function the NTO provided facilitated the industry and local government to address complex problems in a unified way and allowed the industry to make rapid progress in meeting the demands of increasing number of international and domestic visitors. Through the NZTP Department’s co-ordinating role, Regional Tourism Organisations (RTOs) were better supported with the dissemination of information of what was going on at higher levels through seminars in the regions and the RLOs.

The NZTB and the Ministry retreated from this co-ordinating function in the 1990s. The need for coordination meant that local authorities and their proxies such as RTOs became the site of discourse as to the need, nature and direction of coordination (Ryan & Zahra, 2004). The NZTB maintained the RLOs for a few years and continued to liaise with RTOs through trade shows such as TRENZ but the Ministry as a consequence of reduced funding, staff and even limited access to the Minister, (when it was the Tourism Policy Group due to political tensions), played a limited coordinating and lobbying role.

The pendulum again swung back in the early 2000s: senior members of the Ministry of Tourism are interacting, facilitating and sitting on many bodies. For example, the Policy Manager of the Ministry of Tourism was a member of the Local Government New Zealand Tourism Project Team and Tourism New Zealand and Ministry staff conduct seminars in the regions again disseminating information and supporting the RTOs and regional operators. Both the Ministry of
Tourism and Tourism New Zealand are playing significant formal and informal coordinating roles and lobbying senior government Ministers.

**6.5 The Relationship between the NTO and the Peak Industry Body**

There was a close working relationship between the NZTP and the New Zealand Tourism Industry Federation in the 1980s (Staniford, A., personal communication, August 17, 2002 & Plimmer, N. personal communication, December, 13, 2002). In a letter dated 1 August, 1984 to all controlling officers, Neil Plimmer, General Manager of the NZTP, emphasised the support and cooperation between the New Zealand Tourism Industry and the Department. This was evidenced in an attachment to this letter of a list of areas where the Department was working closely with the industry. This letter also provides an insight into the political sensitivities current at the time and supports the argument that a united NZTP and NZTIF/industry drove the establishment of RTOs. The letter stated that for many years the Department had a policy of working with the industry on a wide range of projects and this policy was not just lip service but a real commitment. Industry was, in turn, supportive of the Department and had expressed their concerns to the new Labour Government about any new restructuring of the Department, at the beginning of the era of Rogernomics and the threat of downsizing. Plimmer noted that this fragile balance could be easily upset if it was perceived that the Department was not in harmony with industry objectives or did not recognise its performance (The New Zealand Tourist and Publicity Department, 1987). This political backdrop of reciprocal support between the government department and the informed leadership of the industry was one of the factors that led to a close relationship between the two in providing leadership and unity for the embryonic RTOs. This relationship is not unlike the current ‘partnership’ approach between the Government and industry.

A three-fold reciprocal relationship emerged where:

a) Government wished to engender economic growth and regional growth at a time of perceived budgetary constraint. Tourism was and still is perceived as one such means.
b) The NZTIF/NZTP wished to more effectively promote tourism to international and domestic markets but needed support at a regional level—something that still exists.

c) The embryonic regional organisations needed legitimacy and strengthening to obtain funds from local authorities and members. Links with central government and the NZTIF provide that legitimacy—again something that still pertains today.

The pattern of mutual needs is present: the government requires regional economic development, the NZTPD and NZTIF require regional support to better promote New Zealand and RTOs require resources and ‘legitimacy’

In the late 1980s national domestic tourism marketing was conducted by the NZTIF under the Great New Zealand Campaign, with financial support from central government. RTOs also conducted domestic tourism marketing campaigns with central government support through the Regional Promotions Assistance Scheme. The NZTP also provided an extensive domestic tourism research programme supporting marketing activities. With the creation of the NZTB the focus was specifically on the growth of international tourism. Yet, it was soon apparent that they could not overlook the relationship between international and domestic tourism. In order for the NZTB to effectively market destination New Zealand, it is necessary to have a have a healthy domestic sector and support of the community. The domestic market provided a base for the international market to expand upon. For the Board the domestic tourism market provided opportunities at the regional level and it was for the regions to market New Zealand to New Zealanders. It was recognised that a significant portion of visitor nights and tourism expenditure are attributed to the domestic market (in fact during this period something in the region of 60% of all expenditure).

The relationship between the NZTIF (which became the New Zealand Tourism Industry Association, NZTIA) and the NZTB was always close. The NZTIF was campaigning for a tourism marketing board in the 1980s (Staniford, A., personal communication, June 11, 2003). When Tony Staniford retired as CEO of the NZTIF a number of industry people commented that Paul Winter, the new CEO,
was Norman Geary’s (Chairman of the NZTB) man. Ian Kean, the NZTB CEO, represented the Board on the NZTIA until his resignation. Paul Winter moved on from the NZTIA to become the CEO of the NZTB upon the resignation of Ian Kean. All this interconnectivity indicated close relationships between both bodies and all parties. The only point of contention during this period was the nomination of members to the NZTB.

The change in structure, including private sector directors, has been judged, with minor reservations; a resounding success by the Tourism Industry…The NZTIA supports the appointment of members of the Industry, selected on merit, as directors of the Board. At present the appointments are made by the Minister of Tourism and are seen to be at the discretion of the Government. Given the private sector contribution to marketing New Zealand, the Industry would welcome the opportunity to appoint some of the directors (NZTIA, 1995a, p. 10).

Chapter Two described and inferred from the documentary evidence of the NZTS 2010 development process the estranged relationship between the CEO’s of the TNZ and the NZTIA while the NZTIA strengthened it relationships with the Ministry of Tourism.

**6.6 Tourism 2000 New Zealand Grow for it Conference and Regional Tourism**

In 1989 the NZTP saw that regional tourism was one of the major issues of immediate concern that required a higher profile at the conference. There were a number of forces coming together that would impact on the structure, operations and funding of regional tourism such as the reform of regional government and the sale of NZTP’s travel and TRAITS division. The NZTP stated that short term solutions were not the answer but the future of regional tourism leading to the year 2000 required a long term strategy. Some of the issues put on the table for discussion were: regional differentiation; regional long-term strategic planning which combines all components of tourism (aligning destination management and destination marketing); a new simplified structure for regional tourism linking regional and local government underpinned by a permanent, adequate, secure
funding base; coordination of national visitor information network; integration between central, regional and local government and the tourism industry for the future direction of regional tourism; and a long term strategy for domestic tourism (New Zealand Tourism and Publicity Department, 1989e). Again, it can be commented these remain pertinent issues.

The Regional Tourism and Domestic Marketing sub group of the Tourism 2000 Conference presented the following recommendations for consideration by the Tourism 2000 Taskforce (New Zealand Tourism and Publicity Department, 1989d):

1) Recognition of the importance of domestic tourism to the New Zealand tourism industry. This recognition was lacking at the conference with an overwhelming emphasis on international marketing:
   a) The industry as a whole needs to recognise the value of a strong domestic tourism sector or there will not be the infrastructure in place to support the needs of international visitors;
   b) Most communities only recognise foreign visitors as tourists, yet until it is recognised that ‘tourism’ and ‘tourist’ equates with international plus domestic visitors, the industry is unlikely to gain support, especially in the regions which do not have large numbers of international visitors;

2) Along with a national strategy for international tourism there should be a national strategy for domestic tourism. This strategy needs to coordinate the strategic planning and development and include research requirements, marketing and planning for the entire domestic tourism environment. Regional strategies would dovetail into the national plan.

6.7 Tourism Strategic Marketing Group

The Tourism Strategic Marketing Group (TSMG) was set up by Fran Wilde, the Minister of Tourism in 1989 as one of the recommendations of the Tourism 2000 conference. The TSMG launched a document called *Destination New Zealand*. The purpose of the document was to provide strategic direction for the development of New Zealand’s inbound tourism industry with a target of $10
billion in foreign exchange by the year 2000 (Tourism Strategy Marketing Group, 1990). This document was a growth and development document in regards to planning policy the emphasis was on “streamlining planning procedures to reduce the obstacles to tourism development” (Tourism Strategy Marketing Group, 1990, p. 9). The primary focus of the TSMG was international and not domestic tourism. It was left to the regions to promote themselves. They recognised that regionally differentiated products would add value to New Zealand and they also claimed that not all parts of the country would benefit equally. Regions physically closest to ‘golden mile hubs’ had a natural advantage to gain substantially from increased tourism. The document was volume focused with a targeted change in the arrivals mix, reduced average length of stay and a concentration of visitor nights in key tourist locations. Regions were characterised as gateway destinations: Auckland and Christchurch; resort destinations: Rotorua and Queenstown; and regional destinations surrounding the hubs. The tourism hubs it was foreseen would “benefit disproportionately from tourism growth” (Tourism Strategy Marketing Group, 1990, p. 22).

The largest group to respond to the report were RTOs and a very strong theme running through the submissions was concern that domestic tourism was not sufficiently considered in the strategy. RTOs and local government interests argued for regional tourism to have a firm funding base and expressed concern about the viability of RTOs if industry had to pay a membership fee to a Board. Table 6.2: Response to TSMG’s Strategy Document: Destination New Zealand by RTOs and Local Government highlights the range of responses from both RTOs and Local Government. Both were opposed to the proposed board being located in Auckland, requested that there be both RTO and local government representation on the Board and expressed their suspicious of private sector domination of tourism.

The NZTIF’s response to the TSMG’s document was:

1) That domestic tourism must be considered;
2) A major flaw in the document was the assumption that the planning process can be directed on a national basis with policy devolved to regions;
3) It was pointless to identify ‘tourism development zones’;
4) A regional tourism strategy should be completed urgently to complement this document/strategy;
5) That strong regional tourism offices were imperative;
6) Opposition to the move of the NTO to Auckland.

Table 6.2: Response to TSMG’s Strategy Document: Destination New Zealand by RTOs and Local Government

<table>
<thead>
<tr>
<th>Regional Tourism Bodies</th>
<th>Regional Councils and TLAs</th>
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</thead>
<tbody>
<tr>
<td>* Need for domestic marketing to be included</td>
<td></td>
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<tr>
<td>* Balanced in favour of hub destinations and short stay visitors</td>
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<tr>
<td>* Membership fees paid to Board are a major threat to funding of RTOs</td>
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<tr>
<td>* Board and Council representation needs to cover regional interests and small sectors</td>
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<tr>
<td>* Overlooks important cultural and environmental values</td>
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<tr>
<td>* Move to Auckland opposed</td>
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<tr>
<td>* RTOs could be contracted to provide marketing, education and other services</td>
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<tr>
<td>* Importance of supporting RTOs and information offices</td>
<td></td>
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<tr>
<td>* Lack of clarity about where RTOs fit in</td>
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<tr>
<td>* Loss of NZTD ‘watchdog’ detrimental to quality of service</td>
<td></td>
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<tr>
<td>* Network of regional bodies could link with national strategy through representation on Product and Destination Development Council</td>
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<tr>
<td>* Undue preoccupation with top-end, high yield, short stay visitor to the detriment of the rapidly increasing green experiential, quality anti-tourist</td>
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<tr>
<td>* Roles of central, regional local government and RTOs not clear</td>
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<tr>
<td>* Greater clarification of “continuance” of NZTD services such as: research library service, domestic product development, and regional offices</td>
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<tr>
<td>* Concern targeting main hub is an unbalanced approach</td>
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<tr>
<td>* Domestic marketing essential</td>
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<tr>
<td>* Need for financial and political support for RTOs</td>
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<tr>
<td>* Membership fee for Board will undercut viability of RTOs</td>
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<tr>
<td>* New structure must represent regions and environmental, Maori and social concerns</td>
<td></td>
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<tr>
<td>* Oppose move to Auckland</td>
<td></td>
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<tr>
<td>* Representation by industry only ignores huge public investment in tourism</td>
<td></td>
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<tr>
<td>* Funding for information network, signs and public toilets</td>
<td></td>
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<tr>
<td>* Local Authority representation needed on Board</td>
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<tr>
<td>* Role of RTOs and local government must be made more explicit</td>
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<tr>
<td>* RTOs need to be represented on the Board instead of being a peripheral role</td>
<td></td>
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<tr>
<td>* Only central and local government able to act as catalyst to coordinate all the vested interests</td>
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</table>
6.8 The political dimensions behind the establishment of the NZTB and a Policy Unit.

In the 1990 election the National Partyidentified the following goals as part of their tourism policy:

1) Set goals for the suitable performance by the tourism industry;
2) Set up Tourism New Zealand, a new organisation which will co-ordinate a major drive for tourists;
3) Increase government funding for offshore promotion by $20 million condition on the private sector matching it dollar for dollar and contributing its appropriate share;
4) Ensure bilateral aviation rights are vigorously negotiated;
5) Tourism operators to be given the opportunity to opt out of restrictive labour agreements;
6) Ensure all tourism development is environmentally responsible (Office of the Minister of Tourism, 1991a).

After National’s election win, a working party was established in late 1990, to examine the options for implementing the Government’s policy on Tourism. The committee was chaired by the Tourism Department, included representatives from Treasury, the State Services Commission and the Prime Minister’s Department (Office of the Minister of Tourism, 1991a). John Banks, as the Minister of Tourism preferred a Ministry to provide advice to the Government. Mr Birch, the Minister of State Services preferred a tourism unit within an existing Ministry as there were several precedents already handled by the Ministry of Commerce. Birch also noted that an additional vote for funding in the Ministry of Commerce may cause problems (Office of the Minister of Tourism, 1991b). With regards to tourism funding, Banks assumed that the current tourism vote would remain and be shared between the Board and the policy unit. Once the Board was established, it would then have to address how the industry contribution would be raised, with additional government funding following. One of the objectives of the Tourism Forum of March 12, 1991, chaired by Mr Banks, was to seek agreement from the industry on its contribution to the Board. Birch, however, questioned this scenario and suggested that industry must resolve the funding issue before the Board was approved. Birch also challenged the assumption that the existing tourism vote
would automatically be transferred to the Board and policy unit, since there should be, in his view, areas for economies of scale while a statement of potential savings would help gain Cabinet approval (Office of the Minister of Tourism, 1991b).

The NZTD presented to the Minister and Cabinet a view that an independent and separate Tourism Ministry was warranted given the government’s and the country’s expectations of tourism. There was no logical Ministry to be the parent body and no arguments based on cost savings for placing tourism in another Ministry. “We have established that the overheads of the Ministry of Commerce are very high and outweigh any economies of scale” (Plimmer, 1991). While Banks was in favour of a separate Ministry (Office of the Minister of Tourism, 1991b), he also saw that there needed to be more coordination of all government agencies for long term policy development of tourism. He explored ways that this might be achieved including the publication of white paper on tourism which would clearly set out government’s role. In the end Cabinet approved the establishment of a tourism policy unit within the Ministry of Commerce (Banks, 1991a) and a white paper was never published.

To say there were competing visions would be a statement of the obvious. On the one hand, there was the NZTD trying to organise the establishment of a Board as part of National Party policy implementation and on the other you had TSMG, under the Chairmanship of Jim Scott of Air New Zealand, recommending to the Minister and other government departments varying structures for the Board. It was clear that Jim Scott did not want the Chairman of the Board to be reporting to a Chief Executive of a government department but rather reporting directly to the Minister of Tourism (Tourism Strategy Marketing Group, 1991), “we believe a direct line of accountability to the Minister of Tourism is imperative” (Scott, 1991). The political structures of the Board were also being discussed by the TSMG. Issues such as: membership being purchased; questions around why the government has to control tourism; funding [by the government] does not mean ownership; ‘we’ will agree with the Minister who will be appointed; ‘we’ want to influence the government; there were some arguments about the role of the policy unit and the danger of politicisation of the Board (Tourism Strategy Marketing
Group, 1991). “The new Tourism Board might be private sector driven but its
direction will be determined in partnership with Government” (Scott, 1991). The
TSMG preferred a structure similar to the Trade Development Board model
known as Crown Agency. Cabinet did approve the board as a Crown Agency
(Banks, 1991a) which meant that the Board was and remains directly accountable
to the Minister of Tourism. This implied that the Board could be potentially
‘owned’ and ‘controlled’ by Government; the board members being appointed by
the Minister. This arrangement means it is not a de jure partnership of government
and industry and the Government is the final arbitrator of board membership
(New Zealand Tourism Department, 1991c). In practice though, for the most part,
Government has tended to seek members who would be recognised as
authoritative by the industry. It also should be noted that the Board, as a State
Owned Enterprise (SOE), has independence of the government in its functional
operations; something that was eventually challenged by Murray McCully when
he became Minister of Tourism later in the decade; a challenge that as noted, was
always possible given the Board’s structure as described above.

The TSMG used their leverage to propel the government quickly to address the
issue of a Board. They launched the Marketing Strategy in December 1990 and
two papers: one on a tourism board structure and the other on the future funding
of offshore marketing claimed an annual budget of $100m was needed, with $5m
being private sector fees and subscriptions and the balance to come from the
government (Minister of Tourism, 1990).

On March 4, 1991 in a memorandum to Caucus referring to the implementation of
tourism policy Banks stated:

We have moved quickly to give effect to the key initiatives; the most
important of these is the re-direction of the existing New Zealand Tourism
Department. This will be achieved by the appointment of a private sector
driven board of directors to run the department. I intend to have a board to
run the department in place by the beginning of July, and I have already
held some discussions with some people who may be suitable to chair the
board (Office of the Minister of Tourism, 1991a).
He went on to say that the New Zealand Tourism Board Bill provides “a new structure which will encourage a commercial focus to develop and help New Zealand realise the full potential of tourism” (Banks, 1991b).

Some interesting nuances are present in these statements: ‘The board will run the department’ and an emphasis on commercialisation. Banks also made explicit the then government ideology and the manner in which it informed policy, stating:

This government has seen the need to instil more commercial clout into this country’s tourism efforts for a long time and I know the private sector has been after very much the same thing.

The new structure will solve some of the problems that have held the tourism industry back for generations. For the first time since commercial tourism got underway in this country over a century ago, we have the means of getting the public and the private sector working together on a unified strategy for tourism. This structure will encourage a commercial focus to develop and help New Zealand realise the full potential of tourism.

We have undertaken to put tourism on a firm footing after years of empty promises by the previous administration.

The policy functions previously carried out by the New Zealand Tourism Department will be transferred to a small policy unit in the Ministry of Commerce.(Banks, 1991b)

On the second reading of the New Zealand Tourism Board Bill the Minister said:

The Bill represents the philosophy, the concepts and the principles that I paraded around the country for 6 years when I was the opposition spokesperson on tourism. I promised the people and the industry that a National Government would give them a private sector driven board, and true to that promise the government is delivering that today in the second reading of the Bill. Members of the Board have been appointed in consultation with the tourism industry and with others who have a substantial interest in the board’s membership. There are no political cronies on the board, and there is no yesterday’s baggage on the board….This is the
smartest board that has ever been bought together in the past 25 years, and its members will drive the concepts, the philosophies, and the principles of the Government’s push for a strategy for tourism development, growth and jobs for the future…. The Board commences operations on 1 September. It is envisaged that the increased involvement of the private sector industry will inject badly needed energy and enthusiasm into tourism. Accountability is ensured in the Bill by the fact that we will have a small ministry in an advisory role to the Government on board operations. I emphasise the word ‘small’; the ministry will have budget of about $1.5 million, and will be connected and affiliated to the Ministry of Commerce. I pay tribute to Neil Plimmer and Val Jeal. They are two senior people that I am involved with and that I have been involved with from the New Zealand Tourism Department…Val Jeal comes to the new board and Neil Plimmer will become the manager of the new tourism ministry that will be set up. The new ministry will separate policy advice to the Minister from direct market-related activities that will be undertaken by the board, and that is important.

The government knows it cannot afford to neglect tourism, which is what happened in the past. We have the potential, but so far we have not used it to the full. This where the new private sector board is coming to the forefront (Banks, 1991c)

In short there was a rejection of past policies of pro-active leadership through intervention and research led policies that took a more holistic perspective of tourism; while at the same time it should be noted he criticised past governments of neglect, meaning that ‘industry knows best’.

The Select Committee made some amendments to the Bill such as the Minister consulting with the Industry –NZTIA, regarding board member appointments and commented that it is not clear if a board would prove to be the most effective way of proceeding. Many submissions argued that the existence of the Board will attract private sector money, which would supplement funding allocated to the Board from taxes. However, parties that came to the select committee and advanced that rationale were not prepared to commit themselves with any
precision on the amount of money that they would be prepared to contribute from their organisation “I doubt we that we are likely to see, in any hurry, the majority of funds coming from the private sector” (Caygill, 1991). Many of the submissions wanted to cut the Board completely from any requirement to consult the State Services Commission, even for the appointment of the chief executive. “The reason that I do not think that the board should be left entirely to its own devices in the appointment of staff is simply that it will largely be spending public money” (Caygill, 1991).

The Select Committee stated that the most critical submission of the Bill, and the most substantial, was from Air New Zealand who argued for a company not a board and that this company should be given the express function of advising on international aviation agreements. This approach was rejected on the following grounds as expressed by one Select Committee member: “I think it would be entirely wrong for a wholly private sector board spending largely public sector money to be set up as a privileged advisor on something as important as the negotiation of international civil aviation agreements” (Caygill, 1991).

The Associate Minister of Tourism, in the third reading of the NZTB Bill stated that “one of the industry’s problems, which goes back over many years, has been the measure of fragmentation of the and the difficulty in coordinating overseas marketing”(McCully, 1991). Banks views were:

I want the extra experience and leadership that board will bring to the work of the department and the industry. I am keen to appoint people with business experience, particularly in international marketing, and I’ve said publicly that these people will not necessarily be drawn from the tourism industry. We will appoint people of the highest calibre and will look to them to develop the detailed strategies to turn our policy into practice. The Board will be dynamic and private sector driven (Office of the Minister of Tourism, 1991a)

The Minister of Tourism, addressing parliament, responded to Select Committee submissions and the controversy over appointing members to the board and stated
that he will consult with NZTIA and other people or groups the Minister considered to have a substantial interest the membership of the board (Banks, 1991c).

Richard Prebble MP on May 9, 1991 in the parliamentary debate on the New Zealand Tourism Bill claimed “the tourism industry people that I have spoken to say that the board should be really headed “Air New Zealand Board” …I do object to the idea that the tax payer should subsidize what is now a public company” (Prebble, 1991). He brought to the attention of parliament that document: *Destination New Zealand: A growth strategy for New Zealand*, that had both the NZTD and Air New Zealand as the contacts. The question was raised who was writing the tourism policy of New Zealand –Air New Zealand? Prebble said that people in the industry are claiming that Air New Zealand already has too much influence and other people ought to be able to put forward their views (Prebble, 1991). Although Banks had not publicly announced that Norman Geary was going to be the Chairman of the NZTB, and refused to acknowledge that he was going to be the Chairman, during this parliamentary session, Prebble stated that if Geary was appointed as Chairman people will be calling the body the ‘Air New Zealand tourism board’. Prebble was pushing for the Minister of Tourism to “tell the House who the members of the Board are, or whether it will be jobs for the boys again” (Prebble, 1991).

David Lange MP, elaborated further on the tensions in the industry relating to the establishment of the Board in referring to the Tourism 2000 Conference that the Labour Government organised in 1989.

The little guys fronted up and they were frustrated because the juggernaut, Boeing, jumbo style approach of Air New Zealand to tourism was the result of a paper presented by Jim Scott. That paper essentially stated that tourism in New Zealand was really an adjunct to the aspirations of Air New Zealand (Lange, 1991).

Lange also predicted the political interests that were going to be associated with the Board in the 1990s: “The bill has a structure with a recipe for confusion of
interest, with the possibility of sectional groups serving their interests at the public expense” (Lange, 1991). These claims backed up by a letter sent to the Minister by Ansett New Zealand, stated that the original concept for the Board was flawed because it emanated from a group that was not genuinely representative of the entire industry. The letter alluded to fragmentation and divisions in the industry in recent years which could lead to a resurgence of sectional interests and controls and undermine industry confidence in the impartiality of the NZTD.

The opposition challenged the original accountability of the board. The second reading of the Bill required the board to estimate outputs for the following year and the years ahead with specific reference to visitor numbers and spending. It will then need to report on how these estimates have been achieved (Banks, 1991c).

6.9 Concerns regarding regional tourism with the establishment of the NZTB

Banks, as Minister of Tourism, was not only being harangued by his fellow parliamentarians over the establishment of the NZTB but concerns were being expressed by the regions and RTOs. The following extract from a letter dated 20th May 1991; to the Minister of Tourism from George Aker, Chairman, Golden Bay Promotion Association demonstrates the scepticism:

For the good of NZ as a whole and especially regional tourism interests and local economies are there not great opportunities for a better long term New Zealand supporting and encouraging outlying New Zealand rather than the ‘international’ focus that has become destination New Zealand [the TSMG document]. In my humble experience the impression I have is of a growing wish by visitors to see more than Auckland, Rotorua and Queenstown and an equally strengthening push both with dollars and lobbying from these regions to maintain their virtual stranglehold. Is there not a genuine fear that in the current economic climate, corporate industry leaders may find it difficult to shrug off their respective involvements to consider regional requirements & thus stifle their [regional
tourism’s] greater needs. The regions can be greatly assisted in their recovery right now by tourism Development.
Finally I ask there be provision for adequate factual on the ground input from these regions.

John Banks responded relatively quickly (30th May 1991) seeing there were major issues of concern:

The point you raise about the new Tourism Board’s need to be in touch with what is happening in the regions is a very important one.
My own feeling is that the Board simply cannot market New Zealand successfully as a destination if it ignores the regions outside the main tourism centres.

The new Tourism Board does not start up officially until July 1 1991 and no decisions have been made about the links it will have with the regions in the long term. In the meantime, however, the Board will maintain the New Zealand Tourism Department’s existing programmes such as the regional liaison service and the Visitor Information Network and I would expect it to have as much contacts with Golden bay as NZTD has now.
I will pass your letter to Norman Geary the Chairperson- elect of the Board so that he is aware of your concerns.

These concerns were not seriously dealt with by the new board. They clearly stated in their first strategy “New Zealand’s dominant tourist route is Auckland, Rotorua, Christchurch, Queenstown/Milford Sound…..The Board accepts that visitors from most markets will prefer to concentrate on the main trunk. Longer stay visitors can be attracted to other regions” (NZTB, 1991, p.17). Does the choice of these destinations reflect Air New Zealand routes? By 1993 there was a clear promotional push for these to be seen as the main tourist destinations. This was not arguably, always the case – e.g. Wanganui was sold as the Rhineland of New Zealand, prior to the 1930s. The NZTB did continue to support the Regional Liaison Service (RLO) until 1997 and VIN network to the present.
6.10 Responsibility for Domestic Tourism under a Marketing Board

Domestic tourists both as a component of destination management and destination marketing are very important to RTOs and in 2005 domestic tourism still has the largest share of the tourism market. Responsibility for domestic tourism was debated by the TSMG. John Scott’s view was that it is better to split domestic tourism and policy away from a Board dedicated to international marketing, yet he was flexible and not against a single board for both domestic and inbound tourism, recognising that inbound tourism offers the best hope for growth but domestic tourism would still maintain a sizable share of the market. The reservations of the TSMG was that a combined domestic and international board could end up with conflicting views and responsibilities which would have implications for budget allocation (Tourism Strategy Marketing Group, 1991).

The last domestic tourism study was undertaken in 1989/90 before the year 2000 when Forsyte Research was commissioned by Foundation for Research, Science and Technology (FRST) (Cap Gemini Ernst & Young, 2000). The aim of this latter research was to determine the direct impact of domestic tourism and measure domestic travel patterns for both overnight and day trips to a level that allows regional analysis. There was a ten year gap in domestic tourism research and promotion. It will be noted again that the 1990s view that if the research had value the industry would pay for it. By 1994 this lack of payment and the resultant lack of data had become obvious – leading to the NZTB subsidising data collection through a commercial agency.

By 2001 there was a recognised need to develop domestic marketing to a level equal to that of international marketing by optimising the ‘tools’ used in international marketing which could consequently lead to the development of distinct regional differentiation and brands. It was believed a targeting opportunity existed for domestic visitors to be encouraged to travel within New Zealand to counteract the seasonality caused by international visitors through product development such as events, arts and cultural products and non-weather dependent activities (Cap Gemini Ernst & Young, 2001a).
Back in the early 1990s, the issue of an NTO having a role in promoting domestic tourism was canvassed by the NZTD. The NZTD presented two models to the Minister, one that concentrates on overseas marketing such as the recently established Australian Tourist Commission and where the Board would cover a range of functions relating to the development of tourism within the destination as well as offshore marketing (New Zealand Tourism Department, 1991d). The establishment of the NZTB removed domestic tourism from the tourism policy map for fifteen years and it has only seriously reappeared in the last eighteen months.

### 6.11 Tourism Policy Advice from the Late 1990s to 2005.

In July 1998, responsibility for tourism policy advice was transferred from the Ministry of Commerce to the Department of Internal Affairs. The newly established OTSp was to realise synergies between the tourism, sport, fitness and leisure portfolios; raise the profile of tourism and sport within the government and achieve administration efficiencies by combining the operations of two relatively small policy units (Cabinet Policy Committee POL (01) 200, 2001). The office answered directly to the Minister of Tourism. Within twelve months the OTSp started to flex its muscles, due the Minister of Tourism alienating himself from the NZTB and consequently strengthening the OTSp (Zahra & Ryan, 2005a) and the leadership initiatives of the new Director, Scott Morrison. The Director stated at the 1999 TIANZ Conference that the principles of market failure along with fragmentation of industry stakeholders in their approach to the development of the national tourism product made implementation of central government's strategic objectives for tourism difficult to implement. Structural gaps and overlaps had resulted in suboptimal synergy in industry operations and he implied that if the industry could not coordinate itself and cooperate it was going to be difficult to receive central government support and funding (Simpson, 2003). It seemed that the market forces of the previous ten years were making way for more central government involvement.

Helen Clarke, as Leader of the Opposition, in her speech at the TIANZ conference 1999 made clear that the political agenda would swing the other way if her party
won the right to govern after the next election. Tourism is the political football yet again. The main points of her speech were (Clark, 1999):

1) No clear direction existed for tourism;

2) Since the abolition of the Ministry of Tourism government has lacked a strategic focus on and effective policy advice for the sector;

3) The Tourism Board has been embroiled in much controversy and has yet to demonstrate that it can chart a clear way forward;

4) For the future of the industry it is essential to bring government and the industry together to produce a national strategy for sustainable tourism;

5) Tourism can make a greater contribution to regional development than it has to date. Lopsided development is placing pressure on infrastructure in the major centres but leaving infrastructure under-utilised and employment opportunities lost in regional New Zealand. Part of Labour’s economic development strategy involves establishing new a Local Economic Assistance Fund to encourage the development of local economic initiatives;

6) Domestic tourism is an important source of import substitution. It needs to be supported by the public sector and what is stopping the NZTB from supporting a domestic tourism campaign.

7) A new emphasis on industry training and raising the skills level of those in the industry.

8) Improved quality research through Vote Statistics and other sources.

In 2000 the OTSp (8.5 FTE staff) was transferred from the Department of Internal Affairs to the Ministry of Economic Development as semi-autonomous body in recognition to tourism’s contribution to regional and national economic development.

The new Minister of Tourism under the Labour Government immediately implemented the development of NZTS2010, the establishment of Tourism Research and Forecasting Clearinghouse and a review of the NZTB Act 1991 to provide greater clarity on the role of TNZ along with research into the types and effectiveness of delivery and funding structures for tourism marketing in other
jurisdictions and Maori Tourism Policy (Minister of Tourism, 2000). Funding of TNZ was continued at the previous levels.

There was a re-evaluation of the Government’s role in tourism during the process of examining the NZTS 2010’s recommendations. The rationale presented in a Cabinet Document was (Cabinet Policy Committee POL (01) 198, 2001):

1) Tourism differs from other export industries. It is the only foreign exchange earner that brings its consumers to New Zealand. While tourists are in the country they directly consume both public and private goods. Some of these goods may be subject to congestion.

2) The tourism industry needs to be managed in a way that does not result in unnecessary duplication of effort and expenditure, resulting in higher transaction costs in the economy.

3) Government involvement is required due to market failure (private sector failing to provide services that would benefit the public good) in the following three areas:
   a. Generic promotion and marketing of New Zealand as a visitor destination to generate economic benefits for the New Zealand economy. Only central government has the incentive to make this investment for the benefit of all participants in the tourism industry. No single business can justify to its shareholders further marketing costs when most of the benefits will accrue others, known as free riders. The diverse nature of the industry makes it difficult to enforce ‘grower’ levy to fund generic marketing as has been employed by other sectors that have well defined products.
   b. Appropriate policy framework to protect the broader public interests in the tourism sector
   c. Data collection and collation for tourism policy development and to direct investment in tourism by the government and the public sector.

4) Facilitating industry co-ordination and cooperation

5) Recognising the broader agenda of government including environmental, social, Maori and community considerations, including the principles of the Treaty of Waitangi
Chapter 6 Role of the National Tourism Organisation

The NZTS 2010 development process highlighted the problems of a small, low profile, primarily responsive policy advice group. The perceptions of the tourism industry was that the tourism policy function did not have sufficient standing or positional influence within government and it did not reflect the current and expected future expectations of the sector in the economy. The industry was also seeking a clear and tangible commitment to the tourism sector as encouragement to secure the greater engagement of other stakeholders. One of the first outcomes of the strategy was to increase the resourcing and funding of the OTSp and then in 2002 the establishment of a Ministry of Tourism as a semi-autonomous body within the Ministry of Economic Development (Cabinet Policy Committee POL (01) 200, 2001). The option of establishing a Ministry of Tourism in its own right was studied. It was seen to be more expensive and inconsistent with a) the government’s preference for lesser rather than greater number of departments and b) may lead to a lack of integration between tourism policy and wider sustainable economic development policy. It was recognised that a stand alone Ministry of Tourism was the preferred option of the tourism industry (Cabinet Policy Committee POL (01) 200, 2001).

6.12 Review of Tourism New Zealand

One of the recommendations of the NZTS 2010 was the establishment of a new jointly owned and funded private/public sector organisation to lead international branding and marketing. Cabinet noted that TNZ needed to work in a more collaborative manner with the tourism industry and local government to a greater extent than currently was the case and invited the Minister, in consultation with the Minister of Finance, the Minister for Industry and Regional Development and the Minister for State Services to report back by October 31, 2001 on the proposal for a joint venture organisation recommended in the NZTS 2010 (Cabinet Minute of Decision CAB Min (01) 24/10-13, 2001; Cabinet Policy Committee POL Min (01) M 19/5, 2001).

A steering group was established and decided that appointing a neutral broker would be the most politically expedient solution. The TSG was seeking:

1) That the tourism industry be involved in the strategic planning and operations of the NewTNZ;
2) To create an opportunity to use public funds to leverage private sector contributions;
3) Strengthen links between international and domestic marketing campaigns;
4) Reduce duplication of sales and marketing efforts between central and local governments and between public and private sectors.

At the end however TNZ came out of the review process with little change and maintaining the status quo.

6.13 Political Processes and influences on New Zealand’s NTO

It can be discerned from this discussion that the changes that have taken place over the last twenty years are an outcome of political action and the personalities present. Labour Ministers such as Mike Moore and Fran Wilde left their mark on the tourism industry. Moore was very supportive of the industry and was able to obtain continued government funding for NZTP and tourism during the Rogernomics regime.

Personalities and politics continued under the National Government Ministers, for instance,

John Banks had a simple philosophy. His view was that the best government was the one that let the industry dictate the future and he did not interfere, when he picked his man, in this case Norman Geary, he put total trust in him and he left him (to it). So Norman had the ability to really drive forward his vision for the marketing of New Zealand and you cannot underestimate that, the man was immensely powerful, he was the el supreme (Burt, D., personal communication, May 22, 2003).

This period in the early 1990s saw all the emphasis being placed on the NZTB and most of the major decisions were being made by Geary and the Board. The Ministry on the other hand was becoming increasingly marginalised and in the end it became the Tourism Policy Group with no direct access to the Minister.
The next period was even more political and has been dubbed as the ‘Murray McCully affair: Where the Minister arguably went beyond Ministerial powers by intervening in the marketing policies of the then New Zealand Tourism Board on the grounds that, in his view, it was insufficiently promoting New Zealand as the first country to see the New Millennium, and was failing to grasp the opportunities presented by hosting the 2000 America’s Cup. As a result of his intervention, the CEO and a number of Directors resigned in protest about what was seen as both an undeserved criticism of the Tourism Board and an intervention in the daily functions of the Board, thereby overstepping the functions of a Minister (Ryan, 2002). Right from the beginning McCully played favourites. In 1996 he relied heavily on the NZTB to the point of limiting the work of his own staff in the Tourism Policy Group by not facilitating their access to him as the Minister. When McCully alienated himself from the Board of the NZTB he strengthened the Tourism Policy Group by creating the Office of Tourism and Sport within the Department of Internal Affairs and brought in a new CEO. This CEO reported directly to McCully and the two worked closely together so that McCully’s objectives could be achieved at a time when he had little or no working relationship with the Board. These political motives led to a strengthening of the embryonic Ministry which would become the major influential player in the next Labour Government. On the other side, at the NZTB a new team under George Hickton arrived on the scene after the disastrous McCully Affair. This team was more relaxed about a strong Office of Tourism and Sport than perhaps their predecessors, Norman Geary and his hand picked CEOs Ian Kean and Paul Winter who some thought were running a vendetta against the Ministry. The new staff at the NZTB and the Office of Tourism and Sport helped reduce the politics and the conflicts between the two government funded organisations responsible for tourism. This has set the scene for unity and collaboration and seen significant progress and collaboration for a number of functions in both organisations in recent years. Tension does surface between both bodies from time to time especially during those periods when TNZ is answerable to government reviews.

The New Zealand Tourism Strategy 2010 recommended a ‘whole-of-government’ approach to tourism policy be adopted and led by the Ministry of Tourism
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(Collier, 2003). The then Minister, Mark Burton, had stated that the partnership approach between the public and private sectors would continue, especially in the implementation of the strategy (Ministry of Tourism, 2003) but the leadership and the coordination has come from the Ministry working closely with all government agencies and the private sector as represented by TIANZ. It is also noted that arguably the position of Air New Zealand was weakened after the demise of Ansett Australia and its subsequent recourse to government funding of $800 million to help ensure its survival.

6.14 Conclusion

This chapter has not sought a comprehensive description or analysis of New Zealand’s NTO over the last 25 years. It has tried to highlight that NTOs like any other organisations are subject to change but more specifically they are subject to political forces and processes which can have profound influences on the NTO and the development of the tourism industry in that country. Kearlsey (1997) stated that in New Zealand there was no overall strategy or policy in place for the management of an expanding tourism industry and he went on to state that in the 1990s “had there been a stronger Ministry, the consequences of the growth of tourism might have been given greater prominence and managed more clearly” (Kearlsey, 1997, p.51). Ryan and Simmons (1999) also highlighted the lack of any cohesive planning or framework for the New Zealand tourism industry and helped provoke the debate on the need for a national tourism research strategy. Planning, environmental issues and research were all high priorities of the NTO in the 1980s. Their demise in the 1990s can be attributed to the political forces surrounding the NTO, with the NZTB as the decade progressed focusing its activities more sharply on international marketing at the expense of broader tourism policy and development issues (Simpson, 2003).

New Zealand’s NTO and associated government agencies under the direction of a strong Ministry of Tourism seem to be making significant inroads in implementing the 2010 Tourism Strategy. But how long will the unity last? Will the Ministry get too strong and start alienating the private sector? The new Ministry initially kept a relatively low profile, working behind the scenes with a view to enhance industry capacity but by 2004 were becoming more visible in
addressing industry forums and meetings. Is the current New Zealand public-private sector partnership in implementing the 2010 Tourism Strategy going to work? And if it does work perhaps the question that will need to be asked in the future was why did it work? After the 2005 central government elections, a new Minister was appointed and the consequences of this remain to be seen.

The vision of the NZTP going into the Tourism 2000 Conference was an alignment of destination management and destination marketing; they recognised that most regions concentrated on marketing and promotion and they wanted to co-ordinate the wider components of tourism:

Strategic planning on a regional basis, which links all the components of tourism, not simply marketing will be needed. Development of infrastructure, marketing, promotion, research, town and country planning and employment needs are just some of the areas to plan for regionally and fit into a national strategy. Preparation for a regional master plan for tourism is another major issue for consideration in this workshop and one which, while needing a long-term approach should become a priority for all regions (New Zealand Tourism and Publicity Department, 1989e)

Yet academics had a perception that the NZTP was too narrowly focused on destination marketing and "tourism is allowed to set the pace for development in a free market economy as private profitability takes precedence over and above the impact of tourism on the very resources it depends upon" (Page & Piotrowski, 1990, p. 131). The NZTP for a whole decade had been setting polices to try and manage both destination marketing and destination management. RTOs were supported by central government not only to fulfil a marketing function but to achieve tourism planning and sustainable regional development. It was only the NZTB and its forerunner the TSMG that emphasised international marketing and free market forces.

The reality by the end of the 1990s was quite different. Destination management on a national or regional level had a low profile and lacked integration with all the emphasis being on international marketing. No consideration was given to the
social and environmental consequences of the NTO’s marketing activities. There was little or no tourism planning, development and coordination. The NTO had an established brand that was understood and promoted, was using web based technology for consumers and distribution of intelligence to the sector. Yet from a marketing perspective the funding from industry sources was relatively low; with a lack of on-going marketing initiatives rather than ongoing partnerships with the industry; and the research that was undertaken did not address visitor satisfaction or the visitor experience (Cap Gemini Ernst & Young, 2001c).

Industry requires government “stability, certainty, freedom, reliability and quick decision making” (Elliott, 1997, p. 183). The industry started to lose confidence in the government towards the end of the 1980s with a succession of Tourism Ministers and the last Labour Government Tourism Minister being outside Cabinet. This was all taking place to the backdrop of deregulation, corporatisation and privatisation of Rogernomics and an ill-conceived perception that the NZTP wanted to retain their power base. By the beginning of the 1990s industry wanted to be independent of public sector managers yet still wanted access to public sector funds. They did not value or see the importance of government as policy maker or advocate, especially in negotiations with other government departments, other governments and the broader community. Yet, “public sector communication and coordination systems and skills are needed for successful tourism” (Elliott, 1997, p.184). Taking one aspect of tourism, regional tourism and RTOs, the loss of the NZTP communication and coordination system and later the RLO service under the NZTB did not lead to balanced success for tourism. Left to the prevailing market forces, the interests of stakeholders such as Air New Zealand, some regions, and the resultant tourist axis route and those regions alongside them went from success to success while others became marginalised and some voices effectively constrained or only allocated given supportive roles.

“Why governments try to manage tourism is very much based on the power of the growth of tourism and the economic benefits which flow from it” (Elliott, 1997, p.256). New Zealand governments have perceived it important to manage tourism
but it has not been easy due to the complexity, politics and fragmented nature of both the public and private sectors.

There remains a further consideration. While the NTO has had varying periods of influence on government and periodically the very politicisation of tourism might be seen as indicative of government interest, the NTO has not yet impacted on the main spenders of government or indeed Treasury. Its budget has remained comparatively static for a long period and it can be argued that the increase that was achieved in early 2000 owed more to Peter Jackson, the film director, than to its own political influence.
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Chapter 7 Role of Local Government

7.1 Introduction

The NZTS 2010 recognised that local government is essential in tourism development, destination management, destination marketing through the funding of RTOs and in the implementation of tourism policy. “The local state is an essential but often neglected aspect of tourism policy” (Hall, 1994, p.151). RTOs, destination marketing and destination management all progress or regress in the context of the local framework. The implementation of many of the NZTS 2010 recommendations relies on the foundation of local government (Wanhill, 1987). This chapter examines the interchange between local government and tourism over twenty-five years and the impact of this interchange and the local politics of tourism on RTOs. Tourism development has been fostered under economic development objectives in many New Zealand regions as there is no legal mandate for local governments to be involved in tourism.

Local government’s duty is to protect the rights of the local community against central government and private interests (Elliott, 1997). Local government in New Zealand has always asserted the right to influence its own destiny, and this at times has led to a healthy tension with central government (Hutchings, 1999). Party politics can have some sway on local politics in New Zealand but beliefs about development are more persuasive and can be very political as they “affect power – about who gets what, how and when” (Elliott, 1997, p.140). Unlike European countries and to some extent the US, party political affiliation is not a pre-requisite for standing for local government in New Zealand and so most candidates stand as independents.

The NZTS 2010 identified local government as a major player in tourism. Local government, via Local Government New Zealand (LGNZ) responded and recognised the role they have to play. They produced a local government tourism strategy (Local Government New Zealand, 2003). Chapters Four and Five on destination marketing and destination management emphasised the importance of community involvement in tourism. This chapter will look at the institutional and political framework of local government in New Zealand and associated changes.
over the last twenty five years. This chapter will then describe the initial reaction and the studied response of local government to the NZTS 2010.

7.2 History of Local Government in New Zealand

The twenty-five year period being examined by this thesis has seen the entire set of institutional arrangements for tourism, in terms of planning and development, undergo wholesale change (Hall and Kearsley, 2001). Local government is one institution that has been ‘reformed’ in some way and several times during this period. New Zealand local government has always been pragmatic and about meeting the local needs within the confines of: available resources; the political temperament and an “undogmatic sense of priorities” (Bush, 1995, p.297)

An element of New Zealand society is a strong identification with local democracy, “local areas belong to the local people, they live there and pay in various ways for the cost of tourism” (Elliott, 1997, p.151). Yet tourism development has been chiefly left to the private sector, with some acknowledgement and support for RTOs, but with local government not really addressing tourism in their formal processes. Elliot (1997) makes the following observations:

Some political leaders and mangers at the local level want a quiet life and only make the minimum contribution, sometimes because they want to maintain the status quo and their own comfortable power base. Others are not capable of managing the dynamic, powerful tourism organisations and forces (p.151).

The New Zealand framework of local government reflects British heritage law transplanted to the colonies (Palmer, 1993). The move towards regional government in the 1970s and 1980s, as discussed in the next chapter, was the backdrop for the establishment of RTOs. The Local Government Commission, established in 1946 was responsible for local government amalgamation schemes. Very few voluntary amalgamations resulted due to vested interests of local councillors, parochial opposition and elector poll provisions disallowing amalgamations. There was a perceived failure of TLAs coming together to co-
ordinate development. The suggestion that a regional tier of local government should be introduced that would assume strategic functions such as water services, sewerage disposal, regional roading and the acquisition of functions held by special purpose authorities. Local initiative established the Auckland Regional Authority as the first elected regional authority in New Zealand (Palmer, 1993) in the 1960s. The Local Government Commission then attempted to amalgamate 30 TLAs in the Auckland Region into five cities, but the process was aborted midstream when a new Labour Government in 1973, announced it would reform local government and introduce regional government for the whole country. The Local Government Act (1974) directed the Local Government Commission to divide the country into regions within five years. From 1980 to 1984 elected Regional Councils and United Councils (for populations less than 325,000) were established having responsibility for regional planning and civil defence functions. “Outside Auckland and Wellington, the regional bodies were not measurably effective, due to inadequate funding and sceptical territorial authority support” (Palmer, 1993, p. 5). National Government policy at the time did not want to impose mandatory amalgamations.

7.3 Local Government engagement in tourism towards the end of the 1980s

Some regional and local governments were actively encouraged by central government during the 1980s to be involved in tourism marketing and development. However many local authorities did not recognise that they could attract tourist expenditure and tourism development, or that they had a leading role to play in destination management. The NZTP recognised that it was up to the local community/region to decide their degree of involvement in tourism. Concurrently, the NZTP were trying to assess how Local and Regional Government could see the need, and consequently be convinced that tourism was a wise investment of ratepayers funds and benefited the entire community, so that they would be in a position to fill the vacuum created once central government funding for regional tourism was phased out (New Zealand Tourism and Publicity Department, 1989e). As government subsidies and incentives disappeared those regions that invested in tourism progressed the most rapidly in the following decade.
7.4 Local Government Reform in the late 1980s

The Labour Government, in December 1987, announced its intentions of a comprehensive reform of local government. This reform led to a reduction of local government authorities from 800 to 87 (McKinlay, 1994). The prevailing form of local government had remained unchanged since its development in 1878 (Officials Co-ordinating Committee on Local Government, 1988). This process was part of the public sector restructuring associated with policies of Roger Douglas and the policy framework developed by Treasury. The Minister for Local Government, at the time, was a senior minister in the Cabinet with only one portfolio. He had first hand local government experience as an Auckland city councillor and as a historian was aware of the difficulty of local government reform with “rational proposals for reorganisation being developed, at great expense, only to be abandoned for political reasons” (McKinlay, 1994, p.5) which is what happened with the previous reforms of 1974. The National Party (in Opposition at the time) opposed mandatory reform of local authorities and pledged to abolish the Local Government Commission if elected as government in 1990, subsequently this policy was discontinued in 1991 (Palmer, 1993).

The Labour Government had learnt in its first term of office that if they wanted to instigate change they needed to move quickly and worry about the detail later and if reform was going to be achieved it had to be completed in the current term of office. Policy guidelines were clear, and stated that local and regional government should only be selected where the net benefits of such functions exceeded all other institutional arrangements and more specifically for tourism, individual functions should only be allocated if they represented the appropriate community of interest (McKinlay, 1994).

The Local Government Amendment Act (No.3) 1988 established the Local Government Commission to reorganise local government boundaries for a finite period. The process was insulated against political interference as the deciding authority was the Commission and not the Government. The Commission was required to consult, as the process had to be seen as legitimate but it had the final power to decide. Legislation stated that a review on the structure and functions of local government was to be based on first principles, seeking the ideal and not
based on existing forms of local government. Nevertheless, Rogernomics and Treasury ideology did make its way into a Discussion Document: Reform of Local and Regional Government (1988) prepared by the Officials Coordinating Committee on Local Government which stated that “the key role for local government lies in the provision of local public good where such goods are not more efficiently provided by markets, voluntary agreements or central government” (Officials Co-ordinating Committee on Local Government, 1988, p. 10). This principle of assessing functions and activities on a purely economic basis received substantial opposition and was dropped before legislation was presented to Parliament.

Local authorities are statutory corporations and only have the power which the law confers upon them (McKinlay, 1994). One of the objectives of the reform was to clearly state the purpose of local government.

### 7.5 The Local Government Commission and Local Government responsibility for Tourism

The Local Government Commission was given the responsibility to determine the boundaries of authorities and the functions, duties and powers for regional and district government. The aim was to achieve regional identities or boundaries within which a number of functions can be delivered (Local Government Commission, 1988). The Act specified that the boundaries should conform, so far as the Commission considers practicable, to the boundaries of one or more water catchments. The Commission indicated that they favour the creation of regions “which are not so large as to inhibit the capacity of the region to establish a clear sense of identity within the minds of those living in the regions. The regional boundaries should also be identified so that common values or interests could be pursued” (Local Government Commission, 1988, p. 2). The identity of regional tourism however did not always conform to geographic areas related to water catchments. The NZTP Department, NZTIF and RTOs realised this and worked to get regional council boundaries aligned to tourism needs under the following Commission Guideline “Where water catchments do not provide a practicable means of defining the boundaries of a region, other factors will need to be considered” (Local Government Commission, 1988, p. 3).
The long term aim of NZTP Department and central government policy in the 1980s was to establish RTOs but the development of tourism in the regions or what is now called regional destination management, was primarily perceived as a local issue and therefore the responsibility of the regions. The NZTP saw the restructure and reform of local government as an opportunity to firmly establish the responsibility for tourism management at the regional government level, given that the mood of the late 1980s was the withdrawal of central government from the social and economic life of New Zealanders. The Commission suggested local authorities consider the “potential ability to undertake governmental responsibilities from central government” (Local Government Commission, 1988, p. 7).

In a background paper on regional tourism prepared by the NZTP for the Tourism 2000 conference, the significance of this reform was expressed in the following terms:

> Whatever the outcome, the transition period as Regional and Local Government restructures is a major issue of immediate concern. To date there have been varying interpretations by tourism interests and Central and Local governments on the role and responsibility each organisation or sector has in regional tourism. A tripartite understanding or agreement between these three partners in regional tourism may be necessary to ensure the path of each towards 2000 is parallel, if not joined (New Zealand Tourism and Publicity Department, 1989e).

### 7.5.1 Response from the Regions

A submission from the Nelson/Tasman District Council Joint Transition Committee to the Local Government Commission on the draft reorganisation scheme for Nelson/Marlborough showed how the region wanted tourism to be a statutory responsibility of regional councils. They presented the following arguments:

1. Tourism is primarily a regional function;
2. A partnership between district, regional and central government and the tourism industry itself is seen as being absolutely necessary;
3) A regional council is considered the most appropriate body to promote a region. Having a co-ordinating role over district councils, a regional council would encourage the tourism industry and this can have a direct and positive benefit in developing other industries in the area which leads to employment, economic and social growth and development;

4) Each regional council would form a corporate tourism arm which would become the NZTIF regional member and be responsible for PROs and RTOs in the region;

5) Each regional council should have a Regional Tourist Committee to undertake tourism planning, promotion and development;

6) Industry would contribute to funding for marketing through the regional council. The rating system would also contribute funds;

7) Tourism is a fragmented industry, especially in rural areas. Most tourism businesses are family concerns with six employees or less. There is generally competition between these small businesses and they have difficulties in uniting to benefit all. Regional councils taking a coordinating role would encourage the continuity of viable tourism businesses, unified goals and objectives, continuity of funding for promotion and impartial representation in the region. Small tourism operators will benefit but so will the whole community infrastructure. This structure would act as a true umbrella tourist organisation;

8) A regional council is in the best position to balance a tourism developer’s rights and ambitions with the need to protect resident’s rights and ambitions. Surveys could be taken from tourists to determine what they want. Then regional council could encourage relevant changes to be incorporated into district schemes along with information already produced by the NZTIF, the NZTP and other government departments such as Statistics and PROs for strategy formulation;

9) It is seen as essential that provision be made within the structure of regional local government to recognise the importance of tourism. Leaving tourism as the soul prerogative of central government is not seen as the best use of resources (Marshall, 1989).
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The final draft of local government reorganisation schemes removed reference to the local government being responsible for tourism planning. Yet, tourism planning was present in the earlier schemes. Lobbying of the Local Government Commission, and the Local Government Association became a priority for both the NZTP and the national industry body. The NZTIF also organised an ad hoc meeting on Regional Tourism on January 18, 1989. Both bodies emphasised the need for the reinforcement of regional tourism planning at the new regional level. RTOs were encouraged to make submissions to their local transition committee and for local industry to keep in contact with local government (NZTIF, 1989b).

Not all RTOs were entirely supportive of the NZTP/NZTIF stance. Tourism Taranaki had the following reservations:

With regard to the agreement that regional government should undertake the coordination of regional tourism development and marketing, the inclusion of the latter would require an extremely liberal interpretation of the proposed ‘tourism planning’ activities of regional councils. On the practical level just as tourism planning comes last on the Local Government Commission list of regional council responsibilities so tourism development and marketing become the last priority in terms of spending. Regional tourism organisations may thus be giving away their present independence to no great advantage

Given the above I thus have grave reservations about point 8 (i) of the discussion paper as in most instances this would neither be practical nor desirable. Regional wide organisations funded from rates, such as the Taranaki Museum Board, have always experienced difficulties with parochialism. As a result they tend to be underfunded and ineffective. A similar fate could befall presently well funded public relations offices as regional representatives see no advantage to their particular community from regional financial support. I am therefore also concerned about the suggestion that NZ Tourist and Publicity Dept funding through the Regional Promotional Assistance Scheme should be allocated to regional councils. (Gill, 1989).
Others were supportive but sceptical about regional councils acknowledging their responsibilities for tourism. The Auckland RLO’s view was that Northland Regional Council did not have a positive attitude towards tourism and that the only reason that they were considering tourism development within its functions was because the Local Government Commission told them they had to:

There are those on the Council who see the need for regional co-ordination of tourism promotion and development but these are matched by those [Councillors] unsure of their involvement and do not want the responsibility or possible political harm of providing funding for the tourism sector.

The Council has deferred its decision, principally to wait until the Local Government Commission has finalised its draft proposals on the functions of Regional Government.

This lack of initiative and unwillingness to be proactive in the development of Northland is of major concern (NZTP Auckland Regional Office, 1988).

The Department wrote to the Local Government Commission presenting a strong case for the clause “the co-ordination of: strategic planning, development, marketing and funding for tourism within the region” be included in the Constitution for Local Authorities, Part II, section 13 under “The functions, duties, and powers of ….Regional Council shall be:” The arguments included:

1) Currently regions do not benefit from the full potential of tourism due to the lack of co-ordination and this clause will strengthen the regional base of tourism;

2) To ensure regions reap the benefits of tourism each Regional Council needs to give it the special consideration it warrants;

3) Many regions do not have a secure and permanent funding base to support a co-ordinated approach;

4) The NZTP recommends that Regional Councils form a tourism committee to carry out these tourism functions to provide leadership at the regional level;

5) Developers and regions are increasing their marketing efforts to attract visitors to their facility and region. This increased competition requires a
co-ordinated approach (The New Zealand Tourist and Publicity Department, 1989a)

The NZTIF, wrote to the Local Government Commission (letter dated 16th February), supporting the NZTP’s inclusion of tourism planning, development, marketing and funding in the new regional structure. “For too long many areas have seen their role in tourism as simply promotion and information and it is critically important that the wider implications are studied and understood. This can best be done on a regional basis hopefully free of the parochial issues that often paralyse small communities”(NZTIF, 1989a).

The reason for the removal of tourism planning as a responsibility for regional government was:

The submissions which the Commission received on its indicative reorganisation schemes indicated that there was a conflict of interest between regional councils and territorial authorities over who should be responsible over the provision of funding and maintenance of recreational amenities and the development of tourism. The Commission’s initial approach in these two areas had been that the regional council could be involved in both areas in a planning sense and territorial authorities could be involved in development.

As the Commission reviewed the various submissions it came to the view that as different circumstances apply in each region and between territorial authorities in each region it would be preferable to rely upon the general powers of the Local Government Act 1974 rather than to attempt in the reorganisation scheme to separate responsibilities which have both a regional and territorial perspective. For instance sections 593 and 598 of the Local Government Act 1974 give to both regional councils and territorial authorities’ sufficient powers which could enable them both to be involved in tourism planning and development. In each region it would be appropriate for the regional council and the territorial authorities to decide which matters were to be proceeded with by the regional council and which by the territorial authority (Local Government Commission, 1989).
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A letter to the Local Government Commission from the Waikato RTO summarised the main tensions associated with Local Government reform and tourism at the time (Monahan, 1989a):

1) The indicative scheme for the Waikato regions released in October 1988 included the planning for regional tourism among its specified functions which was subsequently removed. The Waikato Promotion Society wants to see it reinstated;

2) Regional Councils need to plan for tourism due to the unique nature of the industry. Tourism is the country’s largest export earner yet it is not easy to define who is a tourism operator. Many businesses that benefit from tourism do not admit it for fear they may have to contribute towards tourism marketing costs and therefore associate themselves with other industry groups, such as petrol stations. This is one of the reasons why tourism organisations at a regional level are weak and under-funded;

3) Weak RTOs are the achilles heel of the country’s national tourism structure despite central government policies for the development of regional tourism. A strong vibrant export industry cannot afford such weakness;

4) Tourism affects directly or indirectly most people in the community and is an amalgam of several service industries. It must be given priority and planned for in a coordinated way. It is logical that this responsibility rests with regional government;

5) The Waikato Promotion Society and its 226 members along with its counterpart organisations in the Coromandel and Taupo would like to see a major part of the funding for destination marketing for the Waikato to come from the Waikato Regional Council.

The Waikato Promotion Society also petitioned the Waikato Regional Council Transition Committee to include planning for regional tourism as one of it is specific functions along with funding for regional tourism administration and destination marketing (Monahan, 1989b). The Coromandel RTO sent a similar letter to the Waikato Regional Council Transition Committee also stressing the benefits to the community from tourism planning, marketing and development and argued that the new Regional Council should have direct responsibility and
involvement for these functions. The economic impact of tourism in the Coromandel area was $106m in 1987 with a forecast of $132m by 1993. The proposal for regional funding from the rating system had been presented to both local authorities of the Coromandel/Thames Valley region in 1987 and 1988 but as noted, the suggestion has not been adopted (Smith, 1989).

7.6 Department of Internal Affairs Coordinating Committee on Local Government

The NZTP concurrently while it was dealing with the Local Government Commission was lobbying the Department of Internal Affairs on the reform of local and regional government funding issues. The NZTP discussion document (The New Zealand Tourist and Publicity Department, 1989b) outlined the following policy issues:

1) The NZTP has promoted Regional and Local Government involvement in Tourism, since the strategic planning, development, marketing and funding for tourism in each region is the tripartite responsibility of Local Government, the tourism industry and central government;

2) Many regions do not have a coordinated approach to the funding of planning, development and marketing of tourism;

3) It is the view of the NZTP that the reform of Local and Regional Government offers the opportunity to put in place a framework for a funding structure for tourism in the region;

4) Sustainable growth of tourism in New Zealand requires regional tourism strength. Both the NZTP and the national private sector industry organisation have put considerable resources into encouraging the establishment of RTOs which guide growth in each region;

5) The NZTP in financially supporting RTOs recognises that the revenues and benefits of tourism are spread through the economy and that tourism operators and investors do not capture all tourist expenditures;

6) The past success of NZTP’s policies have chiefly depended on the population base and the resultant financial resources that Regional and Local Governments have at their disposal to fund RTOs. The level of tourism activity in the region and the size of the tourism industry are generally secondary in determining the financial base of RTOs. Hence
large cities have well organised and adequately funded RTOs, while RTOs in regions with rural populations are not well resourced;

7) To remove the problems associated with current ‘voluntary ‘and ‘ad-hoc’ RTO funding structures the NZTP is proposing that each Regional Council should have a role in coordinating the funding of tourism’s administrative structure in each region. The reform of Regional and Local Government which will come into effect on November 1, 1989, presents an opportunity for Regional Governments to plan individual frameworks which coordinate a funding structure for tourism in each region.

Despite all the political lobbying of the Local Government Commission and the Department of Internal Affairs, the removal of the clause making it mandatory for regional government to be responsible for tourism haunts, tourism planning, destination management and RTOs to this very day.

7.7 The Resource Management Act (1991)

The Resource Management Act (1991) (RMA) was the brainchild of Geoffrey Palmer and the Labour Government but was passed into law by the National Government in 1991. The underlying philosophy of the Act was a shift in emphasis from control to impacts. “The focus of the Act is on controlling the adverse effects of resource use in a region to achieve sustainable management. It is not intended to promote any particular resource use or to advocate one sectoral interest over another” (Ministry for the Environment, 1992). The purpose of the legislation is to maintain the long term integrity of New Zealand’s natural environment (Collier, 2003). The RMA was unconcerned with specific land uses and focused on development outcomes and their impact on the environment.

The RMA thrust tourism into the political arena again. John Banks, the Minister for Tourism made the following comments:

The revised Resource Management Law Reform Bill is before Parliament. This legislation will ensure a balance is struck between the need to develop and the need to conserve. This is particularly important in the tourism industry where many of our greatest attractions are part of the public estate.
Tourism operators have long been frustrated by long, complex and expensive planning procedures which have delayed and deterred much development. The new Bill strikes a good balance and should end the long periods of delay so often experienced by the tourism industry (Office of the Minister of Tourism, 1991a).

The RMA was and still is hailed as visionary and pioneering legislation yet it has been bedevilled with controversy. Concern has not been over the emphasis on the long-term impacts on development having preference over short term inputs; rather disputes have arisen regarding processes, inconsistency in implementation and lack of training in political processes and administrative law at the local government level. The tourism industry in 1994 noted that “blurred edges and moving targets of policy making and implementations under the RMA constitute a new risk category” (NZTB, 1994, p. 5) for business investment in tourism, especially Asian investment. It was argued that Asian investors are reluctant to undertake planning processes in which the timeframe, costs and outcomes are effectively outside their control.

The NZTB from its inception identified and repeated that tourism depends on the environment being clean and green but at the same time tourism requires access to and use of natural and physical resources. At a local government forum in 1993 the NZTB stated that Tourism would be making more demands on natural and physical resources and that change will be required. Some tourism proposals (only few in number) it was thought will make quite significant demands. The NZTB thought that local authorities have a role in identifying issues with developers and working through to achieve environmentally and socially workable solutions, particularly where significant changes are involved, acknowledging that for the most part the low impact nature of small tourism business would be less demanding (NZ Local Government Association (Inc), 1993). Little consideration was given to whether local government were equipped to undertake this responsibility.

The NZTB Report (NZTB, 1994) on the RMA, noted that some of the problems encountered with the RMA rested with the industry as they failed to pro-actively
participate in the preparation of policies and plans. It was recognised that tourism is potentially affected more by resource management policies than many other sectors of the economy and the collective needs of the sector need to be addressed at the regional and district level. It was noted that the NZTB and the NZTIA were “not sufficiently resourced to monitor in detail all district plans at a local level” (NZTB, 1994, p.13). There is a complete silence in the NZTB report of RTOs having a role to play. One may infer that by the mid 1990s, under the influence of the NZTB, the perceived role of RTOs was destination marketing and not destination management. In response to the criticism levelled at the tourism industry by local authorities of inadequate preparation and consultation evidenced in their resource applications (NZTB, 1994), the NZTB produced a guide to the RMA in 1996. This guide explained the workings and procedures of the RMA and the resource consent process for operators, investors and developers in the tourism sector (NZTB, 1996c). In analysing the political dimensions around these two NZTB RMA reports there is no reference to the Ministry of Tourism or their two issues papers: the 1992 Tourism Sustainability (Ministry of Tourism, 1992) prepared within the framework of the RMA and the Resource Management Act: A Guide for the Tourism Industry (Ministry of Tourism, 1993a). One can see the marginalisation of the Ministry by the NZTB. The second report was produced by the NZTB in conjunction with the Ministry for the Environment and the NZTIA with funding from the Sustainable Management Fund. The Tourism Policy Group (the former Ministry) was mentioned in the acknowledgements but was obviously not a partner. The role of RTOs were only briefly mentioned in the 1994 NZTB investment report in reference to the need for RMA information for tourism operators: “Resource kits could be customised at a regional level with input from local authorities and possible regional tourism organisations”(NZTB, 1994, p.14). From the NZTB’s view RTOs have a minor role in the RMA process. This reinforces the view of the NZTB being headed by directors of business who saw themselves as the core of NZ tourism, and incidentally serviced by Air New Zealand, which in turn saw them as partners with whom it could work. If this was true they would have had little dealings with RTOs. On the other hand it is perhaps only these tourism organisations that could provide staff and time to the NZTB.
7.8 Amendments to the Local Government Act in the 1990s

The 1992 amendment to the Local Government Act restated regional council functions to be: resource management, agriculture, pest destruction, noxious plants, catchment activities, harbours, marine pollution, civil defence, transit planning and urban transport administration, regional parks control, tourism (by agreement), public relations, certain transitional functions and hazardous waste management (Palmer, 1993). It also stated that: A regional council may, with the consent of all the territorial authorities whose district is wholly or partly within the region, fund and co-ordinate the promotion of tourism. The need for regional councils to consult with and seek the approval of all TLAs in the region before providing funding to an RTO made it difficult for regional councils to engage in long term planning. For example Canterbury Regional Council has 10 TLAs and Waikato 11 TLAs within their boundaries which makes achieving consensus a difficult process (Simpson, 2002). The primary focus of regional councils is environmental management and therefore tourism did not sit well within its portfolio of activities (Hutchings, 1999). The 1992 amendment was more abstract and philosophical rather than specific and action orientated (Simpson, 2002). There still remained no statutory requirement for either local or regional councils to include tourism in their short or long term planning activities.

The Local Government Amendment No. 3 Act (1996) brought changes to the financial management practices of local government. By July 1999 local authorities were required to prepare: a long term financial strategy, funding policy, investment policy and a borrowing policy. This process forced councils to examine if they wanted to be involved in certain activities. This was a catalyst for many councils to re-examine whether they should be actively involved in tourism promotion; whether general rates are an appropriate source of revenue to fund the promotion of tourism, and why should local government contribute to the tourism industry and not to other industries (Hutchings, 1999).

7.9 Local Government and Tourism

A study in 1985 initiated by Canterbury United Council and the local RTO highlighted some of the misunderstandings and tension between TLAs and local tourism industry operators. TLA staff were concerned that the installation and
maintenance of services used by tourists had to be funded by local ratepayers. They believed that there should be some contribution by central government through subsidies or revenue sharing. TLA staff felt that members of the tourism industry had a negative attitude towards them often related to the time it takes to receive decisions on proposals, yet they wanted to support tourism operators. Tourism operators viewed local government as having limited understanding of their industry and the implications of its development for the local economy. TLAs placed impediments rather than fostering tourism developments through the long time frame for decisions; the need to liaise with a number of different departments within council and the evidence of a lack of communication between departments. The local industry perceived the RTO as the most appropriate organisation for liaison between local government and the industry (Elliott, 1986). Local government were encouraged to seek advice from RLOs for their area to assist them in their tourism planning processes (Burt, 1986).

In 1992 at the Local Government Association’s national conference, the need to improve liaison and coordination between central and local government in relation to tourism was raised. It was noted that local government have an interest in tourism because of its contribution to the development of local economies, environmental externalities and the provision of infrastructure to service the industry. In a follow-up questionnaire sent to members of the Association 90% agreed with these reasons and suggested others. Funding was the main item identified. Other problematic issues included: central government contribution to infrastructure; a separate regional tax for tourism; funding from service and retail providers and user pays. Other issues identified by local government members were: the role of central government in tourism and local government interface with central government; the role of local government in tourism; collective coordinated regional marketing plans for tourism; cost/benefit analysis of council involvement in tourism in districts that are not traditional tourist areas; provision of tourism facilities in districts adjacent to major tourist areas and promotion of domestic tourism (NZ Local Government Association (Inc), 1993).

The NZ Local Government Association in conjunction with the Ministry of Tourism and the NZTB hosted *The Local Government Forum on Tourism* in May
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1993. The president of the Association concluded that local government has an essential role to play in tourism and contributes substantially to the foundation on which sustainable tourism development can take place (NZ Local Government Association (Inc), 1993). The major recommendations that emerged from the forum was that local government needed to develop closer ties with other agencies involved in tourism such as the NZTB and the Ministry of Tourism and the need for local government to collect and maintain information on the benefits of local authority involvement in tourism (NZ Local Government Association (Inc), 1993).

The issues raised in the forum pertaining to local government and tourism were:

1) Under-investment in infrastructure for tourism to meet current and projected needs with the NZTB target of 3 million visitors by the year 2000. Fran Wilde, Mayor of Wellington at the time noted that competing destinations in the Pacific Rim have major incentive programmes to capture foreign investment while New Zealand with a free-market economic policy cannot offer similar incentives;

2) Domestic tourism was perceived as a priority for local government. The NZTB did not perceive domestic tourism as a growth strategy. Albert Stafford, Manager, Policy, Planning and Investment stated categorically in his address at the Forum: “Domestic travel by New Zealanders within New Zealand simply shifts our own wealth and our own jobs around it. The extra wealth and jobs that we need will be generated by international tourism”(NZ Local Government Association (Inc), 1993);

3) Concerns were raised about the dichotomy between the availability of marketing opportunities and product development and the conflict with local government boundaries;

4) There needed to be a distinction between information officers located in visitor centres whose primary aim is to service visitors and RTOs whose role is to market and promote the regions;

5) Perceived critical factors for RTOs were funding and clear demarcation of responsibilities. Impediments existed in: defining whose responsibility it was to identify what the market wants; who defines the tourism product; and limiting product development to a regional basis. Some of these
impediments could be overcome if these issues were addressed at a national level.

It is interesting to note that the workshop ‘Overseas Marketing Group’ was cancelled because few local government officials or RTOs selected it. The NZTB had a higher profile than the Ministry of Tourism at this forum, but most local government officials were not interested in knowing more about international marketing. Perhaps they thought this was the responsibility of RTOs. Fran Wilde, the former Minister of Tourism, and in 1993 the Mayor of Wellington, made the following political jibe at the NZTB and National Party tourism policy:

The government would like us to think that there will be 3 million visitors but I think they will be wrong. Even 2 million a year is going to be very difficult given the state of our infrastructure – roads, facilities such as golf courses, airports, major attractions and accommodation….

Understandable that not many are interested in the Overseas Marketing workshop as local government’s main target group is domestic tourism as it should be. It is beyond the scope of most regions or most local authorities to actually look at overseas marketing with one or two notable exceptions. NZTB needs to look beyond the Golden Mile, it is not the only part of New Zealand that is worthy of that marketing attention and all those millions of dollars that are going into our overseas marketing (NZ Local Government Association (Inc), 1993)

Interestingly Wilde appears to be of a view that the NZTB is being aligned with the government and already there existed a perception that it was focusing on ‘the golden mile’.

The main problem local government faced in the early 1990s was the complex interactions of tourism at the local level and the impact tourism had on a wide range of local government functions, as it crosses many boundaries within local government structures (Ministry of Tourism, 1993b). To be able to manage tourism at a local level a range of staff in a number of departments needed to be
conversant with the phenomena called tourism and with no adequate training or education in tourism this was difficult if not impossible.

Duncan (1995) found that TLAs were positively predisposed to tourism as they accepted the arguments of market failure and could see the benefits of tourism development and the short-term economic returns accruing to the region. There was also support for the public funding of infrastructure. Dymond’s (1997) study found TLAs engaging more in tourism and RTOs taking on more responsibilities at the local level.

Simpson (2002) carried out a survey of all local government entities and RTOs in New Zealand at the end of 1999. No regional council discussed tourism in their Regional Policy Statement and only one out of 17 had a separate tourism strategy. Of the total 25% made a financial contribution to tourism but it was not clearly stated if this was allocated to an RTO. TLAs are required to prepare district plans, the survey showed that 3 out of 70 TLAs had a major section on tourism, 23 (or 33%) have a minor section on tourism while 63% make no reference to tourism in their district plan, yet 69 out of the 70 TLAs state they make a financial contribution to tourism. 42% of the TLAs, stated that a separate tourism strategy was prepared by RTOs, 14% by council staff, 4% by external agencies and 40% had no tourism strategy. All these results indicated that tourism is engaged with more at the TLA level than at the regional council level. The study made an interesting yet significant comment “many councils seem unsure how to classify tourism, and consequently vary their interpretation of what the industry means to their own local area” (Simpson, 2002, p.8). Regional councils were moderately supportive of the preparation of regional tourism strategies but their development and implementation were seen to be the preserve of RTOs working within the TLA framework. In 2000 it appeared that regional councils tended to distance themselves from tourism and those with a past history of tourism involvement were reviewing their participation in tourism (Simpson, 2002).

7.10 Local Authorities and Economic Development

Rogernomic reforms that continued in the 1990s under the National Government were based on the ideology that central government should be non-interventionist
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and employment and economic development will be delivered by the market system. The private sector during this period was profit focused with little acknowledgement of corporate social responsibility as evidenced by the views of New Zealand Business Round Table. Tourism was placed between these two extremes as it may generate positive social returns yet inadequate or negative private returns because of transactions costs or limited property rights. Therefore the private sector cannot receive sufficient returns to justify the tourism activity. Local government identifying this gap started establishing enterprise boards in the belief that the gains these boards generated for the community outweighed the costs (McKinlay, 1998). Economic development departments have evolved out of this gap and local government involvement in tourism is seen to be part of economic development within local government functions.

7.11 Local Government Act 2002

The new Labour Government, elected in 1999, not only had a new policy approach to tourism but in pre-election policy statements identified the need for significant reform of the legislation governing New Zealand’s system of local government. The major criticism of the Local Government Act (1974) was that it was detailed and prescriptive, required constant amendments to meet changing circumstances and imposed excessive costs on local authorities. A flexible local government framework was being sought to respond to a diverse society and an increasing change of pace (Department of Internal Affairs, 2000). The Government was arguing that central and local government should be viewed as two arms of the same system with a shared focus of contributing positively to the well being of communities and “that the social, economic, and environmental problems confronting New Zealand are not capable of being solved by central government alone” (Department of Internal Affairs, 2000, p. 3).

The Local Government Act (2002) widened the scope of local government from providing core infrastructural services to providing activities that increased the well being of the community. The purpose of local government was to promote the social, economic, environmental and cultural well being of communities in the present and for the future. This necessitated that councils identify the desired outcomes for their local communities and the Act sets out the procedural
requirements to ensure local government identify their mandate from their communities (Mitchell & Salter, 2003). Only TIANZ, from the tourism industry, made submissions to the Department of Internal Affairs on the review of the Local Government Act, there was a complete silence from the RTOs (A C Nielson NZ Ltd, 2001). There were also no submissions from the Ministry of Tourism.

RTOs have noted the strength of ratepayers and their caution of giving too much prominence to tourism at the local level in case there is backlash against tourism and risk it becoming a political baton at local elections (Davis P. personal communication, October, 12, 2005). The media are giving voice to disgruntled rate-payers around the country which views local government as being on the brink of a bureaucratic and cost explosion and the need to protect ratepayers as a consequence of the Local Governmental Act 2002 from exploitation by empire builders, central planners and activists (Newman, 2005). There is also the perception that central government is adding to the rates burden as it pushes more responsibilities onto local authorities.

7.12 Local Government response and engagement with the NZTS 2010

During the strategy consultation process LGNZ stressed the following (Hutchings, 2000):

1) The strategy must put regional spread of visitors as a priority and involve a higher range of destinations;

2) Better information provision about the New Zealand tourism product should be given –not just focus on the main operators;

3) Some rural areas of New Zealand do not have access to email and web based resources and therefore a technology focus could marginalise these areas;

4) Additional funding was required for transport infrastructure;

5) Better integration required between promotional and marketing investment in tourism and infrastructure investment;

6) Forecasting at a territorial level is critical to align marketing and management of development;
7) Development needs to be planned otherwise it can damage the image of local communities and undermine long term sustainability. Developers need to understand these issues;

8) Small communities with large visitor flows are having difficulty affording infrastructure;

9) Need to resolve the issue of TLAs and RTOs involvement so both can be appropriately involved in tourism marketing;

10) Quality of information delivered by VIN;

11) A balance needs to be found between adopting a macro regional marketing policy and the achievement of a greater regional spread of marketing information, with a focus on niche markets/locations;

12) Better integration, consistency and interconnectivity between tourism policy and government departments;

13) Local government welcomes the shift from an RMA effects based ‘end of pip’ approach towards sustainability and the adoption of a ‘whole system’ sustainable development approach.

7.13 Local Government Initial Reaction to the NZTS 2010 and Strategy Implementation

Local Government, although consulted in the process, was concerned at the speed of implementation before there was a chance to debate the issues raised in the strategy amongst its members:

Local government has not yet fully registered the existence of the strategy, it has certainly not adopted it and it feels little or no ownership of it. This reflects the process that has been followed in developing the strategy and it reflects the large number of more fundamental issues currently being considered by local government, including reviews of the Local Government Act, the Rating Powers Act, transport legislation and a raft of other government initiatives (Winder, 2001a)

Local Government was not just an interested stakeholder but key to achieving the intent of the strategy. Winder (2001a) felt there was little engagement with LGNZ by OTSP or TIANZ in the initial stages of strategy implementation process and
raised concerns that local government was being excluded from the partnership process. LGNZ recognised that a great diversity of approaches to, and involvement in tourism, existed across local government with most not committed to tourism. The first challenge was to engage local government and attain a greater level of understanding of tourism in the first twelve months to achieve some form of ownership for the strategy and tourism (Winder, 2001b).

Peter Winder, CEO of LGNZ at the time, “brought in knowledge of tourism which hither-to-fore, hadn’t really existed. He did a good job playing hard-ball over the strategy, claiming they were not consulted and that ‘we are not going to implement these strategies unless we get funding to do so’” (Simmons, D., personal communication, June 4, 2005). This political manoeuvre led central government in January 2002 to allocate $169,000 to assist Local Government New Zealand in responding to the recommendations in the strategy. The Minister of Tourism acknowledged that “the level of government investment in, and understanding of tourism, varies considerably across the country. The funding provided will assist local authorities to realistically consider the role of tourism as an economic driver in their area” (Burton, 2002). The funding was used for tourism training programmes for mayors and councillors, the establishment of a local government tourism working party to draft a response to the strategy and the staging of a national symposium on Tourism and Local Government. This funding permitted LGNZ to study and address tourism and develop a local government tourism strategy.

LGNZ CEO indicated that the local government sector would not necessarily be constrained by the recommendations in the strategy in developing its own position. Peter Winder wanted to take a wider approach to tourism rather than just focusing on the strategy’s recommendations, “he wanted to identify the gaps and define the role local government wanted to play in tourism” (Gore, A., personal communication, June 9, 2003). Paul Matheson, Mayor of Nelson, and on the LGNZ Tourism Project Team, stated the purpose of this exercise was to engage local government people, many of whom don’t realise they have a role in tourism. It was stressed that the strategy was conducted at an overview level and the study and implementation of the NZTS 2010’s recommendations related to local
government required more depth, focusing on the local government sector leading to future actions related to tourism (LGNZ Tourism Project Team, 2002). Central government and local government do support tourism but it was recognised that they had not been working together.

7.14 Strategy Implementation: LGNZ

Towards the end of 2001 LGNZ prepared a document: Tourism and Local Government: A Proposal for enhanced Local Government Participation in Tourism. It noted that the NZTS 2010 generated very little reaction from local government after its release and what little reaction there was, was mixed. Although local government collectively had not considered the strategy, a few Councils considered that some of the recommendations captured the interests of the industry well but did not necessarily reflect the interests of local communities or their local authority. LGNZ was seeking to build effective partnerships between central and local government and tourism industry organisations rather than working with “the 16,000 businesses involved in tourism” (Local Government New Zealand, 2001, p. 3). They established that “local government is charged with the responsibility of representing the interests of its own community. Local government supports the principle of subsidiarity of decision making” (Local Government New Zealand, 2001, p. 4). This principle espouses that decisions, including those related to tourism development should be taken closest to individuals and their families and only those tasks that the local level cannot effectively carry out alone should be referred to higher levels. Local communities will need to be empowered to make decisions to ensure sustainable development. Effective community participation in tourism is central to ensuring that host communities are willing to act in a warm and hospitable manner in the spirit of manaakitanga. This document set out the proposed programme to “build and foster real understanding, engagement and involvement by local government in the tourism industry” (Local Government New Zealand, 2001, p. 5).

With the funding received from the Ministry of Tourism, LGNZ commissioned three reviews:

1) A Review of Local Government’s Involvement in Tourism, prepared by the Stafford Group, June 2002;
2) Tourism and Local Government: Review of Success, prepared by Tourism Resource Consultants, June 2002;

LGNZ then organised a series of tourism awareness seminars across the country in July 2002 to start addressing a strategy for tourism (Gore, A., personal communication, December 16, 2002). A tourism project team with representatives from TLAs, LGNZ, RTOs, TNZ, TIANZ, Ministry of Tourism and Environment Canterbury was entrusted with the task of developing a local government tourism strategy. Tourism Consultants were charged with the task of putting together a discussion paper on local government and tourism.

They conducted a one day brainstorming session with the project team along with a representative from VIN and Rob MacIntrye who coordinated the RTO response to the NZTS 2010. The outcomes from the brainstorming day became the discussion paper. This discussion paper evolved into a draft strategy which was taken to a national symposium on tourism (Gore, A., personal communication, June, 9, 2003).

The symposium was attended by 112 delegates, from local government, RTOs and the Ministry of Tourism. Angela Gore from LGNZ, commented that “this was the first time ever that these groups came together to talk about tourism” (Gore, A., personal communication, June, 9, 2003). She was not aware that in 1993, LGNZ had organised a national Local Government Forum on Tourism with approximately 130 delegates and representations from the same sectors. The purpose of this 1993 forum had been to “set the scene for local government involvement in tourism and discuss the challenges and opportunities facing local authorities” (Local Government New Zealand, 1993, p. ii). This lack of corporate memory in New Zealand on tourism policy matters has lead to statements like this and the reinvention of the wheel.

The draft strategy was refined after the symposium and sent to councils and other constituents for comment and feedback. Angela Gore also commented that
“regional councils were sent the strategy for information although many of them don't play an active part in tourism” (Gore, A., personal communication, June, 9, 2003). There was 25 mixed responses. Most were supportive others like the response from Central Hawkes Bay district council asked “why are we still putting tourism so high on our list of priorities” (Gore, A., personal communication, June, 9, 2003).

Postcards from Home: The Local Government Tourism Strategy was released in May 2003 with the following strategic aims:

a. To provide and manage tourist related infrastructure in consultation with the private sector and relevant stakeholders;

b. To engage communities in planning for tourism which is socially, economically, environmentally and culturally sustainable;

c. To take a lead role in destination management by forming partnerships with key stakeholders;

d. To facilitate regional tourism marketing and continue with enabling and operational roles in product development


In 2002, LGNZ engaged the Stafford group to review local government’s involvement in partnerships and collaboration with both the tourism industry and central government. They found for most regions the importance, value and relevancy of the tourism sector ranked behind other sectors, and that they viewed tourism as only being part of the regions economy. However, very few had commissioned tourism economic impact studies. There were ad hoc relationships between TLAs and tourism industry groups and they had a highly reactive relationship with individual tourism businesses. Most TLAs indicated highly effective collaborations and partnerships with RTOs and viewed the role of the RTO to be marketing and product development to increase visitor numbers, length of stay and expenditure in the region.

Major problems identified included:

1) Variable tourism skills base and experience of SME tourism operators, RTOs and local government councillors and staff lacking sufficient
understanding and knowledge of the tourism industry and failure to appreciate the difficulties faced by RTOs and tourism operators in promoting particular regions;

2) Fragile relationships between local government, the tourism industry and RTOs. There was often lack of trust and suspicion of each others agendas often a consequence of a low level of understanding of how the tourism sector operated. Some TLAs had concerns about the way RTOs managed their marketing budgets, their cost-effectiveness and their inability to influence or advise;

3) Local government was perceived to be reactive rather than proactive in its development and maintenance of public tourism infrastructure and TLA representatives preferring to control tourist numbers rather than invest in infrastructure;

4) Need for improved statistical data on tourism trends, visitor flow patterns, and visitor number projections to allow for better public infrastructure planning;

5) Conflict over who should be responsible for public tourism infrastructure. Local government think that some of the burden should be borne by central government especially when tourism pressure in peak periods is intense and the ratepayer base small, therefore it is inequitable and unreasonable to expect the local tourism industry or ratepayers to meet infrastructure costs. Central government on the other hand viewed local government constraints were due to limited experience and understanding of the tourism sector’s changing needs and insufficient funding levels;

6) Community concerns including: Backlash due to the RMA process permitting certain forms of tourism development; increasing tourist numbers placing excessive demands on local services and the funding burden being placed on ratepayers, yet most TLAs had put little effort to quantify the economic costs and benefits of tourism;

7) Tourism industry operators found, as much they wanted to get involved in district and strategic planning, they had time constraints and found it difficult to participate. They also advocated better management of tourism flows rather than the imposition of limits on tourism growth in any particular region;
8) Regional councils were ambivalent about engaging in tourism due to the difficulties in garnering the unanimous support of their TLAs and saw benefits of leaving tourism development and marketing to TLAs;

9) Inadequate resources to market and develop regional tourism

7.14.2 Successful case studies of Tourism and Local Government
Tourism Resource Consultants (2002) collected data via an email survey of three regional councils, eight district councils and five city councils and conducted interviews with seven of these councils, with three out of the 16 councils not responding. All councils interviewed had a high tourism profile and a strong RTO. Success had been achieved primarily through the formation of RTOs and to a lesser extent through Local Tourism Organisations (LTOs) and macro marketing alliances such as Centre Stage. Success was measured against increased visitor arrivals and growth in partnership funding for marketing activities (all narrow economic measures). Factors that underlined RTO success were:

1) A clear mandate and service agreement with funding councils;
2) A well co-ordinated funding body for the RTO;
3) Dedicated and skilled staff;
4) Strong industry partnerships.

Relationships between some councils and RTOs were strained as a result of: funding levels; balancing expectations of councils, rate payers and the industry; and maintaining open communication channels and working relationships. Most RTOs were vulnerable to the changing priorities of both councils and joint venture private sector partners. There was generally strong support from councils for continuation of the RTO model but it was not clear that any single model will fit the needs of all local authorities.

Destination management seemed to be the most problematic area. There was confusion amongst local government over who is ultimately responsible for the management of destinations. It is clear to both local government and RTOs that RTOs are responsible for regional tourism marketing; yet, destination marketing and management were so closely intertwined the boundaries between the two had become blurred. It was concluded that the term ‘destination management’ required
clarification and discussion, particularly regarding implications for local government. Given the legal mandates for local government under the Local Government Act and the Resources Management Act local authorities identified themselves as responsible for destination management. It was also recognised this may require dedicated staff and budgets. Yet, it was identified that there was room for inter-agency destination management groups, including RTOs and industry.

7.14.3 Local Government Resource Management Practice with respect to Tourism

LGNZ commissioned Beca Planning to review existing local authority practices in regards to RMA planning process and tourism activity through consultation with the tourism industry, relevant government and local authorities. There was little evidence of best practice in RMA plans with regards to tourism planning. Some authorities had developed tourism strategies but had not been incorporated them into RMA planning processes (Drew, 2004). Implications of their findings for tourism planning and management were:

1) RMA/Plans directly or indirectly impact on industry, but there is limited consciousness on, and recognition of, this amongst local government professionals;

2) Little or no monitoring of visitor impacts, or impact of other activities on tourism;

3) Effects based plans were failing to deliver long term outcomes or deal with values such as ‘sense of place’;

4) The philosophy and structure of the RMA renders it difficult to deal with the wider impacts and benefits of tourism on community values and aspirations;

5) Regional plans do not specifically deal with tourism as they are more effects based;

7.14.4 Tourism Planning Toolkit

Mark Burton, the Minister for Tourism launched the Tourism Planning Toolkit, at the 2004 LGNZ Conference stating that it had been “designed specifically to help local authorities maximise tourism’s benefits while minimising any impacts on their communities” (Burton, 2004). The Tourism Planning Toolkit was developed to assist local authorities and the tourism industry to better understand, plan and
evaluate the impact of tourism activities. It was a key action linked to *Postcards from Home* and its second aim “to engage communities in planning for tourism which is socially, economically, environmentally and culturally sustainable” (Tourism Recreation Research and Education Centre, 2004). Lincoln University, through FoRST funding over a seven year period, had undertaken research into tourism planning and adaptation in several New Zealand communities. Working with LGNZ and the Ministry of Tourism, the Toolkit became an outcome of this research.

The aims of the Tourism Planning Toolkit were:

1) To facilitate sustainable tourism development at the local level;
2) For TLA elected members and CEO to understand and promote the value of the toolkit as an industry planning tool kit;
3) For relevant Council officers to be familiar with the contents use of the toolkit and for key local tourism industry stakeholders to be familiar with, and promote the use of the tourism toolkit.

It was designed to assist and support local authorities to address specific issues relating to tourism in their community and provided a step by step guide to develop and action a tourism strategy. It was intended to help local government to understand and measure visitor demand, visitor satisfaction and the economic impact of tourism in their region (Burton, 2004).

The challenges facing this project were making the Toolkit easily accessible, and generating awareness, with the most difficult challenge being the utilisation of the toolkit. The toolkit was disseminated both via the web and in hard copy. launched at the Local Government Conference in July 2004, the tourism planning toolkit was promoted at all LGNZ zone meetings, with six workshops for council officers (planning, policy analyst, strategic development, economic development) and stakeholders, including one training workshop for industry consultants/facilitators who develop and review tourism strategies. The hope was that the toolkit would provide an overview of the tourism industry and the reasons why it is important to consider tourism in developing, district plans, LTCCPs and asset management
plans. Hopefully the toolkit will facilitate a more forward thinking strategic approach rather than a reactionary process to tourism. It was also hoped that regional tourism strategies would go beyond marketing and address destination management

“Further work is required to make the material [in the Toolkit] to have greater relevance to local government, more practical examples included and structured to recognize the differing scales and levels of maturity local authorities have in the tourism sector” (Drew, 2004)

7.14.5 RTO Governance
LGNZ also commissioned Catalyst Management to prepare a comprehensive guide, *Recommended Good Practice for Governance of Regional Tourism Organisations* which was being sought for RTOs, their funders and tourism stakeholders to determine their governance options, contractual arrangements, reporting and management procedures. “Industry feedback on the material had been very positive and also timely given the current restructuring of many RTOs and new legislation regarding council appointees onto boards” (Drew, 2004). The detail of the governance issues raised in this report will be dealt with in Chapter Nine

7.15 Conclusion
The NZTS 2010 placed a high profile on local government in terms of tourism planning, destination management and support of RTOs. Some argue that prior to the strategy the Department of Conservation (DoC) was the de facto tourism planner in the country since TLAs had abdicated their power to RTOs saying RTOs were looking after tourism (Simmons, D., personal communication, June 4, 2005). It is thought that the greatest change from NZTS 2010 process described in this chapter has been the attitudinal change within local authorities and the recognition that they play a critical development and management role in regards to tourism (Drew, C., personal communication, December 12, 2004). The question remains if this will be just a superficial change towards tourism with few lasting effects or will New Zealand tourism see the lasting impact of local government seriously embracing tourism and its associated responsibilities.
The researcher asked LGNZ where next in regards to tourism leading to the following response:

That’s an interesting question. When we actually got through postcards from home, local government’s response to the NZTS 2010, as you go through the list most of the items that local government were charged with delivering have been ticked off. Certainly I do not think that local government can take the sole credit for that, the Ministry of Tourism has provided a valuable leadership role and funding. There has actually been a very strong relationship between LGNZ, the Ministry of Tourism, RTONZ and TIANZ. There has been no tension at the national organisational level and I know in other sectors there has not been the same level of collaboration and co-operation. So in terms of where to next, the big issues for local government focus around infrastructure and funding issues, everything else pales into insignificance (Drew, C., personal communication, October 4, 2005).

This chapter has highlighted a number of common concerns, over time, in respect to local government and tourism. Regional differentiation was seen to be important to attract international and domestic visitors. Central to aligning destination marketing with destination management is that “each region should position their area as a unique destination and build their tourism industry and infrastructure around that image” (New Zealand Tourism and Publicity Department, 1989e). This vision was present in the NZTP at the end of the 1980s and reiterated again in the NZTS 2010. A number of common concerns related to tourism have been present for the last twenty five years:

1) Infrastructure to meet tourist demands;
2) Inadequate funding for RTOs;
3) Central/local government interface in regards to tourism;
4) The role of local government in tourism;
5) Local government Councillors and staff lack sufficient knowledge and understanding of tourism;
6) Fragile relationships between TLAs, tourism operators and RTOs;
7) Statistical data at the TLA level for tourism planning;
8) Community understanding of tourism.

The nature of the problem and the discussions seem to be circular and repetitive with little evidence of lasting solutions.

The notion of local democracy, the local citizens controlling local governments and policies through elections, is very strong in the regions and in LGNZ. The concept of subsidiarity with local autonomy and decision making with a bottom up rather than a top down approach is argued for and defended. If the local communities can be kept informed and educated about the benefits and disadvantages of tourism they can be the best advocates for tourism at the local level.

Local government reforms in 1989 reduced the number of local authorities from 675 to 86 and authorities acquired a wider range of functions. However a responsibility for tourism was not explicitly stated. It was hoped that the effects of regional government reform at the end of the 1980s would see RTOs and the regions take greater responsibility for their own future in regard to tourism. This did not turn out to be the case. Responsibility for tourism has never been enshrined in legislation (Drew, C., personal communication, December 12, 2004). Given that New Zealand has a history of over-reliance on legislation to chart and manage its future, the problems besetting tourism planning, destination management and secure funding of RTOs by local government, can be traced to the lack of a clear local government mandate to be responsible for tourism. Becca Planning argued that the RMA provided enough breadth for tourism to be treated as an industry in its own right by local government and therefore should show up in council planning documents (Drew, C., personal communication, December 12, 2004). Lincoln University in preparing the Tourism Planning Toolkit argued that the new provisions for Long Term Council Community Plans (LTCCPs) provide a legal pathway for the preparation of tourism strategies. Both these legal arguments are precarious and subject to the political processes of councillors and local government bureaucrats.
The tourism planning toolkit, if implemented appropriately will enable tourism planning to proceed beyond economic objectives of local government to include social, cultural and environmental objectives. While tourism remains in the domain of informal objectives and is used to achieve or avoid formal objectives, Elliot (1997) argues there remains the danger that tourism can be used for personal power and gain at the local level. Under these circumstances the long term viability of the RTO and tourism planning and management remains at risk.
Chapter 7 Role of Local Government
Chapter 8 Evolution of RTOs: 1980 to 2001

8.1 Introduction

As previously described the New Zealand Tourist and Publicity Department (NZTP) and the New Zealand Tourism Industry Federation (NZTIF) policies and initiatives in the 1980s led to the establishment of Regional Tourist Organisations (RTOs). The functions of RTOs, past and present, are many and varied. They include tourism product development, tourism investment, marketing and promotion, tourism advice, raising social and environmental awareness, tourism planning, developing social and environmental policies and regulations, establishing co-operative networks and even civic action. The nature of RTOs is ambiguous but this ambiguity may be their very strength (Ryan & Zahra, 2004).

The NZTS 2010 contains forty three ‘key recommendation’ of which half relate strongly to Regional Tourist Organisations (MacIntyre, 2002). Many new initiatives have arisen as a consequence of the NZTS 2010, such as the establishment of RTONZs (Chapter Nine). Local Government New Zealand’s Postcards from Home (Chapter Seven) is another. One receives the impression that the questions raised and the problems being addressed by present day players are thought to be original and never previously discussed. Some examples are the need for clear and defined boundaries for RTOs, the problem of funding, governance and the need for fewer RTOs. All these issues were canvassed in the 1980s. Statements have been made such as RTONZ’s Chairman, Paul Yeo, in describing RTONZ’s advocacy and project management role as being able to “do things as one that we never dreamed were possible alone” (Ministry of Tourism, 2004c, p.4). However RTOs as a representative body had met together previously and had their voice on wider policy issues and on the New Zealand Tourism Industry Federation (NZTIF) Board in the 1980s and 1990s.

One of the problems associated with New Zealand tourism policy over the last twenty five years is the radical swings from one extreme, of government control and ownership of a large share of the tourism industry, to the other of minimal
government intervention and the tourism industry being left to market forces (Ryan & Zahra, 2004). This swinging pendulum has hindered the steady continued development of tourism policy. Tourism policy over this time period can be characterised as the ‘reinvention of the wheel’ due to the lack of corporate memory (Zahra, 2004), a lack in part due to a changing cast of personalities (outside of the universities), many of whom have worked in the industry for less than a decade.

The aim of this chapter is to document the origin and evolution of RTOs. This information may be of assistance to current and future decision makers, informing them about the past when trying to find new and innovative ways to address current problems. There has been some research on RTOs in New Zealand (Collier, 2003; Dymond, 1997; Kearsley, 1997; Pearce, 1992), however very little has been documented about what happened in the 1980s and 1990s. This chapter will focus on the ‘pre-history’ of RTOs and their key characteristics in the 1980s and 1990s.

8.2 Public Relation Officers and Tourism

In the 1940’s and 1950’s regional areas of New Zealand wanted to increase the population and development of towns, one example being the Whakatane 10,000 Club whose purpose was to increase the population of Whakatane to 10,000. In wanting to promote business development, tourism was perceived as both a component of business and as a means of achieving the desired development. Most regional centres already had a Public Relations Office that had two main functions: Publicising the town/city and publicising the council. The Public Relation Officers responsible for these functions were strong individuals and single handedly achieved significant recognition for their regions. This period could be characterized as one of charismatic entrepreneurship: forceful; relatively unconstrained; and colourful.

In the 1960’s Public Relations Offices were eligible to became members of the New Zealand Travel and Holiday Association (NZTHA), the peak industry group (now TIANZ) which was established in 1953. The NZTHA saw the Public Relations Officers, as the main people in the regions representing tourism. The
Association tried to motivate these officers and their organisations to actively promote tourism (Staniford, A., personal communication, August 17, 2002). During the 1960s the tourism private sector was trying to gain formal recognition as an industry. Recognition was being sought at both the national level, to be recognised as a legitimate industry sector akin to dairy and forestry, and at the regional level, to gain support from local authorities. One may ask has anything changed?

Regional public relations offices had their difficulties, they were small, isolated, lacked resources and firm direction, and tried to foster domestic tourism by promoting their region as a destination. They were funded by Territorial Local Authorities (TLA) and had few members (Staniford, A., personal communication, August 17, 2002). The NZTHA became the National Travel Association (NTA) in the 1970’s and tried to address some of the problems by supporting regional public relations offices, encouraging a focus and prioritisation towards tourism, and to urge the Public Relations Officers to be involved in regional development. This initiative achieved little success as the NTA also lacked financial resources and the period was characterised by spending more time trying to raise money, recruit and retain members rather than promoting tourism (Staniford, A., personal communication, August 17, 2002). Central government in the early 1980s provided financial incentives to promote domestic tourism in the regions through the Regional Advertising Assistance Scheme. This scheme recognised public relation offices as coming under the definition of ‘travel industry groups’ (The New Zealand Tourist and Publicity Department, 1982).

### 8.3 Provincial Committees

The roots and identity of modern day RTOs can be traced to the first meetings in 1953 that resulted in a new industry organisation: The New Zealand Travel and Holiday Association. Staniford and Cheyne (1994), note that there was “agreement to form ‘provincial committees’ which later evolved into branches of the Association and in 1985 these branches became fully independent as Regional Tourism Organisations representing geographic areas but being members of the association” (Staniford & Cheyne, 1994, p. 8). From Tony Staniford’s and the Industry Association’s perspective, RTOs evolved out of the New Zealand Travel
and Holiday Association’s provincial committees/branches. The New Zealand Travel and Holiday Association prepared by-laws for the provincial committees and a key requirement was full representation from all tourism sectors in the region. In 1958 committees became branches and adhered to the following principles: requests for a branch to be established must come from the members of the area; boundaries were determined by the executive; there had to be at least 20 members; the rules were to be formulated by the executive (Staniford, A., personal communication, August 17, 2002). The main motivation for regionalisation was that the Association was experiencing difficulties in recruiting members, many of whom were focused on promoting tourism in their own local areas and could not see the relevance of paying a membership fee to a national body based in Wellington (Staniford & Cheyne, 1994). The branches were to: educate their own communities as to the value of tourism; stimulate the interest of their members of Parliament as to the value of developing the industry, both from a local and national point of view; promote their own area to tourists; combine with other branches in their tourist region for promotional purposes (Staniford, A., personal communication, August 17, 2002). These objectives mirror the goals and functions of modern day RTOs albeit the terminology expressing them may be a little different.

8.4 Regional Tourist Promotion Groups

Regional tourist promotion groups were also being formed in the 1960s & 1970s. They were independent of the NTA’s provincial committees. Two examples were Northland Travel Promotion and the larger South Island Promotion Association (SIPA). As the following extract demonstrates both experienced financial difficulties:

Northland Travel Promotion is a non-profit incorporated society formed in 1965 to publicise Northland within New Zealand and overseas and to encourage the development of travel facilities within the region. It works in close co-operation with local bodies, Government Agencies and the proprietors of tourist facilities, and has successfully filled a co-ordinating role in planning and development matters. Its information office in Whangarei handles many enquiries from visitors and acts as a central
reservation point for accommodation. Traffic surveys have been conducted over peak holiday periods on several occasions. These surveys have demonstrated the value of tourism to Northland and have been of considerable assistance to developers.

The organisation is financed mainly by local bodies in Northland and it has always had difficulty in providing realistic salaries for its small staff and in meeting its administrative and promotional costs. In February 1976 the Minister of Tourism approved a grant of $4000 from the Tourist and Publicity Department for each of the three years to 1977/78. Provision has been made on the estimates for this grant to be continued in 1978/79.

**South Island Promotion Association (SIPA)**

The Association is representative of a wide cross section of South Island organisations and industry including local government bodies and has as its purpose the overall development of the South Island. SIPA produces a variety of brochures on South Island tourist attractions and the Department financially assists the Association by purchasing supplies and distributing them overseas. NZTP Department brochures amounted to $23,075 in 1977/78, $27,560 in 1979/80, $18,341 in 1980/81, $45,792 in 1981/82 and $3,500 in 1982/83. SIPA has sought direct grants from the government, but these were declined in preference for the indirect financial support but since 1981 the SIPA has been paid an annual grant of $3,000 (New Zealand Tourist and Publicity Department, 1984a).

### 8.5 Regional Tourism and the reorganisation of United Councils

Neil Plimmer, General Manager of the New Zealand Tourism and Publicity Department (NZTP) from 1980 to 1991 has the following recollections of the state of regional tourism:

It was clear from the condition of tourism in the early 80s that we needed to do better in the regions or tourism growth would be less than optimal. There were at least three things wrong:

1) There was no logic in the boundaries of local tourism bodies: they were not aligned with significant local body boundaries or
any other rational system, and some areas were not represented at all;
2) There was no system in their funding, and it was apparent that many were under funded;
3) There was a narrow focus on promotional activities and travel information whereas one of tourism’s greatest needs was regional capability to focus on development and quality issues.

I still recall a day around 1982 when a memo appeared in my in box from the Secretary of Internal Affairs, Peter Boag, saying that the Government had adopted a new set of regional boundaries for what were to be called United Councils. The boundaries were largely based on natural watersheds. All government departments were asked to align their own regional boundaries with this new set. The memo did not have much direct relevance to the department’s regional boundaries, which barely existed since our regional offices provided a service to anyone that entered their doors, and did not systematically deliver a government service to the population at large. But the memo offered a way forward for the local tourist offices, which were not a part of the department. We advanced the concept of alignment with the United Councils in tandem with the NTA. On the whole it was well received, although I have clear memories of one to two small promotional offices feeling strongly that they had no affinity with the new regional boundary that they were aligned with, and lobbying hard for an exemption. We may have given way on one case. The outcome was to be a rational network of Public Relations (PRO) or Regional Tourist Offices (RTO). The NTA was very active in advancing the second option, which was to persuade the United Councils, or the geographically smaller city and district councils, to provide regular funding to the RTOs. This cry was taken up on many fronts: it was a feature for example, of the major plan New Zealand Tourism: Issues and Policies published by the Department and the Tourism Council in 1984 (Plimmer, 2002, p.60-61).

The catalyst for establishment of RTOs, was reorganisation of regional authorities and the establishment of United Councils in the early 1980s (Gill, 1993). The
concept was driven by NTA with the support of the NZTP. The next step for both the NZTP and NTA was to try and consolidate the ‘bits and pieces’ of tourism bodies/organisations, across the country into 22 Regional Tourism Organisations (RTOs) alongside the United Council Boundaries. This was the first time the term RTOs was used (Stanford, A., personal communication, August 17, 2002).

The regional concept of tourism grew steadily during the 1980s due to the recognition of the important role tourism had to play in regional development, more regions wanting to get involved in tourism planning and marketing and acceptance by the industry that there needed to be cooperation at the local level between the diverse elements that make up tourism (Staniford, 1986).

8.6 The Term: Regional Tourism Organisations

The actual title ‘Regional Tourism Organisations’ took time to gain currency and the title RTO did not appear in the NZTP Department’s or the NTA’s documents for a while. The Ministerial Brief on the NZTP prepared for the new Labour Minister of Tourism, Mike Moore in July 1984, stated that “Regional Liaison Officers were instrumental in the establishment of several regional promotion groups” (New Zealand Tourist and Publicity Department, 1984a). In a letter dated 1 August, 1984 to all controlling officers, Neil Plimmer, General Manager of the NZTPD, emphasised the support and cooperation between the New Zealand Tourism Industry and the Department and a list of areas where the Department was working closely with the industry. However this list omitted any specific reference to regional promotion or regional tourism organisations. This letter supports the argument that an united NZTPD and NZTIF/industry drove the establishment of RTOs.

The NZTPD’s Tourism Marketing, Tourism Planning and Tourism Development Divisions August 1984 monthly meeting, discussed “the setting up of promotion organisations in each United Council Region” but, by the October 1984 monthly meeting, the minutes tabled used the title Regional Tourism Organisations (New Zealand Tourist and Publicity Department, 1984b). These minutes also support Tony Staniford’s claim that RTOs was a title and concept driven by the Industry Association (by now called the New Zealand Tourism Industry Federation.
(NZTIF). The NZTP Department’s Tourism Advisory Service supporting the Regional Liaison Officers (RLOs) stated that “Regional Tourism Organisations are receiving close attention at present as part of the overall Departmental support for the NZ Tourist Industry Federation” (New Zealand Tourist and Publicity Department, 1984b). Plimmer’s memo may have been a catalyst for the NZTP Department to adopt the NZTIF’s term of ‘Regional Tourism Organisation’. By January 1986, the Minister for Tourism, made reference to the strengthening of regional tourism organisations during 1985 and he also categorised them as industry organisations (New Zealand Tourist and Publicity Department, 1986).

Both the public and private sector national organisations started using the title ‘RTO’ in late 1985 and 1986 but at the regional level the title promotional or public relations body seemed to be firmly entrenched. The following is an extract from NZTIF memo to RTOs in January 1989:

> We wish to reiterate our belief that Regional Bodies should be much more than ‘public relations offices’. Their role should very much be in the area of planning, development, marketing and policy with public relations and information provision being just part of the function. It is our belief that all Regional Bodies should have names that reflect this wider role and ‘Tourism name’ has been suggested as the most appropriate. This matter will be placed on the agenda of the April meetings giving you time to discuss it with your own members (NZTIF, 1989b)

Around the same time the outspoken RTO Chief Executive of Tourism Taranaki (Elaine Gill), had the following comments to make on this theme:

> A further concern is the perception that the role of public relations offices/regional tourism organisations can be easily differentiated. While this is true in Taranki, I am aware that it is not true in other regions. Indeed the symbiotic relationship of many regional organisations/public relations offices has advantages as it does not engender the ‘us and them’ syndrome prevalent in some regions such as Northland (Gill, 1989).
8.7 The Role of the ‘new’ RTOs

In 1982 the NZTP provided $5,000 to fund a Tourism Plan for each of the 13 regions. The NZTP had the money but the NZTIF was the initiating force (Staniford, A., personal communication, August 17, 2002). NZTP helped to develop the regional plans. David Burt was the first planner appointed by the Department. Regional plans were important because they placed tourism in the context of economic development for the region and helped focus the direction of what mix of international and domestic tourism should be fostered and how to pull all the diverse groups together (Staniford, A., personal communication, August 17, 2002). The planning process was also a symbol and means by which both regional organisations and the industry could enable government to achieve its goals.

These ‘new’ RTOs were small, functioned in an ad hoc manner and had limited financial resources. They had belief in their product, and believed that all they had to do was develop their product and find out how to promote it (Staniford, A., personal communication, August 17, 2002). Product development would only succeed if tourism was integrated into the wider economic structures of the region. This approach is not dissimilar to the issues raised in the New Zealand Tourism Strategy 2010 and Local Government New Zealand’s ‘Postcards from Home. The Local Government Tourism Strategy’.

From the very beginning there was no funding or direct grants for RTOs either from the NZTP or any other central government funding agencies. It was expected that funding for RTOs would come from local government and local industry (Plimmer, N, personal communication, December 17, 2002). In the late 1980s the Regional Promotion Assistance Schemes (RPAS) were available for RTOs. These grants were designed to foster domestic marketing of regions through the employment of staff and the planning and implementation of domestic marketing campaigns (Plimmer, 2002).

To become formally recognised the new RTOs needed to be approved by NZTIF, and become an incorporated society. Once approved, they were deemed to be a member of NZTIF and paid an annual subscription. NZTIF arranged for RTOs to
meet twice a year, they had their own Vice-President, and they elected four representatives to NZTIF Board. RTOs were given a real stake in the National Industry Organisation (NZTIF) (Staniford, A., personal communication, August 17, 2002). Belonging to NZTIF allowed RTOs to:

1) Receive government funding;
2) Get involved with NZTP and their domestic tourism campaign;
3) Access to consultant reports and assistance of Regional Liaison Officers;
4) Run forums in their local areas, assisted with key speakers, even organising Ministers to speak, in other words it put them in touch with the ‘heavies’ from Wellington (Staniford, A., personal communication, August 17, 2002).

It was the NZTP’s view that for the RTOs to work as a co-ordinated network there needed to be some central vision, while always considering that on a day-to-day basis the RTOs need local vision (Plimmer, N, personal communication, December 17, 2002). The role of the NZTP was that of leadership, setting and implementing direction, assisting with regional data and providing assistance to RTOs via NZTP’s Regional Liaison Officers RLO (Plimmer, N, personal communication, December 17, 2002). A scenario not unlike the current situation whereby the Ministry of Tourism provides support and funding for the establishment of RTONZ and the Tourism Research Council (TRC) developing regional statistics. The NZTP also wanted the RTOs to coordinate promotional activities aligned with the Department’s marketing campaigns. This is not too dissimilar to Tourism New Zealand’s (TNZ) coordinating with RTOs in their current overseas marketing campaigns.

8.8 Regional Liaison Officers and RTOs

The NZTPD set up a network of Regional Liaison Officers (RLOs) in 1983. The Department decentralised some of its advisory work by establishing Regional Liaison Officers, within the Planning and Development Division. This was in response to the increasing demand from the industry and local authorities throughout New Zealand for advice, assistance and information about all aspects of tourism (New Zealand Tourist and Publicity Department, 1984a). The NZTP
realised that tourism development required planning and a coordinated approach across the country. It was important that there would be regional differences in tourism and that tourism needed to accommodate to the wishes of local residents. Therefore a policy of regional tourism based on United Council boundaries was more logical than a national strategy (Barker, 1986).

There were six RLOs based in: Auckland, Rotorua, Wellington, Christchurch, Dunedin and Queenstown. Their role was to support RTOs and regional tourism. RLOs had different roles in different regions. In some regions they were the Chairperson of the RTO, in others they were the secretary and just convened the RTO meetings (Plimmer, N, personal communication, December 17, 2002). The purpose of the RLO was to ‘kick things along’ and with the help of the department, they were to set up structures and proper governance (Plimmer, N, personal communication, December 17, 2002). The hope of the NZTP was that RTOs would be self-sustaining as the RLOs were in the regions for other purposes than just solely supporting the RTOs (Plimmer, N, personal communication, December 17, 2002). The RLOs were perceived as the eyes and ears in the regions and for the NZTP, to disseminate information and coordinate with industry (Brooks, 1986).

By 1988 the workload for RLOs was increasing as two RLOs informed head office in light of the proposed regional boundaries: “there should be one RLO for each region as the regions are becoming larger and more unwieldy” (New Zealand Tourist and Publicity Department, 1988d).

**8.9 Regional Promotions Assistance Scheme**

The Regional Promotions Assistance Scheme (RPAS) was established to encourage the development of domestic tourism and specifically to assist regionally based domestic tourism marketing. The scheme evolved to meet changing needs. It originally encouraged co-operative promotion by regions for more efficient use of resources. In 1985 the scheme was expanded to assist the new NZTIF regional structure in the development of marketing plans for domestic tourism. One of the objectives of these marketing initiatives was to link “tourism planning and development with tourism marketing and promotion. From a local
body point of view this means that for the first time the region’s tourist industry will know what it wants and local bodies can plan accordingly” (Staniford, 1986, p.33). In 1987 the scheme added an administration grant section to allow the employment of additional staff by RTOs (New Zealand Tourist and Publicity Department, 1989b).

In 1987 the NZTP reviewed its role in regional and domestic tourism and decided to allocate more resources at the national level such as: the Great New Zealand Campaign (a domestic tourism campaign); domestic market research and the establishment of a domestic tourism unit within the department. The Great New Zealand Campaign was devised, developed and run by the NZTIF to promote domestic tourism at the national level, with $400,000 government funding (Staniford, A., personal communication, September 9, 2006) RTOs were to promote domestic tourism at the regional level with financial support from the NZTP. RTOs were dependent on these grants as most were quite fragile due to lack of leadership and a poor financial base. At the time of regional councils being established Rotorua RLOs informed Wellington of the following:

None of our current regions employ an executive officer although discussion with them is continuing in B.O.P. [Bay of Plenty] If RPAS funds were unavailable we feel sure that the employment of executive officers would not be possible because of the poor financial base of the regions, especially BOP and Tongariro. Another point worth considering with the new regions is the location of the executive officer and the antagonism between different local promotional groups at opposite ends of the region. The regions would be too large for one executive officer (New Zealand Tourist and Publicity Department, 1988d).

However, the vulnerability of all these initiatives to central government policy changes was revealed yet again. In 1989 due to budget cuts imposed on government departments, two sections of the scheme were cancelled: reviews of regional tourism marketing plans and specific domestic tourism marketing projects and activities (New Zealand Tourist and Publicity Department, 1989b).
8.10 Regional Boundaries

Achieving a regional identity within determined boundaries has always been a challenge. Conflicts of identity and belonging were evident in the early 1980s with the establishment of United Council boundaries aligned to geographical watersheds. From the outset RTOs were not based on communities of marketing interest but on regional government boundaries and this has always posed problems when it comes to developing and marketing a product. Tensions arose again in the late 1980s with the establishment of regional councils. The Local Government Amendment Act 1988 did not specify actual regional boundaries but stated that they must conform to water catchments (New Zealand Tourist and Publicity Department, 1988a). One of the major handicaps in aligning destination marketing and destination management is matching local government regional boundaries to tourism marketing regions. In establishing boundaries tourism promotion was not taken into account. There was public outcry in many areas when the boundary proposals were released, “the proposals have caused an uproar in Aorangi with public meetings called to fight it and plenty of comment in local newspapers” (New Zealand Tourist and Publicity Department, 1988a).

The proposed changes to regional boundaries in 1988 brought to the surface yet again tensions associated with regional identity. In a memo to head office, Rotorua RLOs thought they would have more problems to get local tourism groups to cooperate and promote/market on a new regional basis due to diversity if interests such as:

1) Taumarunui Promotion Association, at that time, thought they should be located in Waikato rather than Central Districts, as they have nothing in common with Manawatu, besides the fact that it would mean King Country being divided in the middle.

2) Bay of Plenty and Waikato will have difficulty working together as they are divided by a mountain range, compete with each other and have little in common.

3) Thames Valley/Coromandel was thought to be more aligned to the Waikato than the Bay of Plenty, “dividing it down the middle would be unworkable, it would be like a divided city” (New Zealand Tourist and Publicity Department, 1988d).
The South Island also had its problems:

The areas of Mid Canterbury, South Canterbury, and North Otago fear being swallowed up by either Canterbury or Otago. However at this stage they cannot agree to combine as one region. This could be achieved by adding Oamaru and Waitaki County south of the Waitaki River, keeping the Waitaki River catchment in one administration, and forming a large Central Island region. However Waitaki County and Oamaru are leaning towards Otago and Mid Canterbury doesn’t want to be in a region with Waitaki/Oamaru. South Canterbury wants to remain separate from Canterbury or Otago, but is not big enough to be region on its own, and needs one or both of its reluctant neighbours to join with them (New Zealand Tourist and Publicity Department, 1988a).

The proposed regional boundaries for domestic marketing were also problematical as it was argued that New Zealanders would not readily identify with the new regions. Domestic promotions would be perceived as having “an element of sub-regional marketing” (New Zealand Tourist and Publicity Department, 1988c), such as the proposed ‘Otago’ region including both Dunedin and Queenstown/Wanaka, which demand different marketing strategies (New Zealand Tourist and Publicity Department, 1988c).

Other problems with the continuous change in regional boundaries highlighted by RLOs was the loss of trend and comparisons for research data (New Zealand Tourist and Publicity Department, 1988a, 1988d). Regional tourism research was based on the twenty two United Council regional boundaries. Auckland RLOs argued that “even if 13 marketing promotional groups come into existence, retaining the existing boundaries for research purposes would cause major problems” (New Zealand Tourist and Publicity Department, 1988c).

New regional boundaries in the late 1980s posed some challenges for the future identity and viability of RTOs for the following reasons:

1) The inherent parochialism of New Zealanders. An example being, “even in a relatively easily defined region such as Northland,
parochialism at all levels abounds. The sub-regions view any attempt of control by a centralised authority with considerable suspicion. Their belief is that their unique identity would be lost to the benefit of a larger region.” (New Zealand Tourist and Publicity Department, 1988c)

2) Regional councils with no clear mandate stating they are responsible for tourism may overlook it, especially in the short term, given their other new responsibilities and that they “are still unsure as to where in the chain of command they fit between central and local government” (New Zealand Tourist and Publicity Department, 1988c)

3) The ability of regional governments to work with the local tourism industry. The fragmented nature of the local tourism industry verified by the existence of a number of promotion officers, information centres, between one and five RTOs within each region, besides local tourism operators could lead to regional councils sidestepping tourism altogether.

There was a suggestion to ignore local government organisation and to organise the country according to the needs of tourism; viz

This could be the opportunity to move towards units or regions which are more relevant to tourism promotion. Options:

1) Stay with the 22 regions and let the regions sort out new arrangements. Maintain RPAS funding. This action could cover the short term.

2) NZTIF, Regional Tourist Organisations and NZTP meeting to thrash out new regional tourism bodies

3) Go with macro regions, i.e. NZTP funding and promotion on that basis (New Zealand Tourist and Publicity Department, 1988a, 1988b).
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The Queenstown RLO presented the following pragmatic solution:

We need to recognise that boundaries set on water catchments may not correspond to tourism regions. We need to be flexible in recognising our regions, for marketing especially. For planning purposes our research data may need to tie into regional boundaries, but do our other needs have to correspond closely to the regions? Let’s take a creative look at what regions suit us and our industry. Thus a “Central Otago” region, within the Otago boundaries, I see as perfectly acceptable (New Zealand Tourist and Publicity Department, 1988b).

The pragmatic solution won the day in the end. With the downsizing of central government and many government responsibilities being devolved to regional governments along with the market forces and private sector mantra gaining momentum the tourism industry took care of its own. Under the NZTB international marketing became the major priority and is one of the reasons for the current problem of a lack of alignment between destination marketing and destination management.

8.11 RTOs and Funding: Tenuous and Insecure

RTOs have faced uncertainty over funding commitments since the beginning. In 1985 Canterbury Promotion Council Inc. was asked to widen its role and employ three new staff. They were also asked by Canterbury United Council (which covered 19 territorial authorities) to extend their marketing role to include planning and research, establish and service a Canterbury Tourism Advisory Service, increase communication about tourism and the coordination of tourism interests. In the first year of operation 10 out the 19 TLAs paid less than the agreed amount and the second year saw more funding cuts, a contraction of communication and coordination activities, reduced opening hours of the visitor centre, and marketing and promotion significantly reduced (Staniford, 1986).

A survey conducted by the NZTB in 1992 showed that local and regional government were providing a total of $4.4 million towards the annual running costs of RTOs with private sector support at local level, totalling about $1.5
The success of RTOs has been mixed. Some started with a hiss and a roar then fizzled and now are no more, others are currently being re-established. There is a wide variation in resource base and their structures are as diverse as their names. Some regions have developed multi-functional organisations, others are simply promotional bodies, information offices marketing committees or a combination of these things. One thing they have in common is that they are nearly all under resourced (Gill, 1993).

10 years later, RTOs are still in the same space in regards to funding. Funding pressure became more pronounced with the advent of the NZTB, as RTOs perceived that marketing needed to change from the domestic to the international sector and because of limited resources few were able to make the switch effectively and take advantage of the NZTB’s overseas marketing opportunities due to lack of resources (Gill, 1993).

Between 1992 and 1997 the government provided funds to the NZTB to assist development of regional tourism strategies. The focus of this strategy was chiefly marketing. Specifically they were aimed at: enhancing regional product differentiation, development of products appropriate to markets; identifying product gaps and opportunities; identification of target markets and marketing strategies; identification of resource management and infrastructure issues; building community support for and recognition of tourism and encouraging local government funding and support for tourism (Cap Gemini Ernst & Young, 2000). Nine strategies were completed, Rotorua (1992); Wellington (1993); Wairarapa (1993); Auckland (1994); Eastland (1994); Taranki (1995); Northland (1996); Stewart Island (1997) and Southern Lakes (1997). Three other regions’ applications for funding were declined in 1997/98.

Dymond’s (1997) study showed TLAs funding represented 64% of RTO revenue. RTOs became the last link in a chain of delegated responsibilities for tourism
planning and development (Simpson, 2002). RTOs are perceived by both regional and local government:

as the appropriate custodians of tourism planning responsibility, is required to represent an uncomfortable geographic hybrid of regions and districts and according to the Tourism Board, the small scale of many RTO operations has contributed to a counter productive level of competition, rather than cooperation between participants (Simpson, 2002, p.15)

By the end of the 1990s most TLAs were supporting RTOs but funding was quite variable with Wellington RTO being funded $3.35m by one TLA –Wellington City, Council and Auckland RTO receiving $1.8m from a number of TLAs, with many RTOs not assured of continued TLA support and most found their levels of funding restricting their ability to operate effectively (Simpson, 2002).

8.12 The Relationship between the New Zealand Tourism Industry Federation (NZTIF) and RTOs

Throughout the 1970s and 1980s, Tony Staniford and the NZTIF lobbied local governments to support RTOs. Local authorities viewed RTOs as their promotional arm to generate tourism. The NZTIF and NZTP wanted RTOs to take a more wider view than just promotion and include functions such as town planning and advice to potential tourism investors and operators, in understanding issues such as sustainability (Plimmer, N, personal communication, December 17, 2002). RLOs were more influential in planning for regional tourism as the RTOs generally did not have the skills, staff numbers and resources to do this (Plimmer, N, personal communication, December 17, 2002).

In 1984 the NZTIF was restructured to work within the newly established regional government structure. RTOs were formed based on Regional Government boundaries and each became a member of the NZTIF. Their main function was to coordinate marketing, planning and development of tourism their region and each comprised a mixture of tourism operators, associated organisations and Local Government representatives (New Zealand Tourist and Publicity Department, 1989a)
Examples of the coordination role between NZTP, NZTIF & RLOs is evidenced in the following:

Graham Walker’s notes 28th August 1989, on a proposal to involve regions in a coordinated New Zealand Tourism Display for the duration of 1990, which has already been floated directly with a number of regions already. The problem boils down to funding and coordination. He advised Michael Dewhurst, consultant for NZ Sesqui, 1990 that NZTP would not have any funds to contribute but perhaps could assist by coordinating regional input into the display. It was agreed that Sesqui would put together a detailed proposal. This proposal sent to NZTP, would be forwarded to the 22 regions, advising we need a firm indication of who may be interested by 30 Sept.

Memo to all regional Tourist Organisations was sent by Paul Davis (NZTPD) on 8th of September 1989.

Paul Davis also faxed the information to Tony Staniford at NZTIF to see if something could be coordinated with them (Faxed 14th September 1989). In file notes Paul noted that Tony seemed quite interested in encouraging a regional cooperative approach and will check the level of cooperation with regional tourist organisations.

19th September Tourism Taranaki Elaine Gill Chief Executive Tourism Taranaki, writes that “Tourism Taranaki would be willing to participate on the basis of a joint participation with 5 adjoining areas. In other words if adjoining regions were agreeable we would participate on a week basis and costs of booth hire would be shared. Subsequently I have contacted Tourism Waikato, King Country promotions, Taumarunui and District Promotion Association.” Wanted to know if this was okay with the organisers.

26th September. Reply from Bay of Plenty Tourism Council. Budget does not allow [Bay of Plenty RTO] to take up the offer.
Paul Davis Fax to Mike Dewhurst. 28th September 1989. Northland has replied in the negative. (New Tourism and Publicity Department, 1989).

Joseph Lane, then CEO of the Taupo RTO, said that Tony Staniford and the NZTIF were supportive and helpful of RTOs and they brought people together (Lane, J., personal communication, December 17, 2002). Lane was elected onto the NZTIF Board and he recollects that one of his main priorities was to assess and analyse where funding could be found and what other advantages could procure across to RTOs. He claimed RTOs fared better under the Labour Government and Mike Moore as the Minister for Tourism as structures were institutionalized (Lane, J., personal communication, December 17, 2002).

RTOs did have importance and profile, no Visitor Information Centre was allowed to join the Visitor Information Network (VIN) without a close alliance with an RTO. It is also interesting to note that some RTOs managed the Visitor Information Centre and this worked well in some areas such as Taupo. However, in smaller towns which had information centres but no real link to an RTO, the effectiveness of both were inhibited (Staniford, A., personal communication, August 17, 2002).

NZTIF took a firm stand stating that there was only going to be 13 RTOs, based on the Regional Councils geographic distribution, but this was beset with problems (Staniford, A., personal communication, August 17, 2002). The NZTPD also took the view that the boundaries for RTOs should be along the line of regional government boundaries (Plimmer, N. personal communication, December 17, 2002). However, various individuals and groups had different agendas and it was hard to get people working together. A good example was the Otago Regional Council. It was difficult to get Wanaka, Queenstown and Dunedin to work together, and in the end the reality of local politics took over and Queenstown broke off. Northland and Southland were other good examples where it was felt the regions had a specific identity separate from the near centres of population. As mentioned earlier, by 1989, there were 22 RTOs.
By the mid to late 1980’s some RTOs thought they could drive their own tourism agendas without the help of NZTIF, and started to flex their muscles as independent organisations. Even so, some RTO Vice Presidents, who sat on the NZTIF Board, were not wise choices to be a strong representative for RTOs, such as Stuart Long who in the end was not re-elected. Yet RTOs still had a Vice President on the NZTIF Board for many years (Staniford, A., personal communication, August 17, 2002).

Tensions were seen between a group of RTOs and the NZTIF Board by the late 1980s, perhaps through poor representation. One example was a lack of communication with Palmerston North Promotion Board in reference to NZTIF’s policy decision in early 1989 regarding the new regional local body structure. There appeared to be inadequate information and consultation with RTOs and a lack of discussions between RTOs themselves (Lees, 1989). At a tourism seminar in March 1989, it was acknowledged that the Federation provided a useful function and staff did a good job yet “disquiet was expressed at the lack of communication with regional bodies before important decisions were made” (New Zealand Tourism and Publicity Department, 1989b), including as previously noted, policies about numbers, criteria and definitions of an RTO. Thus for example, even by 1994 with the establishment of Tourism Manawatu, there were criticisms by the Manawatu District Council that Tourism Manawatu was not a properly constituted RTO (Ryan, C., personal communication, December 15, 2005).

To promote domestic tourism the NZTIF worked very closely with RTOs up until 1995. The NZTP supported both NZTIF and RTOs in this promotion of domestic tourism until the following change of direction in 1989.

NZTP future involvement should be directed to three outcomes;

1) The preparation of a strategic plan for the coordinated regional development and marketing of tourism by each Regional Council. These should link to a national tourism strategy;
2) The establishment of a coordinated visitor information network with national standards which encourages the dispersal of domestic and international visitors throughout the regions;

3) The preparation of a 3-5 year national domestic tourism strategy with an annual domestic travel awareness/market stimulation campaign.

This would mean disestablishing the RPAS, NZTP’s major form of financial assistance to the regions (New Zealand Tourism and Publicity Department, 1989a).

Domestic tourism was the priority for the NZTIF as it was the ‘bread and butter’ of the tourism industry (Staniford, A., personal communication, August 17, 2002) and RTOs were central to that domestic tourism. RTOs along with the NZTIA were working on an umbrella domestic tourism image campaign in 1995:

Work on the campaign [domestic tourism] has been carried out over the past year in a low key manner by Mr Watkins [Waikato RTO], fellow RTOs James Little of Taupo and Chris Adams of Coromandel and the NZTIA chief executive Paul Winter…..progress with the concept and funding is occurring but not as fast as NZTIA would like (NZTIA, 1995b, p. 14).

8.13 RTOs starting to chart their own destiny

The seminar in March 1989 of RTOs, DTOs and Information Centres from the south of the North Island, in Palmerston North highlighted how RTOs were starting to take more control and not relying as much on NZTIF and NZTP. This was a mutual interest seminar looking at Regional and Local Government reorganisation; networking of RTOs and DTOs; relationships between the NZTIF and NZTP Department; the Great New Zealand campaign; cooperative promotional efforts; the need for a North Island Promotional Association; and the Tourism 2000 Conference (New Zealand Tourism and Publicity Department, 1989b). The seminar arrived at the following recommendations:

1) Regional and Local Government reorganisation:
   a) It supported the proposed new 14 Regional Councils;
b) Was supportive of Regional Councils funding the administration of regional Tourism Organisations through the rating system with industry providing financial input for marketing and promotional activities;

c) RTOs to be autonomous bodies from Regional Councils responsible for the marketing of regional and district attractions;

d) There is distinct role for Public Relations Offices and Information Centres and they should be funded by District Councils;

e) It was supportive of the establishment District Tourism Promotional Boards where Regional Councils cover large geographical areas;

f) District Tourism Promotional Boards can be funded by the District Council, the Regional Council and industry sources;

g) DTOs would have representation on RTOs.

This group designed the model in Diagram 8.1: Proposed Regional Council-RTO Structure, to reflect the above structures and arrangements:

Diagram 8.1: Proposed Regional Council –RTO Structure

2) Relationships with NZTP Department

This group was unanimously supportive of the Regional Liaison Service and recommended that the service should be maintained and noted that they often had
excessive workloads. They believed the Regional Promotion Assistance Scheme (RPAS) should continue and they would like to see that the subsidy be made available for all activities in the marketing plans. The group accepted that the subsidy for employment of staff would not continue.

3) *Cooperative Marketing*

This group of RTOs and DTOs recognized the need to cooperate and pool resources in order to better utilise them and improve promotional effectiveness. Suggestions included:

a) A great weekend away brochure aimed at the Wellington market that would be jointly funded by Manawatu, Hawkes Bay, Wanganui and Taranaki;

b) Consistent packaging of product for the 1990/91 Great New Zealand Campaign so that the Southern North Island breaks could be joined to provide complimentary activities;

c) The need to work together to encourage the dispersal of international visitors instead of them concentrating on the ‘known’ tourist routes;

d) Promotion of tourism to groups who benefit from the industry but do not acknowledge the benefits such as retailers;

e) Joint promotional activities at trade malls and shopping malls.

4) *Suggestion of a North Island Promotion Association*

The majority felt that there would be duplication of existing structures and there was no real need for a formal association. What was encouraged was informal gatherings such as this with no need to formalise these meetings.

**8.14 Visitor Information Network**

RTOs were significantly involved, as far back as 1988 in the establishment of what is now called the Visitor Information Network (VIN). Joseph Lane, Public Relations Officer, Taupo, was the main driver (Gill, 1989). There were 87 information offices, public relations offices and regional tourism offices in New Zealand in 1988, a majority of which were having problems with funding and some lacked status and professionalism. It was recognised that there was a need to improve the service to clients and strengthen the role of these organisations. A
concept document was prepared by the Community Public Relations and Information Services Association and outlined the following benefits for the establishment of a network:

1) Provision of a corporate identity;
2) Production of a collective brochure and collective advertising in publications such as the Great NZ Holiday Book;
3) Communication throughout the network via fax;
4) Standardised booking system and vouchers;
5) Standardised brochures once the network is established;
6) Provision of expertise and an integrated approach to tourism that will benefit both industry and visitors;
7) Additional source of income with little or no capital outlay (it was noted from the outset that commission on sales would be low initially and will never lead to participants being self supporting, rather it was an additional source of funds);
8) The network with time and training could provide a career structure for information office staff (Community Public Relations and Information Centres Association, 1988).

By 1993 the VIN network provided a high standard of service and information (NZ Local Government Association (Inc), 1993). In 1995 NZHOST, a nationwide information and booking system was introduced for VIN offices around the country and linked to NZTB overseas offices (NZTIA, 1995b).

### 8.15 Forecasted Tourism Growth in the Regions

Towards the end of the 1980s it was noted that tourism in the regions was unlikely to grow equally. Regional growth rates would depend on the market mix of the changes in international markets and the domestic market, and visitor concentration or dispersal. The regions that attracted a higher proportion of high growth markets such as Japan and Germany were forecast to have higher growth than the more traditional and slower growing markets such as Australia and the domestic market. If international visitors in the 1990s from new markets, especially Asia due to greater air capacity remained concentrated on the axis route: Auckland, Rotorua, Wellington, Christchurch and Queenstown, they would
utilise formal accommodation and travel services increasing infrastructure pressure in these areas. However as the Japanese and Asian markets mature or there is higher growth among family and middle aged segments there will be a dispersal of demand on infrastructure and resources (The New Zealand Tourist and Publicity Department, 1989c).

The Tourism 2000 Conference ‘Regional Tourism’ Workshop chaired by Annette King, Associate Minister for Tourism, grappled with the issue of how regional tourism development should be coordinated and funded. There can be resistance to what is often seen as disproportionate investment by small communities for low returns. This is due to the benefits of tourism not being properly understood. It was acknowledged that the input of the tourism industry into town planning was patchy and that more education of stakeholders was required. It was also felt that regional development was not paying enough attention to tourism. Domestic tourism should be the initial focus of the regions and overseas markets should follow. The benefits of macro-regions or industry sectors such as the ski industry, undertaking independent overseas marketing was disputed and may fragment New Zealand’s overseas marketing effort (Tourism 2000 Conference, 1989). The main recommendations were:

1) Regional tourism is important to the industry and the country;
2) The dispersal scenario with an emphasis on visits away from main axis destinations should be promoted;
3) Adequate regional structures are needed and Regional Councils should have a statutory responsibility for tourism. There should be well funded regional tourism organisations each with their own strategic plan. The 14 new regions will provide the basic format, but some adjustments may need to take special situations in the South Island into account;
4) Regional tourism is a tripartite responsibility of central government, regional government and the private sector;
5) Tourism should be made a statutory responsibility of Regional Councils;
6) More regionally based research was needed;
7) A visitor information network with national standards should be set up using the combined resources of the tourism industry, local government and central government, including other departments such as DoC;

8) Domestic tourism marketing should be coordinated by industry and the regions with support from central government.

8.16 RTO in the 1990s under the NZTB

The NZTB perceived themselves to be the voice of New Zealand Tourism and the natural replacement of the NZTP. The RLO service, though confined to the ‘golden mile route’ continued offering regional tourism services and support to RTOs under the NZTB until 1997, after they redefined their strategic direction (NZTB, 1996a). The main focus of the NZTB was international marketing and this filtered through to the RLOs and RTOs. The 1990s were an exciting time for tourism in New Zealand with energy being generated from the NZTB leadership team and their goal of three million international visitors. It was during this decade that RTOs became increasingly more focused on international marketing, and international marketing alliances were formed such as Centre Stage and Central North Island.

By 1993 there were 23 RTOs (NZTB, 1993a). In their 1994-1995 Annual Report the NZTB noted that they helped the following TLAs establish appropriate structures or funding for their RTOs: Auckland City Council, Ashburton District Council, West Coast Regional Council, Queenstown Lakes District Council, Southland District Council, Tauranga and Western Bay of Plenty district Councils and Wellington City Council. The NZTB got involved in regional tourism and RTOs “as part of its commitment to enhancing the range and quality of tourism product within New Zealand” (NZTB, 1996b, p. 41). The NZTB assisted RTOs, local government and tourism operators to prepare regional tourism strategies only “when it is invited to do so, and where the region in question offers significant opportunities for tourism development” (NZTB, 1996b, p. 41). Some regions were winners and some losers and this was chiefly determined by the regions potential to the international visitor market. One of these winning regions was Northland.
In 1995, Paul Watkins, Regional Divisional Chairman, NZTIA provided the following synopsis of the status of RTOs at the time:

1) There was an ongoing need to reinforce the value of RTOs, and tourism general in the eyes of local government. Some Councils were supporting tourism more, such as Otorohanga who had increased their tourism funding from $10,000 to $200,000. Councils were coming to appreciate the potential tourism could bring because RTOs and their industry supporters had been pressuring them at the local level and they were supported by the regional seminars run by NZTIA and the NZTB;
2) Some RTOs have been uniting, others such as Southland have been dividing;
3) RTOs are testing new organisational models:
   The whole industry will be watching to see who will become the most successful. Wellington and Auckland have gone to core promotional funding by one council. Some RTOs are funded by Regional Councils, The Coromandel has gone onto rates-based funding like Taupo and this is very desirable. Nelson has taken over its visitor centre and Wellington will do the same. We do not seem to heading in the same direction.
   There’s a need to keep an eye on them all and make a conscious effort to understand why particular organisational models work in one area and not in another. We always thought that things would be best if we all were organised in the same manner. Not any more. (Watkins, 1995, p. 15)

The TIANZ, with some input from the NZTB tried to clarify the roles and functions of the 26 RTOs in 1997. Their main role was identified as the promotion of tourism at a regional level and therefore destination marketing. Other functions included: liaising with travel agents and tourism operators to provide information on regional tourism products, preparing product manuals, media liaison, attending industry expos, business, economic and community development advice, funding and managing events.
There were diverse views of RTOs regarding their relationship with TLAs. “Over time they have tended to become more independent, less directly involved with local councils, and have gradually restructured to become smaller, more professional boards of management. In the process of their evolution, RTOs have thus become more independent of local authorities” (Jones, Shone, & Memon, 2003, p. 10). Not all would agree with these academic geographers/planners. Many RTOs were still heavily dependent on TLAs for funding, perhaps this quote was more indicative of the distance between RTOs and the tourism planning and destination management responsibilities of TLAs.

8.17 Status of Regional Tourism and RTOs at the end of the decade and before the release of NZTS 2010

By the end of the decade, there were 25 geographically based RTOs with a combined annual budget of $15m (Cap Gemini Ernst & Young, 2001c). They were described as regionally based marketing organisations, their primary role being to market and promote their region domestically and increasingly internationally. The funding mix between public (local government)/private sector, varied across the sector. Because of limited budgets all RTOs, except two (Taranaki and Destination River Region), have formed macro-regional alliances with neighbouring RTOs to gain critical mass in funding to allow increased international promotion. The primary macro regions were: Centre Stage (Wellington, Nelson, Marlborough, Wairarapa); Twin Coast discovery (Auckland, Northland); Central North Island Marketing Alliance (Rotorua, Waikato, Coromandel, Bay of Plenty, Taupo, Hawkes Bay); South Island Marketing Alliance (Canterbury, Coastal Otago, West Coast, Southland) and Southern Lakes (Queenstown, Fiordland, Wanaka, Central Otago). The five largest RTOs: Tourism Auckland, Totally Wellington, Christchurch and Canterbury Marketing, Tourism Rotorua and Destination Queenstown had developed an informal alliance to discuss issues relating to their activities and represent their collective interests in the market place, to government and the industry more broadly which became to be known as the Tight 5 (Tourism Strategy Establishment Group, 1999).

There was confusion (and still is) of what is meant by regions with 74 TLAs, 12 Regional Councils, 26 RTOs, 14 DoC Conservation areas and 5 Macro regions
Chapter 8 Evolution of RTOs: 1980 to 2001

(Cap Gemini Ernst & Young, 2001c). The ratio International:Domestic visitors was 37%:63%. The range of international visitors in the regions was between 10% and 70% and the domestic range was between 30% and 90%. The domestic market was the largest market for most RTOs yet most spent their time and effort devoted to international marketing. The most important international markets for RTOs were Australia, with 17 RTOs active in this market, then the US and the UK. Yet some RTOs were finding it hard to ‘break into’ distribution chains. Seasonality is the most important issue facing most RTOs. There was a lot of competition between the RTOs or macros and between RTOs and TNZ leading to uncertainty regarding the role of RTOs (Cap Gemini Ernst & Young, 2001c).

There was also a range of RTO governance and structures, four were managed within a TLA and three were contracted to a TLA; four had a trust arrangement; five were an incorporated society; one had a board and another one was a Local Authority Trading Enterprise (LATE). RTO budgets ranged from $60,000 to $3.5m while the number of TLAs funding any one RTO ranged from one to seven. On average there were 605 tourism operators in each region ranging from 60 to 3,600 (Cap Gemini Ernst & Young, 2001c). Some TLAs were questioning if they should be responsible for funding tourism/RTOs believing that the private sector should fund this investment. Most RTOs worked independently of the TLA’s Economic Development Agencies. RTOs were also encountering difficulties in finding and retaining good staff (Cap Gemini Ernst & Young, 2001c).

There was no collective or nationally devised and driven domestic marketing strategy for all RTOs. The domestic tourism survey was only re-established in 2000 and therefore a loss of continuity of this data led to a lack of understanding and attention given to the value of domestic tourism. There was anecdotal evidence that New Zealanders were substituting domestic holidays for international travel. Some economically disadvantaged regions such as West Coast, East Cape were realising the growth opportunity of tourism but local, regional and national initiatives were not well co-ordinated.
There was a problem of statistical data: CAM was based on Regional Council boundaries and DTS on a TLA basis, therefore leading to problems relating to RTO boundaries. However the largest problem facing RTOs was the uncertainty over future funding with most only having certainty of annual funding and needing to submit annual plans to justify funding. RTOs were doing more for less and spending increasing amounts of time justifying funding, thereby drawing resources away from other activities.

After a decade of international marketing dominating most agendas in the tourism industry, leading to the neglect of regional tourism there existed significant disparities between the regions and the following were just a number of problems identified that needed to be addressed:

1) Lack of baseline understanding of the investment, benefits and returns of tourism to the regions (Cap Gemini Ernst & Young, 2001c). This problem is compounded by the Local Government Act requiring TLAs to demonstrate real financial returns for the allocation of funding to tourism;

2) Tourism and its benefits unevenly distributed across the regions;

3) Variable size of rating powers across TLAs/regions leading to a variable range of investment in tourism infrastructure;

4) Although there was growth in the tourism industry in terms of both the number of visitors and expenditure the relative investment from the rating base had diminished over the decade (Cap Gemini Ernst & Young, 2001c);

5) Local government as a whole still did not understand tourism or perceive it as an economic engine with social and cultural benefits. There was an urgent need to enhance the credibility of tourism in the regions and to connect it with economic development (Cap Gemini Ernst & Young, 2001c);

6) There was community support for tourism but this had not been translated into government priorities (A. C. Nielson NZ Ltd, 2000);

7) TNZ driving international destination marketing mix based on macro regions. There is a perception that this is a top-down approach and dilutes the regional focus;
8) Limited product differentiation between the regions leading to intense competition and preventing them from working in a cooperative and integrated;

9) Sustainability and the social, cultural and environmental impacts of tourism not being addressed by most regions.

8.18 Conclusion

In the 1980s both the NZTP and the NZTIF foresaw the need for regional strength in tourism to sustain a rapidly expanding industry. This led to the establishment of RTOs to guide regional growth. It was foreseen that the development of RTOs should be coordinated by the NZTP and NZTIF, in conjunction with the wider industry. The NZTP put considerable financial and staff resources into developing RTOs (New Zealand Tourism and Publicity Department, 1989e). The NZTIF structured their organisation regionally and nationally around RTOs. Local government, to varying degrees across the country, allocated resources to RTOs. The focus was to establish “one umbrella organisation [RTO] which coordinated the tourism marketing, planning, and development in each of the 22 United or Regional Council areas, so that these functions worked in accord with local government operations” (New Zealand Tourism and Publicity Department, 1989e, p. 1).

Regions with large towns or cities developed well organised and reasonably funded RTOs while regions with a rural population struggled, some despite having high levels of tourist activity. To overcome the obvious lack of resources, central government funding was made available to all RTOs, through the RPAS, to employ skilled full-time staff to organise a permanent funding base and implement a regional tourism marketing programme. These government initiatives did strengthen regional tourism and RTOs. Yet at the end of the 1980s, RTOs were not uniform and there was a wide variation in resource funding and direction. “While a few regions have developed sophisticated, multi-function umbrella tourism organisations others remain purely promotional organisations, information offices, marketing committees or various combinations of each function. The majority lack an adequate, permanent secure funding base to operate from” (New Zealand Tourism and Publicity Department, 1989e). Funding of
RTOs was emerging as one of the major issues going into the Tourism 2000 Conference. The NZTP suggested to the delegates participating in the regional tourism workshop:

The entire finding issue needs to be stepped back from and carefully analysed. Strategic planning is first needed which identifies functions. Then a structure which identifies functions developed before resources as allocated including funding. This workshop should consider how to attack this vital issue which will need ongoing input from Regional/Local Government, the tourism industry and Central Government (New Zealand Tourism and Publicity Department, 1989e)

Government policy in the 1990s led to a vacuum in the sense of direction, other than in international tourism marketing (Ryan, 2002). Change was the most constant feature of central government involvement in tourism in the 1990s (Hall & Kearsley, 2001). Kearsley (1997) stated that “Globally it is clear that market decisions alone cannot necessarily make the best regional strategic choices. But in New Zealand only a minority of regions, and not even all the big players, have strategic plans for tourism at local or any other level”. Central government policies, and lack of, left their mark on RTOs. The early progress of RTOs was not sustained. Consequently the issues of the early 1980s continued to exist in the late 1990s and resurfaced in the NZTS 2010.
Chapter 9 RTO Response to the NZTS 2010

9.1 Introduction

This PhD could have been a series of case studies of individual RTOs, tracing their evolution and change to the present. However, time and word limit constraints have constrained this research approach which can be pursued in the future. Individual RTO case study research may have shed light on specific political influences and their impact on RTOs. A brief example is the RTO, Tourism West Coast. The West Coast Regional Council collected a tourism rate from ratepayers and the commercial sector on behalf of the RTO and had an active policy advice and monitoring role in tourism up until 1997. Ratepayers then raised opposition to paying this levy as they saw it as subsidising the tourism sector. Consequently the regional council stopped collecting the universal tourism rate and withdrew from monitoring tourism, creating a vacuum in regards to tourism planning and monitoring (Cameron, Memon, Simmons, & Fairweather, 2001). Three District Councils continued to collect a commercial rate from tourism operators to fund Tourism West Coast. In 2000 each TLA contributed $50,000 to the RTO with local tourism operators paying a voluntary membership fee and contributing to joint promotional activities. Tourism West Coast at that time was the second lowest funded RTO in New Zealand. It had seven board members, two appointed from each District Council, who then elected one representative from the tourism industry. The RTO employed three staff members, two full-time and one-part time. There was evidence of tension between the Board and tourism operators, who believed that the Board was unable to strategically plan for tourism, since most members were from outside the sector. The RTO did periodically consult with a range of stakeholders to monitor and improve performance (Cameron et al., 2001). This brief case study outlines the complexities surrounding RTOs. Many of these issues were examined on a collective basis by RTOs in their response to the NZTS 2010, and this collective study and response are the main themes of this chapter.
Chapter 9 RTO Response to the NZTS 2010

The chapter begins with the RTOs initial response to the NZTS 2010 and an analysis of their official collective response, *RTO Response to the New Zealand Tourism Strategy 2010: Stage 1* (MacIntyre, 2002), for which they received funding from the Minister of Tourism. The next section examines how Regional Tourism Organisations (RTONZ) came into existence. This is then followed by a description of RTONZ’s ‘Stage 2’ response to the Strategy. A synopsis is provided of RTOs roles, functions and profile at the time of writing. This chapter then revisits the complexities associated with RTOs geographic boundaries, leading to the evolution of RTO marketing alliances for the specific purposes of TNZ offshore marketing. The final section provides a brief comparison of regional tourism in Australia, the UK and New Zealand.

### 9.2 RTOs initial response to the NZTS 2010

There was an initial negative reaction by most RTOs when the NZTS 2010 was first released because what caught the attention of the majority was the strong emphasis on new and fewer RTOs. The initial cry was:

> Oh we weren’t involved, we weren’t consulted and I know several RTOs have said well you know we were never brought into the strategy. But the fact is we were given the opportunity to buy in to it, Brian [Northland RTO] was on that group, there were several meetings amongst RTOs, but there were a lot of RTOs who never took up the opportunity to go to those meetings or to provide the feedback -they didn’t buy in themselves. I think at the end of the day you can’t blame, as long as the opportunity was there, because if you didn’t decide to engage, you can’t therefore complain about it (Yeo, P., personal communication, August 4, 2004).

Soon after the release of the strategy in 2001, the 26 RTOs were prompted to unite under the banner of RTONZ – Regional Tourism Organisations of New Zealand as a non-incorporated collective. In the NZTS 2010, RTOs were perceived to have a leadership role in the industry and act as a bridge between tourism operators, national tourism bodies and Government. The importance of this role, especially in regional economic development, was reflected in the 15 recommendations of the strategy relating directly to RTOs (MacIntyre, 2002). In January 2002, the
Minister of Tourism announced that $32,000 would be provided to RTOs to develop a response to the Tourism Strategy recommendations. The Minister stated that RTOs need to address their involvement and cooperation in destination marketing and management, the provision of back office support to reduce costs, the future role and structure of RTOs, and links with local government (Burton, 2002). A working group of six RTOs was established to work with a project manager to review expected functions, structures and priorities.

In June 2002, RTOs formally responded to the strategy in a report titled: RTO Response to the New Zealand Tourism Strategy 2010: Stage 1 (MacIntyre, 2002). This response prioritised and addressed: the role and functions of a RTO; linkages with Local Government; responsibility for destination management and RTO contribution to Maori tourism development. It stated that the title ‘RTO’ is loosely defined and is officially designated by TIANZ. Yet TIANZ has no legal mandate over RTOs and therefore the RTO identity is fluid. Diagram 9.1: RTO Stage 1 Response: Functions and relationships of an RTO, highlights the complexity in describing an RTO. This complexity, along with a myriad of configurations, funding and legal structures in their evolution has led to an inconsistency in RTO roles across the country.

The RTO response to the strategy emphasised RTO strengths including:

1) Strong linkages with, and support from, local tourism operators;
2) Formal links with local government and therefore local communities;
3) They are the only public sector group responsible for domestic tourism marketing;
4) Knowledge, skill and experience in regional and national destination marketing;
5) Collective skill and expertise of RTO staff.

The document also analysed RTOs as a sector and how they engaged with other sectors within the tourism industry. A major problem was the inability of both RTOs and everyone else to actually define an RTO. There was also a lack of RTO
coherence, coordination and communication on national issues and with national organisations and government agencies.

Diagram 9.1: RTO Stage 1 Response: Functions and relationships of an RTO
The Stage 1 response document identified the following issues impacting on RTO effectiveness:

1) Tensions between tourism marketing, especially international, on the one hand, and RTO identity and funding being dependent on local government structures, on the other. Two solutions were presented (MacIntyre, 2002) as ways forward in overcoming this dilemma:
   a) Local government reorganisation and amalgamations of TLAs
   b) Central government funding for tourism according to a set regional structure

   It was concluded that given the current political environment both these solutions are unrealistic in the short term (MacIntyre, 2002).

2) RTOs deal with a myriad of stakeholders and this can lead to role conflicts such as:
   a) Promoting new developments to meet forecasted demand alienating current operators who fear an oversupply;
   b) Promoting development of the conservation estate to accommodate visitors can lead to conflict with environmental and interest groups such as Forest and Bird;
   c) RTOs sit in a tenuous position between Councils, the setters of levies and rates, and operators upset by Council decisions who can potentially withdraw funding to both the RTO and joint venture investment;

3) Lack of profile for tourism investment and policy in most council statutory plans, including councils with major investments in tourism development.

4) The short term and insecure funding cycles for RTOs are not aligned to destination marketing which should be characterised by “strategic investments in long term returns” (MacIntyre, 2002, p.17).

5) Governance: Trustee/Board representation can lead to sectoral lobbying and a focus on short term needs by industry members or political interference by councillors that can jeopardise funding and create conflict. Appointment of non-industry members can provide balance but they can also lack industry knowledge. RTOs often have to rely on informal personal relationships but these have a high element of political risk and over reliance on personal relationships can lead to instability.
6) Public sector (Councils) often requires private sector leverage before they risk public money. Private sector operators however, seek short term returns and therefore tactical marketing strategies. They also expect a return on their investment and expect RTO marketing campaigns to promote their products. This can lead to conflict with the objectives of marketing a region, brand building and strategic marketing such as extending the shoulder season.

7) Resource duplication and non-cooperation within a region and departments located within council such as EDA, marketing, communications and an RTO being semi-independent and separate from council. Examples of resource overlap are: internet representation, image library, event management, event funding, brand development expenditure, marketing campaigns and marketing and sales of council owned venues (MacIntyre, 2002).

8) Lack of robust statistics at a regional or TLA level against which to judge performance and RTO Objectives. “If Central Government wants Local Government to increase investment in tourism, Local Government must be able to understand with confidence, the value of tourism and the potential returns from investment” (MacIntyre, 2002, p.19).

The ‘Stage 1’ RTO response document considered destination management from both the marketing and business management model perspectives. The marketing model sees destination management as part of product development and thus part of the marketing mix. The business model is wider and includes marketing as a core function and the community as a key stakeholder. RTOs observed that destination management encompasses the following: management of the conservation estate, development of marine reserves, core infrastructure, visitor infrastructure and services, product quality control, visitor safety and security, consumer complaint and feedback processes and monitoring of community attitudes towards tourism. RTOs stated that they do not have a legal mandate to take responsibility for these areas and they lack the expertise and resources to be effective. RTOs concluded that destination management was not the sole domain of one or two organisations, but rather requires collaboration between a number of
agencies and the community. RTOs do have a key role in destination management, especially in providing tourism market information, assisting in bringing together TLAs, the industry, the community and other stakeholders, and undertaking research to resolve specific destination management issues. They claim however that “tourism ownership” (MacIntyre, 2002, p.30) falls within the TLA or regional council structure, and responsibility for destination management rests with these agencies.

RTOs concluded the following in regards to destination management in the response document:

1) Destination management and its implementation falls under the legal mandate of local government and other agencies, such as the Department of Conservation (DoC).

2) RTOs can have a role in leadership, advocacy and facilitation. However this author, through participant observation would argue that most RTOs believe they do not have the capacity to lead destination management. They can inform and participate in the process but they do not think they are able to lead it.

3) RTOs can facilitate regional tourism masterplans in partnership with relevant agencies to address “traditional RTO marketing functions as well as destination management strategies” (MacIntyre, 2002, p.3).

4) The degree to which each region’s RTO or council takes the lead in destination management is to be determined within the region according to local resources and structures. A CEO of one RTO believes resources in most instances will not be made available:

The funding that’s provided by TLAs to RTOs, due to their lack of understanding of what the tourism industry needs, is primarily going to be marketing based. So whilst the needs of destination management are recognised and is indeed increasing, the perception of local mayors and councillors throughout New Zealand is more one of “well what is Destination Manawatu there for ...to market.. so therefore we’ll give them money for that. Destination management?...well no, no, we don’t need to worry so much about that”. so again it is a
resource thing (Moran, D., personal communication, September 19, 2005)

5) Where RTOs take a “more proactive role in facilitating local destination planning and community engagement, this will require extra resources and funding, otherwise it will draw the organisation away from a successful marketing and promotion focus” (MacIntyre, 2002, p.3). An observation by the author in speaking with RTO staff, working with RTOs and attending RTONZ meetings is that RTOs see themselves as promotion and marketing organisations.

In summary the RTO response to the NZTS 2010 on the role of RTOs in destination management is: a RTO’s primary role is the international and domestic marketing of the region as a visitor destination (Catalyst Management Services Ltd, 2004; Destination Planning Ltd, 2003b), and destination management is seen as having a minor role depending on resource allocation.

9.3 Regional Tourism Organisations New Zealand (RTONZ)

Regional Tourism Organisations of New Zealand (RTONZ) was the name given to the collective of 26 (at the time) RTOs in 2002. The catalyst for this collective was the NZTS 2010 and the need for RTOs to take a proactive and professional response to the Tourism Strategy (Keane, L., personal communication, May 15, 2003). RTONZ represented the RTO sector but did not become a separate legal entity until late in 2005 when it became a Charitable Trust with a Trustee and Chair. From the beginning it had Chairperson, an executive committee of six and regular formal meetings. The first Chairperson was Graeme Osborne from Tourism Auckland. He was followed by Paul Yeo from Taupo RTO (who moved to Marlborough RTO during his Chairmanship). With the resignation of Paul Yeo from Marlborough RTO, Graeme Osborne filled in as Acting Chairperson until Tim Cossar, Wellington RTO assumed the Chairperson role towards the end of 2005.

Core funding for RTONZ was provided by the RTOs themselves with substantial project funding supplied by the Minister of Tourism from the New Zealand Tourism Strategy 2010 Implementation Fund (Destination Planning Ltd, 2003c).
RTONZ was supported by a range of stakeholder agencies and was initially regarded as one of the most proactive sectors engaged on the NZTS 2010 implementation (Destination Planning Ltd, 2003c). As early as 2002 RTONZ started to engage with Tourism New Zealand by providing RTO sector input in their strategic planning process which led to the identification of two joint projects, the internet strategy and the Australian market strategy. RTONZ also worked closely with LGNZ, in their roadshow educating councillors and local government planners about Tourism and the NZTS 2010, as well as providing sector input to the Government Tourism Symposium in September 2002.

9.4 RTONZ ‘Stage 2’ Response to the New Zealand Tourism Strategy 2010

In 2002 the Minister of Tourism in 2002 agreed to fund ten ‘Stage 2, Response to the New Zealand Tourism Strategy’ projects. Collectively these projects sought to address recommendations and issues raised in the strategy and in the initial response from RTOs. RTOs recognised that some of these ‘stage 2’ projects were just the first step in an ongoing process requiring commitment from RTONZ and other industry stakeholders. This section provides a brief overview of the ten projects

9.4.1 Project 1: Issues of seasonality, cultural tourism development, regional differentiation and airline capacity

This project was a response to the following goals in the NZTS 2010:

1) Goal 1.3: “To proactively foster the recognition, understanding and appreciation of New Zealand’s built, historic, cultural and Maori heritage” (Tourism Strategy Group, 2001b, p. 16) under Objective 1, Securing and conserving a long term future;

2) Goal 2.3: Optimising yield, seasonality and regional spread under Objective 2, Marketing and managing a world class visitor experience.

The key recommendations/outcomes from this project to address seasonal fluctuations and regional differentiation were:

1) Development of a joint strategy between RTOs, TNZ and respective airlines to target the Australian market to visit New Zealand in the shoulder and low seasons. RTOs are to put more emphasis on non-weather
dependent visitor attractions, especially cultural tourism experiences and events;

2) RTOs to continue to target other international markets such as India and Japan to address seasonal lows;

3) RTOs to continue marketing campaigns to target domestic visitors such as VFR, schools and conferences (RTONZ, 2003d).

Recommendations on integrating airline yield and capacity issues in product development and promotion were:

1) RTOs to build better relationships with airports, airlines, economic development agencies and the outbound travel sector to generate support for regional and national initiatives;

2) Encourage products and itineraries that foster travel during spare airline capacity (RTONZ, 2003d).

Recommendations related to cultural tourism development included

1) Increase profile of cultural tourism experiences in RTO marketing programmes;

2) Encourage export-ready tourism operators to take part in offshore marketing;

3) RTOs to try and increase local understanding and value of cultural tourism;

4) Liaise with and educate the arts and cultural sector on the role of RTOs;

5) Information on best practice partnerships to be gathered and distributed by RTONZ (RTONZ, 2003d).

And the recommendations on event development were:

1) RTOs to work with Inter-Agency Events Group (representatives of government departments involved in events) and New Zealand Trade & Enterprise’s major events unit in the development of the national events strategy;

2) Using regional event strategies to integrate seasonality, yield, cultural tourism and regional differentiation (RTONZ, 2003d).
The final report with these recommendations was not made available to the public as it contained information that was deemed sensitive and was for RTO use only (RTONZ, 2003c)

9.4.2 Project 2: Developing a strategy and annual activity plan for RTONZ

The main outcome from this project was the development of a strategic plan that would lead to the creation of a separate legal entity for RTONZ. RTONZ’s strategic plan would become the reference document for RTOs and stakeholder groups to understand the issues, objectives and strategies to be implemented by RTONZ and to monitor progress. This project, with funding from the Minister of Tourism, was still espousing the idea of new RTOs. A change in the title from fewer NewRTOs in the Strategy to new RTOs which by 2006 will have:

1) Long term strategic plans backed by long term funding which support the core objectives of the NZTS 2010;
2) More consistency in role and functions;
3) More robust mandate from councils and the community for their roles;
4) Better understanding of RTOs by industry, local government, Maori, TNZ and other agencies which will facilitate better working relationships with all these groups;
5) Better coordination as a group to make swift collective decisions on collective issues through a national secretariat;
6) Higher perceived esteem by the wider industry and to be highly valued as a resource and a primary enabler of national and regional tourism sector progress;
7) Increased co-operative marketing amongst RTOs, especially for international marketing;
8) Confidence in reporting against performance criteria based on improved regional tourism monitors;
9) A lead agency role with local government in coordinating diverse groups to deal with destination management issues (RTONZ, 2003d).

The RTONZ Strategic Plan: 2003-2006 (Destination Planning Ltd, 2003c) identified the major issues facing the RTO sector, many present since the sectors’ beginnings in the 1980s, such as a fragmented funding base with parochial
influences, competitive individualism constraining cooperation for sector growth, skill shortage within RTOs to provide operator capability development and to engage in sustainable tourism planning and a lack of influence over many destination quality issues (Destination Planning Ltd, 2003c). Threats to the sector were also articulated such as, the marginalisation of RTOs by key industry organisations as a consequence of the difficulties in collectively engaging the RTO sector; increased popularity of economic development units perceived to be separate to tourism which can lead to “sidelining of tourism development resourcing” (Destination Planning Ltd, 2003c, p. 8); political divisiveness constraining strategic support for regional tourism and instability caused by the local government election cycle and council annual planning process (Destination Planning Ltd, 2003c). This document’s SWOT analysis also listed a number of opportunities opening up for the RTO sector:

1) The NZTS 2010 stimulated a new focus by the industry on the importance of RTOs;
2) Ministerial support for RTO initiatives;
3) Government economic development funding for regions and tourism’s ability to deliver relatively short term outcomes;
4) Interest in building strategic partnerships with the RTO sector (e.g. Department of Conservation and airlines);
5) The Local Government Act 2002 requiring clearer governance and accountability mechanisms for council organisation and council controlled organisations;
6) Increased tourism research funding.

The RTONZ strategic plan acknowledged the following as critical success factors for both RTONZ and the RTO sector:

1) Robust governance and administration for the RTO sector;
2) Achievable and acceptable performance indicators;
3) Mechanisms for swift response to sector issues and project engagement;
4) Provision of tangible value to individual RTOs, their boards and their councils;
5) A new level of maturity and commitment from individual RTOs;
6) Some short term output successes;
7) Ongoing progress monitoring and reporting;
8) Sustained funding (Destination Planning Ltd, 2003c).

9.4.3 Project 3: Enhancing TNZ (NTO) and RTO coordination
The aim of this project was to facilitate improved coordination of the activities of
TNZ and RTOs, especially offshore marketing. This project led to:
1) A process to better develop and implement forward coordinated planning
by both TNZ and RTOs;
2) Discussions on the efficiency of collective marketing spend offshore and
the fit between regional and national branding;
3) An examination of the operational interface between TNZ and all RTOs
for New Zealand based marketing activities such as web sites and the
international media programme (RTONZ, 2003d).

The output document from this project was only available to RTOs and withheld
from the public domain due to the commercial sensitivity of the discussion
(RTONZ, 2003c).

9.4.4 Project 4: Roles and Guidelines for Tourism Organisations
The NZTS 2010 used the term ‘NewRTOs’ which was intrinsically linked to the
reduction in the number of RTOs. RTONZ concluded in this project that the
number of RTOs cannot be reduced as long as RTOs are funded and directed by
local government and industry (RTONZ, 2003d). The Strategy also discussed the
fragmentation of the tourism industry and the proliferation of peak industry
organisations. The creation of RTONZ could be classified as an example of the
mushrooming of another peak tourism organisation. RTOs responded to this by
stating that they have little control over the number of peak organisations
representing the tourism industry in the short-term and over the number of RTOs
in New Zealand, which is increasing rather than decreasing. However, despite
these limitations, the RTO sector can become more effective and lead to better
coordination and less fragmentation through:
1) Resources being brought into line with expectations of RTO roles;
2) More stable governance and funding certainty;
3) Better research and understanding of RTO impacts, enabling more targeted
initiatives;
4) Increased cooperative ventures between RTOs, particularly in research and international marketing;
5) Increased role clarity between RTOs and other agencies to reduce resource overlap;
6) Increased operational efficiency through smarter use of technology and information management tools;
7) Increased sharing of best practice systems to train staff and continually enhance human resources capacity;
8) Increased awareness and education of the importance of tourism.

With the problem of RTO boundaries, TNZ reiterated that it cannot work with 27 individual RTOs in the international tourism marketing arena (Hickton, G., personal communication, October 5, 2005), this was not addressed by *NewRTO and NZ Tourism Organisation Guidelines* (Destination Planning Ltd, 2003b). The discussion of RTO roles, functions and resources in this report will be expounded upon in more detail later in this chapter.

**9.4.5 Project 5: RTO Benchmarking Study**

It was recognised that there was little research on industry benchmarks and averages for RTOs. This project was a snapshot, in 2004, of RTO activities, funding sources, budgets, structures and pay scales. It was found that organisational structures were diverse yet all had destination marketing as their first priority. This was followed by convention sales and operation of visitor centres, with 72% of their funding coming from local government (Covec, 2005). The next section of this chapter, The Roles and Functions of RTOs, will document in detail the findings of this benchmarking project.

**9.4.6 Project 6: RTO/Maori Tourism Group Partnerships**

“A key objective of the New Zealand Tourism Strategy 2010 is greater participation of Maori in Tourism” (Ministry of Tourism, 2005b). RTOs met with Maori regional tourism groups in 2002 and 2003. There was a national hui (meeting) in Rotorua in May 2003, establishing a leadership forum to facilitate ongoing discussions between these two groups. One of the main outcomes of this hui was for individual RTOs and Maori regional tourism groups to work towards
establishing a memorandum of understanding (RTONZ, 2003d). Another outcome was to study how these two groups can meet the recommendations of the strategy and agree on roles and accountability on regional tourism planning and development, destination management and destination management (Ministry of Tourism, 2005b).

RTOs prepared a document in June 2003 summarising the status of partnerships between RTOs and Maori regional tourism groups (Ministry of Tourism, 2005b). This document highlighted some of the tensions, politics, complexities and sensitivities that RTOs were asked to deal with when Maori became intrinsically linked to the NZTS 2010. As an overview and purely from an RTO perspective, nine RTOs reported that there were no Maori tourism groups or formal activity by Maori in their region as at June 2003. All these RTOs were located in the South Island except for one in the North Island (Tourism Coromandel). Christchurch and Canterbury Marketing (RTO) identified one “Fledging South Island Maori Group” (Ministry of Tourism, 2005b, p. 2) but they were not a Te Puni Kokiri (TPK or Ministry of Maori Affairs) Contracted Group. One TPK Maori Contracted Group covered four RTOs. This group Te Ara a Maui was formed at the same time as the Centre Stage RTO Macro Region (1997-98) and was mainly funded by the Community Employment Group. A memorandum of understanding (MOU) was signed between Te Ara a Maui and Centre Stage in 1998, including partnership principles and a contract for the macro region to market Maori product within its international programmes. Centre Stage assisted and facilitated Te Ara a Maui branding and launch in 1999 and the MOU was re-signed in 2001 (Ministry of Tourism, 2005b). This was the only Maori Tourism Group that had a formal relationship, through Centre Stage, with South Island RTOs of Nelson and Marlborough. However Centre Stage Macro Region imploded at the beginning of 2005 as Nelson and Marlborough RTOs were no longer so reliant on Wellington.

It has been chiefly the North Island RTOs that have had any dealings with Maori Tourism Groups but in 2003 this was also patchy. In Northland, the Maori Tourism Group was formed in 1991 and an MOU was signed with Destination Northland (RTO) in 2002. In Rotorua, Maori are one of Tourism Rotorua’s reference groups. Eastland, Hawkes Bay, Taranaki and Taupo had clearly defined
Maori Tourism Groups (some only recently established) but had ambiguous relationships with their corresponding RTOs. The hui in Rotorua contributed to the dialogue and the forging of relationships with RTOs. Regions usually associated as being Maori strongholds, such as Waikato and Bay of Plenty, had no formal Maori Tourism Group but only “various hapu [sub-tribe] looking at future tourism opportunities” (Ministry of Tourism, 2005b, p. 2). However a good number of Maori representatives from these two regions attended the Rotorua hui. The Auckland region posed some interesting political complexities with Tourism Auckland (RTO) stating that it does not recognise the private company ‘Maori Tourism Development Board’ which has apparently received some Te Puni Kokiri [TPK] funding in support of a Maori regional tourism group role” (Ministry of Tourism, 2005b, p. 2) and that it was forming a reference committee with three iwi (tribe) authorities and meeting with them every two months.

Following this project the Ministry of Tourism undertook a second project at the end of 2004 that sought to identify the key elements that contribute to a mutually beneficial Maori Regional Tourism Organisations (MRTO)/RTO relationship. Ten MRTO and ten RTOs were interviewed using case study analysis. Nine elements were identified for achieving mutually beneficial relationships:

1) Ongoing and open communication
2) Undertaking collaborative projects
3) Collaborative approach to planning processes
4) Having the right mindset
5) Understanding the role of each organisation and knowing each others’ expectations
6) Having mutual trust and honesty
7) Using some form of protocol (MOU or guidelines)
8) Establishing key relationships
9) Sustainable relationships (Ministry of Tourism, 2005b).

Although there were similarities with key elements in relationships for both RTOs and MRTOs the two groups had different views when it came to identifying challenges and key areas of risk, highlighted in Table 9.1: Challenges and Key Areas of Risk identified by MRTOs and RTOs.
Table 9.1: Challenges and Key Areas of Risk identified by MRTOs and RTOs in achieving mutually beneficial relationships

<table>
<thead>
<tr>
<th>MRTOs</th>
<th>RTOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Access to information</td>
<td>Lack of funding for MRTOs &amp; RTOs</td>
</tr>
<tr>
<td>2 Communication</td>
<td>Communication</td>
</tr>
<tr>
<td>3 Ensuring a sustainable relationship</td>
<td>MRTOs desire to increase capability of their organisation</td>
</tr>
<tr>
<td>4 Lack of funding for MRTOs &amp; RTOs</td>
<td>Ensuring openness and honesty</td>
</tr>
<tr>
<td>5 Failure to consult</td>
<td>Getting a clear strategic focus</td>
</tr>
<tr>
<td>6 Failure to implement strategic plan</td>
<td>Maori operators to adapt a pragmatic business approach</td>
</tr>
<tr>
<td>7 Establishing relationships with key people</td>
<td>Lack of Knowledge of the tourism industry</td>
</tr>
<tr>
<td>8 Increasing the number of Maori tourism products</td>
<td>Delivering on the promise of quality</td>
</tr>
<tr>
<td>9 To continue to have representation on the Board</td>
<td>Ensuring a sustainable relationship</td>
</tr>
<tr>
<td>10 That relationships with MRTOs can add value</td>
<td></td>
</tr>
<tr>
<td>11 Maintaining high quality products</td>
<td></td>
</tr>
</tbody>
</table>

Source: Ministry of Tourism presentation to RTONZ: Fostering Improved Relationships between MRTOs and RTOs, February 2005

The differences in order of perceived risk and nominated risk areas highlight another dimension to the complex functions and relationships presented in Diagram 9.1: RTO Stage 1 Response: Functions and relationships of an RTO, that of accommodating cultural sensitivities, nuances and a different paradigm for Maori and their approach to tourism.

It needs to be noted that once again RTOs identify lack of funding, which implies lack of time and resources, as the major challenge and risk to forging a mutually beneficial relationship with MRTOs.

9.4.7 Project 7: RTO Research and Monitoring Review

The main purpose of this study was to review regional and local level research and monitoring, and establish what was needed to assist RTOs and local government to be more effective in managing tourism and plan tourism infrastructure and services (Covec, 2003). It was also recognised that the ability to measure tourism trends and impacts at the local and regional level can assist in
measuring RTO performance and assist tourism operators in developing business plans and undertaking feasibility studies (Ministry of Tourism, 2005a).

The Tourism Research Council New Zealand (TRCNZ) in its Review of Core Tourism Statistics (2002) found that the data at the regional level did not meet the needs of regional or local level decision makers, and that the Ministry of Tourism, RTOs and local government should investigate how demand for regional and local level tourism data can be met. It was noted that:

The general lack of sub-national data stems from the fact that the core tourism surveys were not designed to collect robust regional and local-level data. Rather they were designed to collect robust national national-level data that could be used to monitor tourism trends in aggregate, and generate estimates of tourism expenditure for national accounting purposes (Covec, 2003, p. 4).

RTONZ sought the following outputs from this study:
1) Key Performance Indicators (KPIs) so RTOs can measure tourism trends and impacts;
2) Research methodology stock take;
3) Recommendations on how “to achieve consistent, agreed, local level methodologies that can be linked to national data level collections” (Covec, 2003, p. 4).

Table 9.2: Use of Core Tourism datasets by RTOs show that RTOs do use the data sets available, however all RTOs do not use any one particular dataset. The highest utilisation was the Commercial Accommodation Monitor (CAM) yet five out of the 27 RTOs did not use it: Hawkes Bay, Ruapehu, River Region, Wairarapa and Lake Wanaka.
Table 9.2: Use of Core Tourism datasets by RTOs

<table>
<thead>
<tr>
<th>Core Tourism Data Sets</th>
<th>Acronym</th>
<th>% Usage by RTOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Visitor Survey</td>
<td>IVS</td>
<td>78%</td>
</tr>
<tr>
<td>Domestic Travel Survey</td>
<td>DTS</td>
<td>44%</td>
</tr>
<tr>
<td>Commercial Accommodation Monitor</td>
<td>CAM</td>
<td>85%</td>
</tr>
<tr>
<td>International Visitor Arrivals</td>
<td>IVA</td>
<td>63%</td>
</tr>
<tr>
<td>Tourism Satellite Accounts</td>
<td>TSA</td>
<td>37%</td>
</tr>
<tr>
<td>Tourism Forecasts</td>
<td>Forecasts</td>
<td>67%</td>
</tr>
</tbody>
</table>

Five RTOs used all six core tourism data sets and five RTOs used five core tourism data sets. These ten RTOs who used all or most of the datasets were not just the larger RTOs but included Taranaki, Hurunui and Southland (Covec, 2003).

This project also identified supplementary research conducted by individual RTOs. The most common types of commissioned research engaged by RTOs were: Visiting Friends and Relatives (VFR) surveys; economic impact studies; summer surveys; visitor attractions surveys and visitor satisfaction surveys. It was found that there was “no universally accepted methodology for conducting a sub-national economic impact study” (Covec, 2003, p. 22), most used the input-output model and therefore the process of estimation was similar. There were cross-regional differences but these were attributed to differences in data quality rather than process.

One of the aims of this project was to develop a generic set of Key Performance Indicators (KPIs) that can be used to measure the success of RTOs; measure performance; facilitate benchmarking and enable cross-regional comparisons. The recommendations in the NZTS 2010 implied that RTOs need to become more accountable, and the RTOs believed that standardised KPIs will formalise this accountability. RTOs currently use a range of performance measures with 44% using formal KPIs Business and annual plans were used by 26% of RTOs as a performance measure, while 22% also used some other form and 15% (4 RTOs) used activity based measures.

How does one measure the complex role and functions of RTOs as described in Diagram 9.1 of this chapter? KPIs are generally outcome based and a measure of
economic performance. The NZTS 2010 placed both destination marketing and destination management responsibilities on RTOs. It is very difficult for the roles and responsibilities of RTOs as identified in Diagram 3.1, to be reduced to outcomes and measured in economic terms. Marketing activities are more aligned to economic measurement and RTOs concluded they were primarily marketing organisations and “focused on generating national and regional visitor activity, both domestic and international” (Covec, 2003, p. 25). They did recognise reductionist quantifiable economic measures would not capture the complexity of visitor activity in a region and that a combination of quantitative and qualitative techniques would be needed to “describe the state of the tourism industry at a particular time, in a particular place” (Covec, 2003, p. 25).

RTOs recognised their problematic dual role as a co-marketer of New Zealand and the sole marketer of their region and implications of this duality on identifying a set of KPIs. They concluded that national level KPIs should be expressed:

In *nominal* terms i.e to describe the absolute size of the national tourism ‘pie’. At the regional level RTOs compete strongly for market share, hence it seems logical to express regional (and local) level KPIs in *relative* terms i.e to describe the share of the national pie they are getting (Covec, 2003, p. 26).

This would allow national KPIs to provide the context within which RTOs operate and regional KPIs to measure competitive performance and market share against other RTOs. It was assumed that the main purpose for encouraging tourism activity was to generate economic wealth. Therefore the most important KPIs were those that measured tourist expenditure and the economic impacts of tourism and associated quantitative determinants of these measures, such as visitor nights, visitor numbers and visitor nights in commercial accommodation. It was recognised that it was important to measure the quality of the tourism product and the visitor experience, but to still use quantitative KPIs such as visitor satisfaction surveys rather than qualitative research methodologies to measure quality.
Emphasis was placed on the ability to generate the identified ideal KPIs from the tourism datasets. It was recognised that the existing datasets could not generate all the KPIs being recommended. The difference between the ideal dataset and what was currently available was identified as a ‘gap’ in the core tourism dataset. The main gaps in the regional and local level core tourism datasets were: visitor nights, visitor expenditure, economic benefits and visitor satisfaction. The main reasons for these gaps were that the core dataset surveys were not designed to produce a comprehensive set of regional and local level outputs…..samples were too small to provide robust estimates in secondary destinations; and it is difficult to obtain regional and local level data from a national survey due to recall problems and difficulties in aligning visitor activity with geographic areas that most respondents are unfamiliar with (e.g. RTO and/or TLA boundaries) (Covec, 2003, p. 31).

The report recommended methods for filling these gaps. It is not the scope of this thesis to critically evaluate the consultant’s research proposals, which have not been actioned by the Ministry of Tourism or the Tourism Research Council. However, these recommendations would not have passed an academic peer review process.

This report was prepared in 2003 when RTO boundaries were still under discussion. The first recommendation of the report was that RTO boundaries needed to be formalised before other recommendations were considered to ensure data are collected at a consistent geographic level and RTOs have clear jurisdictions (Covec, 2003). The main contribution of this study, two years since its release, was highlighting the problems RTOs and local government face in gathering and relying on robust statistical data. RTONZ and the consultants placed the emphasis on destination marketing and in identifying KPIs, rather than identifying robust statistics that can be used for tourism planning and destination management. This process demonstrated the RTOs reluctance and insecurity in taking the initiative and responsibility for destination management. It should also be noted that in 2006, the Ministry of Tourism and the Tourism Research Council
began to release more data based on the reworking of the national data set and larger sample sizes.

### 9.4.8 Project 8: Information Management Review

The purpose of this project was to study problems associated with managing industry information and identify where there was duplication, overlap, waste of time and resources in handling tourism operator and product information, web site content, and client and industry contact information. The NZTS 2010 highlighted the back office inefficiencies of RTOs and was one of the motivating factors for new and fewer RTOs. Personal interviews were conducted with eight RTOs, one workshop/focus group was conducted with the RTOs, and a workflow analysis using seven scenarios was designed to observe RTO operations staff complete specific tasks (Destination Planning Ltd, 2003a). The main findings supported the claims of inefficiency made in the NZTS 2010 and these were:

1. All RTOs had more than three different repositories for storing the same type of information, the main problem area: operator/product listing information and industry contact information;
2. None of the RTOs used the same product categories or naming/classifications of products (print or electronic);
3. A lot of time was spent receiving/answering emails/phone calls related to consumer product enquiries with more than 50% needing to be redirected to visitor information centres as RTO staff could not answer them;
4. No RTO could manage their website listings and general content without technical expert help (generally outside help);
5. No RTO websites allowed access to operators so that they could update or add product information;
6. Most RTOs relied on printed trade product manuals (often two or three different types) and were spending between two and four months doing annual updates;
7. All RTOs had different processes for dealing with media enquiries, tracking media stories and hosting international media;
8. All RTOs had major problems with local tourism operators adapting to changes in technology, and in their communications and response times.
9.4.9 Project 9: Best Practice RTO Operations Manuals
Best practice manuals were developed using the information gathered from the above projects to improve quality management of RTOs especially to assist staff skills and expertise. This project had two components. The first was a review of Australian and United Kingdom RTO structures and activities to inform the continued development of best practice in New Zealand (MacIntyre, 2004). The second component was a Best Practice RTO Operations Manual CD-ROM (Cap Gemini NZ, 2003). The final section of this chapter describes the key findings of the overseas review.

9.4.10 Project 10: Best Practice Governance and Accountability for RTOs
RTOs and local government are intrinsically linked through funding relationships and their responsibility for destination management, therefore this was a joint project between RTONZ and LGNZ. The project sought to improve accountability mechanisms, and to secure long term funding and stability for RTOs. It was recognised that central to sustainable tourism is community engagement in tourism planning and destination management, RTOs are responsible to their local communities under the Local Government Act 2002. The outcome of this project was a best practice guide for the governance of RTOs (Catalyst, 2004). This guide outlines the role of local government in tourism; the roles and functions of RTOs; a range of governance structures; Board functions; funding relationships and accountability; RTO performance measurement; RTOs and Economic Development Agencies (EDAs) and RTOs and Maori RTOs.

RTO goals need to be clearly articulated and communicated to avoid putting at risk funding sources, especially if the RTO answer to more than one TLA, their goal is to promote the region not a district. A range of governance structures were presented ranging from an in-house structure to an ‘arm’s length’ arrangement (Catalyst, 2004). The choice of governance structures would depend on the political philosophy of the TLA in relation to service delivery, the number of TLAs and the importance of tourism to the community. With a lot of detail, the guide describes the following possible RTO structures: Council department, Council ‘business unit’; Council organisation, the latter can take a myriad of forms. The advantages and disadvantages of each structure are presented along
with a case study of a New Zealand RTO. This guide implies that the structure of RTOs cannot be imposed from the top-down but needs to be determined by the local community. This is a very different approach from that of the Tourism Industry Association in the 1980s and the NZTP who were seeking a uniform structure for RTOs through top-down incentives.

9.5 The Role and Functions of RTOs in 2005

RTOs define themselves by the following common key goal: “To grow domestic and international visitor expenditure in the region, to provide sustainable economic, environmental, societal, and cultural benefits to the local community” (Catalyst, 2004; Destination Planning Ltd, 2003c, p. 3) and they have the generic promotion of the regional destination to visitors, in other words marketing, as their primary activity. Secondary activities (which may be placed on par with the primary activity if resources permit) were: advocating for and facilitating planning for destination management, and facilitating or providing support to the tourism industry for business development and/or product development. Other functions of RTOs may include: training/seminars for local tourism operators; managing visitor information centres and booking agencies; responsibility for a convention bureau and event development and management.

In 2005 there were 28 RTOs in New Zealand, with three RTOs coming under the geographical jurisdiction of a larger RTO (Christchurch and Canterbury Marketing) (Covec, 2005). RTOs had a combined operating budget (including visitor centres) of over $72 million in the 2003-2004 financial year, with a combined income (excluding visitor centres) of $30 million (Covec, 2005). The RTO with the highest income (excluding visitor centres) was Positively Wellington Tourism ($5.1m), then Tourism Auckland ($4.1m) and Christchurch and Canterbury Marketing ($2.2m). Councils were the largest source of RTO funding with 4 RTOs being funded 100% by local government. Tourism Northland received only 30% of its funding from local government, while Hawkes Bay Tourism, Latitude Nelson, Tourism Auckland, Tourism Coromandel and Tourism Waikato received around 50% of their funding from local government (Covec, 2005). Other sources of funding were: joint ventures (22%); Visitor Centres (5%); Other (4%) and Central Government (2%), with corporate
sponsorship and subscriptions only 1% of their source of funding. In the 2003/2004 financial year RTOs spent 40% of their expenditure on marketing, 28% related to staffing, 3% on IT and 2% on Research. Table 9.3: RTO Marketing Expenditure, shows the breakdown of marketing spend for all RTOs.

Table 9.3: RTO Marketing Expenditure

<table>
<thead>
<tr>
<th>Marketing Expenditure</th>
<th>% marketing Spend 2002/03</th>
<th>% marketing Spend 2003/04</th>
<th>Average Spend $</th>
<th>Highest Spend $</th>
</tr>
</thead>
<tbody>
<tr>
<td>International</td>
<td>31</td>
<td>36</td>
<td>145,483</td>
<td>850,00</td>
</tr>
<tr>
<td>Domestic</td>
<td>38</td>
<td>29</td>
<td>117,972</td>
<td>1,275,000</td>
</tr>
<tr>
<td>Collateral marketing</td>
<td>24</td>
<td>26</td>
<td>103,948</td>
<td>500,000</td>
</tr>
<tr>
<td>VFR marketing</td>
<td>6</td>
<td>5</td>
<td>19.322</td>
<td>400,00</td>
</tr>
<tr>
<td>Online marketing</td>
<td>1</td>
<td>4</td>
<td>14,288</td>
<td>100,00</td>
</tr>
</tbody>
</table>

Table 9.3, shows the breakdown of marketing expenditure for all RTOs. More marketing time and effort was spent on international marketing (54%) compared to domestic marketing (38% of their time) (Covec, 2005). Yet domestic visitors are nearly two thirds of the total visitor market share. The most important international market for twenty of the RTOs was Australia; the remaining eight stated that the UK was their most important market, however all these eight listed Australia as either their second or third most important market. The German/European market was of high importance to Coromandel, Bay of Plenty and Eastland. Very few RTOs listed the Asian markets in their top three most important markets, the exceptions being MacKenzie Tourism listing Japan as second market and Rotorua and Lake Wanaka citing Korea and Asia respectively as their third most important market (Covec, 2005). When this survey was done, in 2005, marketing alliances were in a state of flux with RTONZ and TNZ negotiating to limit the representation of regional tourism at the international trade shows. The Covec (2005) cited that twenty five out of the twenty eight RTOs were part of a macro-alliance and some belonged to more than one alliance. Governance structures for RTOs across New Zealand were experiencing change between 2003 and 2005 as a consequence of RTONZ, LGNZ, local government and RTOs introspection and dialogue. Table 9.4: RTO Governance Structures highlights some of these changes.
Table 9.4: RTO Governance Structures

<table>
<thead>
<tr>
<th>RTO Structure</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charitable Trust</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Company owned by a Council Trust</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Council controlled Trading Organisation (formally LATE)</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Council stand alone Business Unit</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Incorporated Society</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Private Company on Contract/Service Level Agreement</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Within another Council Business Unit</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Source (Covec, 2005)

The Local Government Act (2002) defines three types of organisations that a local authority may establish to undertake a function or deliver a service on its behalf:

1) Council Organisation is one in which one or more local authorities control directly or indirectly the voting rights of the company or trust or other;

2) Council Controlled Organisation, where one or more local authorities control directly or indirectly more than 50% of the voting rights of the company or trust or other;

3) Council Controlled Trading Organisation has the same governance structure as a Council Controlled Organisation but operates with the purpose of making a profit.

Table 9.5: RTO Status under the Local Government Act 2002, highlights the movements and change in the status of RTOs between 2003 and 2004 with more changes taking place in 2005. RTOs amalgamating with EDAs or operating within the EDU increased from five to nine between 2003 and 2004 with more mergers in 2005 such as the RTO contract for Venture Taranaki taken over by an EDA and Hawkes Bay Tourism merging with the local regional development agency.

Table 9.5: RTO Status under the Local Government Act 2002

<table>
<thead>
<tr>
<th>Status under Local Government Act 2002</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council Controlled Organisation</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Council Controlled Trading Organisation</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Council Organisation</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Not a Council Organisation</td>
<td>6</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: (Covec, 2005)
RTOs are becoming more and more identified with local government and more closely associated with EDAs and EDUs.

RTO Boards range from between 4 to 14 members with an average board membership of 7.5. Most Boards meet monthly (48%) with 22% meeting bimonthly and 19% meeting every six weeks, with only 11% meeting every quarter. Twenty one RTOs have fixed funding terms and out of these 21 twelve RTOs have funding commitments for only one year. Most RTOs have to reapply for funding every year, even those who may have a three year funding cycle (Covec, 2005). Most of RTO local government funding comes from general rates (70%). Fifteen RTOs are solely funded from general rates with two RTOs, Lake Wanaka and Positively Wellington Tourism, receive all of their funding from targeted rates or levies. There has been an increasing trend towards targeted rates in recent years (Covec, 2005).

This overview highlights that RTOs in 2005 are a little different to those in 1985, especially in governance structures and the profile of, and resources invested in, international marketing. However when RTOs were asked to list the biggest challenges facing their organisations, seventeen listed lack of funding or funding insecurity and in this respect nothing has changed. Eight RTOs listed staff retention due to low wages as a major challenge, with four RTOs listing recognition of the importance of tourism to the local economy and maintaining stakeholder relationships as challenges. Two RTOs each named destination management, the EDA environment and seasonality as some of their biggest challenges. One RTO perceived that unwelcome interference from RTONZ was a major challenge. Parochialism and politics still runs rife.

### 9.6 RTO Boundaries

RTO Boundaries, after twenty five years, is still an ongoing problem especially for the generation of regional statistics (Drew, C., personal communication, October 4, 2005). In 2003, there were 27 RTOs with most following TLA boundaries except for Destination Fiordland, Destination Queenstown and Lake Wanaka which incorporates part of a district. Eight TLAs were not affiliated to any RTOs: Kawarau, Whakatane, Kapiti Coast, Porirua, Upper Hutt, Lower Hutt,
Waitaki and Culthu. Wairia district is in two RTOs: Tourism Eastland and Hawkes Bay Tourism. There were four district based RTOs that are also part of larger RTOs, Destination Ruapehu and Destination Manawatu fall geographically within Destination River Region, while Hurunui Tourism and Central South Island Tourism are geographically located within Christchurch-Canterbury Marketing. These smaller RTOs within larger RTOs could be classified as District Tourism Organisations (DTOs) but they want RTO status so they can be invited to initiatives such as those run by TNZ, receive data/information directly, rather than indirectly, and so they can have representation at national industry level. With the overlap of some RTOs and exclusion of some TLAs, tensions, politics and parochialism do arise especially in establishing boundaries for reliability and consistency of statistical data. In 2003, the RTOs did not welcome the TRCNZ suggestion that TLA boundaries be applied to the core data set. Contributing to this dilemma is the ambiguity associated with the title of RTO and some questioning about why RTOs were called regional (Drew, C., personal communication, October 4, 2005) when they are not linked to regional councils. This thesis has clarified this historical precedent. RTO instability adds another complex dimension in trying to arrive at stable and consistent boundaries and core data sets.

Motivated essentially by the New Zealand Tourism Strategy 2010, that referred specifically to the formation of a fewer number of ‘newRTOs’, RTONZ took time to address this complex problem of boundaries and RTO rationalisation. It was easier for them to examine the issues in the ten projects, previously discussed, for which they received funding from the Minister of Tourism. RTOs, in late 2003, recognised that they needed to at least address the challenge raised by the strategy to rationalise the number of RTOs and review and confirm geographic boundaries. They recognised that if these issues were not addressed as a collective then RTO credibility may be questioned by national stakeholders and that a subset of the larger RTOs may break away from this loose collective called RTONZ and assume ‘partner status’ with key stakeholder agencies. Graeme Osborne, Chairperson of RTONZ in 2003, suggested that a working group be established, with an independent facilitator involving key RTO stakeholders, such as LGNZ,
Chapter 9 RTO Response to the NZTS 2010

TNZ, TIANZ and the Ministry of Tourism. Graeme’s recollection of this process was:

I put up a paper that said we should review the number of RTOs and it was met with a huge amount of vitriol and protectionism and they all said what right have you got? What right has anyone to say what whether we can be an RTO or not? So I said the guys why don’t we invent a new name, why don’t we call ourselves regional tourism partnerships and why don’t we protect that name and why don’t we make it a more structured collective and say no, if you want to be part of this you will be a regional partnership and here is a list of criteria you need to satisfy to be a regional tourism partnership i.e. a rebranding and redefining of the structure. But there was not much appetite for this so frankly RTONZ moved away from it (Osborne, G., personal communication, December 20, 2005).

The outcome of this process was the status quo when it came to RTO structure and governance given that RTOs are inextricably linked to local government. Out of this dialogue, TNZ-RTO marketing alliances evolved and were evolving further at the time of writing.

However TNZ capitalised on this process and stressed quite strongly that there needs to be some rationalisation of RTOs for international marketing purposes.

TNZ have now come back and said we cannot live with 29 RTOs [number at the time] and so here now are our international marketing alliances and there’ll be 8. We sat down and talked about it and said how about 9 and they came back and said yes we can live with 9. While we understand and support the need for a rationalisation in the number of RTOs, the problem for us is that Auckland accounts for something like 30% of New Zealand’s tourism infrastructure investment and about 30% of New Zealand’s economic benefit from tourism, and for brand Auckland to be lumped in with brand Northland and then to be accorded 1/9 th of New Zealand’s ‘voice’ in the offshore markets is not entirely satisfactory. So, are we happy with that? Not really, Anne. So I said to Ian Bougen (CEO, Canterbury and
Chapter 9 RTO Response to the NZTS 2010

Christchurch Marketing) “Well maybe Auckland needs to be an RTO by itself,” and he said, “Graeme, if you’re going to move in that direction then we would also look to go the same way”, “We certainly don’t wish to be destructive in any way but it is a very tenuous peace. So where does it go from here, Anne? It may be that the bigger RTOs will continue to work in partnership with TNZ through the IMA structure, but at the same time increase their level of independent activity in the offshore markets. (Osborne, G., personal communication, December 20, 2005).

The dilemma for TNZ regarding regional tourism boundaries is that “people think you can confine the tourist expectations to a boundary, you can’t. Not enough international visitors consider New Zealand regionally” (Hickton, G., personal communication, October 5, 2005). TNZ have approached this dilemma diplomatically and have the goodwill of most RTOs. TNZ recognized that one way to bring about change was “to make $250,000 available and say that there will only be six RTOs organise yourselves. Others thought that RTOs should report to TNZ” (Hickton, G., personal communication, October 5, 2005). TNZ tried to find a “workable solution which avoided the rather blunt instrument approach which wouldn’t work because RTOs are set up by the regions for their own purposes” (Hickton, G., personal communication, October 5, 2005). There was a specific focus for TNZ to set up these marketing alliances which was purely to educate trade and offshore franchises and they are not meant to change the identity of RTOs.

Most RTOs understood the motivation for fewer RTOs in the strategy as one RTO put it:

I’m not talking about central government control, I’m talking about leadership and about basic funding systems, so for example to take it back to the market where Tourism New Zealand are looking to consolidate regional promotional and they suggested six marketing alliances and it’s now become eight (Moran, D., personal communication, September, 19, 2005).
9.7 Comparison of Regional Tourism in Australia and the United Kingdom

RTONZ wanted to compare and contrast the nature of regional tourism development in other countries that have a similar external environment to New Zealand. The focus of this research was on RTO operations, governance and funding mechanisms, relationships with local stakeholders and higher level peak tourism organisations and functions, other than marketing that were undertaken by RTOs. It was found that regional tourism structures and the major problematic issues associated with RTOs were similar across New Zealand, Australia and the UK, with some New Zealand RTOs being models of best practice in terms of marketing innovations and leverage of public/private sector funding. The major difference between New Zealand and the other two chosen countries was the absence of consistent central government funding for RTOs and therefore central government had little influence over RTOs or had bargaining tools to bring about change in regional structures. The investigation:

Illustrate[d] some examples of RTOs, State Tourism Organisations and NTOs that are taking a more proactive role in the areas of nationally coordinated regional marketing, product development and destination management, albeit with the benefit of quite different and significant funding access, for example the European Union’s Regional Development Funds (MacIntyre, 2004, p. 6).

The motivation for regional tourism restructuring was the recognition by stakeholders that tourism marketing expenditure based on fragmented local government boundaries led to inefficiencies and that strategic restructuring was required with clear allocation of regional organisational roles supported by adequate resources. This was coupled with the NTO (or state tourism organisation) taking a strong stance that they will not work with a myriad of RTOs and the presence of a “high level government leader…prepared to champion a process of consultation and change, including taking the inevitable political flak from some regional interests” (MacIntyre, 2004, p. 7). Regional interests were provided with incentives, usually financial, to cooperate and
coordinate with the process and the restructure provided a clear role for local tourism organisations rather than abolishing them.

It was noted that some centralised funding programmes did lead to funding substitution for some RTOs with local government and industry making negligible contributions to the RTO when they received state funding (MacIntyre, 2004). One advantage of the New Zealand environment is that tourism investment is linked to the will of the local community and local operators to develop tourism. The principal of subsidiarity proposes that governments of a higher order should not threaten the personal freedom and initiative of local communities depriving them of their functions and autonomy but rather provide support in case of need and help to co-ordinate rather than takeover.

Other countries had better alignment of destination marketing and destination management which may imply that New Zealand could lose their competitive advantage if they ‘kill the goose that lays the golden egg’ (Tourism Strategy Group, 2001b). This alignment was achieved through central government support of regional tourism planning and destination management through the NTO establishing regional branches to provide advice, similar to the RLOs under the NZTP or restructuring and rationalisation of RTOs with increased resources or a combination of both.

In the UK and Australia, central and state governments assume responsibility for domestic tourism marketing such as the federally funded ‘See Australia’ campaign, while in New Zealand domestic tourism has been predominantly uncoordinated and left to RTOs. There was also evidence of more coordinated international destination marketing partnerships. ‘VisitBritain’ involves agreements with NTOs and ten English Regional Tourism Boards with the aim of using limited resources efficiently, target markets and segments are agreed and understood by all in that international visitors receive unified and complementary messages. Most Australian states have long term coordinated marketing plans for their regions (MacIntyre, 2004). Regions in both the UK and Australia have access to more robust regional and local statistical data such as tourism impacts, visitor characteristics and destination satisfaction.
Chapter 9 RTO Response to the NZTS 2010

The overseas experience found there were stronger links between Local Tourism Organisations (LTAs), District Tourism Organisations (DTOs), RTOs and State and National Tourism Organisations.

Whenever RTO rationalisation is discussed in New Zealand, many of the smaller ‘current RTOs’ reveal that their key concerns are that if they are not afforded the status of RTO, they will not be recognised by official agencies and this has negative impacts on local stakeholder support….The Australian Local Tourism Associations are in most cases, strongly encouraged and supported by their RTO, STO and the NTO. They have an important role and appear comfortable with demarcation of responsibilities. They provide a strong link with individual businesses and many partner with RTOs in promotional activity. This does not preclude them from working with major peak tourism bodies if they have the resources and commitment to do so (MacIntyre, 2004, p. 10).

It is important that local communities do not lose their autonomy and identity. Stronger local tourism organisations and inter-organisational relations that lead to unity instead of parochialism and self-autonomy may be the way forward for rationalisation, in the future, of RTOs in New Zealand for international marketing purposes.

Australia has very strong industry links between industry and tourism organisations at all levels, generally through membership structures, with formal links across local, state and national industry organisations. This is very similar to the TIANZ arrangement in the 1980s when RTOs were first established. Membership structures are not favoured by many RTOs because of the time and costs involved in recruiting and servicing members. Both the UK and many Australian RTOs have industry advisory roles and specialise in product and industry development (MacIntyre, 2004) but they also have the resources and support from central government.
9.8 Conclusion

The NZTS 2010 and the Minister of Tourism’s Strategy Implementation Fund has facilitated a lot of ‘navel gazing’ by RTOs. The researcher asked some RTOs CEOs after all this work, all these reviews and reports (some very long winded) so what? What has been achieved? The following response encapsulates most replies to this question:

Yes they are long winded and I have personally read every one of them. I think the irony is that they’re more helpful to people in local government than they are to RTOs. Someone said to me what should an RTO look like, do you know? I thought “Great I cannot give a simple answer to that question”. But I tell you one thing it did do Anne, it put the RTOs on much more equal footing and so it elevated the level of thinking of the RTOs and the status and profile of RTOs (Osborne, G., personal communication, December 20, 2005).

RTONZ is another ‘peak tourism organisation’ and it is not without its tensions and politics. As previously mentioned in this chapter one RTO categorically stated that they did not want RTONZ taking over. Most RTOs are guarded in their enthusiasm for RTONZ, not wanting RTONZ to be the spokesperson for RTOs, as they want maintain their individuality. The researcher has observed tensions over the last three years and weak leadership and personal egos will exasperate these tensions. The RTONZ Charitable Trust Deed does try and factor in unity and collaboration but how does one avoid political factions and division?

When those trustees were appointed [Incorporated RTONZ] we had a lot of discussion about large RTOs being represented and small RTOs being represented and the geographic spread, so I think at the RTONZ level that’s fine. But within RTONZ there’s another group as well and they refer to themselves at the T6, the tight six, these are the ones that through having increased budgets have an increased ability to engage with Tourism New Zealand. Now, I haven’t had feedback from smaller RTOs of their perceptions about the so called tight six but I haven’t heard anything negative and but it wouldn’t surprise me if there was a little bit of “hey what
are these guys up to? Are we being left out a wee bit here?” (Moran, D., personal communication, September 19, 2005).
Chapter 10 Conclusion – Structures and Organisation of RTOs

10.1 Introduction

This thesis has provided a contextual descriptive analysis of RTOs, from 1980 to 2005, highlighting the institutional arrangements, along with the social and political dimensions, within which RTOs have operated. The introductory chapter listed three objectives for this investigation:

1) An examination of the administrative history and challenges that have faced RTOs in New Zealand and identify the forces that led to their creation, evolution and current identity;
2) A reflection on the research process that led to a multi-paradigmatic research framework;
3) An examination of the political process of change in RTOs within the context of chaos and complexity theory.

This chapter will summarise, state the main points and draw conclusions relating to the first objective. The next chapter entitled: Conclusion – Research Methodologies presents the findings related to objectives two and three above. The first section of this chapter will summarise the key findings of this thesis. This is followed by a presentation of a number of scenarios of where RTOs may be heading in the future. The NZTS 2010 raised destination marketing, destination management and their alignment as major policy issues that need to be addressed in the decade leading to 2010. The next section of this chapter analyses the effectiveness of the current policies and structures concerning destination management. A generic regional destination management model that can be applied to diverse regions is presented. This model is then used to analyse the New Zealand context to identify what is lacking to achieve effective regional destination management and what role, if any, do RTOs have. The structural and institutional arrangements in New Zealand limiting the alignment of destination marketing and management are then discussed.
10.2 RTOs 1980 to 2005

Kerr (2003) argues that tourism is not held in high esteem by central and local governments and politicians and the industry are responsible since it “chooses to operate within such a convoluted institutional, group/network and elite framework that has a detrimental widespread impact on the manner in which it is valued and …is a fundamental weakness that besets few other industries” (p. xv). Kerr (2003) came to this conclusion following his research in tourism public policy in Scotland, the same deduction could be applied to tourism in New Zealand. There are a number of examples in this thesis of the political institutions that have not valued or understood tourism such as: Treasury, the State Services Commission, the Department of Internal Affairs, the Local Government Commission and regional and local government. Some reasons for this alienation are that the tourism sector has been fragmented, self-contained and manifested elements of political disunity to a greater or lesser extent in different periods over the last twenty five years. However, the major reason for this alienation is that the tourism sector (both public and private) has not put enough effort into establishing relationships with its wider stakeholders and has not consistently worked on maintaining and building these relationships.

The 1980s saw a rapid expansion of the tourism industry in New Zealand in terms of visitor arrivals and tourism’s contribution to the economy. Leadership was provided by, and in most cases unity achieved between, the NTO and the peak industry body especially when it came to nurturing the embryonic RTOs. This was matched by product development and tourism planning policies. The beginnings of wider stakeholder engagement and education were present in the 1980s, especially the role local government had to play in tourism. Yet stakeholder engagement and education was not sustained due to external politics and internal politicking within the sector. A rapid succession of Labour Party Tourism Ministers in the late 1980s did not provide political leadership and stability. There was disillusionment with the invading role of government in society, the ascendancy of neo-classical economics and skepticism, and cynicism regarding the efficiency of government bureaucracies which all left their mark on how the private tourism sector perceived the NZTP. At a time when a united tourism industry should have been lobbying a wide range of government
institutions during the reform of local government to ensure that local government had a mandate to be responsible for tourism, the industry was embroiled with its own internal politics. Air New Zealand and some of the larger tourism operators were focused solely on controlling government policy and funds for offshore marketing, thus driving their own political agenda to establish the NZTB. The consequence of all this politicking was a lost opportunity to secure funding stability for RTOs and to lay the foundations for sustainable tourism planning and destination management during local government reform in the last year of the Labour Government’s term in office.

The establishment of the NZTB created an integrated tourism policy vacuum in the 1990s but generated a lot of energy, excitement and enthusiasm for international marketing. For some RTOs, especially those on or near ‘the golden mile route’, these were very exciting years with rapid growth and increased professionalism, branching away from domestic tourism marketing into the international arena. Other RTOs experienced increasing difficulties and some even disappeared. Many RTOs became increasingly independent of local government towards the end of the 1990s with regards to their operations but still heavily dependent in terms of funding.

The NZTS 2010 tried to address the diverse tourism policy gaps in existence at the time. Given the devolved nature of government responsibilities in New Zealand, local government and RTOs were given a high profile and were nominated to fill some of these gaps. It recognized that the tourism industry, accounting for all its diversity and complexity, must be dynamic and open to change and required a fluid, open and cooperative relationship between public and private sector managers. The strategy contained some radical recommendations for RTOs, including fewer and NewRTOs, increased responsibility for sustainable tourism planning, destination management and the alignment of destination marketing and destination management. This strategy caused a reaction from the RTOs, and under the leadership of some of the RTO CEOs they banded together as a collective to take a proactive response to the strategy, calling themselves RTONZ. The Ministry of Tourism, RTONZ, TNZ and LGNZ recognized from the beginning that with the absence of central government funding the NZTS 2010
recommendation of RTO rationalization could not be imposed from the top. However, TNZ did enter into negotiations with RTONZ to reorganize the 29 RTOs into nine marketing alliances, for the specific purpose of working with TNZ in their offshore marketing activities.

The Minister of Tourism was able to provide funds under the NZTS 2010 Implementation Fund, to both LGNZ and RTONZ to respond to the strategy and later to study and address strategy recommendations. Outcomes included LGNZ recognizing that they have the legal mandate to be responsible for destination management; that most RTOs do not deliver on stakeholder expectations because of inadequate resources and an insecure funding base and the need to produce best practice operations and governance manuals for RTO. However strategies for more efficient marketing, quality product development and coordinated destination management could not be implemented without the restructure of regional tourism in New Zealand. There was talk amongst RTOs of further funding from the Minister of Tourism for more projects but this to date has not been forthcoming. By the end of this process RTOs are more professional, or have the accessible tools to improve their professionalism and at least have a stronger collective voice in the industry but their identity, role, functions and structure are as disparate as ever and there are no signs of any real improvement in their insecure and tenuous funding base.

After reading the summary thus far one could state that nothing has really changed for RTOs since the late 1980s, one RTO CEO stated that “our space in the tourism sector is neither secure nor sustainable” (Osborne, G., personal communication, December 20, 2005). Yet what has changed, over twenty five years in relation to RTOs, are the private and public sector institutional arrangements that impact on RTOs and their major stakeholders. The introductory chapter of this thesis stated that the process of describing the evolution of RTOs from 1980 to 2005 and their process of change had to incorporate politics, government policies, different kinds of government and their organizations, how government has managed their relations with industry (Elliott, 1997) and their consequential impact, if any, on RTOs. Diagrams 10.1 to 10.4 map the changes of RTOs in their public and private sector institutional relationships. These diagrams
highlight some of the significant changes for both public and private sector bodies.

The peak Industry Association which had a significant influence in the development of RTOs in their early years is barely a player in 2005. This researcher asked a TIANZ Board member about the relationship between RTOs, RTONZ and TIANZ and why RTONZ is not under the umbrella of TIANZ. His reply was that “RTOs are like the teenagers who grow up and have to leave home. It has allowed RTOs to face their own problems and TIANZ to focus on issues which they could not do if RTOs were present” (Burns, G., personal communication, September 19, 2005). Other contributing factors leading to the 2005 arrangements were perhaps egos and mismanaged relationships as has been noted in the previous chapter. RTOs still perceive themselves as part of TIANZ:

RTOs are members in their own right and RTONZ is a member of TIANZ, just like any other industry operator. An individual RTO may not agree with TIANZ but they have to represent the broad view of the industry which may not be able to accommodate a specific individual view. RTONZ’s role is to lobby central government and work with the industry association. TIANZ do not have to canvas 29 different RTOs and get 21 different answers and say where to from here? This is too hard. The whole idea is that RTONZ as a group would then give a collective view. We’re not talking about every single issue, most issues will go back to individual RTOs. RTONZ is there for what I call the big picture stuff. (Bougan, I., personal communication, September 20, 2005).

It needs to be noted that TIANZ support to RTOs, through a Regional Vice President and the organization of regular RTO forums, fell off the map.

The NTO has had a high profile in its relationship with RTOs for most of the period under investigation. The only exception being the latter part of the 1990s, when Paul Winter was CEO, and the NZTB streamlined its strategic focus, disbanded the Regional Liaison Advisory Service and consequently its links with regional tourism.
Diagram 10.1: RTOs and Public and Private Sector Institutional Arrangements in 1985

Diagram 10.2: RTOs and Public and Private Sector Institutional Arrangements in 1992
Diagram 10.3: RTOs and Public and Private Sector Institutional Arrangements in 1999

Diagram 10.4: RTOs and Public and Private Sector Institutional Arrangements in 2005
During the latter part of the 1990s the ‘Tight 5’ (the five larger RTOs: Auckland, Christchurch, Rotorua, Queenstown and Wellington) emerged as the voice/representatives of RTOs, acquired professionalism and leadership skills and were active in rallying other RTOs to proactively respond to the NZTS 2010. The distancing of the NZTB from most RTOs, the change of guard at TIANZ from Glenys Coughlan to John Moriarty, leading to a perceived distancing of the industry association by RTOs and the Minister of Tourism having funds available to implement the strategy, all contributed to the establishment of RTONZ. TNZ has emerged as a strong leader from the NZTS 2010 implementation process. While it was RTONZ who took the initiative to address the rationalization of RTOs, it was TNZ who pursued the proposal of nine RTO offshore marketing alliances which has been cautiously accepted by RTOs. This has been achieved because of the investment in their stakeholders by TNZ (RTOs being one) and the leadership profile of the TNZ CEO George Hickton in the tourism sector. The marketing alliances are in their embryonic days and are still fragile and vulnerable to political machinations.

Local government is an interesting player in the RTO framework. RTOs evolved out of the establishment of 22 Unitary Councils across New Zealand and hence the title of regional tourism organizations (a title that now creates a lot of confusion). The late 1980s saw regional councils established, with the expectation of the tourism industry, that they would have the legal mandate to be responsible for tourism. This expectation was not realized. During the decade of the 1990s responsibility for tourism moved away from regional councils and was assumed by most TLAs, but not all. At the advent of the NZTS 2010, the CEO of LGNZ was Peter Winder, who was an ex-tourism industry person, and was aware of the institutional problems associated with tourism at the local government level. He was also opportunistic and able to secure funding from the Minister of Tourism to study the recommendations of the NZTS 2010 and their implications for local government. The Ministry of Tourism, RTONZ and LGNZ have worked together very closely, studying the complexities surrounding RTOs, sustainable tourism planning and destination management, always maintaining the principle of subsidiarity and the ideals of local democracy.
Chapter 10 Conclusion – Structures and Organisation of RTOs

The evolution of RTOs in the 1980s and their roles incorporating domestic marketing, product development and tourism planning, signified that the principles of the alignment between destination marketing and destination management were then present, although labeled differently. RTOs were originally perceived to be responsible for domestic marketing. With the establishment of the NZTB and international markets having the highest potential growth for many regions, international marketing started to preoccupy most RTOs. Today RTOs are predominately marketing organisations.

RTOs, their evolution and success, have been heavily dependent on Central Government policy (in some periods, policy needs to be seen separate from the actions of the NTO). In the 1980s, central government had a holistic, integrated approach to tourism and RTOs were supported through RLOs; grants/subsidies; lobbying stakeholders and a coordinated approach to policy by the NZTP and the NZTIF. The 1990s saw minimum involvement by government in the tourism sector except through public funding for international marketing activities. Although there was a withdrawal of central government involvement there was little abatement of political interference in tourism, with the 1990s being the most ‘colourful’ in terms of ‘politics’ for the tourism industry. The NZTB took its time to shed the legacy of the NZTP and Norman Geary (Chairman) and Ian Keane (CEO) saw themselves as the natural heirs of central government policy implementation when it came to regional tourism and RTOs were supported by the NZTB in the early to mid 1990s. Towards the end of the decade the NZTB (and Tourism Ministers) became strategically focused, due to a lack of any significant increases in their funding over the decade, on international marketing and gaining leverage from sporting events, with RTOs and the tourism sector, being left to market forces. The market system delivered some highly successful RTOs (against international benchmarking standards) yet marginalized many.

During this decade Central government policy, coupled with central government funding, has witnessed the support and empowerment of both small and large RTOs. Central government, through the Ministry of Tourism, has worked with local government on some potentially far reaching initiatives when it comes to RTOs, tourism planning and destination management but only history will determine their success or failure, and judge if the decision not to take on, or fund,
the more difficult structural reform of the tourism sector, as envisaged during the development of the NZTS 2010, will benefit RTOs in the long term.

10.3 The Way forward for RTOs

This section will present a number of forecasts or scenarios of where RTOs may be heading in the future (short – medium term). It is acknowledged that the researcher is treading a risky and exposed path:

The art of forecasting is never more vulnerable than when it ventures into the bog of politics - the rules of the game change unpredictably, goal posts are moved, the playing field tilts back and forth disconcertingly and repeatedly, head-counting the participants can be a difficult exercise (Bush, 1995, p.316).

Five scenarios are presented, the first scenario being the least radical. Each scenario moves further away from the conservative status quo, with more radical structural reforms. The final scenario may elicit responses such as ‘you’re dreaming’ and ‘this will never happen in New Zealand in the foreseeable future’. Each scenario will be allocated a high, medium or low probability ranking. It needs to be noted that more scenarios could have been presented that would have been a combination of two or more of the following scenarios. However, the five scenarios chosen illustrate the pertinent issues and scope further research that can be carried out.

10.3.1 Scenario 1: An Increase in the Number of RTOs:

The number of RTOs will continue to increase by a small number as other regions or DTOs become better established, with the Tight 6 dominating and becoming the voice and brokers of RTOs. The role and function of RTOs becomes concentrated on destination marketing, the predominant focus being attracting international tourists to the region. The RTO funding base remains tenuous. Local government will ‘plod along’ and try to integrate, with various degrees of success across the country, sustainable tourism planning but as a whole they will not make any significant progress. RTONZ will implode due to the withdrawal of central government funding for collective projects, poor leadership and parochial self-
interests of RTOs, leaving a closer liaison between the Tight 6 as a remnant of RTONZ. The alignment of destination marketing and destination management becomes a fanciful academic theory. By the end of the decade RTOs will be in the same ‘space’ as they were in 2000. The National Party will use RTOs as a political example to stress that the Labour Party’s tourism policies, the NZTS 2010 and an enlarged and empowered Ministry of Tourism has achieved very little and delivered few benefits to the tourism sector. The tourism sector, after reflecting on the decade and influenced (or manipulated) by a small number of key players, will conclude that it is best left to individuals and market forces and government’s role is primarily to fund TNZ.

This scenario is allocated a high probability ranking. Further research could be carried out on how RTONZ and the Tight 6 are perceived by the RTO sector; the tourism sector’s perception of government involvement in tourism and how, and if, local government are embracing the tourism planning toolkits, sustainable tourism planning and destination management.

10.3.2 Scenario 2: RTOs merge and/or assumed by EDAs
EDUs and EDAs continue to grow in popularity within local government frameworks. RTOs are seen as purely marketing organizations whose sole aim is to bring economic growth and wealth to the region via domestic and international visitors. It is perceived that RTOs do not have a role or the resources to be involved in tourism planning or destination management as this is the responsibility of local government planners and DoC. EDANZ offers membership to RTOs [RTOs are currently precluded] leading to the perception of synergies in the role and functions of EDAs and RTOs. Central and local governments continue to strengthen EDAs through funding mechanisms. RTOs see this as opportunistic to tap into funding, or more threatening to RTOs is that TLAs redirect tourism budgets to the EDA. There is perceived energy, excitement and vitality emanating from EDAs, and LGNZ, TLAs and perhaps RTOs see it as expedient that more RTOs merge or answer to EDAs. By the end of the decade there may be fewer RTOs left and the RTO sector ceases to have voice in the TIANZ, TNZ or the wider tourism industry.
This scenario is designated a medium to high probability ranking acknowledging that the trend of RTOs merging with or being absorbed by EDAs may not be consistent across the country as it is largely dependent on local politics. Further research can be carried out on the history and development of EDAs and their involvement in tourism, the perception of EDANZ towards RTOs and the perception of RTOs, local operators and industry organisations towards EDU/EDAs.

10.3.3 Scenario 3: TNZ Marketing Alliances evolve into the NewRTOs
RTOs continue to ‘pop up’, who are answerable to one TLA. TNZ continues to: take a leadership role; invests in stakeholder relationships; manages well and strengthens RTO marketing alliances. RTONZ may or may not disappear. The role of DTOs is strengthened by marketing alliances, larger RTOs, TNZ, LGNZ, Ministry of Tourism and TLAs. Marketing Alliances become the official voice of RTOs and create a new layer in the structure of tourism organizations in New Zealand. DTOs are empowered and given a clear and transparent access to these new and fewer RTOs and have a say in offshore marketing activities. Smaller RTOs are relabeled DTOs and DTOs are answerable to individual TLAs. Clear and uniform structures, functions, and roles between the NTO, the nine newRTOs and DTOs are established by LGNZ, TNZ, the Ministry of Tourism and representatives of the newRTOs and DTOs.

The probability ranking of this scenario is medium. More research needs to be carried out on: How the current marketing alliances have evolved and the respective roles of TNZ, RTONZ and the Ministry of Tourism; the perceptions of both TNZ and RTOs to the current arrangement and its effectiveness; a literature review on marketing alliances and experiences internationally and the history, evolution and role of DTOs in New Zealand and their relationships with RTOs.

10.3.4 Scenario 4: Formal Restructure of Regional Tourism in New Zealand
The rationalization and restructure of regional tourism becomes a major policy issue for central government, with the objectives of improved domestic and international tourism marketing, sustainable tourism planning, tourism product development, destination management and the alignment of destination marketing
and destination management. Substantial funding is provided by central government. This has to be administered by the Ministry of Tourism, LGNZ or RTONZ as TNZ only has a mandate for international marketing. Clear and uniform structures and roles are established for RTOs and DTOs. DTOs are empowered and have direct linkages with RTOs. There is a radical restructure of RTOs and they become a major stakeholder in the NTO. DTOs are answerable to TLAs, The new and fewer RTOs are answerable to the central public sector body that funds them.

The formal restructure of regional tourism in New Zealand is allocated a low to medium priority ranking as it is heavily dependent on central government policy and funding. Research can be undertaken on international case studies on the process of tourism industry restructuring, using data collected by WTO, academic and other research sources.

10.3.5 Scenario 5: Reform of Central and Local Government Structures, Legislation and Government departments leading to major impacts on regional tourism and RTOs

There is a landslide victory by one of the major political parties at the next central government elections in 2008, minority parties are marginalized by the electorate. This party comes to power with the mandate to: restructure, rationalise and reorganise government institutions such as TLAs, regional councils, government departments and the public sector; and undertake legislative reform of significant statutes related to tourism such as Resources Management Act, the Local Government Act and The NZTB Act. Tourism is seen to be vital to the New Zealand economy, social life and the environment, and reform of the tourism sector becomes government policy. It is recognized that tourism requires strong central government leadership and the NTO needs to unite its marketing and development/management functions and therefore TNZ and the Ministry of Tourism are combined into one organization. The tourism industry is prepared for the reforms due to all the consultation, research and ‘navel gazing’ that was undertaken under the ‘implementation of the NZTS 2010’ which raised pertinent issues and identified problems. However the hard decisions to deliver destination management, the alignment of destination marketing and management and empower Maori in tourism were not taken.
There is restructure and reform of local government, government regional boundaries and alignment of statistical data sets. The tourism industry (both the public and private sector) lobby LGNZ, the Local Government Commission and key government departments, such as the State Services Commission, to secure ongoing funding for regional destination marketing as part of the reform process. Local government has a mandate to be responsible for tourism enshrined in legislation, key outcomes being the community participation in tourism and the alignment of destination marketing and destination management. There is a reorganization and restructuring of RTOs and DTOs to achieve integration and coordination between DTOs, RTOs and the NTO and unified policies for both domestic and international tourism marketing and destination management.

Given the political will and radical reform agenda required to deliver this scenario and current political climate it is deemed to have a low probability ranking. Further research would need to be undertaken of international case studies of the integration and coordination of local, regional/state and national tourism organizations to find structures that are successful and that can be replicated in New Zealand. Further research is required on tourism and local government legislative frameworks in developed countries and whether a legislative mandate for tourism is beneficial for local communities and the tourism sector.

10.4 Achieving Regional Destination Management

The strategy process identified that “the level of understanding and local government’s involvement of tourism from a destination management perspective was actually quite limited” (Drew, C., personal communication, October 4, 2005). “I think the greatest change [from Postcards from Home] has been an attitudinal change within, within the local authorities, the recognition that they play a critical management and development role and for me that has been a big shift” (Drew, C., personal communication, December 12, 2004). Yet tourism in New Zealand still has a long way to go to achieve destination management.
10.4.1 Tourism Planning Toolkit

Lincoln University developed the Tourism Planning Toolkit, with the support of the Ministry of Tourism and LGNZ, especially in its dissemination. This is a set of tools to help local authorities plan for tourism and tackle specific tourism-related issues and facilitate education in sustainable tourism development. The purpose of the Tourism Planning Toolkit is to: describe the ‘enablement’ and ‘management’ roles that local government plays in tourism; provide research and management systems to obtain information, prepare strategic tourism plans and monitor their effectiveness; ensure appropriate investment in infrastructure and services for tourism; enable the development of Community Tourism Plans; enable input to regional and national tourism strategies; describe how the Resource Management Act (RMA) and Local Government Act (LGA) can be used for sustainable tourism development and provide a resource to enable issues to be discussed and resolved at the local level (Tourism Recreation Research and Education Centre, 2004). The Tourism Planning Toolkit states it has been designed for use by staff (from TLAs or RTOs) that are responsible for destination management. The toolkit walks through the key components of the strategic management process: situation analysis, strategic planning, implementation and monitoring of performance. In 2004, the Ministry of Tourism and Local Government New Zealand funded a road show to explain the Tourism Planning Toolkit and raise the level of awareness of tourism at the local/regional level to senior staff and planners in Regional Councils and TLAs.

The consensus view is that the toolkit has been a good awareness tool but it does not seem close to being implemented in a systematic way.

I do not think there’s a high enough level of engagement yet by the industry in picking up on it. Most people are aware of it now…I think RTOs can benefit a lot by picking it up but it’s not really an RTOs role. Well it is and it isn’t. If you’re taking the tourism toolkits and explaining it, it is a wonderful resource and it’s one that I’ve used and no doubt will use again in the future (Moran, D., personal communication, September 19, 2005).
The road shows were targeted to Council senior executives and policy planners. It helped them understand tourism better. Are they using it [Tourism Planning Toolkit]? They are aware of it but they are not using it in detail, or integrating tourism into their wider plans. In the Councils there are some friends/acquaintances but there are no champions of tourism, they do not stick their neck out to support tourism (Davis, P., personal communication, October 12, 2005).

### 10.4.2 Legislative structures and tourism at the local level

The argument that local government has the legal mandate to be responsible for destination management is flawed. Under the Local Government Act 2002, it is not mandatory for the regional councils and the 74 TLAs across New Zealand to include tourism in their planning processes. The Local Government Act (2002) does require local authorities to prepare Long-Term Council Community Plans (LTCCPs), and a sustainable tourism strategy is just one strategy that can provide direction for the Annual Plan, but this still requires openness to tourism and the political will to allocate resources to tourism planning. For many local authorities, tourism is not deemed to be a priority (Beca Planning, 2002; Jones et al., 2003) and, as long as tourism planning is not enshrined in the Local Government Act, sustainable Tourism Planning Toolkits may or may not be utilised and at best may only be implemented in an ad hoc and superficial manner. Many councils are reluctant to treat tourism differently from other sectors, “councils were saying they do not want to get down to that level of detail, if we do it for tourism, we’ve got to do it for forestry, we’ve got to do it for sheep farmers” (Drew, C., personal communication, October 4, 2005).

One of the main problems at the local level is ownership of tourism.

There is lot of tension around who is responsible for destination management, who does the marketing. Historically a lot of councils have seen tourism at the top of a document or an email and “oh yeah, that belongs to the RTO”, they have not looked it and said well no that’s an infrastructure issue, that’s a funding issue (Drew, C., personal communication, October 4, 2005).
10.4.3 The Way Forward

In recent years, there has been less than might have been expected in the academic literature on destination management. Tourism planning, sustainable tourism and collaborative partnerships (Bramwell & Lane, 2000) have all been well researched but there is a gap in integrating this literature in a regional destination management context and a lack of theory development regarding structures, leadership and political and other processes for effective destination management at the regional level. Regional destination management is region specific (Jamal & Getz, 1996; Laws, 1995) and a detailed generic model describing destination management may not be applicable to all regions. However a generic model identifying structures and processes that needs to be in place for effective regional destination management is relevant for both urban and non-urban areas. This model is represented in Diagram 10.5: Destination Management – Structures and Processes. Embedded in these structures and processes are local communities driving their own destiny.

The New Zealand Labour Government’s tourism policy since 2001 has been to put ownership of the development and implementation of the NZTS 2010 under the public/private sector partnership mantra. This has facilitated funding for LGNZ and RTOs to study the complex area of destination management. Good inroads have been made:

1) Local government recognises they have a mandate to be the coordinating body to take ownership for destination management;

2) A strategic aim of local government is to provide and manage tourist-related infrastructure;

3) The structure and tools are in place, through the Tourism Planning Toolkit, for
   a) The implementation of sustainable and strategic tourism planning and management at the destination level, based on research and consultation;
   b) Tourism to be integrated into the wider planning processes of local government;
   c) Recognition of and facilitation leading to a collaborative approach to tourism planning and destination management of a wide range of
stakeholders: government agencies, RTOs, tourism operators, interest groups and the local community.

More work is still required, very few of the building blocks, in Diagram 10.5: Destination Management: Structures and Processes, are in place. For most regions in New Zealand it could be argued that none are in place. There is a hard journey ahead if effective destination management is to become a reality by 2010. Some of the main obstacles and ways to address them are:

1) If the Tourism Planning Toolkit is to be utilised across New Zealand the Ministry of Tourism, the tourism industry and especially RTOs need to keep the momentum up and continue undertaking advocacy, lobbying and education of local authority staff and local communities on the value of sustainable tourism planning and destination management;

2) Ownership of destination management is still fragile. The collaborative and partnership approach is not very well defined and the fragmentation associated with the tourism sector (Tourism Strategy Group, 2001b) has not been completely addressed. RTOs have a role to play here, as they can support local government and facilitate the diverse groups in coming together, but as one RTO CEO put it “I think that our ability to influence and lead and manage destination management issues is limited. The core business of the RTOs is regional destination marketing. For RTOs to be able to genuinely influence or take the lead in ‘destination management’ would seem to necessitate that RTOs be better resourced and be more closely connected to local government. The reality is that sustainability outcomes and visitor infrastructure is probably more appropriately the domain and responsibility of local government. That leaves the most sensible option being for the destination marketer, as in the RTO, to partner much more closely with the destination manager, that is, local government, and I think we have quite a way to go” (Osborne, G., personal communication, December 20, 2005). The main obstacle is that many RTOs have distanced themselves from destination management seeing their role chiefly as destination marketers. This coupled with a lack of time and resources could lead to their pivotal role in destination management being overlooked.

3) Lack of synchronisation between policy and practice (Hall & Kearsley, 2001). The Ministry of Tourism and Local Government New Zealand have the vision, but will the local government strategy for tourism successfully
reach all 74 TLAs? Do they have the expertise, tourism specialists or advocates, and the resources to implement the objectives outlined in the Toolkit for an effective strategic tourism plan?

4) Do TLAs have the time and resources for wider public and community participation (Haywood, 1988)? The current atmosphere in New Zealand is one of ratepayers recoiling from being charged higher rates to pay for community services, let alone to equip council staff to enhance community participation in tourism planning. Tourism planning is not mandatory under the Local Government Act 2002. However, ratepayers do have a mandate to elect councillors and councillors can win local government elections on the promise that rates are not raised further. Tourism is a political activity (Hall, 1994) and is at the mercy of local politics.

5) Effective tourism planning and destination management requires data, statistics and research at the regional level and more specifically at the TLA level. Currently there is no alignment, geographical or otherwise, for research data between regional councils, 27 RTOs and 74 TLAs. There also seems to be no political will at the moment to rationalise local government structures and RTOs (Colin Drew, personal communication, December 8, 2004).

The New Zealand tourism industry is only halfway through its implementation of the NZTS 2010. Regional destination management, was recognised as one of the major gaps that the tourism industry needed to address, and this topic was put on the table for wide public discussion. Central government’s core tourism policy has been the implementation of the strategy’s recommendations. Central leadership and funding has generated an awareness of the complexities associated with destination management. Nonetheless many of the local level building blocks required to deliver effective regional destination management are absent such as: staffing and financial resources for both TLAs and RTOs; regional statistics and research data; alignment of destination management and destination marketing; positive recognition of tourism by the local community; councils planners understanding and integrating tourism into the wider planning processes and a legislative mandate for tourism in local government legislation. This discussion has presented insights into the structures and processes required for effective destination management at the regional level. Further research is required on what
lobbying, networks and structures are required to integrate tourism policy across local, regional and national levels.
Diagram 10.5: Destination Management: Structures and Processes

- **National Tourism Policy**
- **Regional Destination Management**
- **RTO: Political Management**
  - Local, regional & national
- **Tourism Advocate: Local Government Staff**
- **Local Government National Level support for tourism**
- **Regional Destination Management Team:** Collaborative, Well defined Broad skills, Leadership
- **On-going dialogue**
- **Regional Destination Management**
  - Responsible for DM: Definition; Evaluation and Accountability
  - Tourism integrated into wider planning process
  - Ensure Flexibility: Incremental Planning and Constant Evaluation

**Building Blocks at the Regional Level**

- **High Tourism Profile in the Community**
- **Resources for RTOs-staff and financial to be involved in destination management**
- **Sustainable Tourism Planning Processes integrating: social, cultural, environmental with the economic**
- **Local Government Planners understand tourism**
- **Alignment of Destination Management and Marketing**
- **Legislative Mandate for Tourism**
- **Statistics & Research Data base available at regional level**
- **Resources for Tourism at a Regional and Local Government level: policy, staffing, Infrastructure, marketing**
10.5 Alignment of Destination Marketing and Destination Management

For all the funding that has gone into the NZTS 2010 implementation, a vacuum still remains in trying to align destination marketing and regional destination management. Regional tourism evidence from Australia and the UK (MacIntyre, 2004) indicate that New Zealand is falling behind these countries in achieving this goal. There are a number of institutional structures in New Zealand placing barriers to this alignment. First RTOs identify themselves more as marketing organizations. There was never a consensus that they should be responsible for destination management. The argument provided was that every region is different; with their unique agendas, resources and communities that have to be respected as they are derived from the principles of local democracy (Hindson, J., personal communication, December 14, 2005). Effective tourism marketing, especially in the international arena, for a small long-haul destination like New Zealand, requires a significant amount of resources with central well co-ordinated direction/leadership therefore the current emphasis is on international marketing. With the advent of neo-classical economics influencing public policy, central government has withdrawn from many areas of social life in New Zealand, and associated responsibilities have been devolved to local government. Local government have accepted that while they have the legal mandate to be responsible for destination management, they are disconnected from the marketing function of tourism and RTOs are yet to provide this link. In the absence of radical reform of local government in New Zealand and a restructuring of the New Zealand tourism industry supported by public sector funding, alignment of destination marketing and destination management remains an illusion. Equally local government seems resistant to prescriptive planning frameworks. Further research is required, internationally and in New Zealand at the national and regional level, of the institutional structures that need to be in place to align destination marketing and destination management.

10.6 Conclusion

Chamberlain (1992) claimed that Ph.D. theses have been written about the structural complexities of the fragmented, diverse, unfocused, self-seeking and disorganized New Zealand tourism industry. Chamberlain, being a journalist, did
not reference these theses and they have not been located. This thesis however has examined the history and structural complexities of the New Zealand Tourism industry through the lens of RTOs. Yes, there were and are elements of all the adjectives that Chamberlain used to describe the industry, yet this thesis has also highlighted elements of unity, focus, altruism and organization.

Hall (1994) cited five elements to politics and tourism: the activity of making decisions; various policies and ideologies that influence decisions; who makes the decisions and how representative are they; the processes by and the institutions in which decisions are made and how decisions are implemented and applied. This thesis has addressed these five elements of the political dimensions of tourism pertaining to RTOs and has gone a long way in addressing these elements for the political activities surrounding the NTO and local government and tourism.

Tourism policy decisions are dependent on the knowledge of how such decisions are made in the real world of policy and how they are, in turn, implemented. Yet tourism policy and decision making processes, as evidenced in this thesis, are quite complex and the researcher was required to trail the policy labyrinth (Hall, 1994) to present this case study and draw the conclusions presented in this chapter.

Hall & Kearsley (2001) state that “a full evaluation and public debate on the role of government in tourism in New Zealand remains long overdue” (p.98). This thesis has not comprehensively debated all the issues surrounding government involvement in tourism. A good debate requires two opposing sides. This thesis however, has provided documentary evidence, along with the researcher’s interpretation of the facts, for this debate to commence. However, Kerr (2003) believes “There is a lack of official political interest in conducting research into the politics of tourism….tourism politics evokes few strong feelings amongst established groups or citizens” (p.17). History will determine if a debate will take place in New Zealand and if this thesis makes a contribution to the debate.
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11.1 Introduction

The previous chapter was dedicated to the application of the research findings to industry policy, management and practice. This chapter is conceptual and presents this PhD thesis’s contribution to theory. The research findings of the second and third objectives of the investigation, being the reflection on the research process of a multi-paradigmatic research framework and RTO change and the application of chaos and complexity theory, is the subject matter of this chapter.

The first section of this chapter refers to the third objective of the thesis: An examination of the political process of change in RTOs within the context of chaos and complexity theory. Having completed the historical research of RTOs, complexity theory is revisited to see if it can shed light on the historical-political process impacting on RTOs and their process of change. The introductory chapter stated there would be further reflexivity and reflection of the research process and a re-evaluation of the research premises of a multi-paradigmatic framework at the end of the research process. This reflection established the need to re-evaluate the multi-paradigmatic approach proposed in Chapter Two. The final section, of this chapter, examines literature from other disciplines in order to establish the key characteristics of a multi-paradigmatic research process. The outcome led to a realization that a deeper study of the nature of ontology and epistemology was required so that a multi-paradigmatic approach to RTOs could rest on philosophical foundations.

11.2 Application of the Chaos Theory Paradigm to the examination of change in Regional Tourism Organisations over 25 years

In studying the evolution of regional tourism organisations in New Zealand over twenty five years one can see how the actions of certain individuals, ‘movers and shakers’ can bring about change. RTOs initially began and grew under the Tourism Industry Association (NZTIF) and the New Zealand Tourism and
Publicity Department (NZTP). Then after a few years certain individuals and the RTOs they represented, started to flex their muscles, wanting to make their own way and be more independent which led them to be described as individualistic, territorial and competitive. The CEOs of both TIANZ and the NTO and their respective individual styles have had a profound impact on RTOs over twenty-five years. Both Neil Plimmer (NZTP) and Tony Staniford (NZTIF) had a vision for tourism in New Zealand, this vision would now be called the alignment of destination marketing and destination management. They realised it had to be devolved down to the regions, and hence their strong leadership and support of RTOs. The newly formed NZTB under Ian Kean accommodated RTOs, because they perceived themselves to be replacing the NZTP. Paul Winter when he headed the NZTIA and then the NZTB did not champion RTOs like his predecessors or his successors. Glenys Coughlan CEO of NZTIA, 1996 to 2001, was supportive of RTOs (Davis, P., personal communication December 2, 2005) and because of her RTOs were given a high profile in the NZTS 2010. Since his time as CEO of TNZ, RTOs have perceived George Hickton, as a very effective, astute and strong leader (Osborne, G., personal communication, December 20, 2005). While John Moriarty, CEO of TIANZ from 2001 to 2004, did not give priority to strengthening relationships with RTOs.

Chaos theory takes into account the fact that the whole is greater than the sum of the parts and that systems and organisations are dynamic and complex. Chaos does not imply a complete lack of order. Although each element in the system may seem to act in an independent manner, collectively the entire system functions in an orderly manner as it is governed by a number of underlying principles, leading to spontaneous order. One explanation of this order out of chaos are concepts such as ‘strange attractor’ and feedback loops that keep and maintain the system within a set boundary. In the New Zealand RTO context the Regional Tourism Organisation Network of New Zealand (RTONZ) and Local Government New Zealand (LGNZ) and most importantly funding by the Ministry of Tourism could be called ‘strange attractors’. These strange attractors often lead to a system managing itself, often in an unknowing manner towards a common goal. To date this common goal has been not to lose the regional and parochial identity of RTOs and forestall top down control. However it is difficult to predict
the future position of the system (McKercher, 1999), who knows what will happen in the future if the Ministry of Tourism does not continue to fund the secretariat of RTONZ, if LGNZ places tourism further down the agenda once again and if the key players, the movers and shakers, move on.

Another manifestation of chaos and complexity in RTOs and their process of change is the manifestation of the butterfly effect. The CEO of the Tourism Industry Association of New Zealand in the late 1990s took the initiative to provide leadership and direction for the entire industry. She herself said that she did not foresee all the ramifications this initiative would have, especially the process of study and change referred to RTOs. The new Ministry of Tourism under the new Labour government in 1999 could be likened to a bifurcation in the complex system which supported the initiatives of the CEO and sponsored and supported the release of the New Zealand Tourism Strategy 2010 which has at least forced the study and analysis of the role of RTOs. Feedback loops, which to date have kept the nature and the functions of RTOs within the same boundaries for 25 years, have manifested in the consultative process that is taking place with all twenty nine RTOs in New Zealand. This consultative process has been funded by the Ministry of Tourism. To date this process seems to be leading to some change but not the radical change of new and fewer RTOs recommended in the 2010 Strategy.

Hence, to return to the question at the beginning of this chapter –has an understanding of complexity theory helped to shed light on the historical-political process impacting on RTOs and their change? The brief history of the regional tourism organizations in New Zealand identifies periods of changes of direction, strange attractors, non-linear and dynamic changes, constraints from system imposed boundaries that arise due to structural features such as government, tourism flows, parochialism, exogenous shocks to tourist flows, and continuing problems related to funding and tensions in roles. The author was drawn to complexity theory in an attempt to discern underlying principles in a convoluted history of RTOs. The conclusion finally drawn is that the concepts aid by providing a language that helps identify components of a social system. Small structural changes with possibly unintended consequences are looked for; the
sources of feedback mechanisms that act as constraints and impose boundaries to change are also sought. The trigger points that signal the end of periods of uncertainty and the re-emergence of a previous order are likewise identified. Just as the work of primarily European thinkers signaled a new gaze and thus language to interpret tourism through post-modernistic thought, so too the language of complexity shapes a different means of viewing change. Complexity theory does not replace previous modes of thought, but complements those ways of analysis. Indeed, inherent in a complex systems lies the notion that truly complex social phenomena are equally capable of displaying simultaneously the linear, the structures of change and symbolic meaning – all of which reinforce and complement each other.

11.3 Reflection on the Multi-paradigmatic Framework

Qualitative research is becoming more widely acknowledged, yet there is still hesitation in adopting, accepting and, more specifically, in developing the understanding of the philosophical and theoretical processes that underpin knowledge production (Phillimore & Goodson, 2004). As the nature of this investigation was highly social, interactive and political, no one paradigm was able to capture all the dimensions of the phenomena investigated. Therefore a multi-paradigmatic (Zahra, 2003) and bricoleur methodology (Denzin & Lincoln, 1994; Hollinshead, 1996) was adopted. Some may be sceptical about this multi-paradigmatic approach in analysing and reflecting on regional tourism organisations, but as Zahra and Ryan (2005) explain:

Some fellow researchers may find this approach of mixing paradigms and just taking what you need from each problematic. As one academic, who was interested and intrigued by this approach, stated: ‘One needs to be careful; it can be dangerous putting red-coloured glasses on, then putting green-coloured glasses on top and then blue-coloured glasses on top again’, implying that it can be very confusing to mix paradigms. This paper will conclude with the same reply, using the metaphor that the colours of the rainbow are mere prisms of light. What happens when you put all the colours of the rainbow together? Light! Is not shedding light the purpose of our research investigations? (p.19)
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The appendix entitled: Personal Reflections on the Research Process reflexively describes the paradigm journey that led to the adoption of a multi-paradigmatic approach to inform the thesis. This reflexive process at the end of this thesis led the researcher to conclude that the process was still incomplete and further investigation was required of the ontological and epistemological foundations of multi-paradigmatic framework. The researcher in a Ph.D thesis can “indulge in what must admittedly be recognised as the longer reflective and necessarily deeper reflexive effort that the logic of qualitative methodologies is inclined to demand” (Hollinshead, 2004, p. 67).

The re-evaluation of the ‘multi-paradigmatic’ will commence with an examination of authors who have used the multi-paradigmatic approach in order to understand why they used this approach. A multi-paradigmatic framework has not been a common feature in tourism literature; hence the need to research other disciplines arose. A multi-paradigmatic research approach was used in a range of social science disciplines: economics, accounting, communications, business ethics, social work, psychology and a number that can be grouped together and labelled management. It appears the need for a multi-paradigmatic framework is more evident in the social sciences than the humanities. One reason perhaps is that the social sciences are anchored in particular realities. They observe, apprehend and then abstract to try and reach a universal, otherwise known as induction, while the humanities in the twentieth century are situated in the realm of ideas, idealism or immanentism (Mattessich, 2003). This section briefly discusses the contexts in which a multi-paradigmatic framework was used and why, and tries to identify themes or modus operandi similar to the research investigation of RTOs.

The multi-paradigmatic papers in the economics field (Knoedler & Underwood, 2003; Underwood, 2004) examine how economics was being taught at undergraduate levels in reaction to falling enrolments. They reject the positive-normative dichotomy and suggest a need to broaden the economic principles taught, beyond the neoclassical tradition and present multiple paradigms -such as Keynesian, positivism and Marxism- as explanatory vehicles of economic behaviour. Students need to be taught the evolution of economic thinking as “seen
through a multi-paradigmatic lens” (Knoedler & Underwood, 2003, p. 704), as they need to be exposed to the nexus of ‘values leading to vision, which leads to analysis, which leads to policy’. Knoedler & Underwood (2003) quote Schumpeter (1949) for an explanation of the different perspectives: “Ideologies are not simply lies; they are truthful statements about what a man thinks he sees” (p. 704 in Knoedler & Underwood, 2003). Economic courses should be imparting tools needed to develop critical thinking, including the following criteria: realistic assumptions, predictive theories, logical consistency of theories, exploratory power of theories and evidence to help students in the future make judgments in the context of uncertainty. Economics sacrifices two of these criteria: realistic assumptions and a totality of empirical evidence in favour of predictive power and logical consistency. Disciplines like sociology and anthropology place more weight on the reality of the assumptions than on theoretical rigour. What are the main ideas and concepts that the tourism researcher can take away to help resolve her current dilemma? First, the need to delve into what is meant by realistic assumptions, theories and evidence grounded in reality. Second, ideologies/paradigms (Schumpeter (1949) was before Kuhn’s (1970) paradigms) and what is meant by perspectives of truth may need to be explored further.

Payne (1996) identifies a need for the faculty of business colleges and management schools to examine the philosophical and knowledge construction assumptions underpinning their education planning and instruction choices. He recognises that “there are challenges too, in trying to apply multi-paradigmatic knowledge assumptions” (p. 25), as opponents believe the alternative paradigms and their research assumptions are incommensurate. It can also be difficult to get faculty informed by the different paradigms to dialogue, and this may require sensitivity and an ability to draw together the range of insights and applications of the common phenomena being investigated. Netting and O’Conner (2005), in promoting a multi-paradigmatic approach to teaching social work organisation practice, seemed to spark tension amongst faculty members. Why so? Are academic staff’s research foundations so tenuous they do not endure when confronted by a different perspective? If fundamental questions cannot be asked of academics, then of whom can they be asked?
Kamoche (1991) analyses human resources management (HRM) from a range of multi-paradigmatic ‘lenses’. He argues that the predominant functionalist perspective is just one of a number of approaches in understanding social phenomena. There is a danger of adopting a one-dimensional view of theory and practice of HRM and of ignoring insights from other perspectives:

This follows from the supposition that the formation and interpretation of views from the investigation of social phenomena is predicated on the perspective that the theorist or social scientist adopts, which in turn is underwritten by various fundamental assumptions about the nature of the phenomena being investigated (p. 3).

A multi-paradigmatic approach can lead to a conceptual clarity that can have more relevance to practice and reality. This paper also alludes to the one-dimensional vs. the multi-dimensional, and the examination of reality and fundamental assumptions. In their search for a framework for accounting research, Searcy and Mentzer (2003) talk about a multidisciplinary approach utilising the strengths from different paradigms to investigate the phenomenon, since researchers should be aiming to give a complete explanation of the phenomenon. “This involves attempting to understand the actors, behaviours and contexts of the phenomenon and the interactions of those factors that cause the phenomenon to occur” (p.151).

D’Angelo (2002) contends that communications researchers should adopt a multi-paradigmatic approach to enable complex processes to be brought to light. He uses three paradigms to “examine the interaction of media frames and individual or social level reality” (p. 870). Researchers should study phenomena using many different theories. He also emphasises that “communication’s integrationist mission is well served by the theoretical and paradigmatic diversity” (p. 871), which is similar to tourism’s integrationist task. There is a common theme with the research investigation of RTOs: using the multi-paradigmatic approach to capture complexity and the relationship of the research to reality (both individual and social).
A multi-paradigmatic approach for psychology is suggested by Sternberg and Grigorenko (2001) to overcome diversity and disunity.

The history of psychology may be viewed as a history of a sequence of failed paradigms. The paradigms failed not because they were wrong – paradigms are not right or wrong (Kuhn, 1970) - but rather because they provided only incomplete perspectives on the problems to which they were applied (p.1075).

They argue that ‘isms’ (behaviourism, cognitivism, psychoanalysis) come and go; some synthesize the best of the previous ones, most just replace the previous ‘ism’. With no reference to learning from the past, the new one will also be a passing fad. The focus should be on the phenomena rather than on one paradigm, as this then frees the researcher to allow the phenomena to be informed by a number of perspectives/paradigms. Is this the same trap that tourism researchers are falling into? The disillusionment of ‘isms’ coming and going and then being confronted by incomplete perspectives are what led this novice researcher to start delving deeper into the research process and questioning the limitations that were appearing.

It is interesting to note that all the authors of these multi-paradigmatic papers are North American-based and not European. This researcher has always judged Europeans to be more philosophical and North Americans to be more pragmatic. Perhaps a multi-paradigmatic approach is pragmatic. Researchers turned to a multi-paradigmatic framework when they wanted to capture more than one dimension of the phenomena; were seeking theories and evidence grounded in reality; were grappling with complexity; and were in search of a complete explanation that was relevant to practice and reality. These concepts and others can be captured in a simple input-output model describing the multi-paradigmatic research process, represented in Diagram 11.1: The multi-paradigmatic research process. This model seems to raise as many questions as it solves. Right through the process two notions are present -reality and perspectives of truth and knowledge- which can be linked to the ontological and epistemological foundations of the research process, which is where this investigation started. Is
the researcher unleashing an iterated reflexive process that in the end is leading nowhere? Or is a pragmatic multi-paradigmatic social science research process guiding the researcher to foundational philosophical ontological and epistemological questions that need to be answered?

**Diagram 11.1: The multi-paradigmatic research process**

Inputs
- Examine research foundations
- Realistic assumptions
- Focus on the phenomena
- Theories and evidence grounded in reality: individual and social

Research Process
- Complex
- Understand actor’s behaviours, interactions and contexts
- Multi-dimensional
- Perspectives of truth

Outputs
- Conceptual clarity
- Relevance to practice and reality
- Complete explanations
- Reflects the dynamic and the complex

**11.4 Ontology and Epistemology Revisited**

Goodson and Phillimore (2004) state that tourism researchers have been slow to address and raise to the forefront of tourism discourse the underlying ontological and epistemological issues related to their research. The research methodology chapter of this thesis on RTOs studied various paradigms and dialogued with their ontological aspects, epistemological elements, assumptions about human nature, axiology and their associated methodological research approach (Zahra, 2003). To avoid an iterated reflexive route that leads back to the issues already discussed, an attempt will be made to examine ontology and epistemology devoid of paradigms, but rather relying on a history of philosophy. This section commences with a similar dialogue about ontology and then re-examines epistemology. It then tries to align the ontological concerns of ‘being’ with epistemological concerns of ‘knowing’ (Hollinshead, 2004).

**11.4.1 Ontology**

Ontology is the study of being and raises questions about the nature of reality and the nature of social reality. Hollinshead (2004) warns the researcher to be “reality aware” (p.64) and “to map out the profile of competing measures of reality”
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(p.72). He defines ontology as “the nature of reality in terms of concerns of ‘being’, ‘becoming’ and ‘meaning’” (p. 75) but he does not explain what he means by being, becoming and meaning. Humberstone (2004) states:

Ontology has been described as ‘a theory which claims to describe what the world is like – in a fundamental, foundational sense – for authentic knowledge of it to be possible’ (Barnes and Gregory (1997)…It can be understood as the assumptions about the nature of reality. At a taken-for-granted, lived experience level of individual authenticity, it is a state of being (p. 122).

Like Hollinshead, she does not explain what is meant by ‘a state of being’. Both Hollinshead (2004) and Humberstone (2004) acknowledge reality can be discovered even if they cannot explain it. Others, such as Connell and Nord (1996), dismiss any dialogue about reality as useless: “We did not know how to discover a correct position on the existence of, let alone the nature of, reality” (p. 408), rendering moot any debate in the social sciences between the ‘objectivists’ and ‘subjectivists’. Reality is an important premise for a multi-paradigmatic framework and cannot be dismissed. This section will analyse the nature of reality. The discussion will draw a distinction between object and subject. Realism holds the position that objects in the world exist and have many of the properties they do, independently of what anyone thinks (Greco, 1995). McGuire and Tuchanska (2000) clarify this further and relate the ontological to the metaphysical, and state that ontological realism maintains a commitment to types of objects and to their independence from mental states and beliefs. The concept *metaphysical* is another notion that needs to be explained, along with being, becoming and meaning. There is still however a missing link in the puzzle: what is the link between ontological realism and critical realists who accept the notion of social reality? The role of the critical realist is to dig deep into the ontological depths of social reality to discover causal laws/explanations which are independent of the events that arise from them (Botterill, 2001). Can social reality be treated as an object independent of mental constructs? The answer to this question is important for tourism research and, more specifically, a multi-paradigmatic approach to tourism research.
Katz (1998) states that a realist singles out not only objects but abstract objects, and he draws a distinction between general realism and particular realisms, such as linguistic realism and mathematical realism. General realism is a view of ontology (metaphysics). A particular realism is in the domain of formal sciences and deals with one or more abstract objects of a particular kind (the kinds of structure that abstract objects have). Katz draws a further distinction between the pure sciences and their concerns with abstract objects and the applied sciences and their concern with concrete objects. Now we have not only objects, but abstract and concrete objects independent of the human mind (McGuire & Tuchanska, 2000), but how do they relate to social reality?

Mattessich (2003), an accounting researcher in the applied sciences, presents the onion model of reality or layers of reality. The use of “this metaphor is to facilitate a better understanding of the notion of reality as well as of the nature of conceptual and linguistic representation in relation to common sense notions and scientific perceptions” (p.446). This model regards layers of reality as dependent on and inclusive of each other. The model draws a distinction between ultimate reality, the foundation of all the other layers and the subject of metaphysical speculation, and realities of a higher order. The realities of a higher order can be broken down into the following (though they can have many sub layers in between):

1) Physical-chemical reality
2) Biological reality
3) Mental reality (of humans). Mental activity characterised by psychological and quasi-mental phenomena, such as preferences, intentions, pleasure and pain. There is a “distinction between the ‘conceptual vs the real’ with that between the ‘mental vs the physical’ (Mattessich, 2003, p. 477). The mental feels pain, is affected by emotions and possesses biological-psychic reality. The conceptual is a representation of physical, social and other realities. Conceptual representation is only part of the mental activity. A distinction is drawn between reality and perception or representation of reality. An essential characteristic of the human mind is abstraction via the senses, such as grasping what Katz (1998) calls abstract objects. The final
product of abstraction is the ‘concept’. Concepts are immaterial. Abstraction or conceptualisation can be seen as another sub layer.

4) Social reality. Humans generating social properties, such as economic, legal, moral etc. Economic and legal relations of a tourism operator are as empirically real as an atom on the physical level or pain on the mental level. These higher realities envelop all preceding realities, as well as ultimate reality. Even though one layer emerges out of the preceding layer, “this does not imply that any layer or entity in that layer can be ‘reduced’ to a preceding layer” (Mattessich, 2003, p. 448).

Hacking (1999) distinguishes physical-chemical reality and biological reality from social reality. The physical and biological reality is independent of all human minds and representation. Social reality is only independent of some minds -those not connected in the creation of the specific social reality under consideration. This is why RTOs , the tourism industry, actors and events are real and independent of the researcher. Searle (1995) concludes that “the ontological subjectivity of socially constructed reality requires an ontologically objective reality out of which it is constructed” (p.191). In the tourism context, regional tourism organisations have socially constructed that their primary function is to be a marketing organisation. This researcher would call them (construct them as) a promotional organisation, as they do not have total control over the product as marketers do. On the other hand, the Tourism Strategy Group, in the New Zealand Tourism Strategy 2010, socially constructed them as destination management organisations responsible for sustainable tourism planning, as well as being responsible for marketing. All this social construction of a RTO as a destination marketing or destination management organisation presupposes a tourism product to be marketed: bungy jumping; trout fishing; Milford Sound; paper that is to be used to for a promotion brochure; land and waterways etc., which are ontological objective realities.

The discussion to this point has focused on the nature of reality. Ultimate reality or metaphysics has been circumvented along with being, becoming and meaning. Being is a metaphysical concept and can be traced back to Aristotle (Yarza, 1994). Aristotle points out that the most basic feature of all things is that they are: being
is the most universal aspect of real things. Metaphysics studies the nature of being as such, the properties that flow from it, and the different modalities of being (potential and actual being, being in itself and being in another (Ross, 1995)). The first principle of metaphysics is the principle of non-contradiction: “It can be described as the law of being, for all individual beings are some kind of beings, and cannot be at the same time other than what they are” (Yarza, 1994, p. 145).

The principle of non-contradiction applies to all reality. For Aristotle the concept of being is analogical and has different meanings. The term ‘being’ is applied to all things, but it is said of them neither in exactly the same way (univocally) nor in a completely different way (equivocally). Between univocity and equivocity, an intermediate position exists: analogy. Analogy allows a concept to have different meanings, all of which retain something in common.

Hollinshead’s (2004) ‘being’ and ‘meaning’ have been addressed, only leaving ‘becoming’. Becoming is related to modalities of being –that of being-in-act and being-in-potency. Potential being is a reality that has yet to be affirmed. A child is potentially an adult. This change is passing from potency to act, or becoming.

11.4.2 Epistemology
Qualitative research in tourism does not simply encompass qualitative methods. Fundamentally, it is a way of conceptualising and approaching tourism research questions in a social context (Phillimore & Goodson, 2004). The fundamental philosophical issues -ontology and epistemology -are of greater importance in shaping a research investigation (Phillimore & Goodson, 2004). The ontological challenge has been addressed. This leaves epistemology to be revisited.

Epistemology is that part of philosophy which studies the nature, structure, value, transcendence and limits of human knowledge. Phillimore and Goodson (2004), through the chapter title and manner of structuring their edited book chapters, imply that epistemology precedes ontology. Botterill (2001) wants to see an intensive engagement with epistemology in more tourism research. In this thesis, it is argued that researchers need to engage not only in epistemology but also ontology. Perhaps Botterill (2001), like other constructivists (he was a constructivist before he was a critical realist), draws no distinction between ontology and epistemology due to the ontological-epistemological collapse (Lincoln & Guba, 2000; Shrivastava & Kale, 2003). This collapse is due to taking
an *a priori* system of knowing, rather than the research phenomena and the associated layers of reality, as the starting point.

If epistemology is the nature, structure, value, transcendence and limits of human knowledge (Llano, 2001), what does this mean, for our understanding of tourism generally and the research investigation of RTOs specifically? Tribe (2004), states that there is no universal epistemology, as knowledge is conditioned by individuals, culture and society and therefore knowledge cannot be claimed to be an objective account of the world. He makes this claim based on sociology. This thesis examines knowledge in light of Aristotelian philosophy. Metaphysics begins with being, which is previous and anterior to knowledge itself. Reality, then, (and all its layers) is the source of knowledge. Therefore, in adopting a multi-paradigmatic approach to tourism phenomenon, in which one is trying to capture a range of dimensions/perspectives, one needs to start with the nature of the reality and being followed by reflection on how one is going to know about this being. Why is a multi-paradigmatic approach being adopted for a study of RTOs? In order to avoid what Kuhn (1970) noted as “a strenuous and devoted attempt to force nature into conceptual boxes” (p. 52, in Tribe, 2004). These conceptual boxes are *a priori* subjective knowledge; if the nature of the reality does “not fit into the box [they] often are not seen at all” (p. 52, in Tribe, 2004). Tribe (2004) raises an interesting argument: that paradigms define the boundaries of accepted methods and knowledge for disciplines, due to their common rules. Tourism is not a discipline and does not have an agreed set of rules and therefore can be called pre-paradigmatic. Tribe is identifying the dilemma of tourism phenomena when confronted with paradigms. The case being argued in this thesis is that tourism is not pre-paradigmatic but rather multi-paradigmatic, since tourism “does not occur in isolation from wider trends in the social sciences and academic discourse, or of the society which we are part” (Hall, 2004, p. 140). A multi-paradigmatic approach, however, rests on ultimate reality (metaphysics), which informs the ontology, which in turn informs the epistemology, which in turn informs the multi-paradigmatic approach to the research investigation, reflected in the model in Diagram 11.2: The ontological and epistemological foundations of a multi-paradigmatic framework.
The question yet to be answered is: How do we know? Aristotle said the beginning of philosophy is to wonder (Ross, 1995). Wonder is what sets the researcher (scientist or social scientist) to ask what, where, how and why? Aristotle’s starting point was being, but he made a distinction between real being and being known by the human mind (Yarza, 1994). Aristotle began with sensible reality, not with a priori knowledge or universal ideas. We know through the senses, concrete singular things or sensible reality, and from those we abstract concepts. Concepts are formed through abstraction, which can lead to principles being formed through induction from particular phenomena. This process can lead to the whole being grasped, which is greater than the parts. This is how we can know and grasp the complex, the dynamic and the multi-dimensional. Aristotle begins with sensations, then memories and images and finally ends in the formation of propositions. Aristotle does not describe this as a reasoning process or experimentation in the modern sense of the word. It is intellectual ‘intuition’ which is the result of complex and repeated processes of experience involving the senses (internal and external), cognitive processes and the intellectual faculties of the human person (Alder, 1980).

The next question is: What can we know? We can know being or reality, including social reality. Aristotle said we should not seek the same degree of certainty in everything (Alder, 1980). The physical sciences are more certain than the social sciences. Human affairs are not subject to physical necessity, but free rational (sometimes ‘irrational’) actions. Limitations to knowledge arise when certainty cannot be achieved. “Opinion is –of itself- an estimation of the contingent: i.e. of that which could either be or not be. Since not everything is contingent, not everything is a matter of opinion” (Llano, 2001, p. 52). Certainty, uncertainty and opinion can fuse right through the research process of RTOs. Some historical facts and documents are certain, recollections of events can be uncertain and interpretation can be challenged as opinion. This researcher has had to acknowledge this in a multi-paradigmatic framework.
Diagram 11.2: The ontological and epistemological foundations of the multi-paradigmatic framework

- positivism
- marxism
- phenomenology
- existentialism
- structuralism
- postmodernism

Kuhn (1970) Paradigms

Tourism Phenomena
- Critical Theory
- Constructivist
- Post-positivist
- Chaos & Complexity
- Interpretive
- Postmodernism
- Postivism

Researcher

Multi-paradigmatic

Epistemology
- Ontology
- Metaphysics
The final element of epistemology to be addressed is the truth-value of knowledge. “Truths discovered by science have a corresponding truth-value in reality” (Botterill, 2001, p. 204), which is a major point of dispute in contemporary social science. Yet, “dating to Aristotle, scholars in every discipline have diligently sought ‘the truth’” (Smith, 2004, p. xv). What then is truth? Being is not truth, since truth or falsity exists in human judgement not in things (Copleston, 1985). A distinction can be made between real being (in the nature of things) and being in truth, which happens in the mind when it judges things. Aristotle explained the process of understanding to be apprehension, followed by judgement. The act of simple apprehension singles out, separates and divides, as things come in many forms. They are grasped, however, as a unity of many elements in a single act of understanding, albeit a complex act. Judgement is the part of understanding that reintegrates forms to restore the dynamic unity of natural things (Alder, 1980). Simple apprehension is true or it is not simple apprehension. Judgement is true or false depending on whether it agrees with being in reality. Many of the paradigms used in the multi-paradigmatic framework are based on a representationist epistemology, which reduces the known, to representation – being in the mind (Llano, 2001). For the representationists, real being found in the nature of things is secondary to being in truth and therefore mental being takes precedence. It takes precedence in some dimensions of this research investigation, the researchers’ judgements and interpretation documents, interviews and events. Despite that, this thesis argues for and tries to justify the use of a diverse range of paradigms and concludes that a multi-paradigmatic framework needs to rest on Aristotelian epistemology, if it is going to be able to accommodate diverse paradigms, accommodating both real being and mental being in preference to representationist epistemology. A multi-paradigmatic framework recognises that being of truth is one of the meanings of being, but it cannot recognize it as the only meaning. An Aristotelian epistemology proceeds from an ontology of multiple layers of being (refer to diagram 11.2: The ontological and epistemological foundations of a multi-paradigmatic framework). “Human knowledge is only part of reality, and reality is neither a part, nor the whole, of human knowledge” (Putnam, 1975, p. 273).
11.5 Conclusion

It was easy to criticise and see the limitations of the paradigms and conclude that no one research methodology and paradigm could provide all the answers, which is why a multi-paradigmatic approach was adopted. However, during moments of reflexivity when one was writing these chapters and winding in and out of paradigms, misgivings and apprehension arose. Paradigms provide common rules and define boundaries. The doubts did not arise while collecting the data, examining historical and contemporary documents or during interviews but rather the multi-paradigmatic insecurity arose during the analysis and interpretation. This required more reflection and reflexivity in an attempt to resolve these doubts. It became clear that a multi-paradigmatic approach to RTOs needed to rest on a logical philosophical base. The philosophical reflexivity has come at the end of this thesis and had little bearing on how the data was collected but it has strengthened its interpretation, the conclusions and produced a multi-paradigmatic model that has filled a gap in knowledge and contributed to tourism research.

Kuhn’s (1970) paradigms were a scientific revolution. He opened the doors to inter-paradigmatic dialogue, not that he foresaw this outcome. This led to the mixing of paradigms (Lincoln & Guba, 2000). However, for a multi-paradigmatic framework to be able to inform a research investigation, it needs to rest on the building blocks found in Diagram 11.2: The ontological and epistemological foundations of a multi-paradigmatic framework. Metaphysics, is the foundation of an ontology based on the premise of existing layers of reality, which supports an epistemology that encompasses both real being and mental being. The following quote summarises the last part of the journey:

Philosophy addresses ontological and epistemological questions in the foundations of the sciences and the foundations of the foundations of the sciences that the sciences themselves do not address. The relation between philosophy and the sciences has both a vertical dimension on which philosophy attempts to understand the nature of the sciences and a horizontal dimension on which it attempts to understand aspects of the same reality studied in the sciences. Such knowledge is not the product of successful encounters with the skeptic. It is the product of the continuing

Two concluding reflections: One explanation of all the ‘isms’ of modern philosophy (shown in Diagram 11.2: The ontological and epistemological foundations of a multi-paradigmatic framework) was that ‘Descartes’ rationalistic emphasis on thought was so overpowering that in his ontology, the mind became a reality quite separate from (yet mysteriously connected to) the other reality matter. And this duality haunts philosophy to this very day” (Mattessich, 2003, p.444). Secondly, Botterill (2001) says that tourism has to find different ways of justifying its status as a knowledge system and needs to “act as a mediating discourse between ‘expert knowledge’ and a wider society” (p.212). Tourism research offers an ontological sphere in which the epistemological dispute in the social sciences can be more satisfactorily resolved (Botterill, 2001). It is hoped that this research investigation has contributed to bridging the gaps in this dispute.
Appendix Personal Reflections on the Research Process

Tourism researchers are being called to reflect on the research process and not just take paradigms and research methodology tools as a given (Hall, 2004; Hollinshead, 2004; Phillimore & Goodson, 2004). What follows is a reflexive monologue on the problematic search for the paradigm and research methodology that would fit the phenomena that I was facing. This piece of reflexive writing has been delegated to an appendix following the advice of my PhD supervisor “I would place this as an addendum if you wish to incorporate it in the thesis. Avoid ‘self-indulgence’ in the main text of the thesis!!!” These are very confusing signals for an emerging researcher: ‘bring on the reflexivity’ but keep your writing scientific and sanitised. Mind you the following piece of writing has been ‘edited’. This reflective process and the consequential conclusions relating to the ontology and methodology of a multi-paradigmatic research framework in the final chapter were submitted as a refereed conference paper to Cauthe 2006. I showed the paper to a senior colleague who is a qualitative researcher and she said the reflective section was too colloquial and that I needed to tighten it up, which I proceeded to do. However, this was still not good enough, one reviewer, who received the paper positively, made the following comment ‘The style is a little too chatty and seemed slightly too informal at times and interrupted the academic nature of the paper’. So my original reflexive piece of writing was further edited and I removed sentences like:

It was hoped that all this hard work -days and weeks buried in Wellington fossicking through archived documents, hours spent travelling around the country interviewing people, followed by the laborious task of transcribing the interviews and writing up histories- had some purpose and application to the industry

And replaced them with: ‘It was hoped that the data collection and analysis had some purpose and application to the industry’. So here is my edited reflection. This PhD has been like a journey. Four years ago the researcher was trying to establish what paradigm was going to best inform this research phenomenon. A
lot of reading was done but it was thought no paradigm seemed to fit this particular research question/statement. Positivism was perceived as too reductionist and simplistic and did not capture all the dimensions, especially the historical and political dimensions. The interpretive paradigm was too subjective. Obviously there were going to be subjective elements, especially in what the researcher chose to pursue, overlook or not deem important. The topic, nevertheless, was still an industry-relevant topic; the historical analysis relied on activities, actions and documents independent of the researcher. One of the objectives of the research was to document the 25-year history of the New Zealand tourism industry through the lens of regional tourism organisations. It was hoped that the data collection and analysis had some purpose and application to the industry. It was also hoped that there would be truth, validity and relevance to the industry, and other academic researchers. If everything was subjective and just the researcher’s view, what was the purpose of the exercise? No, the interpretive paradigm did not totally fit the perceived nature of the task.

In the initial discussions with the industry, RTOs, CEOs and other academics, it became apparent that this PhD thesis was going to have some political elements (Ryan & Zahra, 2004). In a brief and fleeting fancy, one did contemplate that perhaps RTOs were an oppressed minority and the role of the researcher was to bring about change, as evidenced by the title of the thesis. Delving a bit deeper, the researcher observed that RTOs were not outside the power structures of the New Zealand tourism industry; on the contrary they were well entrenched, well connected and successfully driving their own agenda. Indeed, the researcher was not in a position to pick up the cause on behalf of the RTOs, as neither the researcher nor this PhD thesis were perceived to be of any direct relevance or benefit to RTOs. One driver of the agenda commented to the researcher, ‘What is the use of history in addressing our current problems?’ The RTOs were self-sufficient and content to control their own destiny especially with the Ministry of Tourism in 2002, providing funding and consultants delivering reports on their terms, in short turnaround periods. A fledgling academic was definitely considered an outsider, and they were not interested in her championing their cause. Yet the critical theory paradigm could not be dismissed, as politics, power, obvious agendas and hidden agendas were continually being woven in and out of
the phenomena being observed and studied. Nonetheless, further reflection left this researcher unconvinced that the critical theory paradigm should singularly direct the investigation.

The researcher was running out of paradigms. She was prejudiced against postmodernism. She considered herself a realist. Postmodernism seemed too transitional and fluid, with everything reduced to discourses. Foucault did not seem to have significant relevance to tourism, yet he had prestige. Postmodernism expounded that there is no truth except the truth of postmodernism and the truth of multiple truths. Putting prejudices aside, this researcher could not escape postmodernism, especially with a supervisor who is quite eclectic in his paradigms and research methodologies, having undertaken research informed by all the paradigms, including the feminist paradigm, even though he is male (which is not a multiple reality). Nevertheless, his eclecticism is coloured by postmodernism. So she started to dialogue with context, signs, representations, meaning and the researcher as actor. The thesis was descriptive, not abstract. Reciprocity was a feature; the researcher handed out her chapters to any of the interviewees who wanted to read them. The researcher was reflexive about the research process, reflected on the situatedness of self, and the situatedness of the participants. The research process was reflexive, and more specifically, this reflection on postmodernism is reflexive. So the researcher came to terms with the notion that postmodernism was informing her research. But the historical investigation was not framed as postmodernist dialogue. It was storytelling, delivered in an objective way. The world of regional tourism organisations and associated historical records were surveyed, not engaged with. The historical knowledge imparted could not be reduced to the mental representations of the researcher’s mind without any bearing to the external world: the tourism industry in New Zealand from 1980 to 2005. Postmodernism was not going to totally underpin the research topic, drive the methodology and the methods of data collection; however, postmodernism was relevant and could partly inform the research investigation. This researcher continued to search for the right paradigm ‘suit’.
Appendix - Personal Reflections on the Research Process

Postmodernism opened the door to complexity, unpredictability, chaos and a social world of no fixed patterns. The researcher thought she had finally arrived; a paradigm that could fit in with the phenomena. The chaos and complexity paradigm views reality as having an objective basis, outside the human mind. It draws a distinction between the researcher and the phenomena being investigated. However, unlike positivism, human beings have free will and their actions are not always predictable. At last, a paradigm that adopts a holistic, evolutionary systems approach to tourism phenomena that can account for dynamic change, the impact of politics, egotistical behaviour, the irrational and the complex. The qualitative metaphorical approach to chaos and complexity was preferred to the quantitative applications of chaos and complexity theory, since the quantitative models assumed deterministic behaviour. The researcher set off to collect the historical and contemporary data and started looking for feedback loops, butterfly effects, patterns of bifurcations, strange attractors and non-linear relationships (Zahra, 2004). It was all great and metaphorical, but did it mean anything? How much did this really contribute to industry knowledge? It seemed like a good academic exercise that might get published, but what is the relevance to the tourism industry? Once again, another paradigm that helped, informed and provided insights but left the researcher grappling, and still searching for something that could provide all the answers she was looking for.

All the major paradigms were relevant but incomplete and therefore one would assume that a multi-paradigmatic approach would allow all the paradigms to inform the research. The researcher could look at the components of the phenomena from the perspective of different paradigms so the whole could be captured. All the above paradigms have informed the research investigation. Yet there is still a sense of dissatisfaction. As the researcher approached the end of the research process something was lacking. This restlessness led the researcher to think she should revisit Kuhn’s (1970) notion of a paradigm being a model “to summarise or collect a range of often-conflicting philosophical and methodological ideologies” (Zahra & Ryan, 2005b, p. 5) and the multi-paradigmatic approach.
This thesis has been a chance to reflect on the research process. The last philosophical part has not been easy. The researcher was not given a foundation in philosophy by the Australian, more specifically New South Wales, secondary education system nor by commerce undergraduate and postgraduate degrees at the University of New South Wales. Being confronted with metaphysics, ontology and epistemology has been a challenge. The call is being made for tourism researchers to address the philosophical foundations of their research, but are education systems, specifically postgraduate, equipping them to do this?
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