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**TOURISM POLICY AND THE CONSERVATION ESTATE:  
A TRAGEDY OF THE COMMONS?**

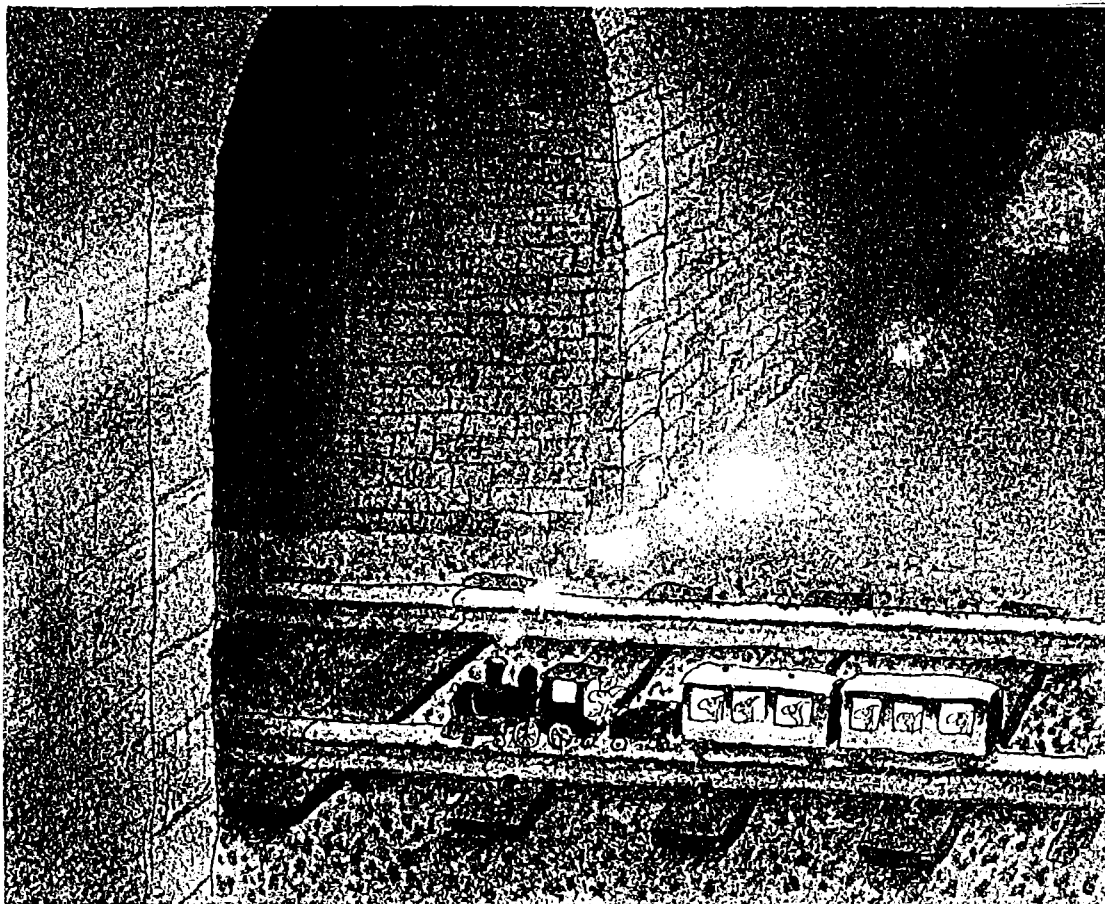
Presented in partial fulfilment of the requirements for the  
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by  
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*Every journey conceals another journey within its lines: the road not taken and the forgotten angle.*

*Jeanette Winterson*



## **ABSTRACT**

New Zealand's conservation estate is in danger of becoming congested and degraded by increasing tourist numbers. The increased pressure from tourists is directly related to the New Zealand Tourism Board's objective of "Three Million Tourists by the Year 2000". World wide, recognition is being given to the need for sustainable tourism management in order to protect the resources that initially attract tourists. Sustainably managed tourism development is not guaranteed under the consents system of the Resource Management Act (1991), therefore alternative methods of ensure this objective need to be explored. Tourism Planning and Public Choice Theory are used to examine the government institutions involved in tourism policy formulation. These two theories provide similar definitions of the problem, but offer different solutions. Tourism Planning analysis proposes a top-down implementation of a National Tourism Strategy and government initiated planning for tourism. Public Choice analysis suggests managing the conservation estate as a "common" and posits a re-definition of property rights and mediated agreements as a means of achieving sustainable management.

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# **Chapter One: Introduction**

## **1.0 General Introduction**

The effects of tourism growth on the natural environment has been a cause of concern in many countries around the world. Haphazard development, and scant consideration of the wider implications of tourism, has resulted in lasting and often irrevocable damage to the natural environment.

This study examines central government organisations that influence the use of the conservation estate as part of tourism infrastructure. It questions the appropriateness of New Zealand's current tourism policy as it affects the conservation estate.

New Zealand has a history of government involvement in tourism that dates back to the turn of the century. Such involvement is consistent with the workings of a welfare state, and is also usual for a country in the early stages of tourism development. Government provides the initial superstructure and infrastructure for tourism to assist the establishment of a tourism trade - private investment then takes over this role from government (Murphy,1985, Inskeep,1991).

The 1984 election of the fourth labour government brought a change in economic style from interventionist to laissez faire. The new economic philosophy emphasised the withdrawal of government from areas of involvement that could be provided for by the private sector. However, this change had little effect on government involvement in tourism until 1989.

Government withdrew from the provision of amenities and assets, but continued to support tourism marketing through the New Zealand Tourism Board (NZTB), created in 1991 (O'Fallon,1994:223-6). The NZTB currently has an aggressive international marketing strategy aimed at attracting three million tourists to New Zealand by the year 2000 (NZTB,1993b:4). Marketing by the Board emphasises access to New Zealand's natural environment, and thereby markets the conservation estate.

The NZTB is a powerful interest group representative that has established and entrenched itself in a position of almost unrivalled influence with government on tourism policy. The NZTB has implemented a tourism policy<sup>1</sup> designed by industry without consultation or consideration of the impacts on the community and environment.

The marketing strategies of the NZTB are responsible for growth in numbers of international tourists to the conservation estate. These strategies have gone ahead without the agreement of the Department of Conservation (DoC) or other effected parties. The unrestricted access of visitors to the conservation estate has the potential to destroy this beautiful natural environment - thereby resulting in a "tragedy of the commons" (*sensu* Hardin,1968).

Evidence overseas of the capacity of tourism to destroy the natural environments that initially attract tourists should have been a warning to New Zealand to proceed with caution. Unfortunately, such caution has not been exercised. Although government acknowledge the undesirable impacts of tourism, policy to ensure these are avoided has not transpired. The economic benefits of tourism still remain the focal point of policy. Comparatively little

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<sup>1</sup> Three million tourists by the year 2000

attention is paid to tourism's negative environmental and social impacts, which are of consequence both on and off the conservation estate. However, the focus of this study is on impacts affecting the conservation estate.

Tourism should be managed in a sustainable way when it is dependent upon the natural environment. New Zealand's tourism policy does not anticipate environmental impacts. If this situation continues New Zealand can expect negative environmental and social impacts on the conservation estate, many of which will be difficult to anticipate.

This study questions the enthusiasm of the government for the development of international visitor markets through the work of the NZTB. The rationale for development is based upon tourism's ability to bring in foreign currency, create employment, and stimulate business growth. However, the same sort of attention is not being given to tourism's impacts on social and ecological environments on the conservation estate. Tourism appears to be encouraged by government because it's apparent benefits (eg.employment) are outweighed by it's costs, which tend to be borne by the host community and natural environment. These costs do not enter Gross National Product calculations in the short term and are therefore invisible to government.

## **1.1 Method and Methodology**

I have adopted the distinction Harding (1987:2) made between method as the techniques used for gathering evidence, and methodology as the theory of how research should proceed. The method I have employed for gathering evidence for this report is the use of secondary sources complimented by interviews. The secondary sources are reports from government departments and state-owned agencies; tourism planning theory; policy theory; and Carolyn O'Fallon's PhD thesis, which is the first application of public choice theory to tourism in New Zealand. These data have been complemented by interviews with staff from the Department of Conservation, the New Zealand Tourism Board, the Ministry of Commerce, the Tourism Policy Group (formerly Ministry of Tourism), Tasman District Council, and consultation with tourism academics, all of whom have been acknowledged through personal communication references.

The methodology employed in this report proposes that tourism should be developed in a sustainable way which protects the ecological and social attributes that initially attract tourists. Such a position is based on the work of tourism scholars such as Mathieson and Wall (1982); Murphy (1985); and Inskeep (1991) who argue that tourism analysis must extend beyond an emphasis on economic benefits. These theorists argue that tourism has three major areas of effect: economic, social and environmental. The monetary benefits of tourism are immediate. The negative impacts of tourism may not become apparent until the resources that originally attracted the tourist have been destroyed, or irreversibly modified.

Public Choice Theory was one of three dominant theoretical frameworks used by the New Zealand government in its massive public sector reforms that took place after 1984 (Boston, 1991 in O'Fallon, 1994:12). O'Fallon (1994) has since been used as a framework with which to analyse government involvement in tourism in New Zealand. Her work concluded that Public Choice Theory could indicate where government "could" be involved, but not the extent to which government "should" be involved. Tourism Planning Theory takes up this challenge by advocating both the type and degree of government involvement appropriate. The two theories will be used to analyze current government tourism policy, predict future outcomes, and suggest solutions.

Although I elude to the idea that there are specific carrying capacities for conservation areas, I have not addressed this question in the study. The criteria for setting carrying capacities is a separate and complex question in itself, and beyond the scope of this report. Rather, I have taken the position that there is a determinable point of congestion beyond which total beneficial use decreases (see Kerr, 1992 for a detailed discussion)

## **1.2 Chapter Outline**

Chapter two outlines the world wide significance of tourism. It presents New Zealand's tourism policy and the implication of the NZTB objective of "3 Million Tourist by the Year 2000" for the conservation estate.

Chapter three argues the case for sustainable tourism and considers the role of the Resource Management Act (1991) in achieving this end.

Chapter four introduces a Tourism Planning perspective on tourism development, and provides a means of analysing tourism policy.

Chapter five presents public choice theory as a contrasting method for analysing tourism policy. It explores the possibility of managing the conservation estate as a common.

Chapter six outlines the current involvement of the New Zealand government in tourism through the three main agencies concerned with tourism policy effecting the conservation estate: these agencies are the Department of Conservation (DoC), the New Zealand Tourism Board (NZTB) and the Tourism Policy Group (formerly the Ministry of Tourism).

Chapter seven compares and contrasts the analyses of Tourism Planning and Public Choice Theory, and suggests changes to institutional arrangements.

Chapter eight summarises and concludes the report.

## **Chapter Two: New Zealand's Tourism Policy**

### **2.0 Introduction**

This section sets New Zealand's position in the international tourism scene. It then outlines central government tourism policy, or more correctly, the lack of government initiated tourism policy. The appropriateness of New Zealand's "de facto" tourism policy is discussed. The focus of analysis is then narrowed to consideration of the conflicting objectives of DoC and the NZTB over the role of the conservation estate in tourism.

### **2.1 Tourism: growth and impact**

The swift rise of international mass tourism is one of the most notable changes to have occurred world wide since the 1950's. Today, tourism related employment is estimated at around 40-50 million people worldwide (Mercer,1991:124). Recent predictions have proposed a figure of around 500 million tourist arrivals by the year 2000. Global tourism receipts were over \$200 billion in 1989. By the year 2000 it is predicted this figure will be over \$300 billion expressed in 1990 (constant) US dollars (Edgell,1990:17). These levels of economic activity make tourism one of the three leading categories of international trade alongside oil and motor vehicles (WTO,1990:5). Kahn (1976) argued that tourism could well be the world's single most significant industry by the year 2000.

The world average growth rate for tourism is predicted by the World Tourism Organisation to be 3.8% through to the year 2000, and 6.8% for the East Asia/Pacific region. In 1992 visitors to New Zealand increased by 9.6%; three times the world average (NZTB,1993b:4). New Zealand is experiencing the positive economic impacts of tourism, such as foreign exchange receipts, employment, and business growth. However, there is also evidence of negative social and environmental impacts. The social effects of tourism have been felt in tourism growth areas such as Queenstown, for example real estate prices have risen so high it is difficult for local people to buy homes (Queenstown&Wakatipu Planning Committee,1986:38). The Department of Conservation has expressed concern at the impacts of overcrowding at key sites such as Mt Cook Village, the Waitomo Caves and Abel Tasman National Park (1993a:21)

## **2.2 New Zealand's Tourism Policy**

At present there is no national tourism policy, or strategy, to guide the overall direction of tourism in New Zealand, and thereby provide a framework within which marketing and conservation programmes can co-ordinate. Even if there were a tourism policy there is no evidence of adequate systems for communication and co-ordination between central, regional, and local government. My enquiries at the Ministry of Tourism and Local Government Association revealed that there are no formal systems for tourism information flow between central and local government. A Local Government Forum on Tourism in May 1993 at which central, regional, and local government participated, along with the New Zealand Tourism Industry Federation, was the only example of any attempt at information sharing.



A review of the proceedings (NZLGA<sup>2</sup>,1993) suggests the emphasis of the forum was on tourism growth. According to Roger Smith (pers comm) of the NZTB a national policy statement is unlikely because of the difficulty of coordinating tourism interests<sup>3</sup>. However, the lack of co-ordination is not an insurmountable problem, and on its own does not preclude the development of a national policy statement, as shown by the Australian National Tourism Strategy.

Australia was in a similar position to New Zealand in terms of poor tourism policy co-ordination between central and regional government. In June 1992 a National Tourism Strategy was released to guide the balanced development of tourism. The strategy set out four goals: economic, environmental, social and support (promotion, planning, research etc). A key component of the strategy was the co-ordination of public agencies and private industry in tourism planning and development (PCA<sup>4</sup>,1992:244-60). In addition to the National Tourism Strategy, Australia also has a National Ecotourism Strategy which aims to integrate approaches across government boundaries and between agency jurisdictions (Commonwealth Department of Tourism,1994:3)

A tourism strategy could also be considered counter to the political/economic philosophy of limiting government involvement in the market. However, some form of government policy (rather than business policy) for tourism is needed to provide a publicly accountable forum

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<sup>2</sup> New Zealand Local Government Association

<sup>3</sup> There is mounting evidence to suggest that tourism development is fragmented. Communicating tourism policy goals to all the companies, businesses and communities affected, is difficult as the systems for co-ordination and communication between them are limited (Murphy,1985:34).

<sup>4</sup> Parliament of the Commonwealth of Australia.

in which the future direction of tourism can be planned, and in order to obtain the positive externalities<sup>5</sup> that tourism can produce. For example, improving the economic, and thereby community, viability of rural communities through the establishment of tourism businesses.

### **2.3 Three Million Tourists by 2000: An Appropriate Objective?**

The goal of three million visitors by 2000 to New Zealand was first touted by the Tourism Strategic Marketing Group 1990 (NZTP, 1989), and has since been picked up and promoted through the NZTB. The objective of 3 million tourists and the consequences for, among other things, the conservation estate has not been officially debated. In the absence of any other tourism strategy, this target becomes New Zealand's de facto tourism policy, yet this "policy" was an objective set (through the NZTB) by commercial tourism interests to serve commercial interests. There is no evidence to suggest that consultation with community and environmental interests likely to be affected by this policy took place.

The "policy" is detailed in the NZTB report "Tourism in New Zealand: Strategy and Progress" (NZTB, 1993b:17). This report devotes only one paragraph to the environmental implications of tourism growth for New Zealand. It claims that analysis the NZTB has done will 'ensure tourism use is responsible and sustainable' (NZTB, 1993b). The analysis referred to is the report "New Zealand Conservation Estate and International Visitors" (NZTB, 1993a). This report suggests that National Park tramping tracks should dramatically increase

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<sup>5</sup> An externality exists when the costs or benefits of an action are imposed upon individuals or communities who play no part in the decision. A negative externality (or external diseconomy) imposes offensive impacts on affected parties (Randall, 1981:157-8).

capacities to allow a doubling, and in some cases trebling, of international visitors. NZTB 1993a suggests sustainable **growth** but does not provide guideline for sustainable tourism **use** as claimed in NZTB 1993b.

The NZTB tourism growth policy does not take into account questions such as whether 3 million tourists by the year 2000 is a desirable objective; how to ensure New Zealand reaps the maximum economic benefits of tourism; the rate and style of development desirable for New Zealand; and how tourism development will be coordinated between regional and central government.

## **2.4 Conflicting Objectives: NZTB and DoC**

Access to the conservation estate and the quality of the tourists' experience are important factors in the development of a tourism industry. The NZTB (1993a,1993b) bases a large part of its marketing emphasis on the "green" image of New Zealand, and the promise of access to beautiful, clean, active outdoor recreation. This reflects a tourism trend throughout the world towards interest in quality environments (WTO,1990). However, there exists a wide range of views on how the conservation estate should be managed, and whose interests should be served.

The DoC and the NZTB hold conflicting positions over the role of tourism on the conservation estate. The DoC is primarily concerned with conserving/preserving<sup>6</sup> the heritage and ecological values of the conservation estate. Recreation<sup>7</sup> and tourism use is allowed if it does not interfere with this first objective (Official Information Directory, 1991:73). By contrast the NZTB views the conservation estate as primarily a drawcard to New Zealand for international tourists; an essential component in the commercial equation for tourism's business success in New Zealand (NZTB, 1993a).

The NZTB and DoC have different perspectives on the role of the conservation estate in tourism development. The potential for, and it can be argued existence of, conflict between the two organisations stems from their different mandates. To the NZTB the conservation estate is a component in the tourism package of accommodation, transport, and attractions. Visitors come to New Zealand to experience the beauty of the landscape in a variety of ways ranging from passive viewing of scenery through to active outdoor recreation such as mountain climbing, kayaking and other forms of so-called adventure tourism. Most of these activities occur on the conservation estate. By contrast DoC, is concerned with conservation priorities such as protecting and enhancing flora and fauna biodiversity. Recreation and tourism provision are secondary to the conservation function.

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<sup>6</sup> Conservation in the New Zealand context, as interpreted by Kilvington (1993:53), has become one of "preservation of the natural environment" rather than the past meaning of wise use. 'The Department of Conservation is representative of the meeting of "conservation" and "preservation" where the words have become interchangeable'(ibid).

<sup>7</sup> Although a distinction is often made between recreation and tourism, the division is considered an artificial one as tourism is essentially a recreational activity. In this report no such division is made. For a good example of this argument see McKercher, B. (1993) *Australian Conservation Organisations' Perspectives on Tourism in National Parks: a Critique*. *Geojournal* 29.3 307-313.

The respective primary concerns of the two agencies are not consistent. Tourism is a concern to DoC only as it effects the conservation estate. The conservation estate is a concern to the NZTB only as an input into the tourism package.

Both agencies have an interest in tourism and conservation: the NZTB in attracting tourists to "green" New Zealand; and DoC in managing the effects of increasing visitor numbers to the conservation estate. The NZTB vision of tourism use and development on the conservation estate is far more intensive than that envisaged by DoC<sup>8</sup>. Intensive tourist use is likely to degrade the ecological and social environments on the conservation estate. It is therefore incompatible with DoC's mandate to protect these environments.

#### **2.4.1 Funding**

Another question which has not been addressed is funding: who provides the finance for the facilities and maintenance that tourism use demands. At present, in order to cope with tourism demands DoC is diverting a percentage of each conservancy's budget into a tourism fund that is then allocated to the conservancies with the most urgent need for facilities and maintenance (Brian Dobbie, pers comm). As visitor numbers to the conservation estate increase so will the costs to DoC, who will effectively see a reduction in their budget for other conservation programmes as more funds are diverted towards tourism related maintenance.

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<sup>8</sup> Such a conclusion was made from interviews with DoC and NZTB staff, and NZTB (1993a:18) targets for trampers in National Parks in the year 2000. For example the NZTB target for Abel Tasman is 51,000, however, Nelson DoC have set a maximum carrying capacity is 25,000.

Concessionaires<sup>9</sup> pay a resource rental based on an agreed percentage of gross revenue adjusted according to the proportion of time clients spend on the estate (DoC,1993c:187). The arrangement provides an incentive for DoC to let concessionaires provide activities that DoC is unable to, and to use the revenue generated from concessions for tourism related maintenance. At present DoC cannot charge user fees for entering the conservation estate<sup>10</sup>. Consequently many international tourists make no contribution to the upkeep of the conservation estate.

#### **2.4.2 The Conservation Estate as Tourism Infrastructure**

The NZTB (1993b:16) has highlighted the need for \$6 billion of investment in tourism infrastructure and superstructure (eg,accommodation, transport) to cater for the expected increase in tourist numbers. Investment in infrastructure and superstructure is required in order to provide the goods and services for tourists. If the conservation estate is to be treated as part of the tourism infrastructure it can be argued that it also requires reinvestment in the same way as private tourist attractions such as Orana Park. However, such arguments imply that more investment and technology can remedy the problem of overuse. McNeely (1988) has argued that if natural resources are depleted, as many processes of development currently do, biological resources will become essentially non-renewable (ibid,2-5).

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<sup>9</sup> Current legislation requires a trade or business conducted on the estate, or a business that services visitor demands to be authorised through a concession (DoC,1993c:185).

<sup>10</sup> The Conservation Act (1987) states that access to the conservation estate must be provided free of charge. However, DoC can charge for the use of huts.

## **2.5 Co-ordination Between DoC and NZTB**

Given the interplay between the management of the conservation estate, the tourism experience, and the demands tourism places on the conservation estate, a high degree of co-ordination and communication would seem necessary between the NZTB and DoC for three reasons. Firstly to ensure that the product promised by NZTB marketing meets visitor expectation. Secondly, to ensure the environmental quality of the conservation estate. Thirdly, that the social experience on the conservation estate is maintained for both domestic and international visitors. Satisfaction of these three concerns involves ascertaining appropriate rates of visitor increase and absolute numbers that can be catered for on the conservation estate. That is, visitor increases and absolute numbers which do not degrade social or ecological values. Use of the conservation estate needs to be within the limits of the conservation estate.

## **2.6 Summary**

New Zealand does not have a government initiated tourism policy. Tourism growth objectives are left to the NZTB. The environmental impacts of tourism on the conservation estate are the responsibility of DoC. The primary objectives of the NZTB and DoC conflict: NZTB seeks to use the conservation estate for tourism whilst DoC tries to protect the conservation estate from over use. A case has been made for co-ordination between the two agencies over the use of the conservation estate, this concept will be explored further in Chapters 6 and 7.

It has been suggested in this section that the conservation estate is a major attraction for tourists, and therefore an integral part of tourism. Sustainable management of the conservation estate is therefore essential to protect the resources that initially attracts tourists. The following chapter explores this theme.



## **Chapter Three: Tourism Impacts on the Natural Environment**

### **3.0 Introduction**

In this chapter the use of the natural environment for tourism is explored. The tourism industry often uses the beauty of the natural environment as a basis for attracting tourists - the glossy pamphlet with pictures of golden beaches or snowy mountains is a common use of the environment in this way. International examples of the unsustainable use of natural areas are related to the New Zealand experience. It is suggested that tourism should be managed in a sustainable way. The capacity of the Resource Management Act (1991) to provide sustainable tourism planning is briefly explored.

### **3.1 Tourism and the Environment**

Tourists are not a homogeneous group. People travel for a variety of reasons, such as cultural and sporting events, visiting family and friends, sightseeing, or even sex tours (Cooper,1993:57). Tourists to New Zealand are primarily drawn by the beautiful scenery and the friendly people (NZTB,1993). Krippendorf (1982:138) asserts that the natural landscape is a basic ingredient of most mass tourism and warns 'once it is lost it can never be reclaimed'. Krippendorf's viewpoint is now being recognised as an important factor in tourism policy design around the world. This is especially so in countries that are experiencing the degradation of their natural environments by tourism pressure and where the

natural environment is a major attraction. The World Tourism Organisation (WTO) recognises that 'The environment is tourism's base and tourism is therefore part of the environmental debate and vice versa (ibid,1990:4).

Large-scale tourism can cause significant environmental impacts, both in the destruction of natural landscapes and in the development of built environments, for example the intensive hotel development along the coast of Spain (Prosser,1992:42). Other tourism related problems include: , the erosion of traditional culture, economic benefits going to foreign investors (Bachmann,1987), and environmental degradation of natural areas (for detailed examples see ; Wood and House,1991:34-47). Tourism often destroys the very factors that first attract visitors. In many countries, both developed (eg USA) and less developed (eg Nepal) tourism has been looked to as a means of economic development with little attention given to subsequent social and environmental ramifications.

### **3.2 Impacts on the Local Population**

A critical principle of tourism development in any country is maintaining control and autonomy in handling the scale and character of tourism and evaluating the role of policy (Prosser,1992:40). Control of development is important for a country because the negative externalities of tourism are borne by the host country. Residents of a country are also consumers of tourism; not only as domestic tourists but as the host community that has to live with the effects of tourism (Murphy,1985). On the conservation estate New Zealanders are affected tourism impacts such as congestion and the degradation of a natural environment.

### 3.3 Impacts on the Natural Environment

The impacts of tourism vary widely depending upon the geographical/ environmental, political, socio-cultural, and economic conditions of the area, and are often difficult to predict (Cooper et al.,1993:78). Rapid growth and uncoordinated development can produce negative impacts for host countries. Australia is a case in point, tourism is responsible for serious ecological impacts on Great Barrier Reef. Increasing use of the Australian outback is resulting in environmental impacts on cultural sites, and large numbers of campers are causing impacts through their inappropriate use of fire, harassment of wildlife, littering and vegetation destruction (Corkill,1987:21). In Kenya negative impacts on the natural environment has lead to a focus on increasing the quality of the tourism experience rather than increasing the total number of visitors (Orlindo,1991:27).

The use of natural areas for tourism requires very delicate manipulation, with careful evaluation of carrying capacities and the fragility/resilience of the ecosystem concerned (Prosser,1992). Ecosystems vary widely , whilst some are resilient, others are delicate and take many years to recover from what may seem like minor damage. Therefore, if sustainability of the tourism environment is important, access to natural areas must be managed in a way that avoids lasting or irreversible damage. Such management requires funding, and possibly some form of control on visitor numbers to ensure capacity is not exceeded (WTO/UNEP,1992:18-21). DoC currently uses techniques such as site and track hardening, visitor education, and one way tracks to reduce visitor impacts (DoC,1993c:205).

### 3.4 Impacts on National Parks

International examples of National Parks being utilised by tourists in an unsustainable<sup>11</sup> way are numerous. In Galapagos National Park, Ecuador, excessive and uncontrolled visitor flows are causing severe stress on animal and plant populations (UNEP/WTO,1992:12). In Annapurna and Sagarmatha Parks (Nepal) tourists cutting trees for firewood has depleted the stock for resident tribes (ibid). In Amboseli National Park (Kenya) concentrated visitor use and high vehicle numbers resulted in such severe stress on the cheetah that the animals existence was threatened (Stankey,1989:13). Yellowstone National Park, USA, has experienced irreparable environmental damage to Geysers because of litter tossed in their mouths. In New Zealand similar damage can be seen at the "Craters of the Moon", Taupo. Other site-specific impacts of tourism common to many parks include the trampling of vegetation, crowding and reduced quality of the nature experience, litter, and water pollution (Glick,1991:65).

While these problems relate directly to the activities of tourists, it is often the indirect impacts of tourism - the construction of visitor facilities, roads, parking lots, trails, and other tourism-related infrastructure - that cause the most damage to supposedly "protected wildlands" (ibid:68).

Increases in visitors to parks leads to the development of facilities, which in turn attract more visitors (ibid:67). This cycle changes the nature of an area and consequently the visitor experience. Interviews with Department of Conservation staff suggest that National Parks

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<sup>11</sup> Unsustainable use of National Parks is activity which degrades the quality of the natural environment, either ecologically or aesthetically.

in New Zealand experience similar tourism impacts to those seen overseas. The department is aware that increasing facilities to cope with visitors, exhausts other recreation sites in an area and merely postpones coping with increasing pressure (DoC,1993c:205).

### **3.5 Tourism: A Conservation Aid?**

In some instances tourism is claimed to be an aid to conservation. 'It is unlikely that the great animal assemblages of the east African savannas would survive unless they were acknowledged and managed as the prime tourist attraction of the region' (Prosser,1992:47). Gunn (1982) argues that tourist activities that use the natural environment stimulate interest, and promote understanding, of the environment (ibid:17). By experiencing nature first hand a "transformation" of values may take place - that is the individual may come to value nature more highly (Norton,1986:16). Conservation can therefore be supported by the popularisation of the natural environment by tourism.

Tourism has recreation and conservation components within it's make-up; without these the industry could not survive. However, excessive visitor numbers can destroy a conservation area, regardless of the visitors appreciation of conservation values. If the natural environment is to act as the foundation of tourism business in the long-term it must not be damaged. Depletion of the capital on which tourism business is based is not sustainable.

### 3.6 Sustainable Tourism

Sustainable tourism is a concept that has received a great deal of attention in recent years (Whelan, 1991, Ministry of Tourism, 1992). The rise of environmentalism and interest in eco-tourism has meant the role of tourism is being re-evaluated. This re-evaluation has found that the concept of sustainable development needs to be incorporated into tourism planning (for example see Cooper et al., 1993; McSweeney, 1992).

Taking its lead from the Brundtland report, "Our Common Future", the Globe '90 Conference (March 1990 Canada) suggested the following definition of sustainable tourism.

Sustainable tourism development can be thought of as meeting the needs of present tourists and host regions while protecting and enhancing opportunity for the future. Sustainable tourism development is envisaged as leading to management of all resources in such a way that we can fulfil economic, social, and aesthetic needs while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems. (Inskip, 1991:461).

This definition recognises that tourist destinations need to be managed in a way that does not deplete the resource, cheat the visitor, or exploit the local population. The use of New Zealand's natural and physical resources should be managed in a way that does not deplete, thereby ensuring any build-up of negative effects and irreversible damage is prevented (Ministry of Tourism, 1992:1). This approach to tourism is consistent with New Zealand's main piece of environmental legislation, the Resource Management Act (1991).

### **3.7 The Resource Management Act (1991)**

A sustainable approach to tourism fits in with the Resource Management Act's (1991) guiding principles. The emphasis in the RMA is on effects. In practice this will mean that when tourism businesses apply for consents to undertake activities an assessment will be made of the environmental impacts. Future impacts will have to be anticipated (Ministry of Tourism, 1992).

However, the cumulative effects of many tourism activities cannot be used as grounds for refusing an individual's or company's resource consent application (Neil Jackson, pers comm). For example, a coastline crowded by houseboats adjacent to Abel Tasman National Park cannot be used as grounds for refusing an individual's application for a houseboat mooring. Cumulative impacts emanating from houseboats may include congestion along the coastline and pollution from the dumping of wastes. These effects are cumulative because they become more evident over time and as more house boats arrive.

On the conservation estate increases in tourism numbers are expected to threaten conservation values and the social experience through cumulative impacts such as pollution and overcrowding (DoC, 1993c:49). Clearly activities outside the conservation estate impact upon it. At present DoC's influence on factors external to the conservation estate at the local level is limited to using opportunities in the local government planning process. This is indicative of the fragmented management of tourism (see section 4.1).

The RMA does not direct the overall development of commercial activities (Memon, 1993:96). So, in this sense, it cannot be argued it will guide the development of sustainable tourism for New Zealand.

### **3.8 Summary**

The natural environment is used by tourism promoters as a major drawcard for tourists. New Zealand is no different to other countries in this respect. Indeed, we have the advantage of a relatively unspoilt environment and a wide variety of landscapes. It has been argued that if the natural environment is to be used for tourism it must be managed in a sustainable way. Without a National Tourism Policy Statement the RMA is insufficient in itself to deal with the cumulative impacts of tourism in a coordinated fashion. The following chapter explores the role of government in providing guidance for tourism development.



## **Chapter Four: Tourism Planning**

### **4.0 Introduction**

Government involvement in tourism stems from interest in tourism's economic significance. Tourism contributes NZ \$60 million tax, NZ \$2.8 billion in foreign exchange, and supports the employment of 68,000 people (NZTB,1993b:2). The approach taken to the development of tourism is effected by the philosophy and ideology of the government. Tourism Planning theorists argue that government intervention is necessary because tourism has negative impacts on the environment and society of the host country. It assumes that government will be concerned about the effect of tourism's negative byproducts on the host population and local environment.

### **4.1 Government Involvement in Tourism**

In general, governments have tended to become involved in tourism by facilitating development through grants, subsidies, and the provision of infrastructure (National Parks) and superstructure (hotels). As tourism developed beyond an infant industry government involvement '...has extended beyond economic concerns and revenue generation because with its growth came increasing evidence of its physical and social ramifications' (Murphy,1985:34).

The fragmented nature of tourism development has made the management of social and environmental impacts problematic. Even if a policy for tourism is decided, it still needs to be effectively communicated and implemented with business, the community and government organisations.

The overall fragmentation of the *industry*<sup>12</sup> makes it easier for development conflicts to arise and facilitates a situation where the final outcome of individual decisions can place great strain on the natural and human resources of destination areas (ibid).

Murphy (1985:36), drawing on the work of Mings (1978) and Gunn (1977), argues that government intervention is necessary as government alone possesses the financial resources and legislative power to redirect and coordinate development along sustainable courses of action. Murphy's position is supported by Inskeep (1991:411) who argues that government should assume the overall responsibility for tourism management in terms of development policy and planning, and environmental quality. This is justified on the basis that integrated, planned, and controlled tourism would not otherwise be achieved, resulting in development that does not adequately respond to environmental and societal needs. Rapid and inadequately planned tourism growth has resulted in many countries now facing a myriad of unexpected and undesired problems.

In Venezuela tourist promoters poured leaf-stripping products containing dioxin into water along the coast in order to kill seaweed - it also killed several million fish. In 1982 this

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<sup>12</sup> There is considerable debate over whether a "tourism industry" actually exists or is able to be defined. Generally definitions include the service businesses used by tourists - accommodation, transport, food, entertainment/attractions and shopping.

process led to the evacuation of thousands of people (Maler,1987:275). Northern Ontario's (Canada) prime wilderness habitats have been destroyed by tourism resulting in the closure of many tourist operations (McKercher,1992:467). In England the collection of fossils, and the disturbance of wildlife and wildlife habitats pose a threat to coastline environments (Edwards,1987:80). These are just a few examples of an ever increasing list of disruptions to ecological systems caused by over zealous, and often careless, use by tourists and tourist promoters.

New Zealand is in the position of being relatively free of the environmental problems that plague other more industrialized and densely populated nations. New Zealand has often been able to learn from overseas experience, and has had the advantage of developing anticipatory policies to prevent serious environmental problems (Buhrs,1993:37). This anticipatory approach could also be applied to tourism. However, it is unlikely that such an anticipatory approach can be adequately undertaken by private industry (because of collective action problems) or the Tourism Policy Group (former Ministry of Tourism) given their present level of funding, staff, and authority.

#### **4.2 The effect of the Political/Economic Context on Tourism**

The political philosophy of government will affect the type and extent of tourism development and how it is managed (Inskeep,1991:64). In 1984, the election of the Labour government saw New Zealand change rapidly from essentially a welfare state to a country governed by *laissez-faire* and monetarist economic policies, characteristic of what is known as the new

right<sup>13</sup>. The emergence of this new economic philosophy has seen a decrease in government intervention (Vowles,1989:292) - often referred to as 'rolling back the state' which generally means less State, more market (Rudd,1991:83). Discussions of the changes in government style and the reforms that followed can be found in Holland and Boston (1991) Chapters 4 to 8; and Boston et al (1991).

'Policies and practices for tourism will follow the overall policies and practices of the nation as a whole' (Gunn,1988:32). The minimal involvement of the New Zealand governments in tourism planning can be explained, in part, by the market-led philosophy which advocates less government intervention.

O'Fallon's (1994:223) analysis of government involvement in tourism after 1984 revealed that reforms did not significantly affect the national tourism administration, the New Zealand Tourist and Publicity Department, until 1990. Reforms included selling the national airline, the Tourist Hotel Corporation, and corporatising and selling some of New Zealand's rail, coach and ferry services. The tourism subsidies administered by the government were phased out. In their place, the Department and other tourism-related interests successfully lobbied government to provide some of the "extinct" subsidy programmes with \$NZ10 million for a marketing support scheme on the pretext of helping tourism entrepreneurs adjust to business without government assistance.

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<sup>13</sup> Laissez-faire and monetarist economic policies place emphasis on the ability of the free market to produce equity and efficiency. This has tended to produce conditions which favour the greater concentration of economic and political power with private interests (Jesson,et al.,1988:7).

The government's main areas of involvement in tourism are now confined to: providing consumer and demand information through the NZTB; and the maintenance of the natural and heritage aspects of the New Zealand "place product" through DoC. More concessionaires are allowed in National Parks, but the mitigation of environmental externalities is also expected to be undertaken by DoC - 'there is some question as to how successful this Department may be at achieving its goals' (ibid:232).

### **4.3 The Externalities of Tourism**

Tourism produces a variety of byproducts which directly and indirectly alter the environment, they are generally referred to as externalities (Briassoulis et al,1992:2). Some externalities provide positive benefits to the community, for example employment, a wider variety of entertainment, and city beautification programmes.

However, there are also many externalities, mostly negative, associated with consuming tourism-related goods. Tourism literature often uses the term "environmental impacts" to label the negative effects arising from too many people using a particular place or tourism product (O'Fallon,1994:104). A broad view of "environment impacts" is usually taken and includes not only the natural environment but also social relationships, cultural heritage, and the built environment (Green and Hunter,1992:32).

Tourism can place costs on others that are not fully indicated in the market prices paid by tourists. The presence of such externalities means that, even in a competitive market, buyers

of tourism services do not always pay a price that reflects the true cost of the provision of those services. Suppliers do not have to meet all the costs incurred by their activity - as a result 'the market' generates a socially inefficient level of tourism activity (Johnson and Thomas,1992:3).

Although tourists may be the obvious group to blame for the imposition of costs onto host communities, the problem may actually lie in the failure of policy makers to provide for the mitigation of environmentally-based externalities through correct pricing of services (O'Fallon,1994:105-6). In the case of the conservation estate entrance fees cannot be charged for because of the Conservation Act's (1987) provision for "free access". However, this does not preclude charging visitors for the environmental cost imposed by their use of the conservation estate.

#### **4.4 Summary**

Tourism impacts upon the natural environment through negative externalities. The case for tourism planning by government is based on the assumption that government will want to avoid the negative externalities of tourism, but capture the benefits. Tourism development in New Zealand is influenced by its market-led government philosophy which does not favour planning for tourism. The discussion now turns to determining an alternative way of analysing tourism policy.

## **Chapter Five: Public Choice Theory**

### **5.0 Introduction**

Government involvement in tourism is often less than Tourism Planning Theory would advocate, and more than would be considered necessary using welfare economic analysis.

Tourists' use of the environment which initially attracts them ultimately leads to its destruction. Externalities are borne by society in general through negative environmental and social impacts.

Tourism Planning Theory posits that the externalities associated with tourism can best be ameliorated through pro-active planning by government. By contrast, Public Choice Theory posits that destruction can be prevented by re-defining property rights. Society may have the right not to be negatively impacted upon by tourists but may not be able to enforce that right because of transaction costs<sup>14</sup>. Without transaction costs externalities do not exist (Bromley, 1991:42) as people would be able to enforce their rights free of personal costs. Bromley (1991:79) argues that an alternative solution is to change the status quo by re-defining property rights in a way that places costs directly on the generator.

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<sup>14</sup> The specification, transfer and enforcement of rights are costly activities, these costs are called transaction costs (Randall, 1987:158).

## 5.1 Public Choice Theory

Public Choice Theory is the application of economic principles to the study of politics. By applying "logical, deductive reasoning" researchers try to work out what actors would do to maximise their chances of getting what they want (McLean,1987:1). Public Choice Theory can be used to analyze the allocation of society's scarce resources. The market is responsible for determining the allocation of most resources. The desired outcome of the allocation is "Pareto Optimal<sup>15</sup>" or "Pareto Efficient" and cannot be reallocated without making someone worse off. When a market failure, such as the presence of public goods or externalities, exists an efficient solution may not be reached (Mueller,1991:3 ). Government intervention is often proposed as a way of over-coming market failures. However, government provision of non-market structures may replace one set of inefficiencies with another (O'Fallon,1993:272).

The failure of collective decision-making (in direct democracies) via voting to represent societies preferences, gives individuals only indirect control over government actions (see Dunleavy and O'Leary,1987:78-86). Public Choice Theory proponents argue that budgeting, analysis and project appraisal are implemented by self-interested politicians, bureaucrats and other interest groups, all operating in the political market. The self-interested behaviour of actors in the political process often results in public policies yielding outcomes different to those originally intended (Hartley and Hooper,1992:25).

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<sup>15</sup> Pareto optimality: any change capable of making one individual better off without making another worse off is ethically neutral (Dunleavy and O'Leary,1987:93).



## 5.2 Limitations of the "self-interest" rationale

Although Public Choice analysis can provide some useful insights into the way in which tourism policy is formulated it hinges upon bureaucrats acting upon 'rational' self-interest, and seeking to maximize their budgets and/or bureau shape<sup>16</sup>(Ham and Hill, 1993:55). Public organisations have complex relationships with their environments and with other components of the public sector. This makes the straight forward maximization of self-interest "extremely suspect" in complex decision making situations (Peters,1988:123). Significant debate surrounds the argument that individuals are purely self-interested (see Dunleavy,1991) as it over simplifies the complex social and political behaviour of human beings.

However, in her application of Public Choice analysis O'Fallon (1993) uses a qualified definition of self-interested behaviour<sup>17</sup> that is useful in explaining certain aspects of bureaucratic and political behaviour in tourism policy development. O'Fallon (1993:272) argues that the government is a group of political individuals serving their own interests rather than a cohesive body serving the public interest. Though individuals in government may support issues in the public interest, personal ambition often dominates.

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<sup>16</sup> Bureau shaping refers to bureaucratic empire building activities that confer status, prestige, patronage, influence, employee numbers and agreeable work tasks (Dunleavy,1991:200)

<sup>17</sup> Self-interested behaviour assumes individuals, attempting to make the most of their interests within the limits of their environment, use their best effort to make reasonable and consistent decisions in the face of uncertainty and with less than perfect information. It has also been argued that self-interested behaviour ignores altruistic or unselfish acts, but altruistic behaviour can be re-catalogued as self-interested [for example Babbage,1990; Collard,1978; and Carter,1975 (O'Fallon,1994:45)].

Most government behaviour does not further the public interest. The main interests served are those of three particular groups: first, politicians who pursue their own self-interest by attempting to maximize their chances of re-election<sup>18</sup>; second, bureaucrats who seek to maximize their power, influence, control and budget within the constraints of their particular setting and political situation<sup>19</sup>; and third, interest groups trying to secure benefits for their members by gaining government created monopoly rights or influencing the allocation of the government budget in their favour<sup>20</sup>. Public Choice analysis of interest groups thus concludes that 'vested' interests seek special advantages for themselves 'which are contrary to the "public interest" and long-term prosperity of the country (Olson,1982; Vowles,1993, in Mulgan,1994:197).

Although such an explanation of government is simplistic, and does not take into account the complexity of the internal and external relationships of organisations, it is a valid starting point for analysing the current tourism policy situation as it provides a framework for identifying parties, interests, and the nature of tourism goods. Such a framework is applied in Chapter 6 by examining the interest served by the current institutional arrangement for tourism.

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<sup>18</sup> Mitchell, W.C.(1988) Government As It Is, in O'Fallon (1993)

<sup>19</sup> Dunleavy, P. (1991) Democracy, Bureaucracy and Public Choice, in O'Fallon (1993)

<sup>20</sup> Mueller, D.C. (1989) Public Choice II, in O'Fallon (1993)

### 5.3 Government Involvement in Tourism

Hartley and Hooper (1992) argue that government intervention in tourism development is often proposed to 'correct' market failure but that while the market can fail, governments can also fail. Government intervention could introduce new inefficiencies or replace one set with another. For example, the New Zealand government phased out inefficient tourism subsidies, but later created a \$10 million marketing support scheme. 'The result was government assistance in providing a good the public sector could generally provide itself' (O'Fallon, 1994:206). Ideally government intervention should only exist when it maintains or improves a situation.

Public Choice Theory has been used by O'Fallon (1994) to provide a framework for evaluating the New Zealand government's involvement in tourism. Her study concluded that Public Choice Theory can show where government intervention *could* be appropriate rather than indicating what form intervention *should* take. Public Choice Theory also fails to provide insight into the magnitude or type of involvement that might be appropriate; the nature of the involvement, as continued or temporary, is indicated. For example, as a market failure is overcome it may be necessary to re-assess and change the type of government intervention undertaken in order to pre-empt public sector failure (ibid, 237).

O'Fallon's (1994) study argued that market failure arguments do not support direct government funding or provision of tourism assets or amenities because these are private goods and are likely to be provided by the private sector, for example hotels (ok?). If the

market will adequately supply a good, public sector supply is unwarranted as it may distort the market.

#### **5.4 Public Choice Theory and the Conservation Estate**

The conservation estate has some collective good characteristics. Preservation and protection are non-rival<sup>21</sup> and non-excludable, therefore the market is unlikely to provide them adequately (ibid,120) as the benefits cannot be exclusively restricted to a private individual. As the market is unlikely to supply preservation adequately, government involvement may be warranted. It is not absolutely necessary that government provision of preservation take the form of maintaining a conservation estate. However, this is the method society has chosen to realise values such as preservation. Booth (1987:61) found there was 'overwhelming public support' for government provision of the National Park System.

The existence of the conservation estate allows for a variety of values society holds, such as free access to wilderness areas. However, this does not imply that government should be the sole provider of parks, nor does it preclude the use of contract tender concessions for park operations, as is the current situation on the conservation estate (ibid,236). The conservation estate can be used to obtain private benefits by tourism operators, for example

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<sup>21</sup> Nonrivalry: one person's use of a resource does not prevent others from using it or diminish the benefits obtained by other users, for example national defence. Nonexcludability: people are not prevented from using a good by contracts or property rights (Connell,1981:73-74).

boat operators providing transportation to beaches along the Abel Tasman Track<sup>22</sup>. In this sense parks, reserves and historic sites can be viewed as part of the "infrastructure" of tourism. Clearly the conservation estate has both public and private good characteristics.

Commons are different from both public good and private good but have attributes of each<sup>23</sup>. Oakerson (1992:42) defines parks as commons because they are natural resources shared by a community of consumers. The conservation estate can therefore be classified as an impure public good, because it provides a mix of public and private benefits, and as a common.

It is possible that the provision of commons, such as the conservation estate, could be more effectively provided and managed jointly by the public and private sectors (Ostrom,1992). Using mathematical political theory<sup>24</sup> Ostrom (ibid:1-29) sets out the alternatives of (1) government control and (2) private property rights and concludes that both methods have a similar bias in advocating externally imposed institutional change on the on the individuals affected. Ostrom argues that both methods are too sweeping in their claims as they presume there is one answer to all problems rather than a variety of solutions that can be tailored to suit particular problems.

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<sup>22</sup> Such operators are also free-riders as they use the conservation estate to attract visitors but don't contribute to its upkeep.

<sup>23</sup> Commons are shared and cannot be separated among consumers, but like private goods, the use of the commons is characterised by individual consumers who appropriate a portion of the flow of benefits (Oakerson,1992:42).

<sup>24</sup> Also known as game theory it is typified by the "prisoners dilemma" (see Appendix 1). In 1944 Neumann and Morgenstern rigorously set out the theory. Game theory analyses situations in which the decisions of one actor depend upon the preferences and behaviours of other actors concerned in the decision (Dunleavy,1987:78).

A public/private approach is between the prescriptions of Tourism Planning Theory and Public Choice Theory. It could involve management that incorporates both proactive government planning and a property rights regime that transfers transaction costs to the generator of those costs. Private operators could be given the rights to use the parks, but also be faced with the costs of maintaining the quality of the conservation estate. Such a system would require a change in the current property rights regime.

## 5.5 Property Rights

The redefinitions of property right regimes to produce more efficient management of natural resources vary. Some Public Choice theorists argue that the best way to avoid the "tragedy of the commons"<sup>25</sup> in natural resource use is to end common-property systems by creating a private property regime<sup>26</sup> (see Smith, 1981). Others, such as Bromley (1993:79) argue that externalities can be reduced by regulations that alter the status quo and enforce a contract between the perpetrator of the externality and the "victim". For example, tourism entrepreneurs operating adjacent to the conservation estate could be required to make a contribution to the upkeep of facilities utilised on the conservation estate by visitors from private enterprise.

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<sup>25</sup> This term originated from Garrett Hardin's (1968) article, and has come to mean the destruction of the environment that results from joint use of a scarce resource. However, it should be noted that problems of common property may also result from other causes such as changes in population, climate or technology (Bromley, 1992:19).

<sup>26</sup> Public Choice Theorists of the new right recommend user pays regimes that levy the costs of use on those who utilise the resource.

The common is an 'impure' public good because joint use is restricted by congestion. 'Once a threshold is crossed individual users begin to subtract from one another's beneficial use' (ibid:44). Oakerson's definition of a carrying capacity relates directly to the situation on the conservation estate. Crowding on the conservation estate caused by increased visitor numbers, and the negative environmental and social impacts of excessive use, will result in the degradation of the conservation estate and the social experience.

An analysis of the conservation estate is a prerequisite for any new management regime. Oakerson (1992:43-58) provides a framework for analysing the commons in terms of their (1) resource attributes; (2) decision-making arrangements; (3) interactions among decision makers; and (4) outcomes. In this study it is pertinent to apply (2)-(4) of the framework to the conservation estate<sup>27</sup>. An examination of the ways in which existing institutional arrangements constrain or enhance the opportunities for adjustments in decision-making arrangements is a valid starting point for analysis (Thomson, et al.1992:154). Such an analysis is provided in Chapter 6, and focuses on both the "operational rules" that regulate the use of the conservation estate, and the "external arrangements" - those decision structures outside the conservation estate that impinge upon how the commons is organised and used (Oakerson,1992:46).

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<sup>27</sup> Resource attribute analysis involves ascertaining the carrying capacities, exclusiveness, and physical boundaries of the commons and is therefore beyond the scope of this study.

## 5.6 Summary

Tourism Planning Theory advocates government intervention, whilst Public Choice Theory tends to advocate private property right regimes. The work of authors such as Ostram and Bromley on the application of property regimes to common pool resources suggests that a mix of both public and private involvement may prove useful. A preliminary step before suggesting the specifics of any private/public approach is to first analyze current institutional arrangements.

On New Zealand's conservation estate the current public/private mix exists in the form of government management, with the use of concessions to accommodate private entrepreneurs.

Impacts from tourists combined with the costs of maintaining conservation areas are a cause of concern at present (DoC,1993:21), and the situation is likely to become more intense as tourist arrivals increase. Given these conditions a theoretical examination of current government involvement in tourism is poignant as a precursor to the development of an approach suitable for the future, and is the subject of Chapter Six.



## **Chapter Six: Government Involvement in Tourism**

*The business of government is to keep the government out of business - that is, unless business needs government aid*

*Will Rogers*

### **6.0 Introduction**

In Chapter four it was suggested that government intervention is needed in tourism in order to provide adequate planning mechanisms, and correct market failures such as the negative externalities of tourism on the community and environment. Chapter five provided a contrast with chapter four through the exploration of a Public Choice Theory perspective, advocating a public/private mix of management and the analysis of the conservation estate as a common.

In this chapter the institutional arrangements which constrain or enhance decision-making for tourism policy, which in turn affect the conservation estate, will be outlined. The NZTB, DoC and the Tourism Policy Group (former Ministry of Tourism) are the three main government agencies concerned with development of such policy. The theoretical frameworks presented in Chapter Four and Chapter Five will be applied to the analysis of tourism policy formulation presented in this chapter.

Forester (1989) highlights the way organisations function to serve the purpose for which they were created, but are also shaped by the people working within them through the relationships they develop with other agencies.

Organisations have two related faces: one produces instrumental results, the other simultaneously, but visibly reproduces social and political relations involving knowledge (who knows what) consent (who exercises power and who obeys) trust (who cooperates with whom), and the formulations of problems (who focuses on or neglects which problems), (Forester, 1989:80).

In the following sections the "two related faces" of the NZTB, Ministry of Tourism, and DoC will be presented. Firstly the mandates and functions of the organisations will be outlined. The relationships between the organisations which show how they work together to produce tourism policy are then discussed.

## **6.1 The New Zealand Tourism Board**

The New Zealand Tourism Board (NZTB) was set up in 1991 by the New Zealand Tourism Board Act. The functions of the Board are to develop, implement and promote strategies for tourism marketing and to advise Government and the tourism industry on matters relating to these strategies. To achieve this the Board receives an annual income of \$57 million from the government.

The Board consists of nine members chosen by the Minister of Tourism (Official Information Directory,1991:494). The members currently serving on the Board are made up of representatives from the commercial tourism sector including representatives of<sup>28</sup>: Air New Zealand, commercial tourism operators, and investment groups. The exception is one member from the N.Z. Maori Arts and Crafts Institute who has interests in environmental and conservation issues (NZTB,1993b:36).

The principal aim of the NZTB is to secure New Zealand's place in the world tourism market and make investment in the tourism industry attractive (NZTB,1993b:17). The NZTB has set about achieving this task by initiating an aggressive marketing and tourism growth strategy for New Zealand. The official NZTB goal for tourist arrivals by the year 2000 is 3 million; a trebling of the number that arrived in 1992 (1,055,681). The foreign exchange earned from tourist's is targeted to increase three-fold from \$2.9 billion in 1992 to \$9 billion in 2000. Achieving the above goals is conditional upon more "resources" being invested into the tourism infrastructure and superstructure, and an aggressive marketing strategy overseas (NZTB,1993).

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<sup>28</sup> NZTB: former Air NZ Chief Executive; current Chief Executive of Air NZ; Executive Director of Brierley Investments; Regional Manager of Southern Pacific Hotel Corporation; Director of NZ Maori Arts and Crafts Institute; General Manager of Rainbow Springs; Chairman of Ruapehu Alpine Lifts Ltd; Chairman of the Queenstown Gondola; Managing Director of a financial consultancy company (NZTB,1993b:36).

## 6.2 Department of Conservation

The main Act which the Department of Conservation administers is the Conservation Act 1987. Under part II section 5 of the Act, DoC is responsible for administration of 22 pieces of legislation including the Reserves Act (1977), the National Parks Act (1980), and the Wildlife Act (1953). The Department has jurisdiction over all national parks. This has resulted in DoC managing 30% of the land surface of New Zealand (Kilvington, 1993:51).

The Conservation Act set up the Department of Conservation and provides for the administration of land and natural and historical resources under the care of the Department. In conserving the resources under its care the Department is given a clear mandate in the Act to preserve and protect intrinsic values, provide for appreciation and recreational enjoyment by the public, and safe-guard the options of future generations (Official Information Directory, 1991:73).

In relation to tourism the Department is charged with 'fostering the use of natural and historic resources for recreation and tourism subject to their conservation' (ibid). To provide for this DoC diverts a portion of every conservancies budget into a tourism fund that is then allocated to areas with the most urgent need for tourism related maintenance or facilities (Brian Dobbie, pers comm).

Managing the use of the Conservation Estate for tourism is achieved via the implementation of Conservation Management Strategies (CMS) which provide general policies and establish

objectives for each conservancy. Policies and procedures for commercial and non-commercial activities and recreation and tourism concessions are established in each conservancy's CMS. For example the Nelson/Marlborough CMS has a policy of allowing concessions for tourism services DoC is unable to provide, but which are compatible with sound conservation management (DoC,1993c:185).

Commercial tourism operators pay a resource rental<sup>29</sup> for the use of the conservation estate and are therefore unable to free ride<sup>30</sup> because they make a financial contribution proportionate to their use. In addition, DoC has general policies which apply to all conservancies, such as the Concessions Policy which deals with planning for and classification of concessions (DoC,1993d:1).

### **6.3 The Ministry of Tourism**

The Ministry of Tourism was established within the Ministry of Commerce in July 1991. It took over the policy functions of the former New Zealand Tourism Department. The Ministry administers three Acts, the most significant being the New Zealand Tourism Board Act (the others are NZ Maori Arts and Craft Inst. Act and the Tourist and Health Resorts Control Act). The Ministry is relatively small with only 12 staff members (Directory of Official Information,1991:494).

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<sup>29</sup> A percentage of gross revenue adjusted according to the proportion of time clients spend on the estate.

<sup>30</sup> Free riding occurs when the benefits of collective goods are used without the user incurring the cost of their use. For a full explanation see Buchanan,1986:98-100.

The Ministry has various functions, the most significant to this discussion being :

- providing advice to the Minister of Tourism and Government on policy issues relevant to the tourism sector;
- advising the Government on the outputs it purchases from the Tourism Board; both from a short and long term perspective;
- advising departments and the Government about how the activities of other departments (eg Conservation) affect tourism;
- representing the Government's "tourism interest" on interdepartmental committees and on regulatory issues;
- managing government grants schemes relating to the tourism sector (includes grants available to DoC (ibid)).

The Ministry of Tourism advises the government on policy issues relevant to the tourism sector. Policy papers published by the Ministry include: The Resource Management Act (1991); Tourism Sustainability (1992); and Economic Instruments and Visitor Services on the Public Estate (1993).

## **6.4 The Ministry of Tourism becomes the Tourism Policy Group**

In July 1994 a Cabinet minute "re-focused" the Ministry of Tourism into the Tourism Policy Group within the Ministry of Commerce (Robert Sowman,pers comm). The following sections explain some of the possible reasons for the change in status for the Ministry of Tourism. Specific reasons for the change in status, staff and duties were not supplied to the public, rather a statement of what was to change rather than why it was to change was issued (Press,1994,7 July:4)

### **6.4.1 Reasons for Change**

There was tension between the NZTB and the Ministry of Tourism over their roles and functions. When established, the Ministry of Tourism was meant to be a linking agency for the NZTB between government and other government departments concerned with tourism, eg. conservation, transport (Official Information Directory,1991:494). The NZTB did not use the Ministry in this way preferring to communicate directly with other agencies and government (Robert Sowman, pers comm). By building links in this way the NZTB developed its own 'policy community'<sup>31</sup> (Mulgan,1994:195) that excluded the Ministry of Tourism, and thereby avoided developing a working relationship.

It was suggested by staff at the Ministry of Commerce and Tourism that overlaps in policy areas led to the "refocusing" of the Ministry of Tourism into a Tourism Policy Group within the Ministry of Commerce. A growth area such as tourism has considerable political kudos

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<sup>31</sup> Policy communities consist of ministers, public servants and key interest groups who share a concern for a particular area of policy.

with a government whose focus is on short-term economic recovery. An agency such as the NZTB which is orientated towards economic growth has more political charisma than a government agency like the Ministry of Tourism whose benefits are probably only apparent in the long-term.

#### **6.4.2 The Effects of the Change**

The cuts to staff (12 to 8) and budget, the shift of the administration of grants<sup>32</sup> to the NZTB, and the removal of the "Ministry" title appear to be a political move to diminish the power and status of the Ministry of Tourism<sup>33</sup>. The changes reduced the Ministry's role in giving independent policy advice to the government (Robert Sowman,pers comm).

The change in status for the Ministry of Tourism gives the NZTB a pre-eminent role that any industry board would desire as it provides a direct link to government. The formal incorporation of interest groups into the system of government is referred to in policy literature as corporatism (Ham and Hill,1993:39-45; Dryzek,1987:121); the state bestowing certain powers and financial assistance upon interest groups. The NZTB is not a policy agency, it is a crown owned marketing agency set up by government to assist the tourism industry, it is therefore questionable how "independent" its policy advice on environmental and social issues can be.

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<sup>32</sup> The NZTB is now responsible for the administration of a \$600,000 grants scheme for tourism related work and research.

<sup>33</sup> Pers Comms, policy analysts for the Ministries of Commerce and Tourism.



The disestablishment of the Ministry of Tourism is a significant event in the direction of tourism policy in New Zealand as it indicates the lowering of the status of tourism planning. The Ministry of Tourism was a small unit that produced policy advice on planning issues such as sustainable tourism. The relegation of the Ministry of Tourism to a service team within the market orientated Ministry of Commerce is likely to erode the opportunity for future tourism planning initiatives. Given the significance of tourism to the economy, and the need to manage its effects, a Ministry for Tourism would seem to be a fundamental requirement for the government, and is advocated by tourism planning authors such as Murphy (1985) and Inskeep (1991).

## **6.5 Conflict between NZTB and DoC**

The natural environment is said to be a major drawcard, the NZTB (1993:4) states 'Interest in the environment and unspoiled nature is mounting throughout the world. The natural beauty and freshness of New Zealand's environment is one of our best known and most appealing features'. Most of the natural attractions are situated on the conservation estate. However, commercial tourism interests (other than concessionaires) do not directly contribute to the upkeep of the "natural beauty" tourists seek. In this respect the tourism industry can be said to be "free-riders" on the conservation estate.

DoC can limit access to areas to protect their conservation qualities, for example Island Sanctuaries. The department has a range of options for dealing with areas that are approaching or exceeding their carrying capacities, such as limiting hut and campsite space,

reducing or removing facilities, advertising overcrowding and re-directing visitors to other areas, and promoting off-season use. (Doc,1993c:204). However, DoC has no way of limiting or charging international day visitors, who are effectively free-riders on the conservation estate as they do not contribute to its upkeep through taxes.

### **6.5.1 Consultation and Communication between DoC and the NZTB**

Formal communication between DoC and the NZTB is primarily limited to the Conservation/Tourism Liaison Group<sup>34</sup> which has three meetings every year. The group is designed to provide tourism and conservation interests an opportunity to discuss matters of mutual interest at a national level. Very rarely, the Chief Executives of DoC and NZTB met to discuss specific issues. Limited informal communication exists between DoC and the NZTB over specific issues and publications, for example the draft Concessions Policy (Brian Dobbie, pers comm).

The NZTB goal of attracting 3 million tourists to New Zealand, and the implications for the conservation estate, have not been formally or publicly discussed by the NZTB and DoC. In July 1994 a meeting was held to discuss issues concerning the report "The Conservation Estate and International Visitors" (NZTB,1993a). However, this issues was not debated extensively at the meeting. Some participants<sup>35</sup> at the meeting complained that the goal of "3 Million by the year 2000" had been accepted onto the agenda, and they could only react to the policy (Bronwyn Hayward, pers comm). Such dissatisfaction indicates that those

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<sup>34</sup> The group consists of representatives from the NZTB, Tourism Policy Group, Federated Mountain Club, Concessionaires Association, NZ Tourism Industry Association and the NZ Conservation Authority.

<sup>35</sup> Interest groups and DoC field staff.

affected by the tourism growth objective were not consulted (see section 2.3).

Budowski (1976) has suggested that three different relationships exist between conservation and tourism interests: (1) conflict, where the presence of tourism is detrimental to nature conservation; (2) coexistence, where there is little contact between tourism and nature conservation interests; or (3) symbiosis, where tourism and conservation interests both derive benefits from the relationship (in Stankey, 1987:11).

The relationship between DoC and the NZTB contains elements of all three of Budowski's relationships. Whilst there is conflict between the two organisations over tourist numbers on the estate, there is also a degree of coexistence in that there is limited contact between the two organisations, and symbiosis exists in that tourism interests derive some benefit from the use of the conservation estate. However, there is little evidence to suggest the latter is reciprocated.

### **6.5.2 Tourism on the Conservation Estate**

Pressure on the Conservation Estate is seen by DoC as coming from increasing numbers of international visitors who currently make up 49% of visitors overall, and in some parks 75% (NZTB, 1993a) to the Conservation Estate. The DoC's primary concern is minimising the impacts of increased tourist numbers, such as overcrowding and pollution, that lead to the degradation of the conservation estate (DoC, 1993a). The NZTB concern for the conservation estate stems from the part it plays as a component of satisfactory tourist experiences, which are important for repeat business and word of mouth advertising (Roger Smith, pers comm).

Tourism is perceived by DoC as an issue which affects conservation in many ways. The DoC has commented that increased numbers of visitors may mean that visitors to the estate find the levels of use unacceptable from a social perspective because of crowding, particularly at huts and campsites (DoC,1993a:21). There is also concern that key areas such as Abel Tasman National Park are already overcrowded and have become less attractive to visit. 'Capital must be invested in new infrastructures and management techniques such as restricting visitor numbers, making tracks one-way or implementing booking systems must be developed to avoid this'(ibid).

The NZTB has identified the need for high quality short walks<sup>36</sup> for use by international visitors. However, the cost of establishing and maintaining such walks are unlikely to be supported by the tourism industry. 'The capital and maintenance costs of most facilities are so high that there is never likely to be an adequate rate of return for the private sector'(ibid,21). However, the conservation estate can be classified as merit good<sup>37</sup> and is therefore worthy of government intervention and provision.

Non-concessionary tourism businesses use the conservation estate indirectly<sup>38</sup> but do not contribute to the cost of its upkeep, and thereby obtain a "free input" into their business. They also place addition stress on the conservation estate by encouraging more visitors, which has the potential to increase the costs faced by DoC in terms of facilities and maintenance.

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<sup>36</sup> Scenic short walks rather than longer walks with overnight stays (DoC,1993c:205).

<sup>37</sup> Merit good satisfy "merit wants"; those wants perceived by society as deserving of satisfaction which due to imperfect knowledge, individuals would choose to consume to little. For example education and health (O'Fallon,1993).

<sup>38</sup> For example, a bus or boat operator that transports tourists to points of entry to the conservation estate, or accommodation that is sited on the periphery of a National Park.

### 6.5.3 Future Visitor Growth

The report "New Zealand: Conservation Estate and International Visitors" was prepared by the NZTB with minimal input from DoC<sup>39</sup>. Its release in July 1993 sparked interest and criticism from DoC over the goal of 3 million tourists because of the possible effect on the conservation estate. In the community, groups such as the Federated Mountain Club, Conservation Boards, Academics, Maori Trusts, Iwi groups, Transit N.Z., tourism operators and district councils expressed an interest in projections for growth contained in the report. A key point of interest was the 3 Million tourist goal - many groups saw this as an undesirable goal for New Zealand. The document provoked unexpected negative feed back from the public and interest groups over the use of the Conservation Estate as part of tourism infrastructure (Brian Dobbie, pers comm, July, 1994).

A key component in the successful development of tourism is community acceptance (Murphy, 1985). The reaction to the report suggests that massive increases in tourists numbers, and the use of the conservation estate as tourism infrastructure, may not be acceptable to many sections of the community.

The NZTB (1993a:4) acknowledges the importance of the conservation estate to the development of New Zealand as a tourist destination. It therefore seems ironic that the NZTB (1993a) projected massive growth in visitor numbers to National Parks, but omitted to include any assessment of the social and environmental implications of such growth in the report. This demonstrates a lack of understanding of the demands such numbers would place upon the "tourist attracting" natural environment.

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<sup>39</sup> See section 2.3 for a discussion of the NZTB (1993a) report.

## 6.6 Tourism Policy Capture

The NZTB's function is that of a crown owned marketing agency, and under current legislation (NZTB Act,1991) it is not required to be accountable to the public. It has sought to expand it's sphere of influence by giving policy advice directly to the government.

The NZTB claims to provide analysis and advice to the government on tourism development with regard to the achievement of sustainable growth, and environmental and conservation issues relating to tourism and the Resource Management Act (1991), through the Planning, Policy and Investment Division of the Board (NZTB,1993b:11).

The NZTB foresees increasing work in areas of social, environmental and economic planning. The NZTB saw the overlaps with the Ministry of Tourism on policy advice and ministerial work as being better placed with NZTB (Roger Smith, pers.comm). Such policy work is outside the NZTB's original mandate and was originally meant to come from an independent unit such as the Ministry of Tourism (which *already* produces advice to the government on areas such as sustainable tourism). It is also contrary to the government philosophy since 1984 of dissolving dual mandates, that is, keeping the development and environmental functions that affect government agency activities separate (Bhurs,1993:95). The change to a market led government style has resulted in many interest groups no longer being consulted by government. However, economic interest groups<sup>40</sup> are still prominent in the political system (Vowles,1992:360-361). Mulgan (1994:215) argues that the 'market liberal' model of interest group involvement asserts that government should ignore 'vested sectional

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<sup>40</sup> For example the Business Round Table, the Federated Farmers, and the Manufacturers' Federation.

interests'<sup>41</sup> and concentrate only on the public interest. In practice such an argument can lead to even greater political inequality as it displaces rather than removes interest-group activity by giving greater power to groups who can identify their particular interest with public interest by claiming general benefit to the community through economic growth and increased employment (ibid,200).

Conservation cannot claim public interest through economic growth as their activities are concerned with preservation rather than development. By contrast, the significant economic contribution of tourism gives the NZTB bargaining power in the name of public interest<sup>42</sup>.

The NZTB's behaviour is indicative of bureaucratic self-interest as predicted by Public Choice Theory. That is, bureaucracies will seek to enlarge their budgets and increase their influence with government. An increased budget can mean more jobs, improved promotion prospects, and more resources with which to carry out their work (Dunleavy,1987:115). The position of the NZTB as an interest group representative disposes it towards self-interested behaviour.

Mulgan (1994 :206-215) argues that when interest groups are part of the political system, have their issue on the government agenda, produce policy discussion papers, and their sector contributes to the economy and thereby public interest, it gives them greater power to influence government policy and secure their place in the political system. The actions of the

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<sup>41</sup> Interest groups seeking special advantages or privileges (Mulgan,1994:197).

<sup>42</sup> Public interest arguments are frequently used in NZTB publications, and are reiterated in National Party literature for example "Towards 2000".

NZTB, which has clearly been captured by major commercial tourism interests, exemplifies Mulgan's theory.

## **6.7 Summary**

The NZTB is a powerful interest group representative which has established and entrenched itself in a position of almost unrivalled influence with government on tourism policy. A tourism policy objective (three million tourists by the year 2000) has effectively been set without any evidence of consultation or consideration of the impacts on the community and environment. In addition to this the NZTB is in a position to impose tourist visitor growth on the conservation estate without the agreement of DoC or other effected parties.

It has been argued in previous sections that tourism is dependent upon the natural environment and should be managed in a sustainable way. New Zealand's tourism policy is not based on sustainable management and does not anticipate environmental impacts. Under the existing institutional structure sustainable tourism policy is unlikely to be formulated. If this situation continues New Zealand can expect negative environmental and social impacts, many of which will be difficult to predict.



## **Chapter Seven: Recommendations**

### **7.0 Introduction**

Public Choice Theory and Tourism Planning both suggest changes that may be useful in improving mechanisms for dealing with tourism development in New Zealand. Public Choice theory suggests where government could be involved in tourism, but not the extent to which it should be involved. Tourism Planning leads on from this point by advocating proactive government planning, and suggesting institutional arrangements to achieve this end. On the conservation estate private property regimes can provide a means for placing the costs of use with the users.

If the conservation estate is to be managed sustainably changes must be made to existing institutional arrangements. Chapter 6 revealed that in the present institutional context tourism policy formulation favours tourism industry objectives because of the powerful position of the NZTB, and the relatively weak position of DoC. At a practical level DoC is limited in the methods it can employ to control visitor numbers. The following sections suggest changes to external institutional arrangements that affect the use of the conservation estate for tourism, and to the internal management of the conservation estate.

## 7.1 Investment in Infrastructure

Public Choice analysis of tourism suggests that government should be involved in tourism promotion because of collective action problems, and in the supply and quality of natural assets and environmental amenities. However, it does not provide insight into the extent to which involvement might be appropriate (O'Fallon,1994:235).

The government is involved in providing tourism promotion through the NZTB, and the supply of the natural environment through DoC. The NZTB receives a budget to achieve its task of tourism promotion, however, DoC receives no budgetary allowance for its role in maintaining the conservation estate (Brian Dobbie,pers comm). Re-investment in the conservation estate should be regarded as sustainable business practice, rather than an unnecessary cost.

If the conservation estate is to be used for tourism the resource must be protected and maintained, otherwise it will be depleted (see section 2.4.2 and 3.2). Indeed, a report prepared for the NZTB recommended that the Board 'should become involved in lobbying Government for DoC's budget' to enable the protection of New Zealand's environment (Anon,1991:2). However, it is important to recognise that a budgetary allowance for tourism does not in itself solve the primary problem of increasing numbers of visitors to the conservation estate.

## 7.2 Public Planning

Planning for tourism through a national strategy has been recognised by the Australian government as essential. Growth and profitability maximisation, sustainability, and the minimisation of negative impacts (social or environmental) 'will not just happen; it must be planned' (PCA,1992:245).

From a Tourism Planning perspective the power imbalance between the NZTB and DoC is a major constraint on planning for tourism. Tourism Planning advocates co-ordination between tourism interests. The relationship between the NZTB and DoC appears coercive in that DoC has no formal input into tourism growth policy. DoC is virtually powerless to influence tourism policy, and can only try and cope with increased tourist numbers.

A first, and crucial step in better tourism policy would involve addressing this power imbalance. A reinstated Ministry of Tourism with the power to develop a national tourism policy statement, and coordinate the interests of DoC and the NZTB, may help to address the power imbalance. The process of developing a national tourism policy statement would involve the consultation of relevant groups of which the NZTB would be but one (albeit an important one), rather than this interest group having the power to set tourism objectives unchallenged by other affected parties.

### **7.3 Justifying Government Intervention**

Tourist numbers already total one million per year and future growth is predicted at 6.8% (NZTB,1993b:4). Given the current pressure on the conservation estate, and the certain increase of visitors, the sustainable management of the conservation estate is in question. Responsible government action is required to ensure that DoC is able to manage the conservation estate in a sustainable way.

The government has a commitment to sustainable management through the Environment Act (1986), and the Resource Management Act (1991). These Acts are binding upon the Crown. The purpose of both Acts is the sustainability of natural and physical resources and provision for the needs of future generations. The Resource Management Act also stipulate that adverse effects on the environment are to be avoided, remedied, or mitigated. Clearly there is scope under both Acts for government intervention in the current tourism predicament to ensure sustainable management of the conservation estate; and justification for government initiating the institutional and legislative changes recommended in the above sections.

### **7.4 Mediated Agreements**

Ostram's (1992) public/private approach to managing a "common" includes the use of negotiated agreements between affected parties. It is possible that such an approach could be used to improve the current tourism/conservation dilemma.

The key difference between the typical outside imposition approach of classical planning and welfare economics, and Ostram's proposition is that the participants design their own contract. Such an approach brings opportunities for negotiated or mediated agreements between affected parties. The participation of parties in designing the agreement makes them less likely to attempt to defeat the rules than if these were imposed by an outside agent (Fisher,1988). There is scope for mediation of policy disputes in situations where the relevant government Ministers support the process, agree to the mediated policy proposal, and give the mediator formal delegated authority (Blackford,1992:10).

Agreements and co-ordination between tourism agencies and actors have the potential to minimise conflict by reducing the instances in which agencies involved in, or affected by, tourism work against each other. In July 1994 a mediated meeting was held between the NZTB, the Tourism Policy Group, DoC and other parties to discuss reactions to the NZTB report 'International Visitors on the Conservation Estate'. At the conclusion of the meeting two lists of issues had developed, (1) of shared concerns and (2) of issues where opinion differed (DoC/NZTB,1994:1-2). Meeting such as this allow issues to be sorted into areas of common agreement which can act as starting point for dialogue between parties. Dialogue may lead to better co-ordination and communication between tourism business interests and those affected by tourism growth.

Before a mediated agreement on tourism policy can eventuate the power imbalance between the NZTB and DoC must be addressed. Whilst the power imbalance continues the NZTB will always be in a position to impose tourism growth on DoC, thereby pre-empting an agreement that meets the different objectives of both parties.

Working out conflicts at the central level and agreeing upon an approach to tourism may assist co-ordination between central and local government agencies. Negotiated agreements could also be used at a regional level to assist local agencies in coordinating their tourism related activities<sup>43</sup>. For example, a joint policy statement between DoC and local government in the Nelson Marlborough area could serve as a chance to gain community input, anticipate environmental and social impacts, and make decisions about desirable directions for tourism development. For example, they may decide to promote an image based on locally owned adventure and eco-tourism enterprise.

## **7.5 Managing Congestion on the Conservation Estate**

Tourism marketing could stop tomorrow, but DoC would still have to face the problems of congestion on the conservation estate and insufficient funds for tourism related maintenance.

The congestion caused by too many users will result in a 'decrease in total beneficial use' (Oakerson, 1992:44). Grima and Berkes (1989:33-34) argue that open-access ideals lead to resource use patterns which are not sustainable. Sustainable use is only possible if access is limited. Methods for dealing with increasing tourist numbers on the conservation estate need to be explored. One possible option is introducing charges for the use of the conservation estate.

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<sup>43</sup> Simmons (1986:78) suggests the establishment of regional tourism advisory groups to assist local, regional, and central government in planning for tourism.

A change to the Conservation Act (1987) allowing user fees to be charged for entrance to National Parks would provide a means of keeping visitor numbers at acceptable levels and recovering recreation service costs: peak load pricing would encourage more even use throughout the seasons by offering lower user fees during spring and autumn; raising prices in over-used areas would reduce demand. Fees can be collected by concentrating charging on facilities such as huts, roads, car parks, and jetties rather than access to the conservation estate (Clough,1993:8).

All tax payers contribute to the conservation estate, and all people benefit from the existence of parks through non-use values such as preservation. In the USA and Canada park managers consider that those who use the conservation estate benefit more than non-users and should therefore pay more (Aukerman,1986:63-66). Aukerman notes that in many cases large numbers of tourists who use parks never contribute directly to the cost of operating and maintaining parks. He suggests that a special levy on tourists is appropriate and can be obtained through methods such as: airport tax; bed tax; or paying a higher user fee.

USA park managers use differential pricing to charge tourists more than local people. They have not experienced negative effects on public relations, and found tourist quite accepting of the system - reasons sometimes offered for not adopting this method (ibid). Differential prices could also be extended to New Zealanders. In the USA some park agencies offer work programmes, and other means to allow users to pay. Similar programmes exist in New Zealand in the form of working holidays on the conservation estate which are subsidised by DoC.

User fees will not eliminate all free-riders or recover all costs. There are costs associated with collecting user fees. At some sites low usage or a large number of park entrances means the revenue collected does not offset the costs of collection. In these cases it is less costly to provide the site free of charge (Walsh,1986:527). Such cases mean some parks will have an entrance fee whilst other parks remain free - thereby providing continued free access to less congested areas of the conservation estate.

### **7.5.1 Current Management Techniques**

At present DoC employs a range of techniques designed to keep visitor numbers within carrying capacity, these include (DoC,1993c:205):

- re-directing visitors to alternative sites.
- use publicity to raise awareness of crowding, cease advertising, or promote other opportunities.
- adjust facilities charges (or instigate them) where facilities are provided.
- limit visitor numbers or close small areas such as campsites: this option requires considerable management input and may be confronted by strong adverse public reactions.

The above options present a range of techniques for adjusting the pressure placed on the conservation estate by either dispersing or, in extreme cases, limiting visitors. Public Choice Theory suggests that if the conservation estate is to be managed as a sustainable common it



needs a system of property rights that limit access. Introducing user fees could serve the dual purpose of limiting visitors and recovering costs for recreation services.

## **7.6 Summary**

Public Choice Theory analysis suggest that both public and private mechanisms could be used to address the current problems faced in tourism policy and planning and safeguard the conservation estate. Public investment in the conservation estate is supported by Public Choice analysis, sustainable development arguments, and Tourism Planning Theory. The problem that must be faced now is how to involve government and to what depth.

The solutions suggested in this chapter are aimed at addressing the external problems that influence the development of tourism policy. The power imbalance between DoC and the NZTB should be addressed through the reinstatement of the Ministry of Tourism with the power to develop and enforce anticipatory tourism policy. In addition, changes to the NZTB Act to make the NZTB publicly accountable could ensure adequate consultation with affected groups and create the opportunity to use mediated agreements as suggested in section 7.4. Similarly the internal constraints on DoC that restrict its response to increasing tourist numbers on the conservation estate could be reduced by a change of legislation that allows DoC to charge user fees.

## **Chapter Eight: Conclusion**

*In soloing - as in other activities - it is far easier to start something than it is to finish it.*

*Amelia Earhart.*

The task originally set in this study was to analyse New Zealand's tourism policy, as it affects the conservation estate, against the ideal of sustainable tourism management.

A primary issue was the conflict between the NZTB, who have set a tourism policy objective of rapid growth, and DoC, who are charged with guarding the public estate against use that compromises conservation. The NZTB has emerged as a powerful interest group representative capable of imposing tourist visitor growth on the conservation estate without the agreement of DoC, or other affected parties.

Current tourism policy does not lend itself to sustainability. Although the NZTB claims to be aware of the need for sustainable tourism development, this assertion is not borne out by its policies which emphasise sustainable **growth** rather than sustainable **use**.

The cumulative nature of tourism impacts preclude resource consents (issued under the Resource Management Act (1991)), from ensuring the resources utilised by tourism businesses and tourists are protected from non-sustainable use. Other means for achieving sustainably managed tourism therefore needed to be explored.

Tourism Planning arguments presented in Chapter Four predict that tourism development based on open access natural resources will ultimately lead to their destruction. Similarly, the Public Choice analysis of Chapter Five concluded that open access to the conservation estate will result in a "tragedy of the commons", where the congestion caused by too many users results in a 'decrease in total beneficial use' (Oakerson,1992:44).

Public Choice analysis and Tourism Planning diverge in the types of solutions they propose. Public Choice analysis suggests a redefinition of property right regimes. By contrast Tourism Planning recommends government initiated planning. Both solutions may help to ameliorate the negative impacts of tourism, but through different methods; the former using a government initiated top-down approach, the latter using a bottom-up approach comprised of both public and private involvement.

How can the most appropriate application of the options presented in Chapter Seven be determined? The methods employed to solve a problem depend upon the way decision makers choose to define the problem, and the social and political objectives of the actors involved. If sustainably managed tourism, which safeguards the conservation estate, is the objective, the power imbalance that exists between the NZTB and DoC is a primary concern. Three possible options for addressing this imbalance have been identified:

- (1) Increasing DoC's ability to respond to tourism by allotting a tourism budget for maintenance and allowing for user fees to be charged;
- (2) Decreasing the power of the NZTB by making it publicly accountable;

- (3) Implementing a National Tourism Strategy to co-ordinate tourism related interests.

An amendment to the NZTB Act (1991) could make the NZTB publicly accountable. The power imbalance between the two parties would be addressed and the option of mediated agreements on tourism policy would become feasible, as the NZTB would no longer be in a pre-eminent position of power.

User charges for entrance to National Parks, and other services, would provide a means of keeping visitor numbers at acceptable levels and recovering recreation service costs. A specific budgetary allowance, which acknowledged the conservation estates role as tourism infrastructure, would assist DoC in responding quickly to tourism related impacts and providing tourism related maintenance.

Whilst these changes could improve the position of DoC in protecting the conservation estate, they may not be sufficient in themselves to provide a co-ordinated and sustainable approach to tourism generally. If sustainably managed tourism is to be an objective outside the conservation estate, a National Tourism Strategy could provide co-ordination between local, regional, and central government in planning for tourism.

In order to provide independent advice to the government and overall co-ordination of a tourism strategy the Ministry of Tourism would need to be reinstated. A new Ministry of Tourism could be given regulatory power to balance tourism business objectives against the environmental and community objectives of affected parties. Provision for public participation in tourism policy would provide some assurance that tourism development does

not progress at a rate, or in a way, that depletes resources, cheats visitors or exploits the local population. A new Ministry of Tourism would provide checks and balances on tourism policy that are absent, and may pre-empt power imbalances and ensuing conflicts of interest such as those witnessed between the NZTB and DoC.

Sustainably managed tourism on the conservation estate can provide for the protection of a resource which is: a source of national pride and identity; instrumental in achieving society's conservation objectives; and attracts tourists to New Zealand. Given the benefits the conservation estate provides, vulnerability to the danger of non-sustainable tourism use is a risk New Zealand cannot afford to take.

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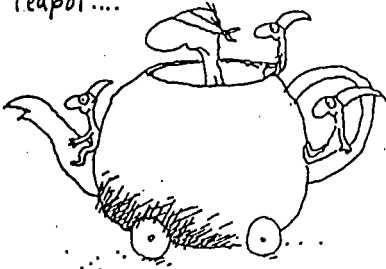
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## **PEOPLE INTERVIEWED**

Lou Higgison	Department of Conservation, Nelson.
Hugh Logan	Department of Conservation, Nelson.
Brian Dobbie	Department of Conservation, Wellington.
Joe Manning	Ministry of Commerce, Wellington.
Robert Sowman	Ministry of Tourism, Wellington.
Roger Smith	New Zealand Tourism Board, Wellington.
Neil Jackson	Tasman District Council, Nelson.
David Simmons	Department of Parks, Recreation and Tourism, Lincoln University.
Kay Booth	Department of Parks, Recreation and Tourism, Lincoln University.
Bronwyn Hayward	Department of Parks, Recreation and Tourism, Lincoln University.

... On my way to Uni, I was kidnapped by a band of pixies in a hotted up teapot....



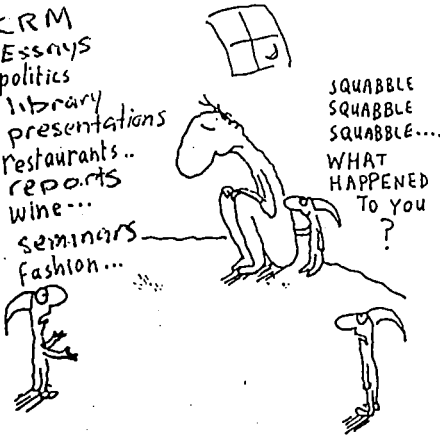
I was taken to a large toadstool in the forest I'd read about this sort of thing.... I was about to be de-programmed...



YOU USED TO BELIEVE IN US...

...UNTIL YOU JOINED THAT WEIRD CULT.

CRM  
Essays  
politics  
library  
presentations  
restaurants...  
reports  
wine...  
seminars  
fashion...



SQUABBLE  
SQUABBLE  
SQUABBLE....  
WHAT  
HAPPENED  
TO YOU  
?



YOU USED TO BE SO SWEET...



TO BE CONTINUED  
ONE DAY...

Lenny