Tourism in Rotorua:
Destination Evolution and Recommendations for Management

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Rotorua Case Study

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Chapter 1

Introduction

This report provides a synthesis of seven separate reports (listed in Appendix 1) into key aspects of tourism in Rotorua, and makes recommendations for the future management of the sector. This case study of tourism in Rotorua constitutes the second of four community case studies (Kaikoura being the first[1]) into the evolution of, adaptation to, and management of tourism in New Zealand.

The overall goal of the research programme that encompassed these case studies is the improved management of tourism growth and better guidelines to ensure its sustainability.

Rotorua has been chosen as a case study for a number of reasons. The key criterion in the selection of case study sites has been a broad assessment of tourism density[2]. Important features for Rotorua are:

- A high number of visitors (both international and domestic) over a reasonably large resident population base[3].
- A long established role as a significant tourism destination in New Zealand.
- A significant range of tourist attractions (natural [geothermal] and cultural), and
- A significant Maori population (30% of residents) and Maori involvement in tourism.

Future case studies are being implemented for the West Coast of the South Island of New Zealand, and are planned for Christchurch – Banks Peninsula.

Funding for these case studies has been provided by the Public Good Science Fund.

The studies are focussed primarily on the important private – public sector interface in tourism planning and development. They are not marketing studies per se (although significant data are produced to inform marketing decisions) but are focused on public sector responses, and community adaptations to tourism, with a long-term view toward sustainable tourism at the local and national level.

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[1] For a list of Kaikoura reports refer Appendix 2.

[2] Density can be crudely measured as the 'no. of tourists/no. of locals', with additional consideration to such factors as seasonality and rate of development.

[3] Kaikoura, the first case study (for reports refer Appendix 2, or see www.lincoln.ac.nz/trrec/kk-sum.htm for a summary) represents high visitation (N=873,000 visitors/year) over a very small based population (N=2,750).

1.1 Study Objectives and Framework

Each case study is (initially) arranged into six objectives with three main foci. These are:

- Understanding tourist demand (decision-making, expectations and experiences, regional and national flows).

- Community expectations of, and adaptations to tourism.

- Maori involvement in tourism and expectations of Maori in relation to tourism.

The myriad of relationships between 'host and guests' is well described as being the primary relationship in tourism. Guests (visitors) seek unique and rewarding natural and cultural experiences, while the host community is involved in providing the essential 'hospitality atmosphere' (Murphy 1985; Simmons 1994), landscapes, shared recreation experiences and facilities, as well as businesses, that allow tourism to function. At a fundamental level if tourism fails to meet the needs and aspirations of local residents, the seeds of discontent are sown, resident attitudes sour, and destinations soon loose their popularity (Butler 1980; Haywood, 1986).

The above 'host-guest' relationship is however significantly mediated by three important features, which are also incorporated as research objectives in this study. These are:

- Economic. An understanding of the economic contribution and structure of the tourism sector is required for policy and development purposes. Residents who gain financially from tourism have been shown to be more supportive of the industry than those who are not involved with the industry.

- Environments. Tourists are drawn to, and share, many natural features with residents (and domestic visitors). Tourism can also be a significant source of environmental change, both positive (e.g., conservation advocacy) and negative (e.g., waste management, changes to the built environment). Research is needed both at the site (attraction) level and to address the provision (including cost) of necessary infrastructure, (for a comprehensive review see PCE 1997).

- Management systems. As our research has progressed (both in Kaikoura and Rotorua) it has become increasingly apparent that the form and style of local leadership, planning and management structures are a crucial factor in the outcomes of tourism development and it's sustainability.

These relationships are depicted in Figure 1 and form the basis of the synthesis that follows.

Tourists

Planning Systems and Responses

Environment

Economy

Residents

Maori
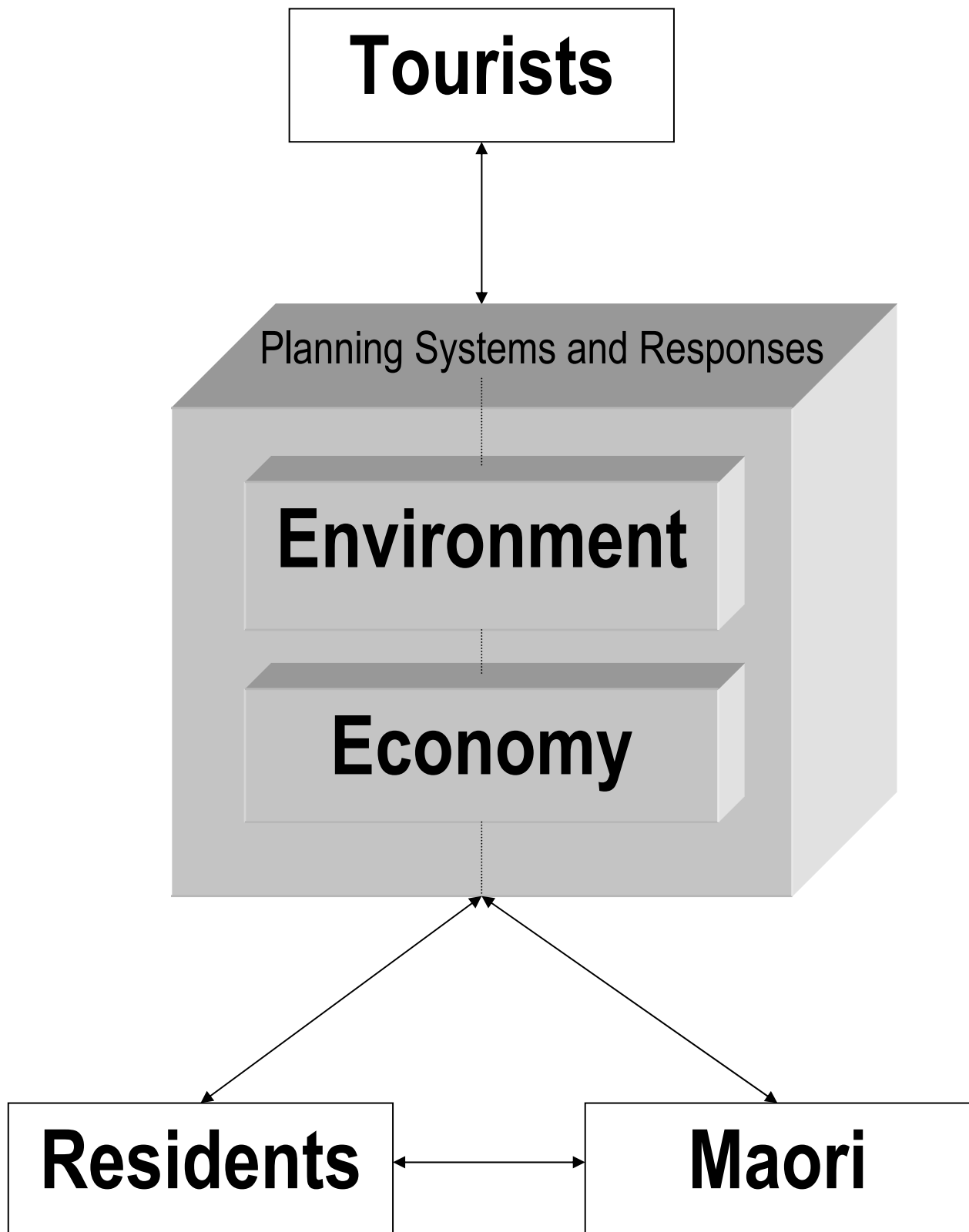
Figure 1
Research Framework

It should be noted, however, that this document provides only a summary of research, and as such omits details that are essential for a full understanding of the topics reviewed. Readers are cautioned against making conclusions about substantive research results without first reading the relevant reports, which are listed in Appendix 1.

1.1.1 Report Structure

A brief review of the development of tourism and its current management structures and practices in Rotorua now follows. Summary data from the seven constituent reports are presented and discussed. The key points from each report are highlighted and then collated in the final section. This final section draws together recommendations for policy, and makes recommendations for the ongoing development of tourism in Rotorua.

1.2 Background

Tourism is a significant industry sector in Rotorua, and Rotorua is a significant destination in New Zealand's tourism. Rotorua first developed as a visitor destination as a result of its dramatic natural scenery, especially the world famous pink and white terraces destroyed by the eruption of Tarawera in 1886. Rotorua, while well known to Maori, soon became of interest to European tourists, and tourism itself became the catalyst for a 'Government' town. Geothermal and scenic wonders along with Maori culture experiences were, and remain, the core of Rotorua attractions. Farming, forestry, manufacturing, retail and services, along with tourism, are today the main sectors of the District's economy.

Tourism has however fluctuated over the years. In the 1980s a series of environmental crises, particularly overuse of geothermal resources and pollution in Lake Rotorua, challenged city leaders to re-focus on the wider context of tourism management. Visitor numbers declined and the town lost much of its fashionable status.

A renewed focus on tourism management has seen major upgrading of civic amenities (e.g., townscape, lake front), upgrading of key attractions, construction of new accommodation, and renewed marketing efforts. A Rotorua Strategic Tourism Plan (1995-2000) (RTAB, 1996) was an important outcome and is elaborated below. Today Rotorua has re-established itself as one of New Zealand's most visited destinations for international and domestic visitors alike. It hosts just on half a million international visitors (Dec 1999 figures) –30.2 per cent of all international visitors to New Zealand - and approximately 700,000 domestic (including an estimated 230,000-day) visitors.

Following the Tourism Strategic Plan, a second review, albeit national in scope, (Management of the Environmental Effects Associated with the Tourism Sector (PCE 1997)) has also drawn on Rotorua's experience. It too is summarised insofar as it adds an important contextual element for the research reported here.

While future tourism growth in New Zealand currently seems assured (Goh and Fairgray, 1999) the challenges of tourism management require ongoing balance between economic growth and development, protecting and enhancing core (public) resources some of which are attractions in themselves, and meeting the needs and expectations of resident communities.

1.2.1 Rotorua Tourism Strategic Plan (1996–2005) (Tourism Rot/RDC, 1996)

'Tourism Rotorua' is the Rotorua's regional tourism organisation (RTO). Core funding is provided by the Rotorua District Council (RDC) and to all effects and purposes acts as a 'unit' within this parent organisation. The industry is involved by way of numerous joint-marketing initiatives. Although RDC funds Tourism Rotorua, it is the Rotorua Tourism Advisory Board (RTAB) that gives it specific marketing direction, providing information and advice from a range of interested parties (including councillor and staff representatives of the District Council), Tourism New Zealand and Maori tourism operators.

Rotorua has developed a robust institutional structure for tourism management[4]. Two features, in particular, are worthy of note. First, their tourism development agency (Tourism Rotorua) is closely aligned to Council, in fact operating as a unit of the RDC. Key Committees have joint membership (Councillors, staff and industry members) with minutes shared between key committees. Second, Tourism Rotorua has a largely secure budget[5] - thus their creative energies can be focussed on the myriad of key issues required for balanced tourism management.

As one of its early functions Tourism Rotorua produced a 'Rotorua Tourism Strategic Plan (1995–2005)' (RTAB, 1996). This was a broad based and innovative step that helped establish Tourism Rotorua as one of the best prepared and managed RTOs in New Zealand. The plan set out a broad ranging strategy which:

- Provides a framework for the tourism industry and community activities;

- Raises the importance of tourism in Rotorua;

- Provides structures and steps to plan for the future, and initiates programmes for improving the industry.

The plan sets out 11 'strategic steps' and 61 'action steps', which were directed at management of the functional tourism environment. Included, alongside the traditional marketing and product development activities, were goals relating to environmental management, community and Maori linkages, transport, training and public infrastructure. These goals were to be advanced by 11 portfolio groups comprising District Council, Tourism Rotorua and industry members.

In the interviewing years much has been accomplished. The industry generally is united, Rotorua has a new 'brand' image, and enjoys community and Council support. As a destination Rotorua has also maintained market share, and weathered the recent downturn in Asian economics.

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[4] For a diagrammatic representation of the structure of Tourism Rotorua refer Appendix 3.
[5] Many other RTOs have to continue to lobby their respective council(s), and industry members to secure operational funds.

The original 11 portfolio (implementation group) have been refocused into five core functions:

- Finance and resources;

- Marketing;

- Events and incentives

- Maori; and

- A 'special projects' group.

The special projects group, in particular, has been left with a broad range of responsibilities, some of which, such as the development of environmental best practice standards, will have wider application to the sector nationally.

Elsewhere the RDC, which has a significantly broader mandate under the RMA, reports on its proposed District Plan (notified December 1993) that "Council aims to increase Rotorua's market share where both international and domestic tourism is concerned". Acknowledgement is made of tourism's reliance on natural and cultural assets, the pressure tourism places on existing infrastructure and natural resources, and the adverse effects tourist activities can have on amenity values. Three key objectives are identified for tourism:

- The maintenance of natural and cultural values which are not adversely effected by tourism activities.

- Maintenance and enhancement of amenity values in tourism–orientated areas which reinforce the tourist resort atmosphere of the District.

- Maintenance of amenity values in areas neighbouring tourist related activities and protection of those values from adverse effects of the tourism sector.

As noted by the PCE, this mandate for primarily regulatory function with respect to development, and the strong promotional orientation of Tourism Rotorua places the RDC in "a conflict of interest in promoting tourist related developments while fulfilling its regulatory functions and responding to community concerns" (PCE 1997:A65).

1.2.2 PCE Review of Environmental Effects of Tourism

In 1997 the PCE undertook a review of the environmental effects associated with the tourism sector and its sustainability, as its major investigation for the year. While the review was national in its scope, and focussed predominantly on environmental issues, because of Rotorua's pre-eminence as a tourist destination it was included as a review case study[6].

In its commentary on environmental management of the tourism sector in Rotorua, (many issues from which were reflected elsewhere in the country), the PCE reported the following issues were relevant to Rotorua.

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[6] The review findings are included in Appendix A of the Commissioner's final report (PCE, 1997)

- Positive community attitudes – were reported towards tourism, with residents valuing and wishing to protect the relative size of their town and the natural and rural environment of the District.

- Management of activities in natural areas – is important for both tourists and locals, with reported issues in recreational use displacement, loss of wilderness qualities, air (including noise) pollution, and physical damage.

- Lakes management – are key taonga for local Maori, and are under pressure from on-lake activities, and lake margin development. This local issue is being advanced via a separate Lakes Management Strategy.

- Geothermal resources – are a locally significant issue because they serve as a core of tourism attractions and are significant Maori taonga. There are currently competing claims before the Waitangi tribunal to resolve ownership issues.

- Subdivision – tourism and residential development are both attracted to pristine environments, while the natural rural character of the destination is important to residents and tourists alike. Without long term planning there is a fear that 'creeping commercialism' will destroy much of the amenity value of the area.

- Paying for infrastructure provision – is a universal problem for tourism –in which tourists' needs can appear to be put ahead of locals'.

- Maori cultural issues – are also a national issue but are particularly acute in Rotorua because Maori culture is a significant component of tourism in Rotorua. Maori's strong relationship with the environment is noted with the "overriding view" that Maori should:
  - be more involved with management in tourism;
  - have more say over the ways their culture and places of traditional significance are used; and
  - receive direct benefits from that use.

- Involvement of local government in tourism is seen as problematic because the District Council has multiple roles in tourism – promotion, regulation, community participation, infrastructure provision. The need for long-term planning and the development of "environmentally sustainable practices" were reinforced.

- Liaison between organisations with overlapping responsibilities is a critical issue for environmental management. This makes management difficult and is a barrier to public participation.

- Lack of information and environmental monitoring are crucial barriers to establishing sustainable environmental practices.

- A need for education – was required for both tourists and the industry.

As indicated previously the PCE case study included analyses of Rotorua and Queenstown as key icon destinations to assess the national picture of environmental management of tourism. In Rotorua particular local issues to emerge were the management of geothermal resources, lakes management and Maori involvement. Many of the other issues foreshadow national concerns which have reinforced the Commissioner's call for a national tourism strategy, and research emphasis on developing environmental indicators to support monitoring programmes for tourism developments and activities. Within the local and national issues identified above Rotorua is well placed to become a national leader in planning and managing for sustainable tourism development.

1.3 Summary

For Rotorua the challenge is to achieve balance between sustainable economic development through tourism and the deployment of natural and cultural assets to achieve this. The existing institutional arrangements were seen in two recent reviews as well placed to achieve this by developing a long-term, integrated tourism development strategy that both reaches down into the local community and upward and outward to inform the development of a national tourism strategy.

Chapter 2

Results

The following section presents key summary data from the seven constituent reports. Key findings are discussed and recommendations presented for integration in the final section.

2.1 Overview of Tourism in Rotorua's Development (From Reports Nos. 14 and 15)

Maori played a significant role in Rotorua's tourism development in the late 19th century, and in its control. At this time not only did they manage the geothermal and cultural attractions but they also provided much of the required infrastructure such as transport and accommodation. The Maori community and its culture and traditions have therefore been a factor in shaping Rotorua as a tourist destination. However, the subsequent history of Maori involvement in tourism in Rotorua is one of movement from a position of considerable control of management to one of less direct influence.

In the 20th century tourism has continued as important part of the Rotorua urban economy, in large part promoted by the New Zealand government, with support for both facilities and infrastructure. However, by the 1950s there was a more diversified economy, with well-established manufacturing. In addition, the State Sector has been important, providing almost 43 per cent of jobs in the Rotorua area in 1987, which was higher than either tourism or forestry. Forestry and agriculture have also been (and remain) of considerable importance to the community.

In recent decades, economic restructuring and its associated global, national and regional changes have affected Rotorua profoundly. This contributed to an increase in unemployment in the late 1980s and early 1990s which represented a crisis period for Rotorua, made worse by the deterioration of Lake Rotorua water quality and decreasing activity of the geysers. References in the media and research at that time indicate that the community was becoming demoralised. Since then however, it appears that the community has regained its confidence, in part because of action taken by the Rotorua District Council.

As Central Government retrenched its services, the Rotorua District Council encouraged investment and business in Rotorua. The need to create local employment focused the community's hopes on tourism, which was seen as having the potential to both grow and employ relatively unskilled individuals. Council involvement increased with the development of Tourism Rotorua, a branch of Council concerned with drawing together the tourism industry and with marketing Rotorua to potential visitors. This marketing push was vital since environmental degradation had made the town less attractive to domestic visitors in particular. Of particular importance was the creation of a successful partnership between the Rotorua District Council and the private sector. This partnership appears to have been successful in developing and maintaining a positive attitude towards tourism within the community as a whole.

Rotorua's long history of tourism combined with adverse effects of economic restructuring thus provided opportunities for the Rotorua District Council to play a key role in promoting tourism and in managing its growth.

2.1.1 An Overview of Visitor Numbers and Composition (Using existing data sources)

There were 1,206,958 visitors to Rotorua in 1998. Figure 2 shows the number of visitors to Rotorua for both numbers and nights. From 1996 to 1998 both visitor numbers and nights have steadily increased. The trend for visitor nights shows a significant peak in January while the visitor numbers show only a slight increase in the summer months. This January peak occurs because New Zealand summertime visitors stay for many nights per visitor.
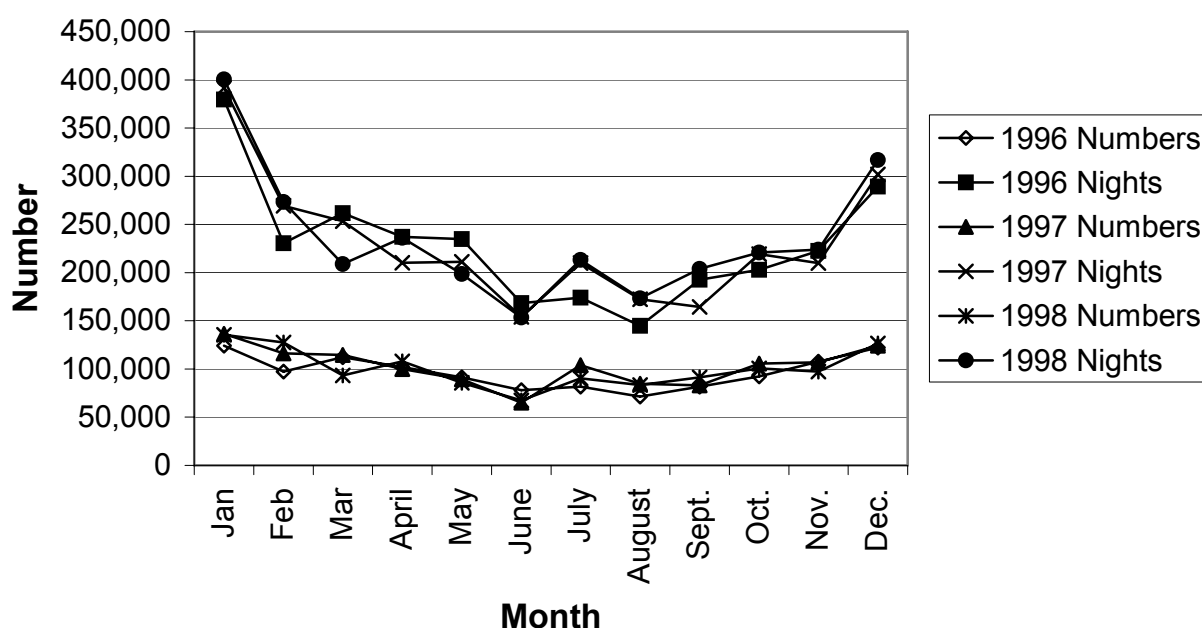
Notes: 1. Visitors staying in commercial accommodation and in private homes.
2. Source, APR Consultants, December, 1998.

Figure 2
Visitors to Rotorua 1996-1998
Numbers and Nights

Figure 3 shows visitor nights for domestic and international visitors. The figure shows that total visitation has increased in recent years except for 1995. Domestic visitors form the larger proportion of the total.
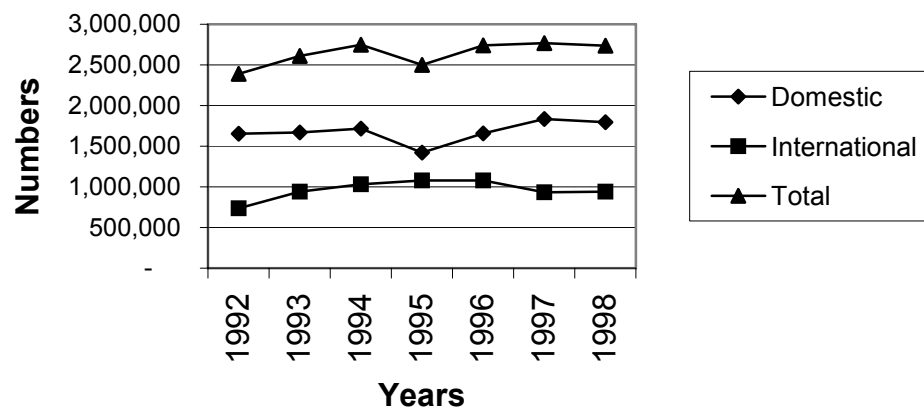
Figure 3
Visitors Nights by Type

In addition to visitors who stay overnight, Rotorua receives many day visitors or excursionists. There were an estimated 55,000-day visitors on group tours who came into the area in 1994/5. In addition there were an estimated 30,000-day visits per year generated by sports events such as marathons, tournaments etc. and 200,000 visits per year generated by shoppers from outside of the Rotorua District.

Rotorua is a destination which has over 1.2 million visitors per year over a population of 67,200. The majority of visitors are New Zealanders with a seasonal increase during the summer holiday period. International visitors make up approximately 40 per cent of the total. There is a considerable number of day visitors.

2.2 Visitors to Rotorua: Characteristics, Activities and Decision-Making (Report No. 12)

This research used two questionnaire surveys carried out at various sites in the Rotorua area. Questionnaire 1 was principally concerned with understanding general visitor and trip characteristics, visitor expenditure, attractions visited and activities pursued in Rotorua. Sampling was carried out primarily at one site (Rotorua lakefront) but also at the City Focus and outside cafés and restaurants in Rotorua's commercial area. There was a total of 423 respondents in this sample.

Questionnaire 2 investigated visitor flows and decision-making, as well as gathering information on general visitor and trip characteristics and expenditure data. Sampling occurred at Whakarewarewa; Rainbow Springs; Okere Falls; Waiotapu (mudpools and at commercial site); Waimangu; and Lake Rotoma. There was a sub-sample of 405 respondents who answered the decision-making questions.

Results from Questionnaire 1 showed that visitors are predominantly domestic in origin (57.3%), travel as a family or as couples for the purpose of holiday or leisure, stay for 1-3 days (two thirds of visitors stayed overnight) and use a variety of accommodation, but primarily motels. There was major difference between the characteristics of domestic and international visitors. International visitors were more highly represented in both the younger and older age categories than are domestic visitors, who were dominated by the middle-aged. Domestic visitors were overwhelmingly reliant on private vehicles for transport, with almost two thirds travelling by private car or van, whereas two thirds of international visitors in the survey used hire vehicles.

While thermal attractions were the most significant attraction for visitors as a whole (almost a third mentioned this as the primary attraction), domestic visitors were more attracted by the general activities and the natural environment of the area than they were by thermal attractions. Thermal attractions were, to some extent, primarily for international visitors. For over half of the visitors to Rotorua the most important natural attractions were those associated with the lakes. The forests - Redwood forest in particular - were also significant, but perhaps as secondary natural attractions. As would be expected, commercial attractions are dominated by those associated with the area's thermal resources. The Luge and Gondola, however, are also significant attractions in their own right, especially for domestic visitors.

One explanation for this divergence between domestic and international visitors' preferences could be related to the fact that domestic visitors may make up the bulk of those who have visited Rotorua previously (this is the case for the sub-sample from the Rotorua Visitor Flows and Decision-Making Questionnaire). Possibly, thermal attractions may have been visited on previous trips to Rotorua by domestic visitors. Certainly, comments were made to the effect that the thermal attractions had been "done before - not this time". Chrzanowski (1997) also found, in her sample, that of the repeat visitors to the three sites she studied, 63 per cent were from New Zealand. However, only 22 per cent of visitors to her sites were repeat visitors. There is, therefore, obviously some repeat visitation by domestic visitors but the tendency is for thermal attractions to be visited primarily by international visitors. One possibility is that domestic visitors are more likely to repeat visits to thermal attractions when they are travelling with someone who has not been before (i.e., domestic repeat visitors acting as 'hosts' for international or domestic family and friends).

A surprising finding from Questionnaire 1 was that very few visitors nominated cultural attractions (either in general or specifically) as the main attraction of Rotorua. The implication is that, despite Whakarewarewa, for example, being the most mentioned commercial attraction of Rotorua, it is popular largely for its thermal features rather than its cultural ones. As is mentioned below, however, cultural and historical attractions of Rotorua rated far more highly in the findings of Questionnaire 2. This can perhaps be explained in terms of the much higher proportion of international visitors in the sample for Questionnaire 2 as opposed to Questionnaire 1. International visitors are thus attracted by the cultural and historical features of Rotorua to a greater extent than are domestic visitors.

Findings concerning the decision-making process of visitors to Rotorua explored in Questionnaire 2 were based on a quite different sample from that in Questionnaire 1. In comparison, the gender balance is almost 50/50 (compared to 45/55 in Questionnaire 1) and the age distribution includes fewer in the middle age groups. It is also almost three quarters composed of international visitors, although visitors from the United Kingdom remain the dominant group among international visitors. No doubt related to the different domestic - international compositions of the samples, hire vehicles and bus and shuttle transport were more popular with this group. Interestingly, however, the accommodation types used were fairly similar between the samples. The only difference is a slightly greater use of private homes by the sample in Questionnaire 1 as opposed to that in Questionnaire 2.

In all but one case for Questionnaire 2, those who had not been to Rotorua before were international visitors. Or to put it another way, all the domestic visitors bar one were repeat visitors who had spent time in Rotorua before. This is quite remarkable. It no doubt reflects the finding in Questionnaire 1 and in previous research (e.g., TRM 1998) that domestic visitors to Rotorua are overwhelmingly composed of those 'within reach' (e.g., Auckland, Waikato, Bay of Plenty) of Rotorua and so are more likely to return regularly.

In Questionnaire 2, suggested attractions of Rotorua are even more dominated by thermal attractions than was the case for Questionnaire 1. 'Culture', however, and as just discussed above, was more frequently mentioned than it was Questionnaire 1. Presumably, both of these differences are explained by the greater proportion of international visitors in this sub-sample. Given the central role of Maori in Rotorua tourism, either directly or symbolically, the relationship between the cultural attractions and the domestic - international visitor mix is extremely important and complex. If it is assumed, for example, that domestic visitors are more familiar with Maori culture than international visitors, then quite a different process of presentation and interpretation of the distinctive Maori past and present in Rotorua would be required to engage domestic visitors. That is, Maori concert parties and hangi may not be

enough to raise the attractiveness of Rotorua's Maori cultural features in the minds of domestic (usually repeat) visitors. While Maori cultural attractions may never supplant the natural attractions of Rotorua for domestic visitors, a more educational or experiential presentation of these cultural attractions may nevertheless find a more significant 'market' amongst domestic visitors.

In terms of the planning of their New Zealand travel, international visitors in this sub-sample were far more likely to plan it while actually travelling than were domestic visitors. Nevertheless, more than half of each group still planned their itineraries for travel while at home. This is similar to the findings of a study at Kaikoura (Moore, Simmons and Fairweather, 1998). Domestic visitors almost invariably have well worked out itineraries before leaving home, whereas international visitors are more malleable in the specifics of the places they will visit. (The possible under-sampling of bus and coach tour visitors may partially explain this difference). The same was true of the specific decision to visit Rotorua. International visitors showed a greater tendency than domestic visitors to make the decision while travelling.

The above findings show that there were distinct images of Rotorua held by international and domestic visitors. International visitors have what may well be understood as a low-information and 'induced' image of Rotorua that comes mainly from brochures and travel books. Domestic visitors have a high-information and 'organic' image for domestic visitors often based on personal experience. The attractions that brought the two types of visitors to Rotorua reflect this difference: thermal and cultural for international visitors and natural environment and activities for domestic visitors. The relative importance of informational sources also reflects this difference: brochures and travel books were important for international visitors in the decisions to go to Rotorua.

Decision-making processes are closely related to and interwoven with travel styles and visitor types. These styles and types are themselves clearly related to life-cycle stage of visitors. The findings repeatedly emphasise the close correlation between such things as age, origin country, accommodation type and transport type. These factors are, in turn, correlated with how and when decisions are made and just what information sources and trip characteristics influence those decisions, thus the decision-making process is just one part of a web of factors that reciprocally interact with each other. Information availability, accessibility and appropriateness, for example, depends on where you come from, what you have done before (e.g., previously visited), how you travel and who you travel with. The 'rational decision-maker' supposedly striving to match needs with opportunities does not necessarily drive the process that finally results in travel behaviour and experience.

The important results from both questionnaires show that domestic and international visitors had quite distinct decision-making processes and attraction preferences, and they were attracted by distinctly different attributes of the destination. In particular, thermal and cultural attractions were more important for international visitors than for domestic visitors. The latter were more attracted by the range of activities available in the region and this is closely linked to various features of the environment, particularly the surrounding lakes. Many of the implications for policy mentioned below arise from this difference between domestic and international visitors, and policy making and planning should explicitly acknowledge that there is more than one 'Destination Rotorua'.

2.2.1 Policy Implications

The different values each group (domestic and international) see in Rotorua may at times conflict both in on-site developments and also, less tangibly, in the 'branding' of Rotorua. The former type of conflict would be additional to any conflicts that may exist between local and visitor populations in general. Separate but co-ordinated strategic plans related to domestic and international tourism in Rotorua may need to be developed.

The influence of a visitor having visited Rotorua previously on his or her decision to go to Rotorua implies that on-site experience is, and will remain, vital to continuing visitation. This is especially so for domestic visitors. While concern over such things as crime rates may be temporary they nevertheless threaten this base. In the long term, other factors such as any move away from, or degradation, of the relatively cheap availability of attractions (especially natural ones) could be an even more serious threat to this 'repeat' custom. For the domestic visitor group, the availability of a wide range and large number of attractions appears to be important. The maintenance of both the diversity and number of these attractions (even if some, such as the numerous lakes, may be thought to be 'substitutable') should therefore be a priority.

There is an opportunity to attract more domestic visitors from surrounding regions who have not been to Rotorua before, and this may provide sustainable increments in overall visitation. This latter opportunity may also represent a more reliable increase than from the international sector, particularly given recent vagaries with the Asian market.

There is also an opportunity to increase the engagement between domestic tourists and cultural features of Rotorua. This may involve a re-think of the mode of presentation of these features away from that used for international visitors. Given domestic visitors' clear interest in the natural features of the area (thermal areas, lakes, forests, etc.) some combination that emphasises the connection between local history, Maori culture and the distinctive environment of the area may be beneficial for both visitors, local Maori and other communities.

Current use of the internet by international visitors in making their decisions to go to New Zealand suggests that there is an opportunity to highlight Rotorua and influence pre-trip expectations using this information source. For domestic visitors, particularly those whose home is relatively far away from Rotorua, the internet could be used to expand the geographic base within New Zealand from which domestic visitors are currently drawn. 'Shoulder' periods and length of stay could be influenced in this way.

Finally, a very general implication for policy and planning that emerges from this study is that data routinely collected about visitor numbers, etc. and which often forms the basis of policy decisions, needs to be supplemented by an analysis of the relationships between visitor characteristics, preferences and behaviours. Rotorua, as a destination, has possibly the best visitor data collection procedures in the country. Nevertheless, there is a need to match the quality of these data with detailed analysis. Many of the relationships highlighted in this report, while they may confirm some suspicions and challenge others, have emerged from an analysis which tracks individuals on a range of variables. The picture that emerges is a complex one but one that is also coherent and consistent. Such a picture provides an even stronger base for policy and planning decisions for Rotorua than that already available.

Visitors to Rotorua come for both geothermal and natural features. Overseas visitors tend to value the geothermal and cultural attractions, while domestic visitors tend to value natural and commercial attractions. Few visitors nominated cultural features as the main attraction. Visitor decision-making is influenced by travel style, visitor type and life cycle, and appears to exhibit optimising rather than strictly rational qualities.

2.3 Experiences of Landscape (Report No. 13)

Visitors' and locals' preferred experiences of the Rotorua landscape were identified using photographs of landscape and Q method. The selection of 30 photographs for Q sorting was based on three sampling frames including landforms, features and attractions, and activities. A total of 66 respondents was selected in a diverse, non-random sample with roughly equal proportions of both men and women, and overseas and domestic visitors. Each subject sorted the photographs into nine piles, ranging from those most liked to those most disliked, to create their own Q sort. All Q sorts were factor analysed, which identified four factors or types of experience. Each factor is characterised by a selection of photographs from the overall range that were either particularly liked or disliked, together with others that are distinctive of that factor. Subjects' attitudes, beliefs and expectations in making their selections were recorded in interviews and provide an additional basis for interpreting the different factors.

There were four clearly different and distinctive categories of response to the landscape experience.

The **Sublime Nature Experience** of Rotorua was common to some overseas visitors, New Zealand locals and New Zealand visitors, both male and female, with a range of ages. These subjects were interested in the experience of sublime nature, particularly as expressed by the geothermal areas, waterfalls, and the redwoods.
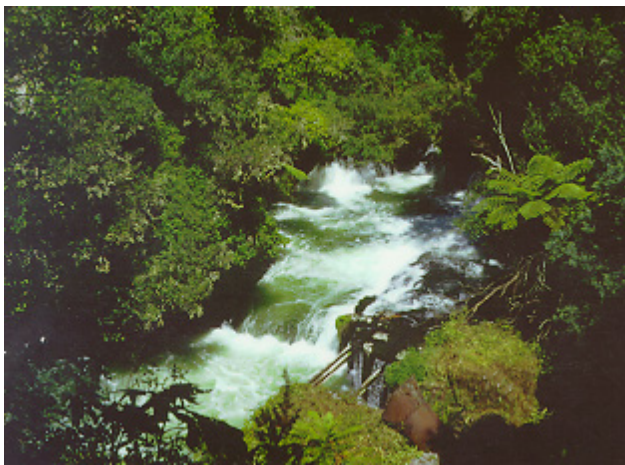
There were two distinctive types of experience that were sought particularly by overseas visitors. The first, the **Iconic Rotorua Experience**, highlights features that have been portrayed in promotional literature - the Rotorua of Maori culture and spectacular geothermal activity. This was preferred by younger males and females from several Pacific Rim countries. The second distinctive experience sought by overseas visitors was the **Picturesque Landscape Experience** which emphasises aesthetic appreciation of variety, contrast and composition, irregularity, and interesting features in both natural and architectural settings. This was preferred by middle-aged males and females mainly from Europe.

The **New Zealand Family Experience** values family-based activities in a natural setting. The experience of natural places was appreciated, but there was more emphasis upon recreational activities than the experience of nature itself. This experience was expressed mainly by current residents of Rotorua, both male and female, of a range of ages.

The domestic (New Zealand) visitors from outside Rotorua loaded entirely on Factor 1 (Sublime Nature), whilst the locals loaded on Factor 1 (Sublime Nature) or Factor 3 (Family Recreation). Whilst one geothermal site featured in Factor 1, the important experiences in Factor 3 were the hot pools and museum, which were complemented by largely active recreational settings and experiences (water sports, Skyline/Skyrides, rafting, and the cafés). The fact that no New Zealand visitors loaded on to Factor 3 is surprising since it is likely that some of them would go to Rotorua for activities like boating and fishing. This odd finding may stem from the low number of New Zealand visitors (eight) and if more had been included we would expect some to identify with Factor 3.

The four factors collectively embrace all the key aspects of the destination images of Rotorua identified by Kearsley, et al., (1998) which themselves reflect the dominant marketing for the destination - particularly geothermal sites and Maori culture. However they also reveal some potentially significant groupings of preferred experience. The clear distinctions between Factors 1 (Sublime Nature), 2 (Iconic Tourist), and 3 (Picturesque Landscape), all of which included significant numbers of overseas visitors, suggests that despite the generic marketing, different visitors seek different types of experience. Some seek the unique experiences by which Rotorua is promoted, and which presumably therefore attracted these particular visitors (Iconic Tourists). Others however seek experiences that are more generally characteristic of New Zealand, either expressed as sublime nature, or picturesque landscape. In the case of sublime nature, the preferred experiences included one thermal site, and hence overlapped in part with the generic destination image. In the case of the picturesque landscape experience, none of the top six preferred experiences included explicit geothermal activity, or Maori culture.

The broad appeal of Factor 1, Sublime Nature, with 18 subjects from a range of countries, highlights the continuing importance of the experience of nature as a primary attraction of Rotorua. It also expresses the continuity of the historically significant role of geothermal features. Similarly, the inclusion of the Marae setting as a distinguishing and positive feature in three of the five factors confirms the continuing central role of Maori culture in the tourism industry. What is perhaps equally significant is the indication of the important role played by newer and more generic recreational attractions such as the Skyline Skyrides and rafting. The recurring presence of water in many of the preferred experiences also confirms that Rotorua relies significantly on its natural hydrological assets to complement the geothermal attractions. Of the 16 distinguishing and positively rated settings and experiences for the four factors, seven featured lakes or waterfalls.

The identification of a 'Sublime Nature' factor, and a 'Picturesque Landscape' factor also highlights the major continuity in the aesthetic values which underpin tourism in Rotorua. The images and comments upon them made by visitors and locals in 1999 appear to echo those of tourists 100 years ago or more, and to express similar sentiments in similar ways. The spread of subjects in Factor 1 in particular also indicates that these aesthetic responses are common across a range of cultures and groups. The important feature for tourism planning is the continuity through time, and consistency across visitors.

The relationship between tourism promotion and experience also requires comment. The emergence of an 'iconic tourist' experience, and the comments which underpin the factor, reinforces the close link between the promotion, expectation and response to tourist experience. It is clear that at an empirical level there is a significant group of visitors who judge their experience in Rotorua by reference to the expectations they bring with them. The close match of the distinguishing features of Factor 1 with the destination image, identified by Kearsley, et al., (1998), illustrates the link. But in addition to setting up expectations for desired experiences, the negative comments on some typical local settings draws attention to the fact that destination image also sets up criteria for negative evaluation. The promotional image is largely skewed towards a set of favourable experiences. When visitors encounter settings or experiences that differ markedly from their expectations, their evaluations can be very negative – perhaps more so than if their expectations had not been so positively framed by the promotional literature.

Analysis of most and least preferred settings and experiences across all the factors is revealing. There were six photographs with similar scores across all factors. Most were in the mid range (i.e., some negative, some neutral, and some positive scores) which only indicates that although they may be statistically similar, they do not figure significantly in subjects' evaluations. One image that was consistently poorly rated was an image of plantation forestry with an area clear cut, visible from State Highway 5. Two other settings stand out as being notably preferred or disliked across all factors. The image of commercial signs on Fenton Street was always rated as negative, whilst the Redwood Grove was always rated as positive. Interestingly, a longer distance view of Whakarewarewa forest, which includes the Redwood Grove and eucalypts, was the second most disliked image among photographs receiving similar scores.

2.3.1 Policy Implications

There are two clear policy implications from the study. First, the different factors confirm the existence of partially overlapping tourism markets. These markets segments have different circuits around Rotorua and some of which overlap and some are distinctive. Some attractions or locations are appreciated by a range of people who have diverse experiences in response. Other attractions or locations are appreciated by particular groups of people who have a narrower range of experiences in response. The design and management of shared features must accommodate a wider range of expectations than those more oriented towards particular experiences. Whilst perhaps self evident to operators, planning for this level of differentiation is frequently not explicit at the broader scale. It corresponds in broad terms to the notion of the Recreation Opportunity Spectrum, but needs to extend beyond the more conventional zoning of parks, or the conservation estate, into the management of the entire destination. And what is perhaps not often recognised, is that 'shared' features must be managed to meet the highest expectations placed upon them, rather than more typically the lowest. This presents particular design challenges.

The second policy implication is that whilst different preferred experiences can be identified, they do not typically correspond directly with particular market sectors. The make up of subjects in the Rotorua factors was diverse in terms of age, gender and origin. Thus whilst the outlines of a destination image can be derived from broad surveys, there is significant variation in the way individuals interpret that image. In this study, there was no simple one-to-one relationship between the demographic characteristics of the individuals and preferred experience.

This research shows that tourists have different preferences even within market sectors. While the preferences for geothermal and Maori attractions, and for activities, have been well documented to date, the results here identify more precisely how nature is appreciated either for its sublime qualities or as a venue for activities. Further, the research identifies a picturesque orientation applied to nature and built structures that has not been hitherto appreciated. Advanced planning and promotion are demanding when they attempt to address a variety of expectations. However, the results show how such planning and promotion can better be designed to suit the variety of preferences experienced in Rotorua.

2.4 Economic Effects (Report No. 16)

Approximately 3,500 persons (Full-Time Equivalent — FTE) are employed directly in tourism in the Rotorua District. Every job in tourism leads, on average, to a further 0.39 jobs elsewhere in the District economy, thereby generating an additional 1,400 FTE jobs. This flow-on effect is moderate and reflects the contrary effects of manufacturing and tourism. The limited manufacturing base of the District prevents significant indirect employment while the very low demand for external inputs in some businesses (particularly in the Visitor Attractions Sector) encourages indirect employment. The flow-on employment effects mean that in total some 4,900 FTE jobs are generated in the District by tourism and this represents 18 per cent of all jobs.

Total direct spending by tourists is estimated to be $310 million per year. Flow-on effects of visitor spending increase total visitor-dependent spending (sales) in the District to an estimated $463 million.

The impacts reported above arise from the operation of the existing tourist facilities. In addition to these are impacts arising from capital injections into the industry, that is, injections additional to repairs and maintenance which tend to include a significant amount of minor capital works. In aggregate these are unlikely to be particularly significant in the case of Rotorua, primarily because of the long-developed nature of the industry in the District.

Significant investments in the city centre by the Council have been appreciated by the visitors and tourism operators, and have led to an improved visitor perception. However, there is no way to establish how many additional visitors have been attracted to Rotorua as a result. Operators did not identify other areas where further physical investment by Council was needed, although a number believed that the Council's significant investment in tourism marketing was essential for the industry to grow in Rotorua. There was widespread acknowledgement of the 'free-rider' problem associated with advertising, and the need for some kind of collective marketing.

A very large proportion of those employed in tourism activities had been previously employed in other jobs in Rotorua. Hence in Rotorua tourism is very much a generator of jobs for local people. By contrast, a significant proportion of those employed in Kaikoura tourism had come from out of the District. The reason may lie partly in the fact that Rotorua has a long tourism history, whereas Kaikoura has had rapid tourism growth and had to get additional labour rapidly. In the wider context, Rotorua also has major forestry and agricultural industries. This diversity gives the local economy more resilience than economies such as Kaikoura which are far more dependent on tourism. Only 18 per cent of the Rotorua economy depends directly or indirectly on tourism whereas in Kaikoura the figure was 30 per cent.

In the Bay of Plenty, all regional multipliers, including tourism, appear to have been steadily declining over the last decade or more, reflecting the concentration of industry in fewer centres. Hence while tourism may not be as effective a panacea for regional employment as it once was, it is probably still relatively as efficient as it was twenty years ago, compared with other industries. Moreover, it may be much easier to find additional markets for tourism than for farm products, and tourism does not have the very long lead times that forestry has. In spite of the fact that multipliers are decreasing, tourism is still a significant source of economic activity, employment, and hence welfare for the Rotorua community. The challenge is to maintain the District's attractiveness to both domestic and international visitors.

Tourism in Rotorua is a significant but not dominating sector of the economy. It contributes 18 per cent of all jobs. Tourism spending is estimated at $310 million annually in the District and, when flow-on effects are considered, generates approximately $463 million in benefits to the District economy. Local economic multipliers are following a national trend and are decreasing over time, but tourism retains strong potential for supporting future prosperity.

2.5   Environmental Effects of Tourism and Tourist's Perspectives (Report No. 17)

Site specific environmental effects were examined at three geothermal sites since these are popular attractions and there was concern about trampling effects on geothermal vegetation. The first two of these sites are major tourist attractions (Waiotapu and Waimangu) and visitor's attitudes and behaviours were also examined there. The third site is a remote area to which public access is currently restricted. It was used as a control site to test the initial effects of trampling on geothermal vegetation and soil structures.

Geothermal vegetation is highly susceptible to trampling, and the effects of trampling extend at least 30 cm into the surrounding vegetation on either side of the track. Results show track management at both Waimangu and Waiotapu appears to be adequate to prevent serious damage to the surrounding vegetation.

Regeneration of geothermal vegetation is likely to be slow because of the low productivity of plant species, particularly after track compaction, but high soil temperatures are unlikely to encourage the spread of weed species into the surrounding vegetation.

Results also showed that the tourist attraction study sites provided a positive and safe experience for visitors which has minimal environmental impact. Sites are visited by both international and New Zealand domestic visitors, however their primary motivations differ with international visitors focussing on geothermal activity while New Zealanders are often escorting other visitors to these sites. Notwithstanding this, for the great majority, visiting geothermal sites is a rare and exciting event. Visitors reported high levels of visitor satisfaction. Researchers observed only a few individuals venturing off the marked tracks. However the general conclusion is that these people are largely led by their innate curiosity, and some behaviour can be mitigated by clearer track marking and by provision of opportunities for photography.

2.5.1   Policy Implications

There is a need for more education and access to good views of geothermal phenomena. First, education has emerged as a key to improving the visitor experience. Improved signage in other languages as well as English can help by:

- Improving visitor's learning about the vegetation and other components of the geothermal environmental.

- Explaining what is meant by inappropriate behaviour.

- Increasing visitor's knowledge about potential impacts on the protected plants and soils.

- Introducing other effective means of education not currently in use (e.g., more displays at the beginning of the walk, these can be interactive and focussed on attracting children's attention as well as adults, allowing them to touch leaves, soil samples etc.).

Second, there is a need to plan for and provide structures which allow better views and photographic opportunities for visitors.

Managers of other geothermal areas, particularly free access sites where there is regular use and significant damage, should look at the management regimes within the operations studied here to help create better solutions for visitors' safety and comfort, while minimising the impacts on the fragile vegetation. Further research is suggested for the less managed sites in the Rotorua District, which are commonly used by local residents and some smaller tour operators. There is no control over the number of people using them, or the distribution of people within them. Some of these sites have informal paths crossing vegetation and may be of significant interest to research by DOC and other interested parties.

While geothermal vegetation is susceptible to trampling, the results show that good design and management at the study sites means that there are minimal adverse effects from trampling. The sites provide good examples of design and management that could be applied elsewhere.

2.6 Community Response to Tourism (Report No. 14)

The community research had two major foci: the community at large and a separate focus on Maori and tourism (see next section). For the general community study, 35 key informants were interviewed in-depth, and 506 residents (both Pakeha and Maori) were interviewed by telephone. The study involved the participant observation method whereby the field researcher lived in the community for six months in order to learn about and develop an understanding of tourism.

Overall, Rotorua people are very accepting of tourism in their town. Ninety-seven per cent of surveyed respondents could list benefits from tourism development. Furthermore, most locals feel that tourism has little effect on them, with those who are not directly involved in tourism saying that they do not notice it. The key factors underpinning the support for tourism include the following seven items.

First, while Rotorua is considered by many as a New Zealand tourism icon with large numbers of visitors, the density of tourists relative to the size of the host population is low compared with other key visitor destinations such as Queenstown, Te Anau, Waitomo or Kaikoura. The District also is supported by the presence of other large sectors such as forestry, farming and manufacturing.

Second, the geographical spread of attractions in the area further dissipates tourist pressures across the District leading to few pockets of visible crowding.

Third, most locals do not feel crowded by tourists during the course of their everyday lives. The design of the City keeps many visitors away from the places where locals do their day-to-day shopping. Locals can, and often do, choose to go and spend time in the areas of the Town where there are many visitors, for example the waterfront area and the area on Tutanekai St., which is lined by cafés and restaurants. In this case, the presence of a wide range of visitors is seen to add to the character and ambience of the area, and contact is largely voluntary.

Fourth, many visitors to Rotorua are New Zealanders, who have similar recreational tastes to locals, and who are difficult to distinguish from local residents. Such domestic, recreational-based tourism is less likely to be blamed for crowding than 'more obvious' international visitors.

Fifth, Rotorua residents appear well adapted to tourism, which has been a part of life in Rotorua for over 150 years. Tourism is the one economic sector that has thrived through the changes of the 1980s and 1990s. In addition, it has coped well with the consequences of the 'Asian economic crisis'. Thus for many local people, tourism has provided a source of hope and stability rather than a source of impacts.

Sixth, coupled with the above adaptations, the size of the Town, and the long-term presence of tourism in the economy have allowed the development of good public sector mechanisms for planning and managing tourism. Tourism Rotorua (established in the late 1980s) is a leader amongst regional tourism organisations in New Zealand. Major achievements have been the development of strong industry co-operation, good community consultation and participation, development and acceptance of the Tourism Strategic Plan, and the adoption of a new brand aimed at incorporating the characteristics of the Town into tourism promotion.

A final factor in this high acceptance comes from the sense of control that many locals express in relation to the tourism industry, even if they have no part in it themselves. This appears to come from the presence of long-term residents in the industry (particularly in the attractions sector) and the role that those residents are seen to take in the management and direction of the industry.

In spite of the overall high levels of acceptance reported above, tourism is also a potential source of discontent for a minority of locals. An important feature of these results is the tendency to report 'community' benefits from tourism as greater than 'personal' benefits - suggesting that there exists a pragmatic recognition of a common good. While assessed as only minor at this stage such emerging issues give insight into potentially future challenges and indicate areas for strategic action at the community - tourism interface.

A few locals feel that the Town is more focussed on tourists than residents. This issue has been brought to a focus around the central city and lakeside refurbishment and streetscape developments. There is also concern about the future spread and style of tourism, which has become a significant concern for the dormitory suburbs of Tarawera and Okareka. Similarly, urban spread (including recreational facilities and use) has been a major concern underpinning the development of a Lakes Management Strategy. Finally youth and Maori are the two groups who directly feel the impact from tourism. The tension here is that Rotorua offers many things to do, but to many they remain out of reach because of their expense. Similarly some youth report that they feel unwelcome in their own streets because of the negative image that they portray to the outside world.

2.6.1 Policy Implications

Overall, the Rotorua community is very supportive of tourism and most community members see it as an important means of supplying new jobs, and bringing money into the area. Council has had an important role in facilitating a good level of co-operation into what is often a fragmented and competitive industry. The maintenance of the current partnership between the public and private sectors will be important for the ongoing success of the industry. This is because of the important role that Tourism Rotorua has in building and maintaining networks both within and outside of Rotorua. This is particularly important in this industry where networks are vital in helping tourism businesses to adapt quickly in what is a dynamic environment.

However, the Council's role extends beyond co-ordinating tourism. Council must communicate broadly, manage the environment well and seek balanced development. It must also focus on social issues, particularly the problem of poverty.

Although local people are generally supportive of tourism and the Council's role within it, it is important also that Tourism Rotorua keeps local people who are not involved in tourism informed of their activities and how they are aimed at benefiting locals. While there appears adequate institutional and planning systems, there is a need to communicate to the full community in order to keep people informed about and involved with tourism. Communication is important to ensure that the community who share their resources, landscapes and town with tourists on a daily basis, continue to provide the essential 'hospitality atmosphere' for tourist. This is an important dimension of sustainable tourism.

The non-economic benefits of tourism may be as important to many people's quality of life as the economic ones, even though the economic benefits are the immediate focus for most people. In spite of this focus, the things that people most enjoy about living in Rotorua are not economic in nature. The outdoor and commercial recreation opportunities, and the quality of the community in which they live, feature strongly in what local people value about life in Rotorua. The implications of this are that environmental management will remain an important part of the management of tourism in Rotorua, and Council may need to be seen to be protecting this as much as it is trying to create jobs. It is important that Council stay aware of local non-economic aspirations to maintain the high satisfaction that most locals feel by living in Rotorua.

Balance is critical to the future success of Rotorua tourism. Clearly the future of tourism in Rotorua depends on a balance being struck between tourism and other economic sectors. At the present time, tourism is seen as the sector that holds the most promise for future development and employment opportunities, however it is the presence of forestry, farming, manufacturing and extensive retail/service sector which gives the town many of the features that tourists value. The presence of these other sectors is also critical in maintaining the relatively low profile of tourism in the area which is a contributing factor in the general acceptance of tourism. It is also important that a balance between regulation and development is maintained. The road to balance is difficult and requires that different parties disagree with each other but in a way that allows open negotiation.

Tourism is seen as a means of increasing local employment and addressing poverty issues. At the current time, poverty and associated problems such as crime and a loss of community cohesion threaten parts of the town. Because poverty and its associated problems are complex, tourism is unlikely to directly help individuals living in poverty. Some people believe that tourism is a good supplier of unskilled jobs, but in reality good interpersonal skills are necessary for most tourism-related jobs. Therefore people living in poverty, and who have grown up in families where unemployment has a long history, may not have the interpersonal or timekeeping skills required to work in a service industry. Thus, policy needs to address the general social issues which form the context of tourism since focusing only on economic development will not necessarily address the problems that arise form unemployment and poverty. If these problems are not addressed, tourism development will benefit only part of the community and much-needed jobs will in fact go to people from outside the town who prove themselves more suitable for the available positions. There are clearly further facilitative roles for the Council in community development if tourism is to benefit the community as a whole.

One specific social issue is the promotion of Maori in tourism. Clearly, there would be benefits to Maori from their increased participation in tourism, particularly in enterprises that are not based on cultural performance. Maori are beginning to work towards a greater participation in tourism specifically, and in business in general, because they are realising the need to be in a position of business ownership to reap its benefits. It is not enough for the community to just aim at more unskilled employment. Ideally, there should be some attention focused on helping more people to acquire the skills needed to run and manage businesses.

Rotorua residents accept tourism because it is one part of a multi-faceted economy, tourists do not adversely impinge on everyday life, tourism provides stability and resilience, and tourism is managed well so that locals have a sense of control. The good record of tourism management to date can be continued by communicating broadly, managing the environment well and seeking balanced development. Particular attention needs to be given to social issues, including poverty and promotion of Maori in tourism. The long-term goal of these recommendations is to ensure that tourism supports the broader community so that, in turn, the community continues to support tourism.

2.7 Maori and Tourism in Rotorua (Report No. 15)

While data from the residents' survey noted above contributed to this research, this study followed an partially ethnographic approach involving formal interviews, focus groups and a survey and discussion with Maori tourism operators.

The research on Maori responses to tourism located Rotorua Maori in their history. Prior to European settlement in the area Te Arawa Maori gave birth to and nurtured a fledgling tourism industry in Rotorua. Early activity saw Maori involvement in all aspects of the industry, including transport, accommodation and guiding. Over time government-led development of infrastructure designed to facilitate tourism development within Rotorua also had the consequence of slowly displacing Maori from key jobs and income earning opportunities in tourism. While today it is recognised that there is a 'tourism' version of Maori culture and a genuine 'Maori' culture, Maori in Rotorua continue to look to tourism and accept it as a valid and viable form of development.

Maori report both good and bad effects from tourism, so that while some saw tourism as promoting their culture and self-determination, others saw it as disempowering. There was similar ambivalence regarding Maori adaptation to tourism, however most respondents considered that Maori had adapted well to cultural performances and guiding. Kapa haka provides employment and cultural training, but its repetition can cause burnout and its standardisation can move the performances away from the original style. Maori acknowledged that success in national competitions was, in part, based on tourism performances. The presentation of Maori culture was seen by a majority of respondents as a misrepresentation. There were concerns about relevance, consultation, control and authenticity. Generally, most respondents believed that the presentation of Maori culture has changed over time to cater for tourism demands but not in ways that significantly affect the private practice of Maori culture.

Maori respondents indicated that their relationship with the environment was important especially with respect to Wairuatanga and Mana whenua. However, they were divided in their opinion about the effect of tourism on this relationship. Some were concerned about ownership and control of natural resources, but they acknowledged that tourism had benefited their relationship with ngawha (geothermal features). Maori are seeking to obtain greater input into management of environmental resources and there was concern that Maori did not receive adequate compensation for resource use.

Despite some improvements in the situation for Maori in Rotorua in the late 1990s the results of this study show that Maori have some strong feelings that need to be addressed. There is a universal belief among Maori that Rotorua would not have the recognition, as one of New Zealand's most popular tourism destinations, without the contribution of Maori culture. Although the Rotorua economy has grown because of tourism, the benefits were not seen to have had such a positive impact on Maori. Respondents noted the high unemployment rates for Maori and poor Maori achievement in education. The tourism employment that has been achieved by Maori is thought to be generally lowly skilled and unrewarding. Concerns about seasonality, low wages and monotonous work were identified. Finally, there has been little control over the commercialisation of Maori culture as there is no body responsible for monitoring or governing this. Because it is a 'public' resource, that is anyone is able to use it as they see fit, it requires some form of monitoring.

Maori businesses exist but only a small proportion of Maori are in managerial roles. Our assessment is one of ongoing economic marginalisation as tourism businesses become more heavily capitalised and competitive, and tourist tastes become more sophisticated. Vexatious issues over such matters as intellectual property rights, access to and return from the granting of access rights, and definitions of authenticity remain.

Notwithstanding the above assessment, Maori have demonstrated that they are capable of running successful tourism enterprises and with the appropriate cultural safeguards and protocols, are generally optimistic about ongoing tourism development in Rotorua. Maori report positive outcomes from tourism particularly economic and employment benefits, and provision of a training ground for Maori performers. The past few years have seen an increasing number of Maori tourism businesses although these have not diversified far from the cultural performance sector and turnover generally remains low.

2.7.1 Policy Implications

Presentation of Maori culture must use tikanga as a guide for protocol, especially for operations based on a marae. Further, control of tikanga must rest with hapu and iwi in recognition of the collective ownership of the culture. Because of the public and intangible nature of culture there is need for strong leadership and advocacy within Maori of how culture can both be deployed for commercial gain and protected for future generations.

The physical environment holds special spiritual and cultural value to Maori. Tourism challenges this relationship and past tensions continue to be acted out over ownership of, and access to, resources. At times the inability to solve these problems locally has compelled local Maori to seek recourse from higher authorities such as the Waitangi Tribunal and the Environment Court. There is a clear need for ongoing consultation with Maori hapu and iwi as well as mechanisms to facilitate such consultation.

Specific recommendations are:

National Level

- Maintain and strengthen Maori involvement in key agencies such as Tourism New Zealand (TNZ), previously the New Zealand Tourism Board. At the operational level there is an ongoing need for Maori staff.

- That Te Puni Kōkiri (TPK) maintain its national initiatives (e.g., Maori Tourism Directory (1998), Closing the Gaps in Tourism (he Matai Tapoi Maori) (2000)) to provide a national policy perspective for Maori tourism development.

- That TNZ fully support the current restructuring of the Aotearoa Maori Tourism Federation.

- TNZ continue to promote the use of the Maori resource kit to industry to ensure the effective use of Maori images in advertising/promotion. Further to this, TNZ strengthen consultation in this area to include regional Maori Tourism organisations and Trust Boards.

Local Level

- The Tourism Rotorua maintain the Maori tourism portfolio group, and support the 'Maori in Tourism' business group.

- The Te Arawa Maori Trust Board maintain a register of key contracts and develop and promulgate a protocol for consultation with local hapu.

- That the Regional Council and DoC continue to improve their consultation programmes.

- Te Arawa Maori Trust Board establish tourism strategies as part of the Te Arawa economic development plan.

- The resource base of Te Arawa trusts and incorporations, which it currently under-utilised, be capitalised upon with improved, management facilities.

- Develop partnerships between local tourism education providers and Maori networks to assist in providing educational opportunities to Maori who need appropriate skills to become part of the industry.

Business Skills

- Establish a business-mentoring programme – whereby well established businesses can be contracted to provide support and guidance to businesses for an established time period. Further research will be needed to ascertain whether this needs to be established on a professional/consultant basis.

- Maori be actively supported to take management courses in business.

- Younger Maori be encouraged (sponsored) to undertake education (polytechnics/university) in various aspects of tourism.

- The local 'Maori in Tourism' group could initiate a number of practical steps to develop business skills (e.g., marketing, cash flow management, personnel management), and understandings of Maori protocol. Advocacy is required to engender positive community attitudes toward Maori business success.

Maori are an important part of the tourism product in Rotorua. Tourism impacts on Maori as a group are largely identified as positive although there are some important negative impacts. These derive from the non-market nature of culture and the environment. Consultation mechanisms need to be refined to allow Maori perspectives to be incorporated regularly and easily into all aspects of tourism management including policy, planning and operations. Ongoing training, education and mentoring are required both for employees and businesses.

Chapter 3

Conclusion: Implications for Planning

3.1 Summary of Main Findings

Rotorua's long history of tourism combined with adverse effects of economic restructuring has provided opportunities for the Rotorua District Council to play a key role in promoting tourism and in managing its growth.

Rotorua is a destination which has over 1.2 million visitors per year over a population of 67,200. The majority of visitors are New Zealanders with a seasonal increase during the summer holiday period. International visitors make up approximately 40 per cent of the total. There is a considerable number of day visitors from the surrounding districts and regions.

Visitors to Rotorua come for both geothermal and natural features. Overseas visitors tend to value the geothermal and cultural attractions, while domestic visitors tend to value natural and commercial attractions. Few visitors nominated cultural features as the main attraction. Visitor decision-making is influenced by travel style, visitor type and life cycle, and appears to exhibit optimising rather than strictly rational qualities.

Research on landscape experiences shows that tourists have different preferences even within market sectors. While the preferences for geothermal and Maori attractions, and for activities, have been well documented to date, the results here identify more precisely how nature is appreciated either for its sublime qualities or as a venue for activities. Further, the research identifies a picturesque orientation applied to nature and built structures that has not been hitherto appreciated. Advanced planning and promotion are demanding when they attempt to address a variety of expectations. However, the results show how such planning and promotion can better be designed to suit the variety of preferences experienced in Rotorua.

Tourism in Rotorua is a significant but not dominating sector of the economy. It contributes 18 per cent of all jobs. Tourism spending is estimated at $310 million annually in the District and, when flow-on effects are considered, generates approximately $463 million in benefits to the District economy. Local economic multipliers are following a national trend and are decreasing over time, but tourism retains a strong potential for supporting future prosperity.

While geothermal vegetation is susceptible to trampling, the results show that good design and management at the study sites means that there are minimal adverse effects from trampling. The sites provide good examples of design and management that could be applied elsewhere.

Rotorua residents accept tourism because it is one part of a multi-faceted economy, tourists do not adversely impinge on everyday life, tourism provides stability and resilience, and tourism is managed well so that locals have a sense of control. The good record of tourism management to date can be continued by communicating broadly, managing the environment well and seeking balanced development. Particular attention needs to be given to social issues, including poverty and promotion of Maori in tourism. The long-term goal of these recommendations is to ensure that tourism supports the broader community so that, in turn, the community continues to support tourism.

Maori are an important part of the tourism product in Rotorua. Generally, tourism impacts on Maori are largely identified as positive although there are some important negative impacts. These derive from the non-market nature of culture and the environment. Consultation mechanisms need to be refined to allow Maori perspectives to be incorporated regularly and easily into all aspects of tourism management including policy, planning and operations. Ongoing training, education and mentoring are required both for employees and businesses.

3.2 Recommendations

The overall conclusion of this study is that tourism in Rotorua appears to be at an economically, environmentally and socially sustainable level at present. While future growth seems assured in the short-term there are a number of challenges in maintaining the long-term sustainability of the sector, and its role in regional social and economic development. *The key areas of risk are those associated with the broader institutional, environmental and social elements of tourism management*. The main thrust of the results from this research programme is that tourism planning needs to focus at a broad level. However, this report also has specific implications for the marketing of tourism some of which are noted here. Many of our recommendations therefore apply to those organisations with a broader societal and environmental mandate than tourism alone. Our recommendations identify some organisations with key responsibility for the topics under consideration, but we acknowledge that there are other organisations that may also have responsibilities in these areas. The following recommendations are grouped in the four areas of risk mentioned above.

3.2.1 Institutional

The RDC has provided a robust, well-resourced institutional structure for tourism management. We believe that Tourism Rotorua is well managed but there has been less attention recently on the broader issues recognised in the 1996 strategic plan. Results from this programme of research show that the issues of natural resource management, and of general public opinion about tourism, are important elements of tourism that must therefore be managed carefully. This is particularly important if the planning goal is to develop a viable long-term vision and strategy to ensure tourism's sustainability.

We recommend therefore, that:

- Tourism Rotorua continue their close involvement in tourism.

- Tourism Rotorua use the current reports as a basis for a mid-session review of the Rotorua Tourism Strategic Plan.

- RDC and Tourism Rotorua continue to adopt a broad perspective on tourism planning and management, and develop a long-term vision for the sector and its role in the Rotorua community.

The current tourism management structures and their placement within the RDC to a significant extent internalise (and compartmentalise) the implicit tensions between Council's role in facilitating economic growth (through tourism) and the regulatory functions required under the RMA. While current practices appear to generally work well the Council must be seen to maintain open access to community participation in, and visibility of, decision-making. We recommend that:

- RDC and Tourism Rotorua develop effective mechanisms to regularly integrate community participation in decision-making.

- RDC organise its environmental monitoring and compliance activities in a way that is clearly differentiated from other RDC roles

3.2.2 Environmental

Both domestic and international tourism in Rotorua relies heavily upon the desire of visitors to experience a well-defined suite of natural and physical settings and activities. These include geothermal areas, lakes and lake edges, some forests (e.g., Redwoods), and a number of cultural landscapes, such as the waterfront and government gardens, Whakarewarewa, and downtown. The overall ambience of the area, with a modest but successful town in a largely rural setting, also appears to be significant. Previous experience (the 1980s) as well as these research results indicate that these qualities are vulnerable in several respects: development for commercial or residential uses, overcrowding, and site degradation. Long-term policies, plans, and design and management guidelines are needed to conserve the environmental qualities which underpin tourism at several scales: overall settings (e.g., all lake edges, urban fringes, main tourist routes), locations (e.g., downtown), and sites (e.g., geothermal valleys). Design and management guidelines are an important means by which policies are put into effect: they are the important stimulus for the experience of visitors. We recommend the:

- Development and application of long-term policies, plans, and guidelines for the environment.

- That the concept of sustainable tourism be pursued through the formation of a charter or other approach which involves the community and industry.

- Consideration is given to building strong links between tourism and conservation interests at both the institutional and operational level.

3.2.3 Market

Several aspects of the research point to distinct international and domestic visitor experiences (and 'circuits') within Rotorua. Evidence for these are seen in tourist flow circuits, attractions visited and experiences preferred. We recommend that:

- Tourism Rotorua refine its promotional strategies to target more directly different tourist tastes and behaviour.

- There is regular assessment of infrastructure quality as perceived by visitors.

- Rural and natural settings be protected by developing attractions circuits and clusters.

3.2.4 Social

The existence of an urban underclass and the ambivalence of many Maori to tourism clearly creates a point of risk and tension. Tourism in Rotorua relies heavily upon the cultural richness of the area, and the sense of security and comfort of visitors. When consideration is given to wider socio-economic conditions the role of the social policy unit within RDC is acknowledged. For the difficult problem of alleviating poverty more direct interventions than tourism development will be required. While tourism does provide relatively unskilled employment, personal confidence and communication skills are necessary for securing employment in the sector. A social and community development strategy is needed to try to minimise the effects of socio-economic inequity and avoid the attitudes it creates becoming entrenched and passed from generation to generation. We recommend the:

- Development and application of strategies to foster community development.

- Promotion of Maori in tourism by using consultative processes, and supporting, mentoring and promoting Maori in tourism (as investors, employers, managers and employees).

Rotorua has a mixed economy of which tourism contributes about 18 per cent of employment, and generates approximately $463 million in benefits to the District economy. This appears to be a satisfactory contribution, - one where tourism does not unduly dominate the economy. The actions of other sectors can impact significantly upon tourism. Forestry for example, is very visible in the surrounding areas, and needs to include consideration of tourism effects in its planning and management. We recommend the:

- Promotion of the inclusion of tourism considerations in other sector development strategies.

- Explanation of the significance of tourism and its broad benefits (and costs) to local residents.

3.2.5 National-level Risk

In the wider context of tourism development and planning in New Zealand, it has become apparent throughout this research and synthesis that local (and site) level tourism planning must be established within a national framework. Promotion and advertising decisions made elsewhere have significant downstream effects, and without input from key destination areas (such as Rotorua) and touring regions, too strong a 'marketing' orientation can distort community goals and local environmental realities. We recommend that:

- Relevant agencies continue to communicate local needs to national level tourism organisations and government.

Finally, the example of tourism management in Rotorua is useful for the broader context of this research programme in that it offers a suitable template for tourism management in local authorities elsewhere in New Zealand.

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Appendix 1

List of Reports (Rotorua Case Study)

Visitors to Rotorua: Characteristics, Activities and Decision-Making, Moore K., Fairweather J.R., and D.G. Simmons, Tourism Research and Education Centre (TREC), Lincoln University, Report No.12.

Understanding visitors' and Locals' Experience of Rotorua Using Photographs of Landscapes and Q Method, Fairweather J.R., Swaffield S.R. and D.G. Simmons, Tourism Research and Education Centre (TREC), Lincoln University, Report No.13.

Evolving Community Response to tourism and Change in Rotorua, Horn C.M., Fairweather J.R. and D.G. Simmons, Tourism Research and Education Centre (TREC), Lincoln University, Report No.14.

Tourism and Maori Development in Rotorua, Tahana N., Te O Kahurangi Grant K., Simmons D. G., and J. R. Fairweather, Tourism Research and Education Centre (TREC), Lincoln University, Report No.15.

Interactions Between Tourists and the Natural Environment: Impacts of Tourist Trampling on Geothermal Vegetation and Tourist Experiences at Geothermal Sites in Rotorua, Ward J. Burns B., Johnson V., Simmons D.G., and J.R. Fairweather, Tourism Research and Education Centre (TREC), Lincoln University, Report No.16.

The Economic Impact of Tourism on Rotorua, Butcher G., Fairweather, J.R. and D.G. Simmons, Tourism Research and Education Centre (TREC), Lincoln University, Report No.17.

Tourism in Rotorua: Destination Evolution and Recommendations for Management, Simmons D. G., and J. R. Fairweather, Tourism Research and Education Centre (TREC), Lincoln University, Report No.18.

Appendix 2

List of Reports (Kaikoura Case Study)

Kaikoura – Historical Overview, McAloon J., Simmons D.G., and J.R. Fairweather, Tourism Research and Education Centre (TREC), Lincoln University, Report No.1. - $10.00

Estimating the Number of Visitors to Kaikoura Over One Year By Developing A Vehicle Observation Method, Fairweather J.R., Horn C.M., and D.G. Simmons, Tourism Research and Education Centre (TREC), Lincoln University, Report No.2. - $10.00

Summertime Visitors to Kaikoura: Characteristics, Attractions and Activities, Simmons D.G., Horn C.M., and J.R. Fairweather. Tourism Research and Education Centre (TREC), Lincoln University, Report No.3. - $10.00

Visitor Decision-Making, On-Site Spatial Behaviours, Cognitive Maps and Destination Perceptions: A Case Study of Kaikoura, Moore K., Simmons D.G., and J.R. Fairweather, Tourism Research and Education Centre (TREC), Lincoln University, Report No.4. - $20.00

Understanding Visitors' Experience in Kaikoura Using Photographs of Landscapes and Q Method, Fairweather J.R., Swaffield S., and D.G. Simmons, Tourism Research and Education Centre (TREC), Lincoln University, Report No.5. - $15.00

Evolution and Change in Kaikoura: Responses to Tourism Development, Horn C.M., Simmons D.G., and J.R. Fairweather, Tourism Research and Education Centre (TREC), Lincoln University, Report No.6. - $20.00

The Impact of Tourism on the Maori Community in Kaikoura, Henley M., Poharama A., Smith A., Simmons D.G., and J.R. Fairweather, Tourism Research and Education Centre (TREC), Lincoln University, Report No.7. - $15.00

The Economic Impact of Tourism on Kaikoura, Butcher G., Fairweather J.R., and D.G. Simmons, Tourism Research and Education Centre (TREC), Lincoln University, Report No.8. - $10.00

Tourist and New Zealand Fur Seal Interactions Along the Kaikoura Coast, Ward J., Booth K., Barton K., Simmons D.G., and J.R. Fairweather, Tourism Research and Education Centre (TREC), Lincoln University, Report No.9. - $20.00

Towards a Tourism Plan for Kaikoura, Simmons D.G., and J.R. Fairweather, Tourism Research and Education Centre (TREC), Lincoln University, Report No.10. - $10.00

Appendix 3
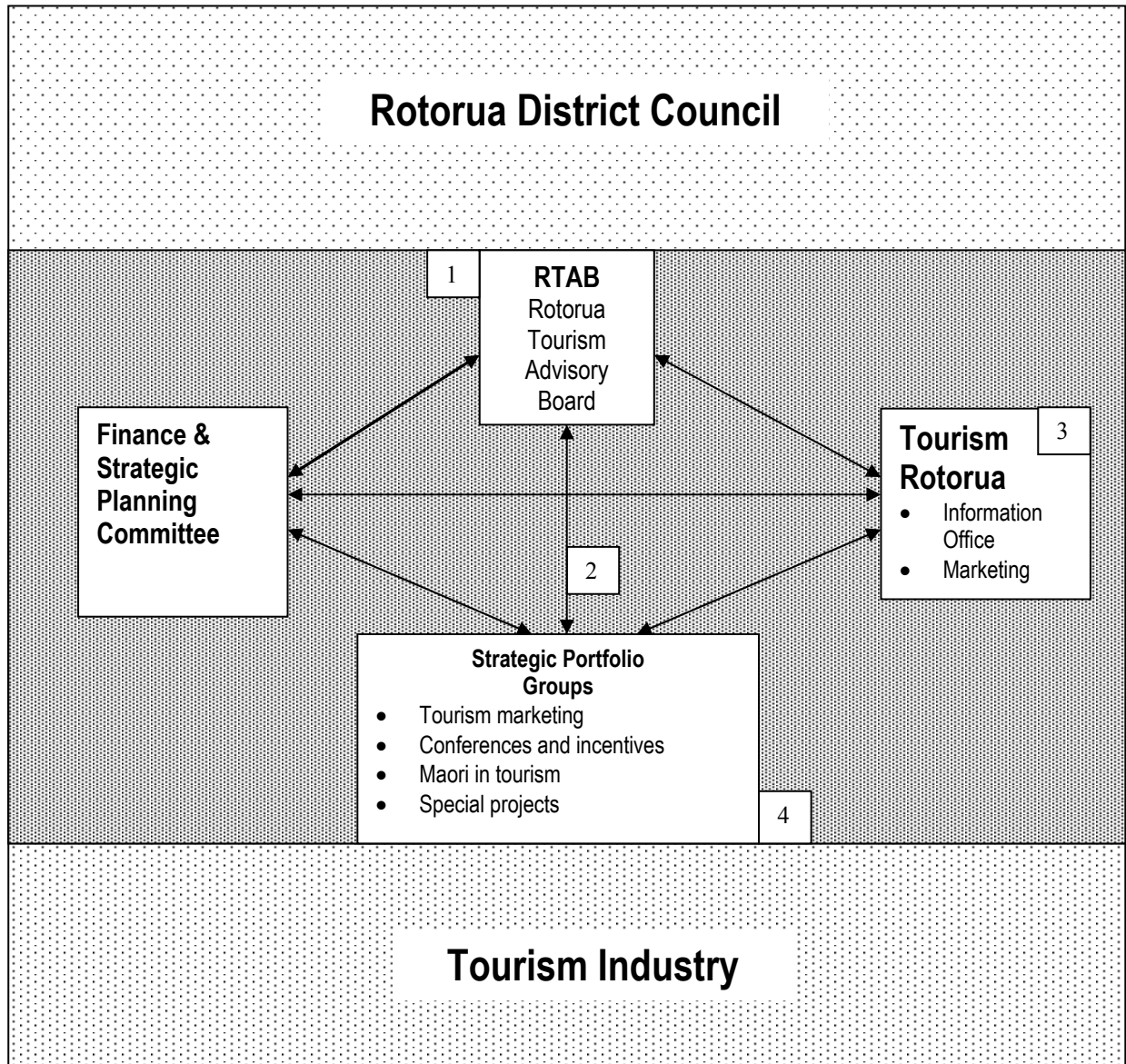
Notes

1.   The Rotorua District Council nominates 3 councillors to be members of the Rotorua Tourism Advisory Board.

2.   The Strategic Portfolio groups are working groups of RTAB. Each strategic Portfolio Group chair (and at times additional members) are members of RTAB.

3.   Tourism Rotorua is the implementation arm of tourism management in Rotorua. It is funded by the RDC and in fact operates as separate unit of the RDC.

4.   Individual and business are significantly involved in joint venture marketing opportunities.