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**Local Government and Tourism Public Policy:
A Case of the Hurunui District, New Zealand**

A thesis
submitted in fulfilment
of the requirements for the Degree of
Doctor of Philosophy

at
Lincoln University
by
Michael C. Shone

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The promotion of the tourism sector as a means by which to achieve social and economic development objectives is well established, and is reflective of a broader movement internationally towards the active support of 'sunrise' industries in regional locations (e.g., Beer, Maude & Pritchard, 2003). The utilisation of the tourism sector for this purpose has become increasingly salient over the past two decades, particularly in rural or provincial areas, where the sector has been used by governments to help offset declining profitability in other sectors of regional economies. These declines are attributed most commonly in the academic literature to a change in public policy ideology influenced strongly by economic neoliberalism (e.g., Dredge, 2005; Mair, 2006).

This thesis examines how and why local government utilises tourism development as a mechanism for fostering regional development. It does so by providing a theoretical perspective on the changing role of local government in regional tourism development under an evolving public policy paradigm. To achieve this, the thesis utilises a single case study of the Hurunui District, New Zealand. The rationale for selecting local government as the unit of investigation is that it is at the local level that the impacts of tourism are experienced most acutely. That is to say, in destination areas it is typically local government (i.e., territorial local authorities) which has the primary responsibility for the management of natural, cultural and built resources, the management of tourist

behaviour, and also the promotion of destination area attractions and activities (e.g., funding for regional tourism promotional organisations, festivals, events). No other level of government in New Zealand has such a high level of direct and/or indirect institutional responsibility for the management and promotion of the tourism sector, and the management of destination areas and communities.

This case study approach is framed within an interpretative social sciences methodological paradigm, and seeks to integrate a New Regionalism and Foucauldian perspective for the purposes of analysis. The primary research method employed in this thesis is a series of 35 semi-structured interviews with key informants from 19 agencies, organisations, and stakeholder groups associated with or impacted by tourism development in the case study location. These, in turn, are set against information collated from documents relating to the history of sectoral change and development in the Hurunui District, as well as an examination of the structures of tourism governance in the District.

The Hurunui District is rural in character and has strong historical and economic connections with the agricultural sector. These agricultural connections have more recently been complemented by the growing prominence of the District's emergent tourism sector. This recent addition to the economic palette of the area has been strongly championed by the territorial local authority with municipal responsibility for the case study area: the Hurunui District Council. This role of tourism 'champion' has been strengthened further by its position as owner-operator of the District's premier tourism attraction: the Hanmer Springs Thermal Pools and Spa (HSTPS).

The findings of this research confirm the view of much of the international literature insofar as tourism is viewed (and used) as a mechanism to stimulate regional economies and offset the declining profitability of other sectors in rural locations. The use of tourism for this purpose has, in turn, led to a change in public sector roles and responsibilities for tourism at the local level as authorities attempt to stave off socio-economic hardship in regional locations. This has created a reconfiguration of public sector, private sector, and community relations in the sphere of tourism promotion, participation, and development.

Sitting alongside this issue is the challenge for local government to manage the urgency of an underlying economic development imperative while also remaining a benevolent and impartial provider of public facilities and amenities. This appears to be a particularly contentious issue in the case study location, as the District Council is engaged in what is arguably an extended programme of municipal enterprise via the tourism industry.

This has created a pluralism whereby the District Council is not only a promoter and benefactor of tourism development, and an arbiter and enforcer of District planning rules and the like, but is also a leading beneficiary of increased tourism activity in the District. This, in turn, has led to divergent and contested understandings about the appropriate role of local government in tourism development. Thus, the promotion of tourism development in the Hurunui District, while certainly beneficial with respect to ameliorating the immediate effects of regional decline, nonetheless reveals areas of potential fracture in Council–community relations.

Keywords: Tourism, development, local government, public policy, regional development, neoliberalism, New Regionalism, Foucault, power relations, global–local, governance, rural, Hurunui District, New Zealand

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List of Acronyms

APT:	Alpine Pacific Tourism
CCM:	Christchurch and Canterbury Marketing (also known as Christchurch and Canterbury Tourism - CCT)
DTO:	District Tourism Organisation
ENC:	Enterprise North Canterbury
HDC:	Hurunui District Council
HSTPS:	Hanmer Springs Thermal Pools and Spa
LGA:	Local Government Act
RMA:	Resource Management Act
RTO:	Regional Tourism Organisation
TLA:	Territorial Local Authority

Chapter 1

Introduction to Thesis

1.1 Introduction

Tourism is a complex set of business relationships that pervade both developed and developing economies. Rather than being an industry *per se*, one might consider tourism to be a 'golden thread' linking many sectors across an economy. Much has been written on tourism's fragmented and inter-sectoral nature, but the focus has been largely on private sector analysis. What is often ignored, however, is that tourism has parallel effects among public sector agencies to the extent that, when challenged, it is difficult to identify a government agency that does not have some role in the tourism 'sector'.

The government roles with respect to tourism are also complex, and are subject to change over time. While these roles may be broadly grouped under such labels as 'enablement' (e.g., marketing and promotion) and 'management' (e.g., regulation and infrastructure provision) (Simmons, Fairweather & Shone, 2003; Simmons & Shone, 2002), these labels alone indicate conflicting policy positions with significant requirements for cross-departmental communication to reach a balanced policy position. These government roles can also be seen to change within the relatively short history of tourism in New Zealand, where investor and enabling roles have slowly given way to a greater focus on the strategic management and long-term sustainability of the tourism sector. The release of the New Zealand Tourism Strategy in 2001, along with its review and subsequent revision in 2006, clearly signals the public sector's intention to promote the growth and development of New Zealand's tourism sector within a longer term framework of 'sustainability'¹.

¹The concept of *sustainability* is problematic and highly contested in the academic literature. Despite this contestability, the term does have merit insofar as it provides a 'marker' around which the relative benefits or costs of development, conservation and preservation can be debated.

As noted in recent research (e.g., Simmons & Fairweather, 2005), in New Zealand, as elsewhere, the tourism sector is used overtly as a tool for regional and district-level economic development. This is based largely on the supposedly re-distributive effects of tourism spending and the regional spread of tourist attractions and icons. In addition, tourist visitation and expenditure patterns are held to support social goals around retention of regional (including rural) population and service bases, infrastructure and communications. Given the public-private sector partnership essential to tourism initiation, growth and management, it is hardly surprising that tourism, arguably more than any other sector, is actively supported and encouraged as a tool for regional economic development. This has significant implications for understanding the public sector financial support for tourism, as tourism sits at the crossroads of economic theory and social action.

However, recent studies on tourism in destination areas have identified trends which suggest that tourism, rather than being a re-distributive influence for regional economies, can actually serve to reinforce dependency relationships with core, or central, destination areas (Simmons & Fairweather, 2005). This is because core centres typically draw significant and disproportionate advantage from the travel and stay of visitors who are attracted increasingly to peripheral destination areas. Moreover, the supply chain characteristics of the tourism industry in regional locations converge inevitably toward the core, creating overall an outward flow of revenue and capital from the regions.

At the hub, the core appears to be a 'net gainer' in economic terms, while rural or peripheral communities report increasing pressures in resourcing costs. These peripheral areas experience varying degrees of day and overnight visitation, but nonetheless bear the pressures and costs of the physical presence of all visitors (Simmons et al., 2003). When compared to the core, peripheral destinations also exhibit disproportionately lower levels of institutional, organisational and infrastructural capacity to effectively manage the impacts of increased visitor flows. The typically narrow resource base that characterises many regional areas contributes to unflattering economic multipliers, which further compound the inequalities of the tourism core-periphery relationship. Thus, a picture emerges of increasing regional disparities as the costs and benefits associated

with tourism development and operation in the periphery are borne and accrued disproportionately (Simmons et al., 2003: 35).

This research is therefore focused on examining how and why local government utilises tourism development as a mechanism for fostering regional development. It does so by providing a theoretical perspective on the changing role of local government in regional tourism development under an evolving public policy paradigm. To achieve this, the thesis utilises a single case study of the Hurunui District, New Zealand. The rationale for selecting local government as the unit of investigation is that it is at the local level that the impacts of tourism are experienced most acutely. That is to say, in destination areas it is typically local government (i.e., territorial local authorities) which has the primary responsibility for the management of natural, cultural and built resources, the management of tourist behaviour, and also the promotion of destination area attractions and activities (e.g., funding for regional tourism promotional organisations, festivals, events). No other level of government in New Zealand has such a high level of direct and/or indirect institutional responsibility for the management and promotion of the tourism sector, and the management of destination areas and communities.

This case study approach is framed within an interpretative social sciences methodological paradigm, and seeks to integrate a New Regionalism and Foucauldian perspective for the purposes of analysis. The primary research method employed in this thesis is a series of 35 semi-structured interviews with key informants from 19 agencies, organisations, and stakeholder groups associated with or impacted by tourism development in the case study location. These, in turn, are set against information collated from documents relating to the history of sectoral change and development in the Hurunui District, as well as an examination of the structures of tourism governance in the District.

An underlying assumption of this doctoral research is that government activities and policies work to structure or set the parameters within which development options are framed at the local level. While this research is not intended to be an evaluation of the success or failure of these options, it is anticipated that this work will add to the growing

effort to consider critically the forces influencing the framing of particular development policies (see, for instance, Benington & Geddes, 1992; Mair, 2006; Reese & Fastenfest, 2004; Wolman & Spitzley, 1996). The following section provides a brief contextual overview of regional development in New Zealand, within which this research can be placed.

1.2 The Research Context: Restructuring, Reform, Rural Decline

Critical to understanding much of what happens in New Zealand destinations today are the processes associated with, and effects of, a period of significant economic restructuring and public sector reform that occurred during the late 1980s and early 1990s. This period of restructuring and reform occurred at much the same time as a period of significant growth in international tourist arrivals to New Zealand. The changing economic conditions experienced during this time had far-reaching consequences for the country that were felt most profoundly at the local level (Shone, Horn, Simmons & Moran, 2005: 86). Of particular importance to many New Zealand communities during this time was the substitution of a stable government sector with a relatively volatile private sector surrogate. For many regional or rural areas struggling with the loss of employment in the government sector, this surrogate often took the form of an emergent tourism industry.

During the latter part of the 1980s in New Zealand, there were two significant public policy initiatives with respect to regional futures. The first was a reinvention of regional policy under the guise of local economic development. The second was a process of government reform, which in 1989 produced a middle tier of government and a reorganised lower tier of local city and district councils. The local government reform coincided with a period of dramatic state sector restructuring, one that was to become known as a “rolling back of the state” (Le Heron & Pawson, 1996: 213). The adoption of a ‘more market’ approach to economic policy by central government was of particular significance for the regional economies of New Zealand, as it included the removal of government subsidies for the agriculture sector. Initiated by the Labour Government of the day, this policy of economic restructuring was to become known as ‘Rogernomics’, coined after the then Minister of Finance, Sir Roger Douglas. This ‘more market’ approach

adopted by the New Zealand government was by no means unique on the world stage, with similar neoliberal, laissez-faire programmes of restructuring being undertaken in the United Kingdom ('Thatcherism') and in the United States of America ('Reaganism'), both prior to, and during, this time. The pattern of economic and social change in these countries was broadly similar, with each experiencing a shift in emphasis of government policy from the public sector to the private sector.

In New Zealand, the peripheral economies of regional and rural areas were faced with the effects of the reform process more immediately than their larger urban counterparts and felt the impacts of this period with the greatest acuity. These conditions were further reinforced by waning business confidence in the rural sector and investment decisions becoming increasingly directed towards the major centres of commerce. For smaller urban and rural centres, such radical changes to the economic landscape in New Zealand reinforced the economic dependencies experienced with larger urban centres. With smaller regional centres facing declines in the profitability of primary production and a workforce migrating to the main centres, tourism represented a suitable means by which to stem this outbound flow of capital investment and labour² (Shone et al., 2005: 87).

At the national level, tourism was also recognised as a valued generator of export receipts and thus presented an opportunity to mitigate some of the negative impacts from the weakening trade ties with New Zealand's hitherto traditional trading partners. For example, changing export markets for primary products during this period left the country in need of ways to increase export earnings, as well as stimulate economic growth. In New Zealand, as in many peripheral economies, tourism was seen as a potential mechanism for economic diversification and a promising generator of foreign exchange (Shone et al., 2005). In order to capitalise on these qualities, and to act as a catalyst for regional economic development, government policy thus became increasingly directed towards fostering the growth potential of New Zealand's tourism product.

² This pattern of regional decline is a classic reflection of the relationship between core urban centres and peripheral regional or rural areas, and appears to contradict the assumption of 'trickle-down' economic benefits associated with the theories of right-wing economics.

This growth trend has continued to the point where tourism is now, in aggregate, one of New Zealand's largest export earners by sector (Ministry of Economic Development, 2011). According to Memon, Shone and Simmons (2005), this period of growth has coincided with a more proactive stance on the role of central and local state sectors in providing strategic direction to economic development, including tourism, within a whole-of-government framework and in collaboration with industry and community stakeholders. This approach, informed by a 'third way' political ideology, anticipates improved inter-governmental collaboration and enhanced capacity for participatory governance and planning at the local/regional level.

The third way is a centrist philosophy of governance that embraces a mix of market and interventionist philosophies. The third way rejects both top-down redistribution and laissez-faire approaches to economic governance, but chiefly stresses technological development, education, and competitive mechanisms to pursue economic progress and governmental objectives. The general conditions for third way politics rest on the argument that contemporary society is undergoing profound and irreversible changes; and that these 'new times' call into question established political and policy-making frameworks. According to Driver and Martell (2000), the central theme associated with third way politics is globalisation. Third way thinking supports the view that globalisation brings with it greater risk and insecurity, and that it is the role of policy-making not to shield individuals from these but to provide the 'social capital' and 'proactive' welfare states which enable them to respond to this greater risk and insecurity. Taken together, the third way ideology is concerned essentially with a more pragmatic political approach which deviates from the "straightjacket of left/right politics" (Driver & Martell, 2000: 155).

1.3 The Research Problem and Objective

The above conditions indicate that tourism exists within a contested policy context. First, its role in regional economic development flies in the face of a 'pure' market perspective³,

³ A 'pure' market perspective dictates that market forces (i.e., supply and demand) should act alone in determining the most efficient allocation of resources. In the case of tourism, public sector intervention (or manipulation) of this process, either directly through government schemes that provide financial assistance

appearing to be an indispensable condition of regional rejuvenation. Second, the contested roles of government also lead to differing perspectives of policy action which can vary over time, with government agencies often caught between facilitating tourism growth while struggling to develop policy and action programmes to mitigate and manage that same growth. Third, the use of public good (tourism) facilities as key 'growth poles' brings their evaluation into a difficult temporal dimension. The development of destinations most often depends on the arrangement and promotion of attractions and activities; the former of which are commonly provided by public agencies (Gunn, 1994). Finally, sitting in the shadows of recent tourism analyses (e.g., Simmons & Fairweather, 1998; 2000; 2001; Simmons et al., 2003) has been the broader question of who gains and who loses from tourism development.

The tourism planning literature suggests that there remains much to research in this area of academic enquiry insofar as many of the mechanisms that dictate the nature of the tourism global–local relationship and, for that matter, the public-private sector relationship, are yet to be fully articulated. According to Mair (2006), this area demands that future research be undertaken in regard to:

...understanding how the neoliberal imperative of economic development is manifested and maintained in rural communities, as well as the implications of this ideological shift in public sector policy. Illuminating the assumptions underscoring this growing support for tourism is one step in creating tourism projects that are built on a wide range of development imperatives that meet the needs of the community in question (Mair, 2006: 41).

Over the past 25 years, the Hurunui District, in keeping with the remaining 75 territorial areas in New Zealand, has experienced significant neoliberal-inspired change in the structure and profitability of the agricultural sector. As a consequence of these changes, local government in the case study location (Hurunui District Council) has undertaken a purposeful programme of tourism promotion and development, in which the alpine village of Hanmer Springs features prominently. This prominent position has been

for regional tourism-related infrastructure projects, or indirect through policies that encourage tourism development in regional locations, creates an artificial market equilibrium.

established largely through the presence of the thermal springs for which the town is named and known, and development of the Hanmer Springs Thermal Pools and Spa. The development of the thermal pools, indeed the extraordinary development trajectory of Hanmer Springs itself, is largely the result of significant public sector involvement. This involvement has been at the central and local government level, and has resulted in the township of Hanmer Springs becoming the flagship destination within the District area. Thus, while tourism in Hanmer Springs provides ongoing benefit to the wider District area, it does present a destination context in which the Hanmer Springs-focused tourism development activities of the Hurunui District Council have arguably been pursued at the expense of broader district-wide development.

Based on the conditions described above, the objective of this research has been: ***To provide a theoretical perspective on the changing role of local government in regional tourism development under an evolving public policy paradigm.***

In addressing the research objective, this thesis does several things. First, it explores, through the perspective of multiple stakeholders and historical documents, the changing role of local government in tourism development in a case study district. Second, it situates the changing role of local government within a policy-aware and globally contextualised explanatory framework. Third, it explores specific local initiatives that illustrate how structural pressures (global and national, economic and political) have been actively managed at the local level. Fourth, it documents some of the conflicts and areas of unease and dissent that have resulted from local government activities in the tourism sector.

The specific research questions identified to address this objective are as follows:

1. What role(s) has local government played in the development of tourism in the Hurunui District?
2. How and why has the tourism-related role(s) of local government in the Hurunui District changed over time?

3. How has this change been managed?
4. What has been the impact of local government promotion of tourism development in the Hurunui District?

1.4 Research Setting

A case study approach is utilised in this research, as this allows the exploration of the research questions within a specific geographical setting, a formal institutional structure and within a broader political, economic and cultural context. The Hurunui District, and the alpine town of Hanmer Springs, which is located in this District area, serve as the case study location in which this doctoral research is situated.

1.4.1 The Hurunui District

The Hurunui District is located in North Canterbury, on the east coast of New Zealand's South Island. The District is rural in character, occupies a relatively large land area (8,646 sq. km) but is sparsely populated ('usually resident' pop. 10,476). The District area is divided into five Wards: Amberley, Amuri-Hurunui, Cheviot, Glenmark, and Hanmer Springs. The territorial local authority (TLA) responsible for administering the District – the Hurunui District Council – is located at the southern end of the District area in the township of Amberley. This is approximately 85 kilometres distant from the alpine town of Hanmer Springs, the District's premier tourist destination.

The recent history of the area now occupied within the District boundaries is punctuated by change. A series of three amalgamations at the local government level, beginning in 1968 and finishing in 1989 under the Local Government Act 1989 (LGA), saw the area go from a group of individually administered counties to the present-day Hurunui District. It is important to note that this process of amalgamation was vehemently opposed by each of the constituent areas and was, according to Lovell-Smith (2000), finally agreed to only under considerable duress from central government. In addition, the Canterbury Regional Council ('Environment Canterbury') instituted under the same Act, assumed responsibilities for the management of biophysical resources within the District. Thus, the

nexus of administrative power and control within the District has undergone several iterations and has moved progressively toward an increasingly centralised position.

In addition to these changes, the Hurunui District (as was the case for many rural areas throughout New Zealand) experienced a period of significant upheaval in the primary sector during the late 1980s and early 1990s. As noted in Section 1.2 of this chapter, this upheaval was the result of a process of wide-ranging state sector reforms and concomitant government policies directed toward the removal of farming subsidies and trade tariffs. The Hurunui, which until that point had relied largely on pastoral farming as the foundation of the District economy, was compelled to diversify the economic base of the District or risk economic decline and potential de-population.

According to Lovell-Smith (2000: 209), the Hurunui District now presents a mosaic of economic activity quite different to the preponderance of pastoral farming of the 1950s. The District economy has undergone change since this time, and the reliance on pastoral farming has softened with the emergence and growth of new and existing industries. While agriculture continues to be the single largest contributor to the Hurunui economy, recent times have seen an expansion in both viticulture and tourism. The introduction of Montana Wines, a 'big player' in the New Zealand wine industry, into the District has resulted in "the number of plantings in the area double" (Hurunui District Council, 2006a: 13). Tourism has also undergone a similar period of growth, and both international and domestic visitation has increased 'significantly' over the past decade⁴. The Hanmer Springs Thermal Reserve, Mt. Lyford Skifield and the Waipara wine-producing area are recognised as 'anchor' destinations that have been a catalyst for significant business investment in the District (Hurunui District Council, 2006a: 14).

The Hurunui District Council has a variety of roles and responsibilities associated with tourism activity in the area. These can be categorised broadly as those which relate to the enablement of tourism and the management of tourism's impacts. While tourism is

⁴ Ministry of Tourism regional tourism data for the Hurunui RTO indicates that international and domestic travellers made 1.09 million visits to the RTO in 2005 (72% domestic). These visitors accounted for 745,300 visitor nights (82% domestic). Visitor expenditure for this same period in the Hurunui RTO was NZ\$93.3 million (81% domestic).

predominantly a private sector activity, the public sector nonetheless has an important role to play as the sector relies heavily on public goods as a key component of the tourism product. Moreover, the externalities associated with touristic activity are most commonly borne by the public sector and, ultimately, paid for by local ratepayers.

As noted above, one of the key ‘anchor’ destinations of the Hurunui’s tourism product is the Hanmer Springs Thermal Reserve. This thermal reserve is operated as a Local Authority Trading Enterprise (LATE) by the Hurunui District Council, which retains full ownership of the pool complex. This situation of public sector ownership of a significant tourism resource, while certainly not unique and without precedent, nonetheless presents an intriguing conundrum for the local authority insofar as the extent to which district-wide development objectives are able to accommodate local-level touristic ‘realities’ is often a highly contentious and vexatious issue. Indeed, this situation appears to have been ‘tested’ in recent times as large-scale redevelopment of the complex, as well as Council purchases of surrounding lands to accommodate this development, has raised the question of public sector enablement and management of tourism in the District.

In addition, the considerable level of growth in urban development experienced by the township over the past decade raises some interesting questions about how local government both facilitates and manages the process of change in rural satellite or, in the case of Hanmer Springs, resort communities. Complementary to this situation, and just as importantly, is the question of how these rural satellite and/or resort communities respond to such change takes on significance in the context of this doctoral research.

1.4.2 The Town of Hanmer Springs

Hanmer Springs Township is situated in the northwestern reaches of the Hurunui District (Canterbury, New Zealand). Sitting at the foot of the South Island’s Southern Alps and positioned on the Hanmer Plain, adjacent to the Hanmer River, the township is blessed with natural amenity which creates a scenic backdrop for the many visitors who travel to

the township each year⁵. Hanmer Springs's recent history has been shaped largely by the presence, and development into a commercial enterprise, of a natural up-welling of thermal springs in the area. These thermal springs are the single-most dominant tourism resource in Hanmer and are a significant driver of tourism growth and associated urban development in the township. Hanmer Springs is unlike many rural townships in New Zealand insofar as it is not, nor has it been, a farm service centre for the surrounding pastoral hinterlands. Rather, it is a township whose initial establishment and subsequent development has been based largely upon the thermal springs and hot pools situated in the area. The natural amenity of these hot pools, along with the scenic alpine beauty of the township's location, has combined to make Hanmer an extremely attractive and popular visitor destination.

According to Lovell-Smith (2000), the growth and development of Hanmer Springs was quite different from other townships in the area because of the town's unique features. The presence of Queen Mary Hospital⁶ and a large forest service camp meant the population of the township, as measured by the five-yearly census, was between 800 and 900 in the 1950s and 1960s. Government restructuring and 'downsizing' in the late 1980s saw the population drop to just over 500 at the time of the 1991 census. By 2006, the population had climbed again to 930 residents. Population figures, however, do not reflect the development of the township as a holiday and tourist destination, which gathered momentum in the 1970s and 1980s. The most significant factor in this development was the rebuilding of the thermal pools in the township. The project was initiated by the Hanmer Springs Thermal Pools Development Association, which formed in 1970 with the intention of raising about \$200,000 in order to build a new pool complex. In 1976, the association handed over its funds to the Amuri County Council, which had agreed to undertake the project. Land for the new pools was given to the Council by the North Canterbury Hospital Board and work on the complex began in June 1977. The cost of the new complex (\$281,000) was met through a combination of \$38,000 raised by the thermal pools development association, \$115,000 in government subsidies, and \$128,000

⁵ Approximately 585,000 tourists (25% international, 65% Canterbury residents, 10% domestic New Zealand) visited Hanmer Springs in 2006. It is estimated that 89% of these tourists (520,000) visit the Hanmer Springs Thermal Reserve annually (Hanmer Springs Thermal Pools and Spa: Information Kit, 2006).

⁶ The closure of the Queen Mary Hospital in 2003 signalled an end to Hanmer's association with the treatment of chemical (including alcohol) addiction. The site of the former hospital sits adjacent to the Hanmer Springs Thermal Reserve.

from the Amuri County Council, which included \$110,000 loan money (Lovell-Smith, 2000: 128).

The development of the pools was an outstanding success, and, from this time onwards, the number of people visiting Hanmer Springs increased dramatically. When the new pool complex opened in September 1978, it was hoped that the annual pool visitor numbers would increase from the 87,000 of previous years (Lovell-Smith, 2000: 128). These hopes were easily realised, and by 1984, the annual visitation to the hot pools had reached 200,000. Ownership of the Thermal Reserve was transferred to the Hurunui District Council in 1989 (via a process of local government reforms) and is now operated as a LATE. Significantly, the Hanmer Springs Thermal Reserve remains the dominant tourist facility in the township (although this facility has been complemented more recently by a range of adventure/thrill-based tourist attractions), with ongoing redevelopment of the complex planned by the District Council.

From a local government point of view, Hanmer Springs has experienced a progressive and incremental retreat from the seat of power. Initially under the authority of the Nelson provincial government at the time of European discovery (circa 1860), Hanmer Springs had experienced a variety of local government changes in its history. A series of amalgamations with neighbouring counties and districts has seen the local seat of power be removed to the distant township of Amberley (85km distant), as the Amuri County Council, in which Hanmer was situated and which was administered in Culverden, became part of a much larger Hurunui County Council. These changes to the administrative boundaries were first proposed in 1971 by the Local Government Commission, and were subsequently enacted under the Local Government Act 1974.

Further changes to these administrative boundaries occurred in the late 1980s with the enactment of the Local Government Act 1989, which saw the creation of the Hurunui District Council. In addition, the three-tiered approach advocated by this piece of legislation saw the creation of a system of regional councils, whose responsibilities include the management of natural biophysical resources (e.g., water, land, air quality).

For Hanmer Springs, this means that its third tier of governance is located in Christchurch City, approximately 135 kilometres distant from the township.

Such revisions of administrative boundaries were seen by many at the time to represent a real threat to the independence of small rural communities. These changes occurred at a time of great social and economic upheaval in New Zealand, particularly for rural communities. State sector restructuring had accompanied much of the redrawing of administrative boundaries, and many government departments, such as the Railways, Post Office and Health Boards, were subject to extreme rationalisation of workforces and responsibilities. In many respects, the rural sector experienced a period of extraordinary change during this time, as the central government began to remove itself from the regions and, at the same time, many of the regions found themselves increasingly removed from the seat of local and regional government.

The socio-economic shock of these changes, whilst undoubtedly jarring, was nonetheless cushioned by the unique position of Hanmer Springs within the District as the only major township not primarily a farming service centre. Ironically for the township, the implementation of government policies now aimed towards generating regional economic activity has seen growing attention given to tourism as a suitably convenient and apt means by which to achieve regional development objectives. For Hanmer Springs, this has resulted in taking further advantage of its already well-utilised natural amenity and capitalising on its competitive advantage over other similarly rural locations. Ongoing development of the thermal pools during the 1990s and early 2000s has seen tourism firmly entrenched as an important generator of revenue within the Hurunui District, with Hanmer Springs representing a key 'anchor' destination for tourism in the area.

1.5 Thesis Structure

In order to achieve the aims and objectives of this doctoral research, this thesis is divided into nine chapters and structured in the following way.

1.5.1 Theoretical Perspectives on Regional Tourism Development

Chapter Two provides an interrogation of the academic literature on regional tourism development. It does so by discussing the salient issues identified in the international scholarship on regional tourism development. Key concepts and themes discussed include: development theory, the connection between 'regionness' and peripherality, Foucauldian theoretical perspectives on power relations and tourism, tourism as a regional development response, and roles and responsibilities in tourism planning. Within this chapter, it is argued that, although regional locations are often well suited for the development of tourism activity, the inherent characteristics of these locations (e.g., geographic and political peripherality, limited financial resources within territorial local authorities, intra-regional parochialism) mean that there is likely to be an array of adverse impacts associated with such development. Given that tourism in regional locations often relies so heavily on public and/or free goods as key tourism attractions and assets, local government necessarily has responsibilities for the sustainable development of the sector. However, as this chapter suggests, reconciling the issues of equity in cost and provision of tourism services, alongside maintaining community goodwill, stands out as a pressing area for further enquiry.

1.5.2 Globalisation and Change

Chapter Three provides an examination of globalisation as an agent of change at the national and sub-national levels. The processes of globalisation and its effects upon peripheral locations are inextricable intertwined: one cannot talk about the changing public policy treatment of tourism in New Zealand's Hurler District without also talking about the processes which contributed to the conditions of that change. As argued in this chapter, the increasing influence of globalisation for peripheral nations such as New Zealand, and upon their socio-political and economic landscapes at the national and sub-national levels, is significant. Most notably, the processes of globalisation have brought with them a restructuring of relationships between urban and rural areas.

1.5.3 Public Policy Transformations

In this chapter (Chapter Four), a critique is presented of recent responses in New Zealand to the task of guiding tourism development from a strategic and collaborative sustainable development perspective. As argued here, the roles and responsibilities of government in tourism were reinvented during the 1980s and 1990s. These changes, inspired by a neoliberal political ideology to deregulate the New Zealand economy and to restructure the state sector and local government, ultimately included the tourism sector. While these changes have proved beneficial in facilitating significantly increased numbers of international visitors to New Zealand, the capability and political commitment of central, regional and local government to guide tourism development was hollowed out as a consequence of this period of state sector restructuring. Public sector policy initiatives since the early 2000s indicate a shift towards a more pro-active role for the local state (local and regional government) in managing tourism development. This shift, informed by a New Regionalism policy framework, anticipates a devolved tourism planning mandate that fosters longer term strategic and collaborative planning of the sector in order to enhance the contribution of tourism to sustainable community wellbeing.

1.5.4 Research Methods

Chapter Five describes the research approach adopted within this thesis, and discusses details of the rationale behind the selection of the research strategy, data collection techniques and procedures for analysis. Specifically, this research utilises a single case study of local government and tourism development in the Hurunui District. This single case study approach is framed within an interpretative social sciences methodological paradigm, in which the process of interpretation is argued to be of central importance when analysing social settings. As such, this thesis employs a qualitative research methodology to gather and interpret information about the changing role of local government and regional tourism development in the Hurunui District. This thesis seeks to integrate a New Regionalism and Foucauldian perspective for the purposes of analysis.

Within this qualitative research methodology, this thesis utilises a multiple methods approach to the collection of data. The principal research method utilised is a comprehensive series of 35 semi-structured interviews with key research informants from

19 agencies, organisations and stakeholder groups. These interviews were conducted between July 2008 and June 2009. They were undertaken in order to gain an understanding of the societal context, communications, and human behaviours which shape tourism policy, planning and development in the study setting. This method is complemented with participant observation fieldwork, and further supplemented with secondary data obtained via document analysis. Information gathered through primary research was then compared and contrasted with information gathered through secondary data collection techniques. Taken together, this researcher considers that the research approach employed in this thesis is in keeping with the paradigmatic values and methodological techniques identified within the academic literature.

1.5.5 Research Setting: The Hurunui District New Zealand

Chapter Six provides a description of the case study area, the Hurunui District (which includes the iconic tourist destination of Hanmer Springs), and discusses the various contextual elements of significance in this destination area. Arguably the most striking feature of this context has been that the history of the District area has been punctuated by extended periods of *change*. That change has been in the form of a series of territorial administrative amalgamations, which has had the effect of imposing, at least initially, a contrived sense of District identity in the Hurunui District.

Significant change has also been experienced in the District's agricultural sector, which underwent a period of rapid and fundamental restructuring caused by neoliberal public policy in the 1980s and 1990s. This chapter also explores the position of Hanmer Springs as the premier tourism destination in the Hurunui District. This position has been established largely through the presence of the thermal springs for which the town is named and known, and development of the Hanmer Springs Thermal Pools and Spa. The development of the thermal pools, indeed the extraordinary development trajectory of Hanmer Springs itself, is largely the result of significant public sector involvement. This involvement has been at the central and local government level, and has resulted in the township of Hanmer Springs becoming the flagship destination within the District area. Thus, while tourism in Hanmer Springs provides ongoing benefit to the wider District area, it does present a destination context in which the Hanmer Springs-focused tourism

development activities of the Hurunui District Council have arguably been pursued at the expense of broader district-wide development. It is this tension, along with the other issues noted in this section, which are explored in the following chapters.

1.5.6 Changing Models of Tourism Governance in the Hurunui District

The findings of this research are presented and discussed in two separate chapters. Chapter Seven critiques the initial establishment and subsequent development of the Hurunui District's tourism governance structure. It maps out the timeline of events which have punctuated the District's tourism journey, and discusses the role of the Hurunui District Council in shaping the District's emergent strategic tourism vision. Of significance to this research is the fact that such an active role in tourism development has undergone a significant transformation in recent decades, insofar as the complicit role played by central government as an active participant in the tourism sector has receded and been replaced by a prominent local government sector.

From the initial commissioning of the Hurunui District's Visitor and Tourism Strategy in 1995, and the establishment of an interim Hurunui Tourism Board which accompanied the release of this strategy, the Hurunui District Council has been the lead agency in the development of the District's tourism sector. This role has been legitimised by legislative mandate via the LGA 2002, and has been enabled by strong leadership within the council structure. The relationship between the District council and the tourism sector has, over this relatively short period of time, experienced a series of refinements and adjustments to the sector's governance structure and branding identity. An initially outward looking approach to District promotions, utilising the Alpine Pacific Triangle as the Hurunui's core brand identity, has since been replaced with a more inward looking approach based on the Hurunui District Council's core vision of Hurunui 'wellness'.

In conjunction with District promotions, the ongoing (re-)development of the Hanmer Springs Thermal Pools and Spa, under the umbrella of the District council, has further strengthened Hurunui's tourism profile outside of the District area. Perhaps more importantly, the ongoing success and recognition of this thermal pool complex has acted to validate the District Council's participation in the Hurunui's tourism industry. Thus a

picture emerges of local government as not only an enabler of the tourism sector and manager of the sector's impacts, but also a full and active participant in the District's tourism industry. In fact, the Hurunui District Council is considered to be the District's largest and most profitable tourism operator. The various tensions that such a pluralism of roles and responsibilities has created are addressed in the following chapter.

1.5.7 Local Government Pluralism in Regional Tourism Development

Whereas the material presented in Chapter Seven addresses the research objectives relating to the development of a model of tourism governance in the Hurunui District, the purpose of Chapter Eight is to provide a discussion on some of the more substantive issues relating to the growing prominence of the tourism sector, and of the Hurunui District Council's utilisation of the sector, as identified by District stakeholders.

Thus, in many ways this chapter is intended to provide analytical relief to the previous chapter's more descriptive tone. The primary research indicates the presence of conditions which have combined to create contested understandings about the appropriate role of the tourism sector in promoting development objectives within the District. Issues of equity in public sector funding appear to be of prime importance, as is the much broader question of local government participation in the District's tourism industry via the Hanmer Springs Thermal Pools and Spa. These issues, in turn, speak to an underlying tension within the case study area of local government pluralism in regional tourism development in the Hurunui District.

Taken together, the substantive content of this chapter reveals an explicit focus on the role of the public sector in the promotion and development of tourism in destination areas, with specific reference to local government in the Hurunui District of New Zealand. It is widely acknowledged within the international literature that the public sector in general, and territorial authorities such as the Hurunui District Council in particular, have an important role to play in the provision of a 'successful' and sustainable tourism sector. However, the municipal enterprise presently being exhibited by the District Council as owner-operator of the Hanmer Springs Thermal Pools and Spa suggests the need for this entrepreneurial dimension to be more fully investigated in the academic literature.

1.5.8 Thesis Conclusion

The final chapter (Chapter Nine) presents the main conclusions from this thesis. It highlights the contributions the research makes to the international literature, notes its limitations, and provides recommendations for future research directions.

Chapter 2

Theoretical Perspectives on Regional Tourism Development

2.1 Introduction

This thesis reports research on a case study in which the local government took a leading role in promoting tourism as a solution to development issues that were perceived to be due, at least in part, to the region's peripheral relationship to the major population centre of the South Island of New Zealand. The chapter therefore provides an interrogation of the academic literature on regional tourism development by discussing the salient issues identified in the academic literature on regional tourism development. Key concepts and themes discussed include: development theory, the connection between 'regionness' and peripherality, Foucauldian theoretical perspectives on power relations and tourism, tourism as a regional development response, and roles and responsibilities in tourism planning.

2.2 Conceptualisations of Development

Development theory and tourism have evolved along similar timelines since the 1940s, yet until recently there has been little work connecting the two fields of study (Telfer, 1996). This, according to Maleki (1997), is surprising, considering tourism continues to be a growing focus of economic development policy in many regions and nations. The term 'development' is used widely and seemingly freely in modern parlance. Implicit in the modern-day understandings of the term, development has come to be emblematic of concepts such as progress, modernisation and globalisation. Indeed, it has become something of a catch-all term to describe the movement away from the old and toward the new. However, while being a deeply seductive concept in modern society, it also presents a Pandora's Box insofar as many of the qualities associated with the application of this concept are also aligned closely to notions of *change* and, ergo, instability. These conflicting qualities are acknowledged by Rist (1997: 1), who argues:

The strength of 'development' discourse comes from its power to seduce, in every sense of the term; to charm, to please, to

fascinate, to set dreaming, but also to abuse, to turn away from the truth, to deceive.

Development, according to Cowen and Shenton (1996: 3), “seems to defy definition, although not for want of definitions on offer”. It is an ambiguous term that is used descriptively and normatively to refer to a process through which a society moves from one condition to another, and also to the goal of that process. At the same time, it has been suggested that development is a philosophical concept as it alludes to a desirable future state for a particular society, whilst development plans set out the steps for achievement of that future state (e.g., Elliot, 1999). More broadly, development is also considered to be virtually synonymous with progress, implying positive transformation of ‘good change’ (see, for instance, Thomas, 2000). In this sense, development is neither a single process nor a set of events, nor does it suggest a single, static condition. Therefore, although development is most commonly discussed in the context of the developed world, it is a concept that ‘relates to all parts of the world at every level, from the individual to global transformations’ (Elliot, 1999: 10).

Generally then, the concept of development as an abstraction may be seen as a term “bereft of precise meaning and little more than...a catch-all term used to mean anything from broad, undefined change to specific events” (Welch, 1984: 2). Its ambiguity is compounded by different uses of the term in different contexts and disciplines and, furthermore, the concept of development has evolved over time. Where at one extreme, planners once adhered to the ‘myth of development as progress’, at the other extreme, they denounce it as regression (Goulet, 1992). However the notion of development, when considered in its practical application, is most commonly associated with the development of *something*. In the case of this thesis, that ‘something’ is *regional* development.

The term ‘regional development’ is somewhat amorphous. Its definition varies according to context, although a common thread relates to some kind of economic and social improvement. Such improvement, according to Sorensen (2000: 5), can take the form of more and better quality infrastructure, improved community services, a greater and more diverse volume of production, lower unemployment, growing numbers of jobs, rising

average wealth, improved quality of life, and so on. These dimensions are, of course, interconnected in some degree, though not invariably so. Perhaps more significantly, however, is the implicit interconnectedness between development and social change (or, at the very least, change in prevailing societal conditions) within many authors' discussions on the nature of 'development'.

The analysis of social change with respect to development encompasses a wide range of perspectives resulting in, unsurprisingly, a similarly wide range of social theories and contested notions of change. As with the definition of development, development theory has broadened from simplistic economic growth models towards more holistic theories of historical social change (Hettne, 1995). This evolution of development theory is also noted by Telfer (2002), who suggests that the evolution of 'developmental thought' has become increasingly complex over time, and has moved away from being prescriptive to analytical in focus. Impact assessments of development policies are becoming increasingly important as they relate not only to changes in the environment but also to changes to local communities. Telfer (2002: 50) continues on this point, noting that the linkages to the local community and its role in the development decision-making process are becoming essential as development policies start to operate under the paradigm of sustainability.

Considering that the concept of sustainability strives, in essence, to reconcile existing conflict among goals of economic growth, environmental protection and social justice wherever it is applied, it is not surprising that this concept has also emerged as a recurring theme in tourism research (Butler, 1999; Hall & Lew, 1998; Wall, 1997). However, many authors have criticised the concept for its ambiguity (Butler, 1993; Pigram & Wahab, 1997) and its inability to be adequately operationalised (Campbell, 1996; McCool & Stankey, 1999; Page & Thorn, 2002). Despite these concerns, the sustainability ideal is now widely regarded, both in New Zealand and elsewhere, as an important part of the philosophy permeating all levels of tourism policy issues and practice (Edgell, 1993). In New Zealand, this growing interest in sustainability as an approach to planning has resulted in a renewed focus on who, or what agency, is responsible for leading the planning process at the local and national levels, and in particular, how tourist

destinations can be ensured to retain control of their future tourism development at the local level (Page & Thorn, 1997; 2002).

Growing attention has been given by governments to issues of regional socio-economic development and/or regeneration in a number of Western countries (e.g., the USA, UK, Canada, Australia, and New Zealand). There are a number of reasons why regions have become a growing focus for policy and practice in economic development. First, there is the continuing problem of regions with high unemployment, below average incomes, poor educational attainment and, in the rural areas, declining levels of service provision. Second, it is claimed that the reduced power of the nation state, as a consequence of globalisation and trade liberalisation, has elevated the relative significance of the region as the scale at which public policy can have some influence on economic competitiveness (Keating, 2001: 217). Third, “the region has been rediscovered as an important source of competitive advantage in a globalising political economy” (Giordano, 2001: 26). This point is also noted by Scott (1998: 100), who contends that “regions are once more emerging as foci of production and repositories of specialised know-how and technological capability, even as the globalisation of economic relationships proceeds at an accelerating pace”. This ‘irony’ of globalisation is noted elsewhere in this thesis.

2.3 Regions as Peripheral Places

According to Müller and Jansson (2007: 6), the idea of tourism as a tool for regional development is rooted in, and inspired by, the academic writings of authors such as Hirschman (1958), Myrdal (1963), and Friedmann (1966). In particular, the idea of a centre-periphery dichotomy appears to be crucial for the idea that tourism can be used as a tool for creating economic growth and employment in regional locations by breaking existing economic structures.

The term *region* has a wide range of meanings within the academic literature, with each definition of the term relating to the specific scale and parameters imposed by the context of its use. In some contexts, regions are groupings of nations such as the European Union (EU), and the African Union (AU). In others, regions are areas smaller than the nation and often associated with the jurisdictions of regional or local

government. More recently, traditional spatially-deterministic definitions of regions have given way to new definitions which recognise the spatiality of socio-economic and political networks (Graham & Healey, 1999; Mansfield & Milner, 1999). For example, Hettne (1999: 10) offers a conceptualisation of 'regionness' which refers not only to a geographical unit, but also to a social system, a system of organised co-operation, a civil society and a set of actions characterised by distinct identity, actor capability, legitimacy and structure of decision-making.

It is important to note that regions exist in both metropolitan and non-metropolitan settings and the term *region* is therefore not meant exclusively to mean *rural*. Rather, the term has greater synergies with the concept of *peripherality*⁷ (Graham & Henley, 1999; Mansfield & Milner, 1999). The notion of peripherality has long been an important concept in tourism studies (Hall, 2007). Perhaps the most influential use of this term was introduced by Christaller (1963), in which a distinction was made between pleasure travel (oriented primarily toward peripheral areas) and business travel (oriented primarily toward urban centres). In making this distinction, Christaller also noted that tourism not only made use of peripheral lands that could otherwise be used for agriculture or forestry, but that "...during certain seasons tourism peripheral places become destinations for traffic and commodity flows and become seasonal central points" (1963: 96). Importantly, Christaller's notion of tourism peripherality was grounded in economic location theory and the spatial relationships that existed between metropolitan and peripheral areas. Geographically, peripherality is associated with distance from the core (the notion peripherality implies a relationship with *something* – that is, a 'core'). In tourism terms, this is about distance from gateways and, given that leisure tourism is paid out of discretionary income, the cost of access (Wanhill, 1997: 48).

This initial consideration by Christaller was subsequently taken up by Turner and Ash (1975), in which the term 'pleasure periphery'⁸ which was first used to describe the

⁷ The notion of peripherality is a contested concept, with the term being open to interpretation from spatial, economic, social and political perspectives. The concept is closely related to ideas of marginality, which is a condition of disadvantage that may arise from unfavourable environmental, cultural, social and political factors (Hall, 2007: 21).

⁸ The term 'pleasure periphery' refers to the unique role many peripheral areas have in providing both recreational and touristic opportunities for visitors (day-trippers, overnighters, long-stay, short-stay,

increased mobility of international tourists from the developed world and the associated flow of these tourists to peripheral holiday destinations. Turner and Ash expanded upon Christaller's thesis of peripherality to also include a core-periphery model which not only reflected the spatial organisation of human and economic activity but which grounded the reasons for such structures in neo-colonial relationships that reflected the unequal distribution of power (Hall, 2007: 25). The notion of tourist flows from industrialised to developing countries (i.e., *North-South* tourism) was subsequently built upon by English (1986), who suggested that, for some developing countries, tourism has tended to be an even more dynamic force than trade in goods.

Variants of this concept have since emerged in the regional development literature, as economic self-reliance and co-operation become increasingly reiterated in the context of the emergence of regional groupings. For example, Ghimire (2001) has noted the widespread use of regional tourism in *South-South* economic co-operation in three regional blocs (ASEAN – the Association of South-East Asian Nations; SADC – the Southern African Development Community; and Mercosur – a common market comprising Argentina, Brazil, Paraguay and Uruguay, with Chile being an associate member). Similar such regional groupings are also apparent in *North-North* economic co-operation (e.g., NAFTA – the North American Free Trade Agreement; ANZCERTA – the Australia and New Zealand Closer Economic Relations Free Trade Agreement). On this point, however, the academic literature appears surprisingly bereft of any reference to tourist flows between and within such groupings for the purposes of regional development (i.e., *North-North* tourism). More recently, peripheral areas have become the subject of study in their own right, particularly in the European context, as a result of the use of tourism as a response to economic and political restructuring in such areas. Such a European focus in this particular field of tourism studies is the result of events such as the formation of the European Union, the fall of communism and subsequent fragmentation of the former Soviet Union.

domestic, international) from larger, higher-order urban areas. In their original thesis, Turner and Ash (1975) delineated their pleasure periphery as a zone equivalent to a few hours' flight away from the industrialised centres.

The tourism literature identifies a number of salient characteristics that identify peripheral or regional locations. For example, Hall (2007) proposes that peripheral areas are characterised by a number of interrelated features that impact the development of tourism as well as other industry sectors. Peripheral areas, by definition, are geographically remote from mass markets. In addition, these areas tend to lack effective political and economic control over major decisions affecting their wellbeing. They are particularly susceptible to the impacts of globalisation and restructuring through the removal of tariffs and other free-trade regimes (Jenkins, Hall & Troughton, 1998). Another description of peripherality is offered by Botterill, Owen, Emanuel, Foster, Gale, Nelson and Selby (2000), who propose that peripheral areas are also distinguished by their geographical characteristics. They are often noted for their beauty of their landscapes and seascapes, which may be expressed in a very dramatic way. Their physical character – perceptual and actual – is often described using such stereotypical terms and phrases as ‘wilderness’, ‘remote’, ‘off the beaten track’, ‘the back of beyond’, and ‘unspoilt’.

Importantly in the case of tourism, peripheral areas often retain high aesthetic amenity values because of being relatively underdeveloped in relation to core regions. Such high natural amenity value may not only serve as a basis for the development of nature-based tourism, but may also be significant for other types of tourism and leisure developments, such as that associated with vacation homes (Hall & Boyd, 2005; Hall & Müller, 2004). However, perhaps the most useful description of ‘peripheral’ locations is provided by Wanhill (1997: 48) who, in offering a European perspective on peripheral area tourism, noted that such locations exhibit a range of identifying characteristics. These key aspects include:

- Distance from the core and/or difficulty and costly access;
- Sparsely populated: small towns or villages in rural and coastal locations which are relatively isolated;
- Low GDP per capita or a GDP at factor cost that is substantially bolstered by public transfers;
- An economic structure which is largely primary and tertiary industries, without much secondary production;

- Limited local economic control;
- Specific structural adjustment difficulties arising from regional integration and administrative reorganisation.

But beyond these objective characteristics, peripherality is also a matter of perception. For example, Brown and Hall (2000) propose that a place which is remote and difficult to reach may be perceived by tourists (and others) as having certain qualities emblematic of its situation. These qualities, such as natural beauty, quaintness, and 'otherness' are likely to be an attraction to some and a repellent to others. As Blomgren and Sørensen (1998) have discussed, there is a mutual interdependence between these two sets of characteristics:

...the peripheral destinations may possess symptoms of peripherality, but relies on the subjective interpretation of these symptoms by the tourist, while simultaneously the tourist will not perceive an area as peripheral without certain symbols of peripherality being present (p.334).

According to Brown and Hall (2000), it is these perceptions that represent the key to the development of tourism in peripheral areas. It is in this context that governments struggle with defining new 'visions' for peripheral, or regional, locations. On this point, Müller and Jansson (2007) note the obvious difficulty of the public sector in being able to rewind the 'clock of development' and withdraw from regional or rural locations:

Governments do not typically choose to actively depopulate peripheral regions. Instead, governments intervene to sustain and maintain peripheral communities by supporting peripheral job-creation and associated regional development initiatives (Müller & Jansson, 2007: 5).

Such public sector interventions are, in essence, directed towards influencing internal migration patterns (i.e., overcoming rural-urban population drift). However, Boyle, Halfacree and Robinson (1998) argue that such undertakings have seldom been successful in a long-term perspective. From an economic perspective, Keller (1987) highlights a

number of criticisms raised with regard to the tourism development in peripheral or rural locations. These criticisms include that the peripheries ultimately receive only a fraction of the money that is spent by the visitors.

- A high percentage of personnel employed by the tourism industry, and a high percentage of goods consumed by the tourists, are imported.
- Of the capital and profit that is received from tourism, there is a considerable leakage back out of the peripheral economies.
- The peripheries, through time, are argued to lose control over the decision-making process governing the industry's development.

Development often leads to the peripheral tourism industry being ultimately controlled, managed, and possibly exploited, by the developed industrial core regions, turning the peripheries into 'the sacrificial lambs of the tourism consuming centres' (Noronha, 1977). This phenomenon is known as the Centre-Periphery Conflict (e.g., Keller, 1987).

While there is clearly a spatial or geographical component associated with peripherality, the *aspatial* nature of the concept has assumed greater significance in the academic literature. Brown and Hall (2000), for example, argue that peripherality is more than merely a geographical notion, while Hall (2007) asserts that peripherality is essentially a contested concept, with the term being open to interpretation from spatial, economic, social and political perspectives (Hall, 2007). This concept, in turn, is closely related to ideas of marginality, which is a condition of disadvantage that may arise from unfavourable environmental, cultural, social, economic and political factors. Thus, to be peripheral is to be marginalised, to lack power and influence and it therefore carries social, political and economic implications. A consequence of this marginality is that "government may be required to play a greater role in promoting economic development in the periphery than in the core" (Botterill et al., 2000: 10).

The politico-economic disadvantage typically associated with such considerations of peripherality and marginality resonates with a Foucauldian perspective on power and politics, with the underlying central-local tensions being both amplified and alleviated by

the prevailing public policy discourses of sustainable communities and regional development (see Section 2.4 in this chapter for a discussion on a Foucauldian perspective). More recently, this relationship has been informed by a Third Way, governance-based approach to regional polity that has dramatically altered the manner in which government is both enabled and empowered at the local level. From a Foucauldian perspective, this governance-based approach can be seen as a product of the influence of neoliberal governmentalities (Rose, 1996a). Current debates on governmentality are derived from a key strand of Foucault's later work, where his longstanding concern with the exercise of power in advanced liberal societies evolved into a specific focus on questions of government (Foucault, 1991a; MacKinnon, 2000; 2002). From this perspective, political programmes are defined in terms of the underlying rationalities that shape their development (MacKinnon, 2000; O'Malley, Weir & Shearing, 1997).

Somewhat paradoxically, Foucault's discussion of neoliberal governmentality shows that the so-called 'retreat of the state' can in fact be considered a prolongation of government (Lemke, 2001). That is to say, neoliberalism is not an end but a transformation of politics that restructures the power relations in society. According to Lemke (2001), what can be observed under these conditions is not a diminishing or reduction of state sovereignty and planning capacities, but a displacement from formal to informal techniques of government and the appearance of new actors (e.g., NGOs). This is commensurate with Agrawal's (2005) notion of environmentality, in which Foucault's concept of governmentality is extended to accommodate issues of natural resource management. The concept of transformation and prolongation of the state can also be used to extend Le Heron's and Pawson's (1996) notion of the 'rolling back of the state' associated with New Zealand's neoliberal transformation. The retreat of the state (i.e., central government) identified by Le Heron and Pawson is then countered by the 'rolling in' or advance of locally-derived structures of power and politics. Prominent within this transformed neoliberal structure are territorial local authorities, whose extended roles under neoliberalism are said to represent a 'deep democracy' in which issues of emancipation and equity at the local level can be more readily addressed via local governance structures (e.g., Appadurai, 2001).

This approach has been developed further by tracing a shift from the welfarism of the social democratic pattern to advanced neoliberalism and examining how the latter frames interventions in particular policy fields (e.g., Rose 1996a; 1999). In essence, this policy shift represents a devolved mandate from local government to a local *governance* framework. Governance, it is argued, eschews the rigid divide between the State and the market in favour of a repertoire of alliances, networks and partnerships (Keating, 2002), and thus represents a more bottom-up approach to regional polity. In the tourism context, effective local governance arrangements empower local participation and ownership of policy actions and initiatives, and provide a forum for information sharing, discussion, negotiation and learning (Bramwell, 2004; Bramwell & Lane, 2008). Effective local governance is, therefore, a central element of a holistic and balanced approach to sustainable development (Beaumont & Dredge, 2010; United Nations Environment Programme, 2003).

The shift to local governance thus represents a fundamental feature of the more recent tourism policy reform discourse in New Zealand. This shift, however, raises questions regarding the dynamics of local–central relations, operations of multi agency partnerships, the changing relationships between key interest groups, the formation of economic strategies, and the scope for community involvement and local empowerment (MacKinnon, 2002). These questions are of relevance to the consideration of the case study examined in this thesis, as the unique relationship of ownership and regulation of tourism resources by local government has served to both modify and, arguably, disguise power relations in the Hurunui District, New Zealand.

2.4 Foucauldian Theoretical Perspectives on Power Relations and Tourism

Foucauldian-inspired research frames an examination of power relations (Piggin, Jackson & Lewis, 2009). This is of significance to tourism studies, and indeed to this thesis, as the processes associated with tourism policy formulation, planning and development are value-laden and often highly politicised. In other words, they are political processes and are the subject of power relations among constituencies (Coles & Church, 2007: 7). Contestation, consensus and dissonance among competing participatory interests are

inevitable features of development in this manner (Simmons, 1994; Fallon, 2001). Almost by definition, such issues necessitate an interest in how power is exercised, by whom, in what manner of political arrangement and to what end. This is noted by numerous authors, including Coles and Church (2007: 2), who contend that:

Tourism studies should be explicitly engaged with 'power, practically to be rewired more extensively into discourses and conceptualisations of power. ... Issues of power, empowerment and disempowerment permeate many aspects of tourism research'. Sometimes these incursions are explicit and direct, at other times they are indirect and latent. Whatever the mode of infiltration, the intricate connections and feedbacks between constructs of tourism and power have been recognised.

Issues of power, and of Foucauldian notions of *power relations*, have grown in prominence with respect to such matters as tourism promotion, planning and governance, as well as tourism development in the less developed countries (e.g., Reed, 1997; Morgan & Pritchard, 1999; Cheong & Miller, 2000). Despite the growing engagement with power, there remains an important paradox in that power and power relations are frequently invoked as pivotal features in the production of tourism, the negotiation of tourist experiences, and the administration and governance of tourism (Hall, 2007). However, according to Coles and Church (2007: 6), they are routinely under-conceptualised in tourism discourses.

Explicit use has been made in tourism studies of the theorisations of power developed by post-structural writers, in particular the extensive writings of Foucault. Foucault's broader considerations of power in society marked a significant departure from previous thinking and as such have been highly contested, but it nonetheless had a significant influence on tourism studies. His thoughts on power were, in part, aimed at challenging existing radical and liberal conceptions of power.

At the heart of Foucault's early writing was a desire to understand the inseparable connections between power, knowledge and truth, and how often through discourse the latter was not something simply sought but which played a central role in framing

(shaping) and regulating human existence. Consequently, knowledge is at the core of what Foucault termed disciplinary power (Coles & Church, 2007: 24). For Foucault, power is productive, contributing to the collective dimensions of society, and also constitutive of subjectivity as power plays a role in developing individual identities and practices (Gordon, 2002). Hirst (2005: 157) argues there is an institutional dimension to these insights on knowledge in that:

We see Foucault move from author-as-subject towards a view of the subject as agent/effect of a discursive formation. Enunciative modalities mean that only certain subjects are qualified to speak in particular ways: that certain statements cannot be made by everybody and anybody ... So knowledge and the subjects who produce them are connected with particular institutional conditions and forms of power.

The key to the efficiency of Foucault's concept of power is that individuals are subject to its effects, yet they participate in its execution. Foucault (1980a: 98) argues that power must be analysed as:

something which circulates, or rather as something which only functions in the form of a chain. It is never localised here or there, never in anybody's hands, never appropriated as a commodity or piece of wealth. And not only do individuals circulate between its threads; they are always in a position of simultaneously undergoing and exercising power. They are not only its inert or consenting target; they are always also the elements of its articulation. In other words, individuals are the vehicles of power, not its points of application.

Thus, individuals have dual roles: as agents having access to power, and also as targets which are subject to power (Winter, 2007: 106). These relationships are formed and maintained not by grand acts or overt physical displays of violence, but through the relationships and activities that are part of daily life (Foucault, 1990). In an attempt to summarise the conceptual legacy of Foucault's writings on power, Miller (2003: 205) proposed that:

Power should not be understood according to the model of generalised domination exerted by one group over another. Power must be understood as a multiplicity of force relations which are imminent to the domain in which they operate and are constitutive of their own organisation. Power does not derive from a single point of origin but is to be found where it operates, at the mobile and unstable interrelation of force relations at local levels. Power is neither an institution nor a structure; it is not a force that can be located. It is 'everywhere'.

Given the mobilities and multiplicities associated with tourism production and consumption, along with the sometimes-elusive role of state tourism policy and planning (Hall & Jenkins, 1995; Church, 2004), it is perhaps unsurprising that Foucault's considerations of power should have been influential in tourism. Urry, in his seminal text *'The Tourist Gaze'* (1990), was perhaps the first to draw explicitly on Foucauldian notions of power. In particular, he focused upon tourists' ways of seeing, the power inherent in their gaze upon attractions, as well as the power inherent in the manipulation of tourism representations and experiences.

There has also been some explicit connection with the conceptualisation of social relations within other areas of tourism research. For example, Mills (1991) has utilised Foucauldian concepts of power in her analysis of women's travel writing in the colonial context. Both Bennett (1995) and Aitchison (1999) have also taken an explicit Foucauldian stance in their analysis of museums and heritage tourism development respectively, whilst Beardsworth and Bryman (2001) draw on Foucault in their analysis of zoos and nature tourism.

In their accounts, both Cheong and Miller (2000) and Hollinshead (1999) have sought to demonstrate the relevance of Foucauldian notions of power to tourism research more generally. They both argue that power relations are not a simple binary structure between the dominators and the dominated, but are omnipresent yet localised in their deployment, always unstable and constructed discursively as well as materially. The take up of Foucauldian thought in development studies, therefore, gives a rather more subtle account of relations between power and knowledge that has particular relevance for tourism development (Escobar, 1984; Watts, 1993; Crush, 1995).

According to Winter (2007), tourism is notable for its capacity to operate as, and be the subject of, a *technology of power*, and in so doing it conspires with technologies of consumption towards development of national and sub-national identities. A technology of power, as described by Foucault (1990; 1991b) is a sophisticated arrangement of procedures which influence the behaviour of individuals towards specific ends. Contemporary examples of such a technology include marketing and advertising, and the operation of tourist businesses (Cheong & Miller, 2000; Rooney, 1997). Such technologies of power extend to include tourism policy formulation, planning and development processes.

A discussion of power implies knowledge. Foucault (1991b) argues that power and knowledge are linked in a relationship in which each is not only unable to exist without the other, but where each continuously creates the other. According to Foucault (1991b: 27),

We should admit rather that power produces knowledge ... that power and knowledge directly imply one another; that there is no power relation without the correlative constitution of a field of knowledge, nor any knowledge that does not presuppose and constitute at the same time power relations.

Foucault's various works describe the development of fields of knowledge including sexuality, madness, criminality and medicine. Within these fields, power is formed as a network of relations between people acting in various social roles, rather than through a 'top-down' structure. For Winter (2007: 103), tourism can be regarded as a specific type of knowledge within the broad knowledge of travel. Such a conceptualisation of tourism-knowledge, and therefore tourism-power, can also, in the context of this thesis, be extended to the broad knowledge of tourism public policy and planning. The way in which tourism public policy and planning is created and reproduced is also the result of power, and its operation can be described according to Foucault's theory.

According to Hannam (2002), Foucauldian considerations of tourism development have been the subject of growing attention due to the re-configurations of economic, political

and cultural power relations resulting from the processes associated with globalisation. In particular, this has meant a shift from political and economic concepts of power towards an examination of social and cultural relations of power in tourism (Mowforth & Munt, 1998), with particular reference to Foucauldian notions of power (Hollinshead, 1999; Cheong & Miller, 2000). Recent theoretical discussions of the state have noted significant transformations linked to globalisation, neoliberal economic agenda and the rise of meta-governance. For example, Hall (2007) relates the concept of power to the study of tourism governance which has become increasingly multi-scalar in character. Under conditions of contemporary globalisation the strict territorial basis of state authority, power and legitimacy, which has been the basis for sovereign governance for most of the past 150 years, has become challenged (Hall, 2007). Such transformative processes are uneven in time, space and scale.

Governance is essentially about power, or rather the articulation and arrangement of power. The study of power arrangements is vital in the analysis of the political dimensions of tourism because power governs “the interplay of individuals, organisations, and agencies influencing, or trying to influence, the direction of policy” (Lyden, Shipman & Kroll, 1969: 6). For example, within the process of tourism development and management, certain issues may be suppressed, relationships between parties and stakeholders altered, or there may be deliberate inaction. Critical to this may be the design and structure of institutional or organisational arrangements for tourism (Hall & Jenkins, 1995), such as the relationships between institutions at different scales of regulation.

Those who benefit from tourism may well be placed in a preferred position to defend and promote their interests through the structures and institutions by which communities or destination areas are managed. Significantly for Hall (2007: 249), the influential models of community tourism promoted by Murphy (1985) clearly fail to address issues of the distribution of power and representation in a community-based approach. Indeed, there is a wider tendency in tourism studies to romanticise the collective capacity of local communities to undertake participative decision-making, particularly when exclusion of

some stakeholders is a necessary component of practical consensus (Connelly & Richardson, 2004). As Miller and Aiken (1995: 629) observed,

Communities are not the embodiment of innocence; on the contrary, they are complex and self-serving entities, as much driven by grievances, prejudices, inequalities, and struggles for power as they are united by kinship, reciprocity, and interdependence. Decision-making at the local level can be extraordinarily vicious, personal, and not always bound by legal constraints.

To Foucault, the analysis of governance must be founded itself on the key concepts of power and knowledge. The implicit assumption is that the states and politics of development should not be understood solely on the grounds of history of the 'sovereignty' (which deals with explaining the state's or ruler's authority), but rather take its point of departure in the history of 'the art of governance' – governmentality (Wearing & McDonald, 2002). Governmentality, according to Foucault, is largely a question of 'how people govern themselves and others through the production and reproduction of knowledge'.

In this light, governmentality opens space for heterogeneity. At any time, more than one programme, for example tourism, may exist and be founded in its own rationality; that is, a specific rationality that is tied to the particular discourse permeating that field. As such, governmentality is a 'problematizing activity' (Rose, 1989: 181) in which, according to Lemke (2000), it is not possible to study the technologies of power without understanding the political rationality underpinning them. Importantly, Foucault's governmentality also recognises the integral link between micro- and macro- political levels (Lemke, 2000: 13).

Foucault's later writing on governmentality also provided new ways of thinking about the state, political power and the dangers of power (Coles & Church, 2007). The state was presented as having 'both an individualising and totalising form of power' but the study of power could not simply involve the study of institutions (sovereign power). Rather, it must also incorporate a study of all 'micro' government practices to reveal the connections between the 'political' and all other types of power relation, practice and

technologies (Foucault, 1982: 332). Foucault (1982: 338) did acknowledge, however, the existence of 'power blocks' in which power relations, objective capacities and communication relations formed 'regulated and concerted systems'.

It is worth noting that the academic literature contains numerous alternative explanations of power relations in social life. One of the most compelling of these is provided by Lukes (1974; 2005), who identified the following three different approaches in the analysis of power, each focusing on different aspects of the decision-making process: one-dimensional; two-dimensional; and three-dimensional. A one-dimensional view of power in communities suggests that, even though imperfect, the community decision-making process is at least observable as it operates through overt action of pluralist interests (Hall, 2007: 253). Two-dimensional views of community decision-making focus on decision-making *and* non-decision-making as well as observable (overt and covert) conflict. A non-decision is a means by which demands for change in the existing allocation of benefits and privileges in the community may be suffocated before they are even voiced. Alternatively, they may be kept covert or killed off before they gain access to the relevant decision-making arena; or, failing all of these things, maimed or destroyed in the implementation stage of the policy process⁹.

The three-dimensional view of power (Lukes, 1974; 2005) incorporates observable power in decision-making settings, and power through non-decision-making, but adds to these the third dimension of institutional bias, hegemony and the manipulation of preferences (Hall, 2007: 256). The three-dimensional view of power "allows for consideration of the many ways in which potential issues are kept out of politics, whether through the operation of social forces and institutional practices, or through individuals' decisions" (Lukes, 1974: 24). Significantly, Lukes's third dimension intersects with Foucault's (1980a) power-knowledge framework, which also acknowledges the relational nature of power: "in reality power means relations; a more-or-less organised, hierarchical, co-ordinated cluster of relations" (Foucault, 1980a: 198). To Foucault, knowledge and power are

⁹ The role of non-decision-making is now widely acknowledged in the political literature, given that "political actors, organisations and collectivities can leave selected topics undiscussed for what they consider their own advantage" (Holmes, 1988: 22).

inseparable. Power can be assessed through knowledge because knowledge itself has a function of power:

Once knowledge can be analysed in terms of region, domain, implantation, displacement, transposition, one is able to capture the process by which knowledge functions as a form of power and disseminates the effects of power (Foucault, 1980: 69).

In seeking to operationalise Foucauldian notions of power, one arrives at the importance of locating issues of power within particular locational contexts. It should be acknowledged, however, that such loci of power relations will be connected to a myriad of other issues and sets of interests (Foucault, 1980a: 188). Indeed, according to Hall (2007: 257-258), the value of a Lukesian approach to power is highlighted in the multi-layering of observations of power occurring in the three key dimensions. Lukes' (1974; 2005) three dimensions therefore provide an empirical strength often missing in Foucauldian analyses. While these analyses acknowledge the role of structural dominance, they often fail to record the actions of individual actors in relation to specific issues and interests. This, according to Hall (2007), is a weakness of such Foucauldian analyses, and is one which this thesis attempts to address.

2.5 Positioning Tourism as a Regional Development Response

Internationally, the rhetoric of tourism development is “preached like a mantra” (Müller & Jansson, 2007:3), and it has become something of a truism to say that tourism is regarded by governments as a significant tool for regional development (Hall, 2007). In New Zealand, this regional development potential is recognised as having a number of synergies with the prevailing public policy discourse of sustainability, particularly within the context of rural communities. Indeed, this potential role is identified explicitly within the national tourism strategy – The New Zealand Tourism Strategy 2015. This strategy document asserts that “tourism helps drive regional economic growth and supports revitalisation of towns and communities” (Ministry of Tourism, 2007: 9). This view appears to be emblematic of tourism’s present-day treatment by government as a growth

pole for rural communities and economies. Tourism's potential as a catalyst for regional development is long-established, with Christaller noting in 1963:

There is a branch of the economy that avoids central places and the agglomerations of industry. This is tourism. Tourism is drawn to the periphery of settlement districts as it searches for a position on the highest mountains, in the loneliest woods, along the remotest beaches (1963: 95).

The tourism industry has a number of features which make it attractive for the implementation of regional development agendas. It can help to diversify local economies, and can support existing infrastructure. It can also stimulate the development of new infrastructure and amenities, which in turn may help the establishment of other industries. It is a labour intensive industry and can create employment not only directly serving tourists but also in a range of related service, construction and manufacturing industries. It also builds on the natural environment and cultural heritage attractions of many regional areas. Perhaps more significantly, however, is that tourism is considered to be the most decentralised of all 'sunrise' industries (Beer, Maude & Pritchard, 2003: 118).

Sunrise industries are those industries which have either experienced rapid growth over recent years, or are regarded as having growth potential. These are mostly relatively new industries, such as bio-, micro-, and nano- technology, but some are already established industries that have entered a new phase of expansion, such as tourism. They are of interest in regional development because of their growth potential, and because their capacity to export goods or services outside their region makes them drivers of regional growth (Beer et al., 2003: 114). Given these features, tourism is one facet of regional development strategies which is growing rapid support as a viable and attractive method for generating economic growth, and as a means of "promoting regional development and ameliorating regional inequalities" (Jackson, 2006: 695).

Indeed, it has become a worldwide phenomenon that is growing exponentially and, in the words of Butler, Hall and Jenkins (1998: xi), "...has been hailed as a panacea for rural development for thirty years". At a broader public policy level, authors such as Harvey

(1989a; 2000), Marchak (1991) and Todd (1996) describe the solidification of economics, growth and development. This particular discourse has also come to dominate the arena of local economic development. As Benington's and Geddes's assessment of local economic development strategies throughout the 1980s contends:

A feature of market-led neoliberal economic strategy during the 1980s has been a shift away from policies of support for declining industries to explicit or hidden support for growth sectors. This has involved either the active promotion, or at least passive acceptance, of the shift away from manufacturing toward the service and consumption sectors. In relation to local economic development, this orientation has been reflected in the restructuring of many local economies previously dependent on primary or manufacturing industries (Benington & Geddes, 1992: 456).

This theme is continued by Hopkins (1998), who notes that post-industrial restructuring has compelled sites to exploit and promote local tourist attractions in an attempt to minimise, halt or reverse economic decline induced by collapse or contraction in more conventional primary or secondary-based sectors. In the New Zealand context, Kearsley (1998) investigated the changing context for tourism development and highlighted the economic challenges facing the country. These challenges, from the beginning of economic restructuring in the late-1970s to the removal of agricultural subsidies in the 1980s, prompted the observation that:

It seemed, to many small communities, that only tourism was left as a viable course of jobs and community income. Consequently, many farms attempted to set up tourist ventures, local authorities tried to encourage local festivals and events, and many individuals attempted to set up small enterprises as fishing, guiding or local tours (Kearsley, 1998: 83).

Thus, tourism must be seen as a contested component of these greater forces of rural change, in which the sector has been used as a tool to offset declines in other sectors of regional economies. The connection between tourism development and rural change is also addressed by Simmons and Fairweather (2005b: 261), who note that tourism has been effective as a tool for regional economic development by offsetting declines in other

sectors of regional economies. On this point, Mair (2006) argues that the connection between tourism and economic development is both explicitly and passively encouraged by government at all levels, as well as by the media and industry. The same language that permeates the discourse around such broad ideas as economic policy and globalisation is also evident at the local level, espoused by editors in the local (and national) media, industry and politicians.

More recent examinations of tourism, public policy and regional development in the UK (e.g., Cawley & Gillmor, 2008; Kerr, Barron & Wood, 2001; Stevenson, Airey & Miller, 2008) and Australia (e.g., Dredge, 2005a; Dredge & Jenkins, 2009; Pforr, 2006), for example, serve to confirm the universal nature of this phenomenon. However, with the increased attention on tourism as a regional development propellant there has also been an increased awareness of the potential for tourism to create adverse impacts in rural areas. The potential for adverse impacts is acknowledged by Marcouiller (1997), who suggest that this issue requires the careful consideration of planners and policy makers:

In rural areas, tourism has become an important public policy issue because of limited development options, increased public expenditures for promotion, increased local pressures for resultant public services, increased conflict among user groups, and general concerns over societal costs and benefits of public support for tourism development (Marcouiller, 1997: 337).

In addition to these concerns, Beer et al. (2003) cautions against overstating the beneficial flow-on effects of tourism on other economic sectors in regional and rural locations. Because much of what tourists consume or purchase is produced outside of the regional or rural locations they visit, income typically flows out to the places that manufacture or produce these items. The problematic nature of this economic leakage is also noted by Simmons and Fairweather (2005) in their assessment of tourism development in New Zealand communities. Thus, it is apparent that tourism is not a 'golden chalice' for local and regional economic development and that there are unintended consequences and market failures from its development, management and promotion (Dredge & Jenkins, 2009; Jenkins & Sorensen, 1996). On this point, authors such as Joppe (1996), Marcouiller (1997) and Reid (2003) argue that the economic growth

focus of those who encourage tourism has placed insufficient emphasis upon determining whether or not tourism strategies are feasible for the communities and areas in question.

These sentiments are shared by Simmons and Fairweather (2005b), who note that in the New Zealand context tourism is fundamentally a spatially peripheral activity, with tourists generally being drawn to relatively sparsely populated regions with high scenic amenity value:

In these localised settings, the question of who 'gains' and who 'loses' from tourism development remains a pressing concern. The geography of New Zealand itself, on-going change in settlements and recent restructuring of the economy provide a fertile context for on-going tensions within and between tourism communities, especially where tourists stay overnight in regional centres and make day excursions to local destination areas. Tourism's deployment as a major driver of regional economic development is in stark contrast to the neoliberal approaches that characterise the market-led reforms that drove the restructuring of the New Zealand economy in the late 1980s and early 1990s (Simmons & Fairweather, 2005b: 265).

The conflation of tourism and economic development in rural areas is also reflected in the growing body of international research. For instance, Hall and Jenkins (1998) delineate the forces at work to influence the formation of rural tourism and recreation policies, arguing that the social and economic goals of rural development have not been adequately integrated. This concern is also raised by Mair (2006), who notes that development policymakers in many rural communities are turning to tourism as a quick-fix; a relatively benign way to generate growth and development in the face of restructuring. However, the potential threat of competition, inefficiency and economic slow-down often appear disregarded as tourism continues to comprise a significant part of many rural economic development strategies. For Mair (2006), therein lies the conundrum: if tourism is known to cause problems in rural communities, and yet it is still increasingly encouraged as a development strategy, what can be done?

2.6 Roles and Responsibilities in Tourism Planning

Tourism is a relative newcomer in terms of its contribution to national, regional and local economies and lifestyles. Its comparative youth has been matched by meteoric growth, particularly since the 1960s (Simpson, 2001), and is now a significant earner of foreign exchange for many economies worldwide, including New Zealand. However, while tourism undoubtedly has the potential to contribute greatly as a tool for economic development, it also has the potential to impose significant adverse environmental and social impacts on host destinations and communities. It is from this concern about what tourism can do to a destination, as well as for a destination, that growing attention has been given to the issue of sustainability in tourism planning and development (Shone, McNicol & Horn, 2004).

Tourism is an inherently difficult phenomenon to describe; its diverse and often diffuse nature means that it impacts upon, and cuts through, multiple stakeholders and sectors. Within the private sector, it involves a large number of industries, some quite indirectly. Tourism also has a broad public sector interface, involving local, regional and national agencies (Simmons, Fairweather and Shone, 2003). In acknowledging tourism's complex character, Hall (2000: 63) notes that tourism planning often poses 'meta-problems', due largely to the nature of tourism itself. Specifically, tourism is difficult to define, diffuse through economy and society and, typically, has no clear control agency. Thus, a key question is how to effectively accommodate and co-ordinate multiple stakeholder objectives into a systematic and effective tourism planning process. To meet this challenge, Hall (2000: 68) identifies three defining attributes required for effective tourism planning which represent a necessary consideration for policy and planning practitioners. First, planning should be both multi-scale and multi-lateral in nature. Second, different or multiple sets of values necessarily affect policy settings and planning. Third, planning models and tools should not act in isolation from the people who develop and implement them.

Authors have identified four ways that the 'spill-over' costs from tourism call for public sector intervention in the planning and management process. Firstly, tourism causes greater social impacts than other economic sectors as it depends on an influx of visitors

into a host community (Gunn, 1994). Secondly, several commentators have observed the need for a co-ordinating body or strategy to align tourism's diverse stakeholders (Elliot, 1987; Gunn, 1994; Kearsley, 1997; Sowman, 1993). Thirdly, many tourism inputs are public (or common) goods that do not involve any market transactions, including scenery, resident hospitality, culture and public utilities. These common good inputs are subject to exploitation as they are not excludable like private property and no price mechanism exists to regulate use (Birks, 1992; O'Fallon, 1993).

Fundamentally, however, planning intervention in the tourism development process is typically a response to the unwanted effects of tourism development, particularly at the local government level (Hall, 2000). Local authorities occupy a complex, central role at the heart of the tourism industry (Bacon & Pelley, 1993; Cronin, 1990; Hunter, 1995) and exercise an essential or even critical influence over the local tourism industry (Andriotis, 2002; Elliot, 1987), even though neither development nor promotion have been traditional roles for local authorities (Kearsley, 1997). The centrality of this role is reinforced by Parkinson (1997), who states that it is at the territorial local authority (TLA) level that local government has the greatest ability to become involved in planning for, and developing, tourism. To this end, Vaughan, Jolley and Mehrer (1999) have identified the following three roles of local authorities in the tourism industry. First, local authorities are the key co-ordinating body for the strategic planning of the local tourism industry. Second, local authorities play a key role in owning, operating and promoting their own local tourist resources and infrastructure. Third, local authorities have a central role in promoting their own local area as a destination and, by implication, the private sector tourism products and services.

The question of appropriate government roles in tourism is also raised by Simmons and Shone (2002), who suggest that local government has dual, and potentially conflicting, roles of tourism enablement and management of tourism's adverse impacts at the local level. The enablement of tourism by local government includes more than just the promotion and marketing of a destination area. By enabling tourism, territorial authorities aim to advance economic development opportunities through tourism. Local government initiatives include: public relations, support for tourism marketing

organisations and trusts, promotional and information activities, sister city links, research, training, festivals, events and entertainment. While tourism does enable economic development, many authors are quick to point out that, unless properly managed, the costs of tourism can exceed its benefits (Elliot, 1997; PCE, 1997; Kearsley, 1997). The activities and responsibilities of territorial authorities have the greatest direct influence on the management of tourism's adverse social and biophysical impacts (Cameron, Memon, Simmons & Fairweather, 2001). To manage tourism's adverse social and biophysical impacts, local government engages a range of mechanisms. These include: regulating tourism development (e.g., setting environmental, health and safety standards), planning utilities (e.g., transport networks, waste management, and sewerage), and monitoring tourism development and trends (e.g., host satisfaction surveys, environmental monitoring).

These conflicted local government roles are further complicated by the parallel tensions of reconciling local economic and social objectives within a broader environmental management focus at the regional government level (Simmons & Shone, 2002: 20). The notion of dual government roles is also discussed by Ioannides (1995), who identifies two broad roles for government to play in the tourism sector. The first is establishing a forum for enabling the tourism industry suppliers to coordinate their activities. The second major role identified by Ioannides is that of tourism promoter. This consideration of government roles appears to be strongly focused on tourism industry growth, with little explicit recognition of the potential for government to act as tourism sector regulator/moderator.

O'Fallon (1993) notes that much government involvement in tourism activities lies in using regulatory functions to specify property rights to ensure goods are preserved for tourism (e.g., national parks and scenic reserves). Government also acts to prevent overuse and degradation of tourism-related goods and, in particular, the tourist destination. According to O'Fallon (1993), much of this activity is described under the rubric of *planning* and/or *development* in the tourism literature. The tourism literature also acknowledges that public sector involvement in strategic tourism planning is necessary because the development of tourism will not be optimal if left in the hands of

profit-motivated private sector entrepreneurs. Similarly, tourism development dominated by the public sector is unlikely to achieve optimal economic returns (Cooper, Fletcher, Gilbert & Wanhill, 1993). The implication, therefore, is that a suitable balance of both public and private sector involvement in tourism planning is vital in ensuring optimal tourism outcomes for destination areas.

2.7 Conclusion

The academic literature clearly indicates the growing prominence of the tourism sector as a mechanism by which to offset the declining profitability of other sectors of regional economies. As noted in this chapter, the use of tourism development for this purpose appears widespread in many Western societies which have been grappling with the challenge of rural change. While regional locations are often well-suited for the development of tourism activity, the inherent characteristics of these locations (e.g., geographic and political peripheral, limited financial resources within territorial local authorities, intra-regional parochialism) means that there are likely to be an array of adverse impacts associated with such development. Given that tourism in regional locations often relies so heavily on 'public goods' as key tourism attractions and assets, local government necessarily has responsibilities for the sustainable development of the sector. However, as the above literature suggests, reconciling the issues of equity in cost and provision of tourism services, alongside maintaining community goodwill thus stands out as a pressing area for further enquiry. Given the increasing credence afforded to tourism within government and community planning, this situation demands investigation.

It is in the context of tourism and regional development that the academic literature also draws our attention to notions of power and influence associated with tourism-related policy-making and decision-making. As noted by Coles and Church (2007), issues of power, empowerment, and disempowerment permeate many aspects of tourism development. This is of significance to tourism studies, and indeed to this thesis, as the processes associated with tourism policy formulation, planning and development are value-laden and often highly politicised. Contestation, consensus and dissonance among competing participatory interests are inevitable features of development in this manner

(Simmons, 1994; Fallon, 2001). Almost by definition, such issues necessitate an interest in how power is exercised, by whom, in what manner of political arrangement and to what end. However, as noted by several authors (e.g., Hall, 2007; Hannam, 2002; Hollinshead, 1999), the investigation of power in tourism development, particularly those that utilise a Foucauldian approach to tourism power relations, is presently sparse in tourism research.

The following chapter extends this review of the international literature to include an examination of 'globalisation' as an agent of change. It then situates New Zealand as an internationally peripheral nation whose tourism public policy paradigm(s) can be viewed as being inextricably linked to broader forces of change at the global level.

Chapter 3

Globalisation and Change

3.1 Introduction

The processes of globalisation and its effects upon peripheral¹⁰ locations are inextricable intertwined: one cannot talk about the changing public policy treatment of tourism in New Zealand's Hurunui District without also talking about the processes which contributed to the conditions of that change. The purpose of this chapter therefore is to provide an examination of globalisation as an agent of change at the national and sub-national levels. The reason for providing such an examination is in acknowledgement of the strong influence of the global–local dialectic which, in the case study location, has led to changing tourism geographies at the local level. It is the reconciliation of this global–local dialectic, most particularly at the local government level, which pervades this doctoral research. This chapter then situates New Zealand in a context of politico-geographic interconnectedness characterised by geographic peripherality tempered with ever-changing international relationship-building with colonial 'masters', geographic neighbours and, more recently, emergent regional markets.

New Zealand is, fundamentally, a provincial community, distant from the principal world centres of power, money and culture (Peren, 1998: 27). Like many smaller nations, New Zealand occupies the space between the trading powerhouses of the developed world and the less developed nations on the global periphery. In trading parlance, it is a price-taker, not a price-maker. As such, New Zealand is particularly vulnerable to the vagaries of international market demand and to the increasing interconnectedness associated with the processes of globalisation. The increasing influence of globalisation for peripheral nations such as New Zealand, and upon their socio-political and economic landscapes at the national and sub-national levels, is significant. For New Zealand the impacts of such vulnerability to the processes of globalisation generally, and to the concomitant changes to international market relationships and public policy paradigms specifically, have

¹⁰ This conceptualisation of peripherality includes spatial and *aspatial* peripherality.

resulted in a dramatic and fundamental shift in the way in which governments engage with the tourism sector.

These effects were all experienced in the Hurunui District area, and at the time represented a significant threat to the on-going sustainability (some might even say viability and existence) of the towns and communities within its territorial administrative boundaries. It was under these conditions of change – created by the processes associated with globalisation ultimately impacting at the local level – that local government in the case study area embarked upon a programme of tourism promotion and development. The adoption of this tourism-focused programme, with the goals of regional rejuvenation and socioeconomic stimulation at its heart, signified not only a change in the economic focus of the Hurunui District area, but also signalled an increased level of direct involvement by the state at the local level in activities ordinarily considered to be outside of their ‘core’ business (e.g., rubbish, rates, and roads). Ironically, this expansion of local government activities was counter to the prevailing public policy ideology of the time, which was characterised by Le Heron and Pawson (1996) as a ‘rolling back of the state’. However the starkness of the situation faced in the Hurunui District meant that local authorities adopted a pragmatic stance to addressing the challenge of global change experienced at the local level.

3.2 Theoretical Foundations of Globalisation

The term ‘globalisation’ encapsulates a range of sociocultural and economic processes characterised by, among other things, global movement of capital, economic integration and cultural homogenisation (Appadurai, 1996). These complex, dynamic forces shape local economies. In Australia, for example, many heavy industrial areas such as Broken Hill and Newcastle (NSW) have seen their local economies severely affected by factory closures and high unemployment. This has largely been the result of differentiation and specialisation within mass markets and moving factories to countries with cheaper labour and less onerous laws (Dredge & Jenkins, 2007: 309). In New Zealand, the effects of globalisation have been felt most profoundly in the primary sector, where traditional agricultural export markets in the United Kingdom (UK) and Europe have been lost to emergent regional trading blocs (e.g., the European Union).

As a result of these and other changes, globalisation has brought with it a restructuring of relationships between urban and rural areas. According to Dredge and Jenkins (2007: 309), it has also stimulated the emergence of contrasting landscapes of economic production (e.g., urban economic 'powerhouses' characterised by strongly diversified production) and consumption (e.g., landscapes dominated by tourism and leisure). As a result, increasing competition has emerged between urban regions to attract investment, and roles and responsibilities of local government have shifted considerably in attempts to adjust (Dredge & Jenkins, 2003). Rural areas, finding it increasingly hard to compete, are searching for new economic opportunities and replacement activities that can stem out-migration and activities that can assist in reaffirming a sense of community and civic pride (Carson & Macbeth, 2005). It is under these conditions associated with globalisation that local government involvement in tourism is often framed.

Globalisation is a term that has been fashionable since about the mid 1980s, when it began to replace terms like 'internationalisation' (as in the increasing interwovenness of national economies through international trade) and 'trans-nationalisation' (as in the increasing organisation of production on a cross-border basis by multinational organisations) as a more suitable concept for describing the ever-intensifying networks of cross-border human interaction. According to Hoogvelt (1997: 241), the processes of globalisation, including those structural adjustments imposed since the 1980s, have significantly and detrimentally impacted upon "fragile social and political orders while further peripheralising their economies". The marginality associated with Foucauldian conceptualisations of peripherality noted in Chapter Two means that these locations are less able to respond successfully to, or insulate themselves from, the challenges imposed upon them as a consequence of globalisation. It is in these locations, often provincial in geography and rural in character, that the greatest level of social, political, and economic dexterity is required in order to offset the declining sectoral profitability and community depopulation.

To understand this phenomenon we must start with the sociology of globalisation. While the concept of globalisation covers a great variety of social, economic and political change, sociologists have, according to Hoogvelt (1997: 116), been consistently at the

forefront in efforts to give it a rigorous and consistent theoretical status. These include prominent authors such as Roland Robertson, David Harvey and Anthony Giddens. Robertson's writings are firmly welded to a conventional mainstream sociological theory of society as a social system. Social system theory is elaborated by the well-known Parsonian formulation in which any social system is thought to have four subsystems that are functionally related to serve the maintenance of the whole system. According to Reid (2003), these subsystems and their functions are:

- The economic (adaptive function)
- The political (mobilisation for collective purposes)
- The social (integrative function)
- The cultural (providing the governing value system necessary for reproducing the system through time)

Robertson (1992) argues that already for some time there has clearly been a process of social system building at the global level. In the economic sphere, it pre-dates even the rise of capitalism and the modern world because of the growing networks of international trade and production. It has also been actively fostered at the level of the political subsystem and with the international co-operation between states and the emergence of international organisations. In earlier works, Robertson argued that the process of globalisation was still being hindered by unresolved 'cleavages' in the cultural arena, which thus far had prevented full-system development (e.g., Nettl & Robertson, 1968). In more recent works, however, Robertson (1992) proposes that the potential for closing these cleavages is today greatly enhanced; due mainly to 'compression of the world' and 'global consciousness'.

While, for Robertson, the point of departure of the analysis of globalisation is a well-worn conventional sociological theory, others have theorised it from a completely different perspective. Social geographer David Harvey, for example, argues that symbolic orderings of space and time provide a framework for experience through which we learn who or what we are in society. The organisation of space defines relationships, not only between activities, things and concepts, but also by extension between people (Hoogvelt, 1997:

118). Harvey (1989b) argues that the development of cartography in the Renaissance period permitted the objectification of space and the accurate measurement of land, thus supporting the emergence of private ownership in land and precise definition of transferrable property rights. This new objectification of space and system of land measurement replaced the confused and conflicting feudal obligations that had preceded it. Under this conceptualisation the freedom of space therefore holds the key to power and authority.

In the traditions of Marxist theory, Harvey (1989b) proposes that today the freedom to move capital wherever it is needed gives the capital-owning bourgeoisie a decisive advantage over the mass of workers (the proletariat), who are restricted in their movements and migrations by the passports they carry. As is the case with space, time also represents a source of value and power. In capitalist enterprises the costs of production are calculated in terms of the time taken to produce things, and labour is subjected to constant efforts by employers to reduce time spent on a particular task (Hoogvelt, 1997: 118). Time, argues Harvey (1989b), also defines the value of money itself. However, for Hoogvelt (1997: 119) the important thing in all of this discussion is the relationship between time and space.

In capitalist economies, space is expressed as time. The distance needed to travel in order to do business or to transport commodities to market are all calculated typically by the time it takes to cover the requisite distance. Anthony Giddens, whose globalisation theory bears some resemblance to that of Harvey noted above, calls this the 'time/space distantiation', which is a measure of the degree to which the friction of space has been overcome to accommodate social interaction (Hoogvelt, 1997: 119). Importantly, technological progress has compressed the time-space equation enormously. The shrinking of the world to a 'global village' amounts to a virtual "annihilation of space through time" (Hoogvelt, 1997: 120). As Giddens sums it up:

Globalisation can thus be defined as the intensification of world wide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa (1990: 64).

Today, people can have social relations and even organised community relations regardless of space; that is, regardless of the territory they share. This has enormous consequences not only for the role of the nation-state as a territorial bounded community, but also for the organisation of economic production on a cross-border basis (Hoogvelt, 1997: 120). It permits the emergence of 'imagined' communities, cultures or even systems of authority and social control that cross borders. Thus, while individuals still have local lives as physical persons, they also experience phenomenal worlds that are truly global.

It is, according to Hoogvelt (1997: 120), this globalisation as shared phenomenal worlds which today drives the processes of economic globalisation. Indeed, it could be argued that tourism is not only a consequence of, but also a contributor to, globalising forces of change. The prominent position presently held by tourism as a global socio-cultural phenomenon, together with factors such as the increased access to international travel, increased knowledge of other places, and sense of personal connection with distant places resulting from historical migration patterns and/or return journey experiences undoubtedly serve to strengthen the process of globalisation.

3.3 Globalisation: Pervasive Agent of Change

Globalisation is not a new phenomenon, and has occurred in many different guises throughout the nineteenth and twentieth centuries (Reid, 2003: 28). Its origins are debatable and it has become a topic of wide-ranging discussion in recent years. Known earlier simply as 'international trade', it focused mainly on reducing obstructions to trade. What is new about this round of internationalism is not only what it is called, but also its pervasiveness throughout social life and its obstruction of the direct involvement of national governments in decision-making (Reid, 2003).

In essence, globalising forces – including the growth in transnational corporations, economic integration and advances in transport and communications technologies – have led to time-space compression and the homogenisation of culture, whereby the world has come to be seen as a single and finite place. Paradoxically, these globalising forces have led to a greater awareness of diversity, and a reassertion or retribalisation of local

interests (Amin & Thrift, 1994; Appadurai, 1996; Dredge, 2005; Featherstone, 1995). This last point is expanded upon by the Australian Local Government Association and National Economics (2001) State of the Regions Report, which in reference to the Australian context notes:

Any irony of globalisation is that it enhances the significance of local and regional economies. This is due to, amongst other factors, the growing importance of regional clusters and networks, greater regional specialisation, the utilisation of 'tacit' local knowledge and the need for regions to promote flexibility and adaptation when confronted with uncertainty. A defining feature of globalisation is the re-emergence of the local and regional economy as an important unit of innovation. The proposition is that regional stakeholders – industry, community and their local government constituents – will be central to the development and implementation of regional specific knowledge-based strategies if Australia is to successfully make the transition to the knowledge-based economy (ALGA, 2001: 2).

Globalisation now affects all aspects of trading and economic life, and governments are increasingly deprived of sovereignty in terms of actions they are able to take in areas such as labour and environmental legislation. New to this round of globalising activity are its potential consequences for the nation-state. Trans-national corporations, with their size and pervasiveness, are a formidable foe in the policy arena to an individual nation-state (Reid, 2003: 28). As Beck (2000: 14) suggests, "globalisation means one thing above all else; that is, erosion of the nation-state but also its possible transformation into a trans-national state". Certainly, globalisation challenges the basic precept of early capitalism and a more mixed economy, most particularly the sovereignty of nation-states to create trade barriers, protect labour and subsidise fledgling industries.

Capitalism and globalisation have also dramatically affected rural communities, first of all by increasing efficiency in agriculture and the extractive industries, through mechanisation and the increased use of technology. The technology 'revolution' in rural industries, according to Reid (2003: 35), has been so successful that in some sectors, such as the fishing industry, are now threatened with collapse due to the excessive depletion of resources. Technology has also helped to open up tourism to areas that would have

otherwise remained geographically inaccessible, or at least hard to reach. The mass population are now able to visit locations previously accessible only to the affluent elites. While this may seem to represent greater equity, it has also placed greater stress on many parts of the countryside. Further, the urbanisation of developed countries and less developed countries (LDCs) has also changed the demography of the countryside. Young people are leaving rural areas in even greater numbers, making the average age of rural communities decidedly higher than was the case 25 years ago (Reid, 2003: 35).

As a consequence of these changes, many rural communities are seeking new ways to revitalise the rural economy, and tourism is one of the prominent industries in that effort. Rural areas are attractive to city-dwellers as their environments continue to deteriorate physically and socially, and tourism is quick to capitalise on that attraction. The rural environment becomes a playground for the urbanite, providing a range of recreational activities. Moreover, rural areas provide city-dwellers the opportunity to come into contact with their historical traditions (Reid, 2003: 36). This is certainly true of the Hurunui District, where geographical proximity to Christchurch city and a broad palette of nature-based and rural tourism attractions has led to several New Zealand historians claiming that the Hurunui District has long been the weekend playground of Christchurch residents (e.g., Ensor, 1983; Gardner, 1983; Lovell-Smith, 2000).

Globalisation has become a pervasive instrument in the reorganisation of the world (Reid, 2003: 37), and many scholars argue that tourism is a force in this major transformation (e.g., Brown, 1998; George, 2002). At the global scale, Cox (1991) identifies globalisation with six large-scale changes, which include:

- The internationalisation of production
- The internationalisation of the state
- A new pattern of uneven development
- The internationalisation of the debt in the United States of America
- A global migration from South to North
- The 'peripheralisation' of the core

These changes in the social organisation of the world's population have given rise to what scholars and social commentators have termed the 'New Economy', in which tourism is seen as a major player (Reid, 2003: 38). According to Reid (2003: 3), the tourism sector is tied closely to the globalising force which pursues profits over justice. In fact, tourism is one of the main products being globalised, while some even argue that it is one of the main forces driving globalisation (Brown, 1998; George, 2002). Thus tourism is regarded as being both a symptom and a perpetrator of globalisation in the scholarly literature. While globalisation is made possible by the drive of capitalism to expand and grow, and by the development and pervasiveness of new technologies, tourism is one of the important beneficiaries and vehicles of its expression.

The pervasive globalisation of economic activity and trade governance has had an extensive impact on institutional relationships worldwide. Sovereign states, both developed and developing, are subject to increasingly intensive external corporate forces, and enjoy less autonomy today than before globalisation in its contemporary form emerged as a dominating force (Reid, 2003: 71). In spite of this 'omnipresent' force for change, tourism researchers have, according to Brown (1998), continued to compartmentalise their studies, failing to adjust their focus to accommodate the global perspective. The impacts of tourism continue to be examined as if they formed a locally-controlled, isolated set of phenomena, independent of a large number of pressures and influences exerted from external developments. Brown points out that "while tourism has certainly aided the spread of globalisation, it has done this more by reflecting the characteristics of the external system of which it is a part, rather than by creating globalising processes" (Brown, 1998: 20). This suggests that the changing shape of tourism is greatly dependent on globalising forces. Brown suggests that scholars interested in tourism need to:

Investigate how the impacts of tourism are conditioned by its place in the global system; how far any of the other activities that make up this system could provide valid economic alternative or substitute for its more harmful effects; and how far significant change for the better is produced by that system (Brown, 1998: 6).

Brown's point is well-made. In spite of the criticism of tourism within the scholarly literature, tourism may be a more benign form of development than the best of alternatives. This is of relevance to this doctoral thesis, as the more recent tourism development experienced in the Hurunui District area is seen to have occurred primarily as a local government-led regional response to profound and fundamental change in the prevailing socioeconomic conditions. Tourism promotion and development, then, should be considered as a response to greater forces of change at the global level. It is arguably the industry of 'today', rather than the industry of 'tomorrow' insofar as for many communities actively involved in the tourism sector/industry it is a choice based on immediate 'need' rather than well-considered 'want'.

3.4 Global Interconnectedness

According to Baragwanath (2003: 63), concepts developed by Wallerstein (1974; 1984) and Kondratieff (1935) help to make sense of the external context within which New Zealand's development occurred. Wallerstein examined the international capitalist economy as a world system characterised by dynamic relationships between the industrial 'core' of the developed world and the agricultural 'periphery'. While Wallerstein's theory has been criticised for the generality of regular, macro-sociological laws that apply across all time that it suggests, his concept can be employed without the grand theory if they are seen rather as simplified exaggerations of social phenomena, so as to understand the chronology and broader context of local developments (Ragin & Chirot, 1984: 284). Drawing on Wallerstein's analysis, Armstrong (1978: 299) described New Zealand as one of the 'dominion capitalist' countries, occupying an intermediate position between the centres and the peripheries and exhibiting characteristics of both (Roche, 2001). This helps to elucidate the context within which New Zealand's development occurred, even if it fails to explicate New Zealand's differences compared with other dominion capitalist countries such as Australia.

Kondratieff (1935) noted that the world capitalist economy is subject to waves of fifty to sixty years in length, with troughs around 1790, 1844–51, and 1890, and peaks at 1810–17, 1870–75 and 1914–20 (Rowstow, 1975: 720). While the causal mechanism has never been adequately identified, their existence is indisputable (Hobsbawm, 1994). Within

these long waves, Schumpeter (1939) discerned shorter waves of eight or nine years and forty months, viewing this boom and bust succession as one of the dynamic characteristics of capitalism (Bottomore, 1985: 82). Whilst these are crude generalisations, they nonetheless help to situate developments in New Zealand in the international context. Importantly, just as New Zealand has historically been influenced by price oscillations in the international economy, so it has also been affected by the regulatory responses that these crises trigger. Superimposed on the Kondratieff cycles is the tendency for the direction of government management to oscillate between the two broad positions of the market liberal model and the centralist model (Le Heron & Pawson, 1996: 10). Again, local manifestations vary, but an international trend can be discerned in New Zealand in its adoption of social democracy in the 1930s, which was then rejected fifty years later in favour of neoliberalism.

While neoliberalism and its impacts are discussed in greater depth in Chapter Four of this thesis, the term 'social democracy' requires definition at this point. Social democracy, sometimes labelled Keynesianism, refers to the approach to economic management introduced in New Zealand by the First Labour Government from 1935, and also pursued in other Western democracies around that time. Built on ideas developed by British economist John Maynard Keynes in response to the economic crisis of the Great Depression, social democracy was a system of economic management that accorded the state a central management role. It advocated the use of policies that sought to foster levels of demand sufficient to stimulate and maintain production, economic growth and employment. The system rested upon a comprehensive welfare state, as well as policies to redistribute wealth – including a progressive tax regime – to support production and contribute to capital accumulation (Dixon, 1997: 353). The system also fostered an active commitment by the state to social welfare, which is evident in New Zealand from 1935 to the beginning of the 1980s. It was under this social democracy that New Zealand experienced what was arguably the 'golden weather' of its nationhood: a high standard of living, strong education and public health performance, and a thriving agriculture-led export sector.

According to Baragwanath (2003: 139), a profound discursive shift has accompanied the tangible material changes that have occurred in New Zealand's recent history, and it has become commonplace to understand the nation's contemporary conditions as defined by the global context. The spin-off concepts of globalisation (e.g., the 'knowledge economy', the 'information age', the 'digital age') are employed frequently to emphasise New Zealand's contemporary prospects as being largely determined by the global economy. In fact, prominent New Zealand historian Belich (2001a) considers globalisation to be one of the four forces exerting change in New Zealand over the past forty years. While two of his 'agents of change' are internal – Maori resurgence; and the increasing political prominence of social groupings such as women and youth – the other two are external:

One of these agents can be loosely – and somewhat deceptively – known as 'globalisation'. In recent New Zealand history, it took the form of the opening of new gateways between New Zealand and the world. The other was the transformation of New Zealand's main international relationships: disconnection from Britain, the rise and fall of the American alliance [ANZUS], and reconnection with Australia (Belich, 2001a: 425).

For Belich (2001a), the 'four new gateways' of globalisation through which goods, people, information and so forth can now flow in a way previously unattainable comprise the linked areas of mass media (television), communication (the declining costs of instantaneous communication), transport (the jet aircraft, and in particular the wide-bodied jet), and information (the Internet). According to Baragwanath (2003: 61), novelty is a central implication of the notion of globalisation. The term implies an unprecedented and ubiquitous process drawing all countries into a web of interdependence. Yet in New Zealand, many of the phenomena now labelled 'globalisation' have a very long history.

New Zealand's existence, establishment and development reflect the interplay of international cultural, political and economic forces; the on-going process of technological change, steadily improving transport and communications and increasing external connectivity. New Zealand itself came into being as a polity in the context of the global expansion of capitalism in the eighteenth and nineteenth centuries. International

trade has comprised a substantial share of New Zealand's economy since the 1790s¹¹. Expanding global markets, central to the imagery of globalisation, have since New Zealand's inception determined the direction of its economic and social development. Foreign direct investment has made up a substantial proportion of capital formation since the early nineteenth century. New Zealand's economic success has long been dependent on a combination of international demand for its commodities, and the exertions of local entrepreneurs, to exploit opportunities in the global market.

In cultural terms, New Zealand's history is characterised by constant hybridisation and adaptation, and reflects the interplay of cultural influences from Polynesia, Europe, Australia, the United States of America, and Asia. Hence, these 'hallmarks of globalisation' (Beynon & Dunkerley, 2000), allegedly unprecedented both qualitatively and quantitatively, have a long track record in New Zealand. This extended history of globalisation in New Zealand is borne out by the comments of Condliffe and Airey (1953: 242), who note:

The founding of New Zealand as a European community was a product of developments on the other side of the world, and ... much of New Zealand's fate has been related to conditions elsewhere. This is all part of the process of applying inventions to the work of production. Materials from various parts of the world may be used in producing a single article, remote places have been brought into contact by speedy transport and communications, the interests of peoples who never see each other have become linked in a world network.

Since earliest European contact, New Zealand's development has thus been inextricably affected by the global context. Its economy has been characterised by high dependence on external trade – directed overwhelmingly to the UK – and rested upon a narrow range of export commodities particularly prone to volatile international prices. These factors also influenced the geographic distribution of development and influenced New Zealand's predominantly bi-cultural society, which was dominated increasingly by European influences; primarily from Britain but also from Australia and North America. These

¹¹ New Zealand became a self-governing nation in 1852 when the British Parliament passed the New Zealand Constitution Act. Before that time it was initially a dependency of New South Wales (Australia), and a colony of the United Kingdom.

developments, according to Baragwanath (2003: 72) occurred against a backdrop of the long waves of the international capitalist economy, mediated domestically by the state. New Zealand's early economic, political and social conditions thus reflected its international context, and this conjunction set the path along which subsequent developments occurred (Baragwanath, 2003: 71). As the population grew, secondary and tertiary industries developed. Despite this, the dependence on a narrow range of primary products for export income continued, and New Zealand remained largely dependent on the UK for imports and exports (Brooking, 1996: 236); an effect Belich (2001a; 2001b) labels 'recolonisation'.

3.5 Local Vulnerability to Global Events

New Zealand's vulnerability to external events was reinforced in the impact of the Great Depression, a crisis that began with the collapse of the New York Stock Exchange in October 1929. According to Hobsbawm (1994: 91), this amounted to "something very close to the collapse of the capitalist world economy", and the downturn was reflected internationally in every economic indicator. The deteriorating economic, social and political conditions were reflected in a regulatory response that reflected similar trends across the West. The international movement of finance, people and goods suddenly ceased, as protectionism was reintroduced, even in the UK, hitherto a bastion of free trade (Singleton & Robertson, 2002: 7). These tendencies also affected New Zealand, where the economic situation was worsened by the heavy reliance on external credit, high consumption and low internal investment stimulated by overseas borrowing (Brooking, 1996: 251).

These impacts associated with the Great Depression were arguably the first tangible indication of New Zealand's vulnerability to events occurring on distant shores. These events, in turn, impacted not only upon the economic 'health' of the nation, but also upon the public policy responses available to government. It was a salient reminder of the limited ability of internationally peripheral nation states such as New Zealand to exert meaningful influence over the course of events occurring at a global level. Importantly for this thesis, the on-going attempt by governments to moderate the deleterious impacts of these global events is of central importance; local responses to global events. Indeed it

has become a hallmark of public policy in New Zealand generally, and within the case study location of the Hurunui District specifically.

As the Great Depression deepened through the early 1930s, in New Zealand, unemployment grew and political dissatisfaction increased. This, in combination with the international swing in government management towards protectionism, resulted in the election of the First Labour Government in 1935. The Labour Government set about establishing the social democratic pattern that New Zealand was to follow for the next fifty years (Baragwanath, 2003: 76). This was based on the principles that promoted formation of public policies that would afford basic material security as a citizenship right, and that would reduce the inequalities in income produced by the market. The cornerstones of such policies were full employment, a generous welfare state, and a progressive tax regime supportive of production and redistribution (Huber & Stephens, 1998: 2).

This strategy had implications for the distribution of population and prosperity across New Zealand. Agricultural service towns and rural areas benefitted from the combination of external demand for New Zealand produce and the favourable regulatory regime, including agricultural subsidies, as well as the climatic and geographic conditions that suited pastoral agriculture. Protection of manufacturing, import controls and the import substitution strategy stimulated employment, as did the large public sector (Baragwanath, 2003: 78). The government provided state housing located near workplaces, and an active regional development policy encouraged 'footloose' industries to locate in peripheral areas (Calvert, 1949) in recognition of the 'locomotive effect':

There is no need to steer the flow of new shops, new houses, schools and so forth if particular industries are steered into the right localities. Like so many locomotives, each of these industries will in time bring along after it a whole train of shops, post offices, churches, residential quarters and the like (Calvert, 1949: 16).

Freezing works (abattoirs), car assembly plants, dairy factories, state-owned industries and forests, and manufacturing industries thus developed, providing employment in small

towns and cities across New Zealand (Le Heron & Pawson, 1996: 320). Hence, while the Labour Government could not control the external context, it could (and did) control New Zealand's interaction with it (Baragwanath, 2003: 79).

From 1935 onward New Zealand's external connectivity and path-dependency became more obvious but also more contentious. This part of its history is subject to highly divergent interpretations. The central bone of contention, according to Baragwanath (2003: 72), is the extent to which New Zealand governments from 1935 to 1984 were willing and able to insulate New Zealand from the outside world. Of central importance is the restructuring of New Zealand's society and economy undertaken by the first Labour Government from 1935, which established the broadly social democratic style of government management that characterised New Zealand society until 1984, affecting fundamentally the country's external interactions. This provides the necessary background for understanding the 'neoliberal revolution' (Baragwanath, 2003: 72) embarked upon by the Fourth Labour Government in 1984, which in turn prepares the ground for understanding globalisation in New Zealand.

The pattern established by the First Labour Government was maintained more or less for the next five decades, with the state maintaining an active role in economic development; and seeking to mitigate New Zealand's vulnerability to the external economy through economic protection and industrial development. From 1935 to 1967, successive New Zealand governments had managed the nation's relationship with the international capitalist economy rather successfully (Baragwanath, 2003: 90). Forced to operate within an externally determined context beyond their control, they had employed a variety of instruments to mitigate the domestic impact of international volatility. The policies pursued modernising the economy, and maintaining the position at the top of the living standards league that New Zealand had achieved in the late nineteenth century, when its income per capita was higher than that of the United States (Schedvin, 1990: 533). The path-dependency established early in New Zealand's colonial development remained, however, clearly marked. The small population and high dependence on international trade continued, as did the overwhelming dependence on primary production, despite the substantial diversification – both in terms of markets and products – that had

occurred over these decades (Baragwanath, 2003: 90). New Zealand's vulnerable position was duly noted by Bollinger (1960: 115), who observed "the whole structure is balanced precariously on a prosperity induced by the lucky vagaries of foreign markets". One might argue that the presently strong position of the tourism sector in New Zealand is likewise subject to the lucky vagaries of foreign markets.

3.5.1 Rapidly Changing Global Conditions

A series of significant events occurred at the global level between 1966 and 1984, which would have a profound effect upon the New Zealand economy and government policy. These events served to affirm New Zealand's continued vulnerability to international forces and the impossibility of effecting insulation. First among these events was the collapse of wool prices internationally in 1966 and precipitated a rapid decline in New Zealand's terms of trade. This signalled what is colloquially referred to as 'the end of the golden weather' for New Zealand (Mason, 1962), started a process whereby New Zealand's post-war economic boom was replaced by a period of recession and stagnation (Easton, 1997: 73). Making economic matters worse, as early as 1960, concerns were being articulated in New Zealand at the possibility of the UK joining the European Common Market. Under the General Agreement on Tariffs and Trade¹² (GATT), New Zealand had enjoyed guaranteed free entry to the UK for dairy produce and pork, as well as concessions for sheep meat and beef, until 1967.

The problem was that in 1960, a total of 91 per cent of New Zealand butter, 94 per cent of New Zealand cheese and 94 per cent of New Zealand sheep meat went to the British market (Baragwanath, 2003: 91). Such extreme levels of unidirectional exports to a singular market meant that New Zealand was in a precarious position of high risk should the market conditions change. As a response to this vulnerability, New Zealand diversified its trading base by entering into a number of trade agreements with other nations during the late 1950s and early 1960s. New Zealand also sought a trade agreement with its closest major trading partner; Australia. To this end, the New Zealand-Australia Free Trade Agreement was signed in Wellington in 1965, and came into force in 1966. The

¹² The GATT is a multilateral agreement aimed at liberalising world trade and placing it on a secure basis, thereby contributing to economic growth and development and avoiding further war (Robinson, 1993: 15). It came into force in 1948.

cultivation of new markets in South-East Asia further assisted New Zealand's drive for market diversification, aided in part by a changing requirement for imported goods that reflected New Zealand's changing consumer tastes. However, despite this diversification New Zealand remained a small, vulnerable, export-dependent economy.

After 1968, the international economy became increasingly unstable, as "the most serious economic crisis since the Great Depression" shook the Western world (Collins, 1996: 396). By the 1970s, the West's post-war economic boom was ending and structural changes were taking place in the world economy (Baragwanath, 2003: 95). By 1973 all major currencies were 'floated' (Reynolds, 2000: 405), increasing the volatility of the external context for small trading countries such as New Zealand. The massive instability of the international economy was accompanied by increasing political and social unrest. New Zealand remained "inextricably influenced by this global context, while successive governments continued to mitigate the effects of these external developments" (Baragwanath, 2003: 95).

New Zealand's problems were compounded on 1 January 1973 when the UK finally joined the European Economic Community (EEC). This event is accorded considerable significance by Belich (2001a), among many others. In this context, it is important to recall that the last year in which the UK took more than half of New Zealand's exports by value was 1962 (NZYB, 1964: 656). Between 1966 and 1972, the UK's share of total exports had fallen from 45 per cent to 31 per cent, and by 1975 the share was below 20 per cent¹³. For New Zealanders who had fought in the Second World War, the UK's entry into the EEC in 1973 represented a shock, but this was symbolic rather than economic. New Zealand's complex relationship with Britain across these years consequently represents, according to Baragwanath (2003: 99), more than blind adherence to the Imperial apron-strings. It rather demonstrates the perpetual jockeying for position in which a small trading nation must engage. Moreover, it served to confirm the position of New Zealand on the international periphery as a price-taker, rather than price-maker.

¹³ In 2002, Britain was New Zealand's fourth largest trading partner, behind Australia, the United States and Japan, although just 4.8% of New Zealand's exports went there (Statistics New Zealand, 2002).

In 1975, an international Summit Meeting on inflation resulted in “full economic agreement on only one remedy ...; that government regulations should be reviewed to remove any obvious impediments to market competition” (Fischer, 1996: 210). In the United States, the Carter Administration introduced a new idea called ‘deregulation’, partly in hope of removing regulatory ‘floors’ under prices and wages by removing control of them to the private sector (Fischer, 1996: 210). This sea change in sentiment was not yet manifest in New Zealand, where the Third Labour Government’s 1975 election year Budget was expansionary and borrowed heavily to mitigate the fall in domestic economic activity and employment (Baragwanath, 2003: 99). It would not be long, however, before the interconnectedness of New Zealand’s economy with the global context inevitably drew the nation toward deregulation and structural reform.

Changes were also happening domestically, and the 1975 election saw the removal of the Third Labour Government, to be replaced by the incoming National Government. The new Prime Minister, Robert Muldoon, inherited a ‘grim’ economic situation (Baragwanath, 2003: 100); inflation was at 15.7 per cent, there was a budget deficit of \$1.02 billion, a balance of payments deficit of \$1 billion, a declining savings rate and a rising unemployment rate (Gould, 1982: 216). In response to this position, the 1976 Budget introduced sharp restraints to control inflation, as well as the balance of payments and Budget deficits, and made tentative moves to free-up the money market and reduce state spending. As the success of this retrenchment came unavoidably at the cost of unemployment (NBR, 2 July, 1984: 20), the government offset these moves with an expansionary fiscal policy for the 1978 general election. To tackle rising unemployment, active labour market policies were introduced and expanded, evident in job creation in the public sector and subsidised work in the private sector (Murdoch, 2001).

The 1978 Budget also supported further export diversification through government subsidies and tax incentives to encourage expansion of forestry, horticulture, fishing, viticulture and, importantly for this thesis, tourism. In addition, it promoted the search for alternative energy sources (Templeton, 1995: 68). It also introduced the Supplementary Minimum Payments (SMP) scheme in the hope that it would provide greater stability to farmers’ incomes, thus enabling them to plan and invest so as to increase production

(Bassett, 1998: 352), and to ensure their support¹⁴ (Baragwanath, 2003: 100). This was of particular significance for the case study location, as primary production in the form of sheep farming at this time was the *raison d'être* of many rural communities within North Canterbury/Hurunui District area. These SMPs, however, provided a disincentive to seeking higher productivity as the SMPs quickly became built into the capital value of land (Gould, 1985: 78; Templeton, 1995), leading to these measures to be criticised as inefficient and economically retardant. Significant in all of this is the prominent position played by government as both social provider and economic stimulator. While the hand of the market continued to play an influential role in the economy, it was by no means free and unfettered and central government continued to keep a firm hold over the New Zealand economy.

3.5.2 Impending Neoliberal Reform

A second great surge in oil prices, from 1978 to 1981, was catalysed by the Iranian revolution and the Iran–Iraq war (Reynolds, 2000: 383). Reaffirming New Zealand's inevitable vulnerability to external events (a recurring theme of this section), this compounded the problems by almost doubling the oil bill in 1979 and emphasising New Zealand's heavy dependence on imported energy (Baragwanath, 2003: 100). Moreover, the oil crisis of this time also reaffirmed the tourism industry's vulnerability to the myriad of external factors over which it has little or no control. The highly inflated cost of transportation thus impacted not only on the conveniences of everyday life for New Zealanders (e.g., the introduction of 'car-less' days and the banning of motor racing), but also upon the ability of international visitors to travel to New Zealand as a holiday destination. The rather distant geographical proximity of New Zealand to its hitherto major tourism markets in Europe and North America meant that New Zealand became compelled to consider courting somewhat closer tourism markets.

At the same time, controls on overseas investment were liberalised and new fast-track procedures for government consents implemented. These policies, together with the oil crisis and simultaneous appearance of "an embarrassingly large surplus of electricity"

¹⁴ In New Zealand politics, the rural sector has traditionally represented a leading constituency group of the National Party.

(James, 1986: 98) provided the impetus for 'Think Big'. This was an industrial growth and energy strategy whereby the state would fund a range of high energy projects that would use the excess energy in producing a range of materials whose price would steadily increase (Baragwanath, 2003: 101). The major projects were designed not only to use up surplus energy, substitute for imports, earn foreign exchange through exports and create employment, but were also aimed at regional development, especially in the South Island (Gustafson, 2000: 284). This is of salience to this thesis, as the tourism sector would ultimately be identified and promoted by government (both central and local) as a suitable stimulator of regional development. However, like the Think Big schemes during this period, the application of tourism for this express purpose carried unintended consequences based upon the contrivance of government intervention and manipulation of market conditions.

Although the National Government were criticised for pushing too far ahead too fast with Think Big, elsewhere they were accused of doing things "too little too slow too late" (James, 1986: 97; Templeton, 1995: 128). This was particularly the case with respect to efforts to upgrade the existing ANZFTA to what would subsequently become the Australia and New Zealand Closer Economic Relations Trade Agreement¹⁵ (ANZCERTA) with Australia. Despite pressure from his Cabinet from 1979 onward to act quickly to strengthen regional linkages with Australia in the midst of the turbulence that followed the oil crisis, Prime Minister Muldoon delayed signing the agreement until 1983. Incidentally, the trade synergies between the two nations are evident in the tourism sector. Australia is New Zealand's largest tourism market by far, and accounted for 45 per cent of all international visitors to New Zealand in the year ended August 2012¹⁶. Once signed, the agreement began the removal of tariffs and quantitative restrictions on the passage of goods and the implementation of export incentives (NBR, 1984: 18; Robinson, 1993: 21; Templeton, 1995). The agreement thus represented the extension of a trend established over the previous twenty years, representing a further attempt of the New Zealand government to mitigate external price volatility through unilateral and multilateral agreements (Baragwanath, 2003: 102).

¹⁵ This agreement is commonly referred to as the Closer Economic Relations (CER) agreement.

¹⁶ Source: <http://www.med.govt.nz/sectors-industries/tourism/pdf-docs-library/key-tourism-statistics/key-tourism-statistics.pdf>

The National Government's 1981 election year Budget caused a consumer-led recovery (NBR, 1984: 21), which resulted in money supply growth and artificially elevated land prices. This, in turn, fed a record balance of payments deficit of \$2.252 billion and an inflation rate of 17 per cent (Baragwanath, 2003: 102). In response, Muldoon implemented a heavy-handed wage, price and rent freeze for a hitherto unprecedented 20-month period (McRobie, 1996: 399). Political commentators of the time, however, noted that this "desperate measure merely suppressed the realities of an inflation rate nurtured as much by inconsistent government monetary and fiscal policy as any other factor" (NBR, 1984: 20). The 'freeze' was finally lifted in February 1984, after inflation had been dropped artificially to 4.7 per cent.

Unemployment increased to 5.7 per cent by 1984, as an influx of baby-boomers converged on the job market at the same time that other sectors of society were also requiring employment (Dalziel & Lattimore, 1996: 20). Erstwhile rural workers displaced by agricultural technology continued to move to the cities, as did an increasing number of Māori; many of whom had also previously been employed in rural occupations. Immigration continued unabated until the late 1970s, and in addition, increasing numbers of women were joining the workforce. This created an unprecedented demand for employment at a time when economic growth in New Zealand had stalled (Baragwanath, 2003: 103). The inability of the economic situation to provide jobs for everybody further exacerbated the strain on the Welfare State; which was by this time coming under increasing criticism as being neither affordable nor fair (Dalziel & Lattimore, 1996: 106).

By the middle of 1984, the situation was becoming increasingly difficult. New Zealand's long-standing security treaty with Australia and the United States (known as the ANZUS Treaty) was becoming an issue of central significance (Baragwanath, 2003: 104), due largely to the growing anti-nuclear sentiment within New Zealand. The on-going economic and social uncertainty, coupled with increasingly fervent anti-Muldoon opinion within the electorate over his heavy-handed authoritarianism, caused his support to evaporate. The National Government granted the Labour Opposition an unparalleled

opportunity when Muldoon announced a 'snap-election'¹⁷. The electorate duly responded by sweeping the National Government out of office, and installing the Fourth Labour Government in the general election of July 1984. Within months of this change in government, New Zealand would embrace the wave of economic neoliberalism sweeping through the West at this time.

The voracity with which the associated structural reforms were adopted within the country, and the speed with which these changes occurred, marked New Zealand's neoliberal experience as unique on the world stage. Significantly, these reforms signalled a new public policy paradigm in which governments 'retreated' from the provinces, rationalised the focus of their activities, and trusted the invisible hand of the market to create sectoral efficiency and innovation. The result for many regional locations in New Zealand was significant. The effects included: the loss of privileged access to traditional markets, the floating of the New Zealand dollar, the declining profitability of the agriculture sector, the loss of core government services (e.g., Post Offices), and a migrating workforce to the cities (e.g., Baragwanath, 2003; Schöllmann & Dalziel, 2002; Simmons & Fairweather, 2005b).

3.6 Conclusion

The purpose of this chapter has been to provide an examination of globalisation as an agent of change at the national and sub-national levels. This is of significance for this thesis as it firmly positions the changing role of the state, and the associated changing relationship with the tourism sector and industry, as a tangible manifestation of local response to global change. From an economic perspective, New Zealand's dependence on international trade has historically rendered it unusually vulnerable to oscillations in the world economy. This effect has been amplified by its comparative advantage in primary production and consequently narrow range of export commodities, concentrated in industries well known for their international price volatility (Baragwanath, 2003: 69). New Zealand's vulnerability is further magnified because the small domestic market limits the

¹⁷ A snap-election is an election earlier than scheduled. Generally it refers to an election called when no one expects it, usually to capitalise on a unique electoral opportunity or to decide a pressing issue. It is also employed, on occasion, to mitigate the potential political risk from unfavourable social or economic conditions.

scope for insulation through domestic demand, as can occur in countries with larger populations. These features remain as relevant today as they were during the colonial era, although at that time the unidirectional export market further exacerbated New Zealand's vulnerability.

The strong historical connection New Zealand has with its colonial past has also had a significant impact upon the nation's vulnerability to ever-changing global conditions. As noted in this chapter, New Zealand enjoyed a privileged position as a favoured trading nation with the UK for a considerable time. This resulted in the UK accounting for a significant proportion of primary produce exports, but ultimately exacerbated the market vulnerability faced by New Zealand as a small trading nation. Such was the significance of the sheep export relationship with the UK during this time that much of the formative socioeconomic development experienced within the Canterbury region (including the now-Hurunui District area) is said to have been achieved "on the sheep's back" (Gardner, 1983: 433). Ultimately events at a global level would conspire to weaken the historical trading ties between the UK and New Zealand, and would also eventually lead to a profound and fundamental shift in public policy with respect to agriculture, the emergence of 'sunrise' industries' such as tourism, and the role of the state as provider and, in some cases, entrepreneur.

Thus, from 1935 onward, successive governments in New Zealand sought in various ways, and with varying degrees of success, to mitigate the inevitable impacts of external developments. From 1984, however, an important change occurred. The external context remained as salient as ever, but a profound discursive shift undermined belief in the notion that the New Zealand Government could temper its effects. New Zealand remains inextricably affected by the international context, and its international connections continue to influence its economic, social and political development. Importantly, the actions taken by government play a crucial role in the way in which the external developments are translated into practical consequences.

The following chapter details the transformation from social democracy to economic neoliberalism experienced in New Zealand during the mid 1980s, and the subsequent

shift to a public policy paradigm inspired by the New Regionalism. It is this transformation which forms a critical component of the research context and expands upon the global-local dialectic which permeates this thesis.

Chapter 4

Public Policy Transformations in New Zealand

4.1 Introduction

This chapter provides a critique of recent responses in New Zealand to the task of guiding tourism development from a strategic and collaborative sustainable development perspective. The purpose of this critique is to establish the public policy context within which local government promotion of tourism development in the Hurunui District can be positioned. As argued in this chapter, the roles and responsibilities of government in tourism were reinvented during the 1980s and 1990s. These changes, inspired by a neoliberal political ideology to deregulate the New Zealand economy and to restructure the state sector and local government, ultimately included the tourism sector.

While these changes have proved beneficial in facilitating significantly increased numbers of international visitors to New Zealand, the capability and political commitment of central, regional and local government to guide tourism development was hollowed-out as a consequence of this period of state sector restructuring. More recently, however, public sector policy initiatives indicate a shift towards a more pro-active role for the local state (local and regional government) in managing tourism development. This shift, informed by a New Regionalism policy framework, anticipates a devolved tourism planning mandate that fosters longer-term strategic and collaborative planning of the sector in order to enhance the contribution of tourism to sustainable community wellbeing.

Over the last 25 years, in an attempt to reduce the size and scope of the state, New Zealand underwent a series of reforms that were driven by a particular mix of neoliberal theory including public choice theory (Buchanan & Tullock, 1962), human capital theory (Becker, 1994), new institutional economics (Scott, 1997), and a form of managerialism identified by Hood (1990) as 'New Public Management'. The policy context of the reforms was, in part, a new fabric of relations between the state and civil society. This new fabric consists of neoliberalism in the form of deregulation, fiscal austerity, and the

corporatisation and privatisation of the public sector. While such changes had been justified in terms of the need for fiscal stringency, given the country's high external debt and the failure of the previous policy regime, it is clear, as Boston (1991: 1) notes, the changes also originated from a marked shift in political philosophy that focused on the question of the nature and scope of the state. This idea was made explicit when in 1987, the then head of the State Services Commission argued for a return to "the Classical state where the concerns of government are for security and for arbitrating between citizens where there are disputes they cannot settle between themselves" (Barber, 1990: 21).

New Zealand thus represents a clear example of the neoliberal shift in political philosophy and policy development. From being the so-called 'social laboratory' of the Western world in the 1930s in terms of social welfare provision, New Zealand has become the 'neoliberal experiment' in the 1980s and the 1990s (Evans, Grimes, Wilkinson & Teece, 1996). This historical reversal of social principles and philosophy has singled out New Zealand as a 'successful' experiment pointed to by a number of powerful world policy institutions, such as the World Bank, the International Monetary Fund and the OECD (Fitzsimons, 2000). New Zealand, with a 'thin' democracy – that is, one house and a strong executive – and a small population geographically confined, makes New Zealand a suitable country for social experiment.

In New Zealand a distinctive strand of neoliberalism has emerged as the dominant paradigm of public policy. This strand is characterised by the following three defining features. First, citizens have been redefined as individual consumers of newly competitive public services, and citizen rights have been re-defined as consumer rights. Second, the public sector itself has undergone considerable downsizing as successive governments have pursued the privatisation agenda. Finally, management has been delegated or devolved while executive power has been concentrated even more at the centre (Fitzsimons, 2000). Before considering politico-economic transitions in the case of New Zealand, however, it is necessary to outline a theoretical framework within which such transitions can be viewed. More specifically, if the historical and/or on-going pursuit of neoliberalism in New Zealand is to be examined, then certain general assumptions about the interrelationships between society, polity and economy at local and global scales

must be acknowledged (Challies & Murray, 2008: 229). The following section explores recent historical politico-economic transition and the emergence of new paradigms in New Zealand.

4.2 Theorising Politico-Economic Transformations

Consistent with a broad political economy perspective, it is assumed that the spheres of economics and politics are inextricably linked and that their interrelation with societies is fundamental (Krätke & Underhill 2006; Peet & Thrift, 1989). Further, it is assumed that the relationships between politico-economic and social structures on one hand, and the individual or collective agency of people on the other, are complex and contingent. In line with Giddens's (1990) theory of structuration, it is assumed that social, political and economic structures present both constraining and enabling influences on human behaviour, but that people can act individually or collectively to (deliberately or inadvertently) influence and transform these structures. The political economy perspective taken here, therefore, accommodates aspects of both humanism and structuralism in order to consider the impetus for and nature of politico-economic paradigmatic shifts in New Zealand. Indeed such a perspective is essential if it is assumed (as it is here) that a shift away from neoliberal free-market economics and towards people-centred development and social policies is necessary to address the real inequalities engendered and exacerbated by neoliberalism (Challies & Murray, 2008).

A loose chronological framework is employed for narrative purposes, but it is acknowledged that transitions (or even 'paradigmatic shifts') in and between the social, political and economic spheres are not discreet or clear-cut. Indeed, our ability to identify politico-economic 'paradigm shifts' without the benefit of hindsight is doubtful (Challies & Murray, 2008). In this sense, Larner (2000) challenges the 'programmatically coherence' of neoliberalism, and claims that:

In constructing neo-liberalism (sic) as a monolithic apparatus that is completely knowable and in full control of the 'New Right', such analyses inadvertently reconstruct its hegemony (Larner, 2000: 14).

Paths of transition are perhaps better considered as evolutionary processes, within which politico-economic paradigms – dynamic in their own right – compete and overlap. Furthermore, such transitions are neither necessarily progressive nor regressive, but engender *contradictory* dynamics. This conceptualisation of an evolutionary, or insidious, process of change is acknowledged by Larner (2000: 14) who notes:

The emergence of new political projects is never a complete rupture with what has gone before, but rather it is part of an on-going process involving the recomposition of political rationalities, programmes and identities.

Neoliberalism shares with classic liberalism a concern to place clear limits on political authority, viewing the economy and society as essentially self-regulating entities (Barry, Osborne & Rose, 1996; Burchell, 1996). From this perspective, ethical government is limited government (MacKinnon, 2002: 308). Where neoliberalism differs from its nineteenth century predecessor, however, is in replacing the naturalism of liberalism¹⁸ with an emphasis on constructing the conditions for enterprise and competition to flourish (Burchell, 1996). This broad programme of government is articulated and enacted through an array of mechanisms, techniques and procedures which can be referred to as technologies of government (Rose & Miller, 1992: 185).

Rose (1996b) links the rise of neoliberalism to two main sets of forces: an on-going critique of welfarism and social democracy, and the spread of a particular set of technologies for regulating conduct. While the social democratic rationalities of the 1950s and 1960s sought to govern society through a conception of ‘the social’ in terms of the mutual obligations and responsibilities that connect individuals and political authorities within national spaces, contemporary forms of neoliberal rule strive to ‘govern through community’ by harnessing the self-regulating capacities of individuals and groups within localised spaces of association (Rose, 1996a). In this sense, ‘the death of the social’ is bound up with the fragmentation and dislocation of national space in the face of processes of globalisation and localisation as governments refocus their interventions on

¹⁸ In the sense that civil society and the economy were viewed as pre-constituted autonomous domains with their own order and logic.

particular sub-national spaces (Rose, 1996a). Neoliberalism emphasises the importance of community as a “micro-moral domain” (Rose, 1996b: 57), with its own inherent capacities which promote self-help and empowerment. By harnessing these capacities, government can liberate individuals from the bureaucratic structures of state intervention, established in the 1960s and 1970s (Rose, 1996b; Herbert-Cheshire, 2000). As such, the prevailing emphasis on community and local involvement within rural areas is bound up with the state’s on-going retreat from welfarism and social democracy (Murdoch, 1997; Ward & McNicholas, 1998).

In Foucauldian terms, as a critique of state reason and as initiating strategies for a conception of the self-limiting state, neoliberalism constitutes an attack on the liberal, democratic welfare state (Fitzsimons, 2000). According to Peters, Fitzsimons, and Marshall (1999), neoliberalism is a substantive discourse of governance, which is potent precisely because of its capacity to combine economics, the social, and politics, on behalf of rational choice as a principle of legitimacy. It can be understood in terms of its replacement of the natural and spontaneous order characteristic of Hayekian liberalism with “artificially arranged or contrived forms of the free, entrepreneurial and competitive conduct of economic-rational individuals” (Burchell, 1996: 23). Neoliberalism emerged through the development of a new relation between expertise and politics (Burchell, 1996), especially in the realm of welfare, where an actuarial rationality and new forms of prudentialism manifest and constitute themselves discursively in the language of ‘purchaser-provider’, ‘audit’, ‘performance’, and ‘risk management’ (Peters et al., 1999). Bourdieu (1998) explains that under globalisation, neoliberalism orients the economic choices of those who dominate economic relationships; it thus adds its own symbolic force to these relations of forces.

4.2.1 Tourism and the Neoliberal Policy Paradigm

The tourism industry fits very well in such a growth-focused neoliberal approach (Schilcher, 2007). On the one hand, despite a high degree of volatility, tourism has been proven to accelerate economic growth, particularly in countries and regions deprived of alternative means of economic development, such as small island states and rural areas (Briedenhann & Wickens, 2004; Gössling, 2003; Harrison, 2003). Indeed, prior to concerns

about economic leakages, economic dependency and negative socio-cultural and environmental impacts, tourism has often been regarded as a panacea for economic development, a mirage that still finds some support in practice (Mowforth & Munt, 1998; Sharpley & Telfer, 2002). On the other hand, tourism is a direct beneficiary of neoliberalism, as it tends to flourish in an open economic environment that facilitates the free movement of capital, labour and consumers. Compared to tourism, few other industries have experienced the same degree of vertical integration and proliferation of multinational enterprises (Go & Pine, 1996; Meethan, 2001), which is further enabled and validated through institutional arrangements such as the General Agreement on Trade in Services (GATS) (Kalisch, 2001; Kamp, 1999).

The GATS and its counterpart on Tariffs and Trade, the GATT, are based on the belief that economic liberalisation and openness will ultimately promote economic growth globally (Kalisch, 2001); an orthodoxy which finds much support (e.g., Dollar & Kraay, 2003; Frankel & Roemer, 1999; Irwin & Tervio, 2002), but also opposition (e.g., Greenaway, Morgan & Wright, 2002; Hertel, Ivanic, Preckel & Cranfield, 2003; Klein, 2003). The reason for such disagreement might lie in the scholars' differing approaches: those in favour tend to examine the effects of free(er) trade and capital on growth, while those opposed tend to examine the effects of liberalisation as policy inputs (Sumner & Tiwari, 2004). Tourism itself contributes to the incorporation of national economies into the global economy and may even constitute the lead sector in this process (Williams & Shaw, 2002). As Hall (1998: 146) noted in the context of the South Pacific Island states, tourism "helped draw the Pacific into the global capitalist system", which illustrates the industry's 'perfect fit' with neoliberal development orthodoxy.

At the local level, even small-scale tourist ventures under the banner of 'ecotourism' or 'community-based tourism', for instance, may draw previously self-sufficient communities into the global economic system (Russell & Stabile, 2003), not least due to their commercial dependency on often multinational tour operators and marketing channels (Britton, 1983; Fisher, 2003). While some 'poor' individuals and communities may in fact be "willing participants" (Harrison, 2003: 13) in furthering economic globalisation through an incorporation in the global economy via tourism (as part of the

modernisation process in general), others aim to resist it due to an incompatibility with existing social structures and belief systems. For instance, de Burlo's (2003: 79) study of rural Vanuatu draws attention to "tensions over tourism in the past [which] illustrate how tourism breaches island-wide networks of social exchange relations". This argument is extended by Schilcher (2007: 168), who states that the tourism sector's apparent incompatibility with a poverty reduction ideology – one which is based on the need to incorporate or assimilate into the global economic system in order to accelerate economic growth – must hence be recognised.

4.3 Neoliberalism and Structural Adjustment in New Zealand

Like many examples of the time, the New Zealand approach to politico-economic reorientation fostered domestic manufacturing from the mid-1930s, and import licensing protected these same producers into the 1960s (Challies & Murray, 2008). The New Zealand mixed economy, however, retained a more explicit role for exports, and although agriculture experienced a gradual and continuous decline relative to manufacturing, agricultural exports retained their position as the mainstay of the economy. Inward orientation, accompanied by tariff protection and price controls, achieved significant diversification and expansion of the domestic industrial base. It also enabled increased social welfare spending. Despite these gains, the approach proved to be unsustainable as a result of a mixture of internal and external political and economic forces (Challies & Murray, 2008).

As noted in Chapter Three, in New Zealand, continuing overdependence on commodity exports, despite industrial diversification and expansion, was exposed as the economy entered recession in the late 1960s following the world wool price crash. Further government intervention in response to this succeeded in promoting growth in parallel with the 1970s commodity price boom. However, two key events coincided in 1973 to dramatically re-emphasise the economy's on-going dependence on international trade, and its vulnerability to external events. First, Britain entered the European Economic Community (EEC), signalling a loss of longstanding privileged access for New Zealand exports to its markets. Second, the first 'oil shock' prompted a global recession and a rise in agricultural protection in many of New Zealand's export destinations. The response of

Robert Muldoon's National government was to boost protection and support for the domestic economy and increase public spending to combat unemployment. The early 1980s saw high overseas borrowing by the National government to pursue controversial major investments in large-scale heavy industry and energy sector projects, collectively known as 'Think Big'¹⁹. The New Zealand economy was therefore, by the early 1980s, one of the most protected and controlled in the developed world. State-owned trading enterprises²⁰ accounted for around 12 per cent of GDP and 20 per cent of gross investment by 1984 (Martin, 1991: 187).

The Fourth Labour Government was elected in 1984 in a context of increasing uncertainty. Economic problems had beset New Zealand since 1967 which, along with political strife and social turmoil, had engendered a sense of inevitability about the need for reform (Baragwanath, 2003: 110). Treasury's briefing papers to the incoming government in 1984 clearly stated that New Zealand was facing economic crisis, that the social democratic recipes used in the past were no longer working, and that transformation was required to solve the country's problems (Treasury, 1984). Just as in Britain, where debate was foreclosed by Prime Minister Margaret Thatcher's dictum that 'there is no alternative', choices were not debated in New Zealand over the direction that restructuring should take (Oliver, 1989).

Treasury attributed much of New Zealand's poor economic performance to National Party leader and former Prime Minister Robert Muldoon's ad hoc 'tinkering' (Baragwanath, 2003: 110), saying that this proved the failure of Keynesian demand management²¹ (James, 1986: 40; Roper, 1993: 8). Moreover, Muldoon's 'polarising' style and heavy-handed autocratic interventionism had by this time become synonymous with Keynesianism, thus discrediting it by association. This meant that, rather than seeking to explore how much of New Zealand's economic difficulties were externally generated,

¹⁹ The 'Think Big' projects involved such multi-national corporate giants as Mobil Oil and Amoco from the United States, and the United Kingdom-based Conzinc-Rio Tinto (see, for example, Britton, Le Heron and Pawson, 1992).

²⁰ Notably in railways, postal and telecommunications networks, electricity generation and distribution systems, oil and gas operations, radio and television stations, banks and commercial forestry plantations.

²¹ This is a point of conjecture, because while Keynes argued for state investment in the economic infrastructure, he did not advocate misallocated state investment; a criticism levelled at the National Government of the Muldoon era.

proponents of the reforms were able to attribute it largely, if not exclusively, to poor *internal* management (Baragwanath, 2003: 110). The National Government's mismanagement of New Zealand's economic problems – or rather their inability to adequately address these problems – undermined the credibility of social democracy in New Zealand, proving to critics that it had failed (NBR, July 9, 1984: 40) and thus encouraging a turn toward neoliberalism.

The weaknesses of the respective developmentalist models, combined with external shocks such as the oil crisis and subsequent debt, together with political shifts in the global landscape, ultimately gave way to a decisive phase of neoliberal market reform in New Zealand. This almost completely unravelled the prior state-informed developmentalist measures. In New Zealand, neoliberalism was adopted, ironically, by a centre-left Labour government without consultation after 1984. The following section deals with these reforms, and examines the impacts of these reforms on the nation's tourism sector.

4.4 New Zealand's 'Great Experiment'

Upon its election in July 1984, the Fourth Labour Government embarked upon a process of reform that fundamentally affected New Zealand's economy and society, replacing the erstwhile social democratic regime with a "textbook case of neoliberalism" (Baragwanath, 2003: 105). It immediately set about deregulating interest rates and removed international capital restrictions, agricultural subsidies and tax incentives and, in 1985, it floated the New Zealand dollar. Over the next ten years, domestic market regulations were reformed in favour of contestability and competition, import quotas were eliminated and successive governments established a timetable for reducing tariffs to zero by 2006 (Dalziel, 2002).

This process of structural adjustment was accompanied by a corresponding reinvention of public management focusing on local government (Ateljevic & Doorne, 2000; Boston, Martin, Pallot & Walsh, 1996; Bush, 1995; Kelsey, 1995), and culminated with the establishment of a middle-tier of regional government in 1989. Taken together, the twin thrusts of these reforms were an acceptance of market forces as a guiding philosophy of

national development, and a consequent programme of privatisation and restructuring of state-owned assets and activities (Simpson, 2003). The direction of these reforms was conditioned by a nexus of influences, and included key figures in the Labour Government, Treasury and influential business lobbyists. The gravity of this influence was, in turn, permitted by New Zealand's 'thin' policy-making institutions in conjunction with the rushed circumstances created by the 1984 general election. Baragwanath (2003: 112) argues that the vast scale, scope and speed of change represents much more than simply the views of one person, or the idle whim of one political party. Rather, it represents a confluence of a number of internally- and externally-driven influences at a critical juncture in time, which created the requisite conditions for radical structural change to occur (or, rather, to be permitted to occur).

Price stability was designated the sole statutory objective of monetary policy in 1989, while in 1991 labour legislation was radically transformed from a corporatist, union-based framework to a decentralised, individual-based contracts system under the *Employment Contracts Act*. This pattern continued with the enactment of the *Fiscal Responsibility Act* (1994), which prohibited budget deficits over the medium term. In addition, approximately US\$10 billion worth of state-owned assets were privatised between 1988 and 1999, while all the remaining central government trading departments were restructured along the lines of private sector corporations. Social welfare support entitlements were significantly reduced in 1991, while income tax rates were cut in 1996 and again in 1998 (Dalziel, 2002: 32). During this time, New Zealand's economy was rapidly transformed from one of the world's most rigid and centralised to one of the world's most free and unfettered (Simpson, 2002).

New Zealand's transformation from social democracy to neoliberalism reflected an international trend discernible elsewhere. In adopting a neoliberal policy framework, New Zealand mirrored the international rejection of Keynesianism occurring in the 1970s and 1980s across the West. This transformation was exemplified most notably in the rise of 'New Right' conservative governments in the USA, Canada, Britain and West Germany (Baragwanath, 2003; Brohman, 1996; Shone, Horn, Simmons & Moran, 2005; Shone & Memon, 2008; Telfer, 2002). New Zealand, however, went further and faster than any

other country in its restructuring programme; both “out-thatchering Thatcher” in its embrace of market neoliberalism and significantly revamping its governance structures (Haggerty, 2007: 223). Hence, the decision to initiate reforms is not what marked New Zealand’s reform programme as unique, but rather its *extent* (Baragwanath, 2003). The unique nature of New Zealand neoliberal ‘experience’ is perhaps best described by Henderson (1996: 13), who notes:

In no other OECD country has there been so systematic an attempt at the same time (1) to redefine and limit the role of government, and (2) to make public agencies and their operations more effective, more transparent, and more accountable. It is this important extra dimension, as well as the range and scope of reforms – that have more obvious counterparts elsewhere – that gives the New Zealand programme its special character.

4.4.1 Regional Futures and the Withdrawal of Agricultural Protectionism

Agriculture was the first target of the neoliberal reforms. New Zealand economic policies traditionally reflected farming’s central role in the economy (Kelsey, 1995). In 1984, agriculture still contributed 60 per cent of exports and seven per cent of GDP, and had remained the major foreign-exchange earner. While other industries had received both input subsidies, such as cheap finance and farm development incentives, and a supplementary minimum price (SMP) for output. Between 1984 and 1987 these were withdrawn. The 20 per cent devaluation in 1984 was expected to help compensate for the phasing out of SMPs, but the dollar rapidly appreciated after it was floated in March 1985. User charges were imposed for most government research and, as a result of corporatisation, for utility services (Kelsey, 1995: 95).

Many farmers who had invested at inflated land prices or expanded production during the SMP-driven boom were left over-exposed. As interest rates increased, farmers reduced on-farm expenditure on fertiliser and maintenance and cut stock numbers to service the debt. According to Kelsey (1995: 95), in the 1985/86 financial year, sheep farmers’ terms of trade at the farm gate fell to as low as 56 per cent of the base year of 1974/75, which itself was not a particularly good year. The decline was such that by 1985:

A great number of influential policy-makers, including the Minister of Finance, were looking upon New Zealand's traditional agriculture as a 'sunset industry', although most of the propounded alternative industries found their own sunset after the 1987 financial crash (Bremer & Brooking, 1993: 125).

As noted in Chapter One, the net result of these changes in agricultural policy meant that in New Zealand the peripheral economies of regional and rural areas were faced with the effects of the reform process with more immediacy and greater acuity than their larger urban counterparts. These conditions were further reinforced by waning business confidence in the rural sector and investment decisions becoming increasingly directed toward the major centres of commerce. With smaller regional centres facing declines in the profitability of primary production and a workforce migrating to the main centres, tourism was perceived as a suitable means by which to stem this outbound flow of capital investment and labour (Shone et al., 2005: 87). This pattern of regional decline is a classic reflection of the relationship between core urban centres and peripheral regional or rural areas, and appears to contradict the assumption of 'trickle-down' economic benefits associated with the theories of right-wing economics (Shone & Memon, 2008). Thus, in New Zealand, as in many peripheral economies internationally, tourism is identified as a suitable mechanism for economic diversification and as a promising generator of foreign exchange.

4.5 Tourism and Neoliberalism in New Zealand

At the national level during this time of economic 'transformation', tourism was recognised by government as a valued generator of export receipts and thus presented an opportunity to mitigate some of the negative impacts from the weakening trade ties with New Zealand's hitherto traditional trading partners, most notably the United Kingdom. For example, changing export markets for primary products during this period left the country in need of ways to increase export earnings, as well as stimulate economic growth. In New Zealand, as in many peripheral economies, tourism was seen as a potential mechanism for economic diversification and a promising generator of foreign exchange (Shone et al., 2005). In order to capitalise on these qualities, and to act as a catalyst for regional economic development, government policy became increasingly directed toward fostering the growth potential of New Zealand's tourism product.

The tendency during this time of economic neoliberalism to privatise and commercialise functions that were once performed by government substantially affected the nature of public sector involvement in the tourism industry in many countries (Elliot, 1997; Hall, 2000; Pearce, 1992). Prior to this period in New Zealand, central government involvement as a tourism provider was wide-ranging and included operation of tourist information services, hotels and the national airline. Most of this involvement, however, came to an end during the late-1980s when, as a result of a movement towards a neoliberal policy agenda, central government rescinded its tourism provider role and divested itself of all assets associated with tourism operations and privatised the national airline (Shone & Memon, 2008; Zahra, 2006). In addition, the tourism planning capability of central government agencies was hollowed out as a result of State Sector reform during this period (Memon et al., 2005).

Under the neoliberal policy agenda, government responsibilities for tourism focused almost exclusively on promoting New Zealand as a destination for international inbound visitors; a task that was undertaken through the New Zealand Tourism Board (established in 1991). To complement this role, a small and separate tourism ministry – under the auspices of the Office for Tourism and Sport (OTSp) – was created to act as a policy unit within the Ministry of Economic Development, thus signalling the primacy of tourism’s role as an agent of economic growth and development²². In addition to these national-level changes, local government was modernised in 1988 by creating through amalgamation larger local government jurisdictions in a two-tier structure of city/district councils and regional councils based on principles of ‘New Public Management’ (NPM). A parallel institutional framework of special purpose Regional and District Tourism Organisations was created in the late 1980s with a mandate to promote and market regional tourism destinations and attractions.

At the regional and local territorial levels during this period, the primary planning statute for facilitating sustainable tourism development was the Resource Management Act

²² The Ministry of Tourism replaced the OTSp and had dual responsibilities for tourism-related policy and research. It acted as the lead agency for tourism policy and strategy development at the national level. This Ministry was contained within the broader Ministry for Economic Development, which has subsequently been incorporated into the present-day Ministry for Business, Innovation and Employment.

(RMA) enacted in 1991. The implications of the RMA for tourism were significant and potentially wide-ranging, even though the term *tourism* is not mentioned specifically in the Act. Generally, it is well accepted that New Zealand's tourism industry depends upon the maintenance of environmental quality and a 'clean green' image as significant attractors for international and domestic visitors. The RMA is therefore directly relevant to both the development and management of tourism because it not only has an explicit commitment to the 'sustainable management of natural and physical resources', but is also concerned with the way impacts are managed²³ (Simmons, Fairweather & Shone, 2003). Importantly, however, and despite these attributes, the RMA failed to provide a strategic or longer-term planning pathway for regional tourism futures. This is because local authorities interpreted the sustainable management mandate of the Act narrowly as an 'effects-based' statute and concerned fundamentally with managing adverse bio-physical environmental effects during the process of granting or denying of planning consents on a case-by-case basis. Under the RMA planning regime, a strategic and collaborative approach to urban and regional planning has been manifestly lacking.

The absence of a strategic local or regional perspective in tourism planning during this period was further compounded by limited co-ordination and collaboration within and across regional and local government jurisdictions. Under this institutional setting, regional government involvement in tourism was largely undefined, with tourism-related agency responsibilities centring principally on regulatory issues of environmental quality and urban public transportation funding. Likewise, local government responsibilities for tourism, while being more wide-reaching, were also largely undefined and suffered from being strongly growth-oriented, ad hoc and reactive (see, for instance, Jones, Shone & Memon, 2003), rather than offering a more balanced, strategic local and regional perspective. Moreover, the provision of infrastructure for tourism development went largely unrecognised in under-funded peripheral rural local authorities.

Collectively, the above changes meant that during the 1990s the government approach to tourism development was dominated by a strongly non-interventionist, market-led

²³ Although the RMA remains a relevant planning mechanism, the primacy of this Act with respect to tourism planning at the regional and local territorial levels has been superseded by the Local Government Act 2002, and more latterly by the Local Government Act 2012.

stance. The result of this stance was for tourism activity in New Zealand to become polarised increasingly in a few core destination regions, with little central government encouragement for development in other regions. In addition, the focus of government tourism policy during this time was oriented strongly toward international offshore marketing, with relatively little regard for issues of inter-sectoral collaboration and destination management. Indeed, New Zealand did not have a comprehensive national strategy for tourism until 2001, with the development of the sector prior to this time being essentially market-driven.

4.6 Rediscovering Regions: Towards an Advanced Style of Neoliberalism

In New Zealand, neoliberalism softened after the election of the Labour-led coalition government in 1999. The hard neoliberalism of the 1980s and 1990s gave way to the soft neoliberalism from the end of the millennium onwards. Two factors have contributed to this change. Firstly, the hard neoliberalism informing the 'Rogernomics' reforms of the Labour government and subsequently the National governments in the 1990s had been widely attacked in academia and discredited in the public eyes. The Labour-led coalitions in the present decade sought to address some of the criticisms of the previous policy regimes. However, the Labour agenda was largely dictated by the New Labour and Third Way philosophy of governance and policymaking emanating from Western Europe, particularly the UK. The Third Way philosophy encourages neoliberalism with a human face. This is achieved by means of increasing managerialism in policy administration and corporatisation of the policy institutions, in addition to some new social welfare measures aimed at family and work. The discourse of moderation and equity in public policy is central to this form of governance, as the state tries to balance neoliberal emphasis in the economic sector with its pro-social leanings (Grewal, 2008).

Secondly, the increasing integration of New Zealand into the world economy and rapid technological advances have alerted successive governments to the need to expand the economic base beyond the primary sector while keeping a check on the potential technological, social and economic divides in the country. In this endeavour they have chosen to emphasise the potential of the research science and technology system for capitalising on knowledge and innovation. Reforms in the research, science and

technology, higher education and economic sectors have been initiated to make New Zealand a knowledge society and economy (Challies & Murray, 2008).

4.7 The Emergence of a 'New' Regionalism

As discussed in this section, a reluctance to acknowledge a role for tourism planning until 1999 was informed primarily by a neoliberal policy paradigm, while the more recent reforms encompass a wider array of policy objectives characteristic of a post-neoliberal Third Way policy paradigm, including regional development, fostering strategic partnerships and sustainable community wellbeing. This shift in political ideology coincided with a period of significant growth in international visitor arrivals and a concomitant increase in export receipts generated by the expenditure of these visitors whilst in New Zealand^{24,25}. The growth potential of tourism as a generator of foreign exchange, along with the sector's perceived suitability by government as a mechanism through which to address issues of regional inequality and decline led to a refocusing in the way tourism is now encapsulated within the policy frameworks for regional development policy and strategic planning, at the national and sub-national levels respectively. This emerging policy paradigm anticipates improved inter-governmental and public-private sector collaboration and enhanced capacity for participatory governance and strategic planning at the local and regional levels (Memon et al., 2005).

Since the late-1990s there has been a revival of interest in regionalism and regional development policy in many Western democracies. As was the case with the neoliberal movement during the 1980s, the rise of the new regionalism during the 1990s occurred most notably in the United Kingdom and the United States of America. This renewed interest, while stimulated in no small measure by the election of centre-left Third Way administrations in the UK (Tony Blair's 'New Labour') and USA (Bill Clinton's 'New Democrats'), was influenced more heavily by functional pressures for economic and social regeneration in stimulating demands for an integrative approach to regional governance (Elcock, 2003; Parks & Elcock, 2000).

²⁴ This growth trend has continued to the point where tourism is now, in aggregate, one of New Zealand's largest export earners by sector (Ministry of Economic Development, 2011).

²⁵ The tourism sector now accounts for 15.4% of all export earnings in New Zealand, 8.5% of New Zealand's GDP, and directly employs 6.2% (FTE) of the New Zealand workforce (Statistics New Zealand, 2012).

In New Zealand, the adoption of regional development as a new policy agenda by central government coincided with the incoming Labour-Alliance Coalition Government in 1999 (Dalziel & Saunders, 2003; 2005). Industry and regional development was a major election issue at that time, and the new Labour-Alliance Government introduced a strong focus on partnership between central government and regions, locally-driven development, and sustainable development. While such policies have been common in most Western countries in the 1990s, they nonetheless represented a shift from previous New Zealand central government policy. Regional development, for example, had not been an important part of policy at central government level since the 1970s (Schöllmann & Nischalke, 2005: 47).

In common with recent Third Way governments, the rediscovery of regional development policy in New Zealand after 1999 drew on a policy approach described variously as an institutionalist or evolutionary perspective on regional development or as the new regionalism (Amin, 1999; Cooke & Morgan, 1993; Danson, 2000a; 2000b; Gibbs, Jonas, Reimer & Spooner, 2001; Healey, 1999; MacLeod, 2000; Morgan, 1997; Schöllmann & Nischalke, 2005). Proponents of the new regionalism regard regions (however they might be defined) as key economic units, with localised geographical agglomeration and spatial clustering stimulating economic revitalisation and/or development (MacLeod, 2001).

This approach to regional integration tends to favour bottom-up and region-specific policy actions guided by regional governance (Jessop, 1998). It also conceptualises regional development policy as a 'policy of innovation', rather than a purely market-driven or welfare-based approach. According to Schöllmann and Dalziel (2002: 7), this differs from previous approaches to regional development through its focus on local strengths and advantages, and is aimed at enabling more autonomous and less dependency-based regional development. Thus, roles for central government are focused on facilitation and support of the development of local economic development strategies, the building of capacity, the development of regional infrastructure, and the co-ordination of policy and service delivery across agencies (Schöllmann & Dalziel, 2002: 4). For local government, the most significant impact of this ideological transformation with respect to agency roles and responsibilities can be seen as a shift from the traditional

'roads, rates, and rubbish' role to investment in the social and economic development of their regions²⁶ (Bush, 1995).

Moreover, localised networks, institutions and other un-traded interdependencies are seen as having significant roles in determining the success of regions, particularly as centralised government becomes less involved with regional economies and governance. Un-traded interdependencies (also known as 'relational assets') are the interdependencies or relationships which exist between actors. Akin to notions of social capital, these interdependencies, which are un-priced and therefore un-traded, include tacit knowledge based on face-to-face exchange, routines, habits and norms, conventions of communication and interaction (Storper, 1995). Un-traded interdependencies are claimed to have a direct impact on localities' competitive potential insofar as they constitute part of the learning environment for firms and provide access to resources such as information, knowledge, technology and skills. This is of relevance to the tourism sector, in which the highly fragmented nature of the sector can be overcome in part via the establishment of collaboration and coordination between industry participants²⁷.

The change of government administrations in 1999 precipitated a change in New Zealand's approach to the perceived challenge of regional economic development (Dalziel & Saunders, 2003; 2005), and to the potential role of tourism as a tool for regional development. This change, in turn, heralded the emergence of a more 'whole-of-government' political philosophy concerned with integrative governance. To accommodate this shift, the former Ministry of Commerce was expanded, renamed (the Ministry of Economic Development) and given responsibility for preparing and implementing a new regional development strategy (Anderton, 2000a; 2000b; Schöllmann & Dalziel, 2002). The policy objectives underpinning this regional development strategy were guided by a focus on "the application of sustainable development at a regional scale, in order to assist individuals, business and communities

²⁶ This expanded 'investment' role has been adopted strongly in the case study location, with the tourism sector now utilised by the Hurunui District Council as a key driver of social and economic development in the District.

²⁷ The relative success of un-traded interdependencies in the form of tourism product clustering and promotional alliances is evident in the case study location, specifically, and in many rural areas more generally.

within regions to identify local opportunities, develop capability to respond to opportunities, and exploit those opportunities” (Schöllmann & Dalziel, 2002: 4).

After 2000, a suite of industry and regional development programmes were developed in New Zealand to address various aspects of key factors identified as influencing regional development. The flagship programme in this suite was the Regional Partnerships Programme (RPP), which was ‘delivered’ on behalf of central government by New Zealand Trade and Enterprise (NZTE). Originally modelled on the OECD Local Economic and Employment Programme, the RPP was set up as the main instrument for achieving regional economic development objectives. It encouraged co-operation amongst local and regional stakeholders, and emphasised a collaborative approach to regional development through “building strong and well-governed partnerships with an increased focus on strategic thinking and greater knowledge of regional strengths and advantages” (Ministry of Economic Development, 2005: 15).

In 2007, Cabinet agreed to a number of changes to economic development in the regions to better align regional policy with the government’s focus on economic transformation. According to the Ministry of Economic Development (2006: 5), central to these changes was the belief that:

government cannot and should not undertake economic development activity on behalf of regions. However ... government needs to do more to support the development of regional capability for economic development. Government can help to build capability through encouraging greater size and scale of regions; clearer translation of national level information and goals; and funding to support strategic planning for economic development.

According to the Ministry of Economic Development (2007: 14–15), key policy changes contained within this ‘refreshed’ framework for government intervention in regional economic development include:

- A reduction in the regional groupings from 26 to 14, providing better alignment with existing regional council boundaries and utilisation of established linkages and relationships.
- Recognition of the role of other government agencies at the regional level, and, where possible, ensuring that their activities were aligned with regional economic development strategies. This policy change resonates with an integrative, whole-of-government approach to regional development and is consistent with the Third Way political ideology adopted by the New Zealand government since 1999.
- A redirection of RPP funding to two objectives: supporting strategy development by the 14 regional groupings as a means of encouraging them to focus and align their own activities in support of a positive environment for business growth; and a contestable large scale fund (the Enterprising Partnerships Fund) that regions could apply to for significant projects.

As noted above, government-sponsored regional economic development activities in New Zealand were principally undertaken through the RPP. However, following the creation of this programme, the Local Government Act 2002 gave local government a broad mandate to look after economic wellbeing, and a range of other government activities were established in regions.

The RRP was later replaced with a number of contestable government funds (i.e., the Regional Strategy Fund; the Enterprising Partnerships Fund) that seek to better align regional policy with central government's focus on economic transformation. Central to this revision of the RPP was the belief that government cannot and should not undertake economic development activity on behalf of regions. However, there is clearly a role for supporting the development of regional capability for economic development.

Government can help to build capability through encouraging greater size and scale of regions, clearer translation of national level information and goals, and funding to support strategic planning for economic development (Ministry of Economic Development, 2006: 5). Given these points, the changes to regional economic development policy were designed to encourage regions to think about their contribution to the national economic development picture. In particular, they sought to focus regions

on improving the quality of the business environment in their region in order to support the development, attraction and retention of globally competitive firms by focusing on those levers that were at their disposal and on problems that required a uniquely regional solution (Ministry of Economic Development, 2007). The attributes of tourism made it very amenable to its adoption as a key lever for regional development during this period.

In New Zealand, the Labour-Alliance Coalition Government (1999–2002), and more recently the Labour-Progressive Coalition Government (2002–2008), adopted a more proactive role in providing strategic direction to the tourism sector, within a whole-of-government framework and in collaboration with industry and community stakeholders. This emerging approach, informed by a Third Way political ideology, anticipates improved inter-governmental collaboration and enhanced capacity for participatory governance and planning at the local/regional level. As discussed below, a number of related policy initiatives were potentially significant in this respect in shaping future tourism development.

4.7.1 Towards a National Strategy for Sustainable Development

During the period between 1984 and 1999, neither the Labour nor National Governments felt politically comfortable with the notion of adopting a sustainable development strategy for New Zealand. A report released in 2002 by the Office of the Parliamentary Commissioner for the Environment (PCE), entitled ‘Creating Our Future: Sustainable Development for New Zealand’, was critical of the fact that there had been no attempt in New Zealand to develop a strategy for sustainable development until 2001/2, let alone measure progress towards sustainable development (PCE, 2002).

In August 2002, Statistics New Zealand published a scoping report which provided, for the first time, an insight into the impact of human activity and resource-use on New Zealand’s biophysical environment (Statistics New Zealand, 2002a). Amongst the findings presented in the report was the highlighting of an apparent absence of data for key indicators of social, economic and environmental change. In this regard, the report was a useful first step in drawing attention to such deficiencies.

Partly in response to these concerns, the Department of the Prime Minister and Cabinet (DPMC) released a publication in October 2002 on 'Key Government Goals to Guide the Public Sector in Achieving Sustainable Development' (DPMC, 2002) and in January 2003 the Government publicly signalled its commitment to sustainable development with the release of 'Sustainable Development for New Zealand: A Programme for Action' (DPMC, 2003). This programme set out several operating principles, including working in partnership with local government and other sectors and encouraging transparent and participatory processes. Within this 'programme for action', the promotion of tourism development was noted as being a suitable mechanism by which to translate the rhetoric of social and economic sustainability into action.

4.7.2 The New Zealand Tourism Strategy

In May 2001, New Zealand's first comprehensive national tourism strategy – the *New Zealand Tourism Strategy 2010* – was released, signalling a change towards a more long-term strategic conceptualisation of the sector and its impacts. A key objective of this document was to provide strategic direction for the tourism sector. Central to this objective was the adoption of a whole-of-government model to reduce complexity and improve efficiency in tourism planning and development, as well as the establishment of effective partnerships between central and local government and between government and industry (Tourism Strategy Group, 2001: ii-viii). To achieve this, it presented guidelines for sustainable tourism development identified as contributing to greater collaboration between different stakeholder groups.

The challenge for the Tourism Strategy Group was to build on earlier work undertaken by the Tourism Industry Association of New Zealand (TIANZ) and to develop a strategy to "provide a framework for decision making that would allow the tourism industry in partnership with government to face the future with confidence and build the capabilities for sustainable growth" (Tourism Strategy Group, 2001: Foreword). In order to promote sustainable tourism development at the regional level, the *New Zealand Tourism Strategy 2010* highlighted the need for better integration between local authority management of infrastructure and services with the marketing functions undertaken by Regional Tourism Organisations (RTOs). The Strategy also highlighted the need for local government

functions to be co-ordinated with central government, industry, indigenous Māori and local communities within a whole-of-government approach.

This national strategy was later revised and updated to ensure that it is able to adequately “respond to the global and local changes to the tourism marketplace over the last five years” (Ministry of Tourism, 2007: 5). This updated strategy – the *New Zealand Tourism Strategy 2015* – was released in November 2007 but retains the former strategy’s focus on sustainability to achieve previously identified outcomes. Two values central to this updated strategy are *kaitiakitanga* (guardianship) and *manaakitanga* (hospitality)²⁸. Originally incorporated into the 2010 Strategy, these values continue to provide a foundation for a “sustainable approach to the development of the industry” (Ministry of Tourism, 2007: 5).

4.7.3 Local Government Act 2002

The Local Government Act 2002 (LGA) was a pivotal part of local government reforms that sought to strengthen local democracy and promote sustainable wellbeing of communities. For the first time in New Zealand’s history, territorial local authorities²⁹ (TLAs) were given a legislative mandate that enabled them to promote the social, economic, environmental and cultural wellbeing of communities; to make democratic decisions by and on behalf of those communities, and to make those decisions by taking a sustainable development approach (Thomas & Memon, 2007).

A key tool for achieving the goals of the LGA 2002 was the Long-Term Council Community Plan (LTCCP). The formulation of these council strategic plans was steered by community engagement processes to define community outcomes, which contribute to the social, economic, cultural and environmental wellbeing of communities. It was anticipated that central and local government service providers, voluntary agencies and other sector organisations would take these outcomes into account in deciding corporate resource allocation and service delivery priorities. In principle, the LTCCP provisions in the LGA

²⁸ Kaitiakitanga and manaakitanga are Māori concepts (Māori are the indigenous people of New Zealand).

²⁹ Territorial local authorities include: city councils, district councils, and unitary authorities (i.e., those city and district councils also undertaking the role of a regional council).

2002 provided a vehicle for central government to advance significantly – both locally and regionally – its programme of action for sustainable development in New Zealand.

The LGA 2002 required local government decision-makers to take greater cognisance of diverse voices and aspirations within local and regional communities in the spirit of a more communicative and deliberative style of governance. The Act strengthened community governance as well as corporate governance within a whole-of-government sustainable development framework. It gave powers of general competence³⁰ to local government to respond to community ‘wellbeing’ needs and encouraged partnerships with other service providers. This increased local discretion and flexibility was balanced with a legislative requirement for a protocol of enactment. The purpose of this protocol was to provide a guide on how TLAs and central government should work together during the course of a three-year political term³¹. The 2002 Act also placed greater emphasis on promoting Māori engagement in local government decision-making (Dalziel, Matunga & Saunders, 2006).

Arguably, the LGA 2002 empowered TLAs to adopt a strategic role in shaping tourism development within their localities. The 2002 Act also granted regional councils and TLAs the same powers of general competence. This provided greater opportunity for regional councils to actively participate in shaping regional tourism development strategies in collaboration with city and district councils and the tourism industry.

4.7.4 The Role of Regional Tourism Organisations

As noted earlier, when Regional Tourism Organisations (RTOs) were established in the late 1980s to promote and market regions, they operated closely with TLAs. To begin with, many RTOs had broad ranging responsibilities and widely representative

³⁰ Defined in the Local Government Act 2002 as the freedom to undertake any action or make any decision which is not specifically excluded by law or central authority.

³¹ This Act was amended in December 2012, under the Local Government Act 2002 Amendment Act 2012, and is addressed in greater depth in Chapter Nine of this thesis. Although this amendment occurred too late to be incorporated into this thesis, it is nonetheless important to acknowledge the implications of this Amendment Act for local government, and on the way in which local government may or may not undertake tourism-related activities within its constituencies. The purpose of the Amendment Act was to explicitly remove the ‘wellbeing powers’ of the 2002 Act, and to include a more prescriptive and fiscally focused ‘statement of purpose’ for local government in New Zealand. See Section 9.6 in Chapter Nine of this thesis for a more detailed discussion.

management boards including representatives from local government, the tourism industry, businesses and community groups. Subsequently, free-market influences during the 1990s saw RTOs restructured into smaller, more professional boards that tended to be independent of, but still accountable to, local authorities and chaired by acknowledged leaders from tourism and other industries (Kearsley, 1997).

In 1997, under the guidance of the industry and government agencies, the roles and functions of RTOs were further clarified and 26 regional bodies were designated as RTOs, each with an associated lower tier of District Tourism Organisations (DTOs). Further revisions of the RTO roles and responsibilities followed in 2001 with the release of the *New Zealand Tourism Strategy 2010*. Contained within this national strategy were 15 recommendations relating directly to RTOs. This, in turn, prompted the formation of a national body for RTOs: Regional Tourism Organisations of New Zealand (RTONZ).

The release of the *New Zealand Tourism Strategy 2010* in May 2001 provided RTOs (as well as other stakeholders) with a clearer directive regarding their collective roles and responsibilities in achieving the overarching objective of sustainable tourism. In June 2002, a 'RTO Response to the NZTS 2010 – Stage 1' was published with a focus on RTO roles, linkages with government and Māori tourism partnerships. This initial review has since been strengthened by a more recent review of the collective New Zealand RTO sector: 'RTONZ Strategic Plan 2003–2006'. This review, commissioned by RTONZ, was completed in May 2003 and provided RTOs with a clearly articulated position from which to lead national tourism strategy implementation.

Although RTOs vary largely in scale and structure, nearly all are defined by the following common key goal: "to grow domestic and international visitor expenditure in the regions, [and] to provide sustainable economic, environmental, social and cultural benefits to [the] local community" (RTONZ Strategic Plan 2003–2006, May 2003: 3). Thus, the key mandate of RTOs has been to promote tourism at a regional level, with their primary responsibility being destination marketing. To achieve this, RTOs commonly liaise and

form alliances with tourism-related organisations both within and outside their region³². The potential cost efficiencies resulting from pooling of resources is a key benefit of this form of collaboration, and there are additional benefits in terms of strengthening the market profile of smaller RTO areas. As macro-regional marketing alliances continue to emerge, these tend to be based on touring routes, or 'communities of interest' rather than TLA boundaries. The utilisation of a macro-regional marketing alliance in the case study location, known under the moniker of the 'Alpine Pacific Triangle', is a defining feature of the Hurunui District tourism product throughout the 1990s and early 2000s.

To varying degrees the more active RTOs are now becoming increasingly involved in aspects of regional tourism planning, although these do not constitute comprehensive regional tourism planning strategies. RTOs are, by their very nature, promotional bodies rather than planning agencies. As such, there is an implicit requirement for a partnership approach to destination management in which the growth and development imperative of the industry is moderated by the planning and regulatory functions of TLAs. This requirement for TLA involvement in destination management is noted by Memon et al. (2005), who argue that although RTOs are clearly identifiable within the national tourism strategy as the key bodies with regional tourism as their core business, this does not necessarily make them the most appropriate base for addressing the wider requirements for regional destination management. Such responsibility falls more logically to TLAs, with whom organisational capacities, planning mechanisms and legislative authority exist presently.

4.8 Conclusion

As argued here, the role of government in tourism development was radically restructured during the 1980s and 1990s. These changes were inspired by a neoliberal ideology to deregulate the New Zealand economy and to restructure the state sector and local government, ultimately including the tourism industry. While these reforms inspired by a neoliberal political ideology have proved beneficial in facilitating significantly increasing international visitor numbers to New Zealand, the planning capability of central, regional and local government was hollowed out as a result of this period of

³² This resonates with the concept of un-traded interdependencies previously noted in this chapter.

wide-ranging economic and political reforms. Consequently, the recent geography of tourism in New Zealand has been, until the late 1990s, shaped largely by market forces rather than by inter-sectoral collaborative strategic planning. More recently, however, public sector policy initiatives indicate an ideological shift towards a more active role for government, particularly at the local/regional level, in managing tourism development in partnership with the private sector. It is anticipated that this devolved tourism planning mandate will foster longer-term strategic and collaborative planning of the sector to steer the scale, type and contribution of tourism development to sustainable community wellbeing.

The multiscalar attribute of the new regionalism policies, however, also presents a complex and potentially unwieldy planning framework from the stance of stakeholders, planners and tourism practitioners. The challenge for regional tourism planning and development in the context of sustainable community development, therefore, is to reconcile issues of democracy and economic rationality in the planning process; overcome discrepant policy goals in the area of regional development; foster collaboration and co-operation between potential tourism rivals; and facilitate the alignment of multiple tourism 'visions' toward a common goal, so that broader regional development and sustainable community objectives can be achieved. Whether or not tourism is able to deliver on the promises of the new regionalism, and whether or not policies of the new regionalism are able to deliver on promises of regional economic development and sustainable communities, however, remains to be seen.

Chapter 5

Research Methods

5.1 Introduction

The purpose of this chapter is to describe and discuss the data gathering procedures utilised in this doctoral research. The research approach described in this chapter is focused on investigating decision-making and power relations relating to the changing role of local government and regional tourism development in the Hurunui District, New Zealand. This changing role of agency is examined within the context of neoliberalism-inspired public policy ideologies, and recognises the spatial and political contingency associated with the research environment. This chapter thus describes the research approach adopted within this thesis, details the reasons behind the selection of the research strategy, data collection techniques and procedures for analysis.

The research strategy selected to achieve this aim was a single case study of the use and potential of tourism to contribute to territorial authority (i.e., local government) development objectives in the Hurunui District (North Canterbury, New Zealand). This case study setting includes the iconic North Canterbury tourist destination of Hanmer Springs. This case study approach is framed within an interpretative social sciences methodological paradigm, and seeks to integrate a New Regionalism and Foucauldian perspective for the purposes of analysis. As per the methodological literature, a qualitative research methodology is employed in order to accommodate the need for 'empathetic understanding' and 'appreciative accuracy' associated with the interpretative paradigm (Jennings, 2010). The primary research method was a series of 35 semi-structured interviews with key informants from 19 agencies, organisations and stakeholder groups. These interviews took place between July 2008 and June 2009. This was complemented with participant observation fieldwork and document analysis in order to address issues of reliability and validity.

This chapter is structured as follows. The initial sections of this chapter provide a critique of the case study approach as a research strategy, and a discussion of the interpretative

social sciences methodological paradigm utilised in this doctoral research. A discussion of qualitative methodology and its appropriateness for building grounded theory in case study settings is then presented. Finally, the specific research methods employed in this doctoral research are described and discussed.

5.2 A Foucauldian-Informed Research Approach

As noted in Chapter Two of this thesis, Foucauldian-inspired research is interested in examining relations of power (Piggin, Jackson & Lewis, 2009). This is of significance to tourism studies, and indeed to this thesis, as the processes associated with tourism policy formulation, planning and development are value-laden and often highly politicised. In other words, they are political processes and they are the subject of power relations among constituencies (Coles & Church, 2007: 7). Contestation, consensus and dissonance among competing participatory interests are inevitable features of development in this manner (Simmons, 1994; Fallon, 2001). Almost by definition, such issues necessitate an interest in how power is exercised, by whom, in what manner of political arrangement and to what end.

As such, the perspectives adopted within this research have consequences for the research design. As Coles and Church (2007: 8) demonstrate, research towards unravelling how power relations feature in tourism appears to be driven by a largely inductive approach. A rich collection of case studies of the relationship between tourism and empowerment now provides a strong empirical basis from which to deepen the understanding of these processes by contemplating the mutual implications of power, theory and tourism in the contemporary world. This thesis also utilises a case study approach to generate empirical data which examines the subject of power relations and tourism. In particular, the focus of the research becomes an examination of decision-making and the forces that shape local government tourism policy formulation, planning, promotion and development in the Hurunui District

A Foucauldian research approach automatically renders the research as interested in the discursive construction of social practices. This is at odds with research used to construct contemporary public policy, which, according to Piggins et al. (2009: 90), is often

defended on the grounds of being transparent and rational. Foucauldian-informed research makes no such claims. Since the relations of power are not often transparent, Foucault suggests the analysis of power “should not concern itself with power at the level of ongoing subjugation ... which subjects our bodies, govern our gestures, dictate our behaviours, etc.” (Foucault, 1980b: 97). This research was conducted in line with a Foucauldian approach, which examines “the tactics whereby, on the basis of the descriptions of these local discursivities, the subjected knowledges which were thus released would be brought into play” (Foucault, 1980b: 85). Such an approach attempts to understand how policy problems are solved, through an articulation of the relationship between truth, knowledge and power.

This approach has implications for sample selection, insofar as Foucauldian-inspired research is also interested in the power–knowledge dimensions between actors and institutions across a range of settings and scales. In this thesis, therefore, research informants were identified and selected on the basis of the organisations they represent and the formal positions within that organisation they held. As such, participants in this research were considered to be those individuals with knowledge (and therefore Foucauldian ‘power’) of the range of issues and processes associated with not only their own respective organisations, but also with those relating to local government involvement in tourism development in the Hurunui District.

Clearly, various individuals (and indeed, the organisations they represent) will have been much ‘closer’ to the decision-making and development process than others, depending on the roles/positions they hold and also the organisations they represent. There is also an element of interconnectedness, particularly in locations such as the Hurunui District, in which a usually small selection of individuals typically hold a number of significant positions in a range of different organisations. In such instances, it is likely that these individuals will have a deeper and more nuanced knowledge of, and potentially more influence or power over, the decision-making process in the case study location. In other cases, individuals might be affiliated to single organisations which are small in size and weak in influence. In such instances, it is possible that these individuals would have less knowledge of, and therefore influence or power over, local decision-making. As such, it is

important that the selection of research informants recognises, and is able to accommodate, a range of research informant 'types'. This sample selection approach utilised in this thesis endeavours to address these considerations.

5.3 Research Strategy: A Single Case Study Approach

The research described in this thesis investigates decision-making within a single case study of tourism and regional development in the Hurunui District (North Canterbury, New Zealand). This case study location is considered, at least in the New Zealand context, to represent an atypical example of local government involvement in regional tourism development. This is due largely to the prominent role played by the Hurunui District Council in tourism planning, promotion, and development in the district. The role of local government in tourism development is conventionally limited to that of co-ordination via various planning and promotion-related mechanisms. However in the case of the Hurunui District this role has expanded to include direct investment in the tourism industry via the ownership and operation of the district area's most significant tourism asset: the Hanmer Springs Thermal Pools and Spa.

The exemplary nature of the case study location is thus created by the seemingly conflicting pluralism of local government tourism-related roles and responsibilities, especially those associated with participation in the tourism industry as the Hurunui District's apex tourism operator (albeit separated somewhat by an organisational structure within a 'local authority trading enterprise' model). Specifically, the Hurunui District Council is largely responsible for co-ordinating destination planning, funding district promotions, moderating growth and development, while also being the primary beneficiary of increased tourist activity at one particular location in the district area: Hanmer Springs. Thus the Hurunui District Council is benefactor, moderator, and beneficiary of tourism growth and development in the case study location. This strong local government support of, and participation in, the tourism industry in the Hurunui District appears to contradict the prevailing public policy environment influenced by the principles of economic neoliberalism and public sector rationality. As such the Hurunui District, as a single case study location, provides a fertile setting within which to

investigate the changing role of the public sector and tourism development at the sub-national level.

When utilising a case study research strategy, the researcher is faced with the decision to utilise a multiple or a single case study design. The suitability of each approach is largely dependent on the specific requirements of the central research hypothesis and research objectives/questions. For example, the advantage of utilising multiple case studies is that they provide the researcher opportunity to compare findings and increase the opportunity for generalisation (Yin, 1984). In contrast, a single case study approach can have somewhat limited external validity, restricting the ability to make generalisations from the research findings. However a single case study can be more appropriate when confirming or challenging a theory, and when the depth of information required when undertaking the study cannot be replicated across multiple case studies (Yin, 1984).

Critics typically state that single cases offer a poor basis for generalising. However, according to Yin (2003: 43), such critics are implicitly contrasting the situation with survey research, in which the sample is intended to generalise to a larger universe. This analogy is incorrect when dealing with case studies. Survey research relies on statistical generalisation, whereas case studies rely on analytical generalisation; that is, the link to a broader theory. The single case approach is also supported by Flyvberg (2006), and Ostrom (2010), both of whom note that such an approach is a robust and methodological sound means of academic enquiry, and enables the researcher to gain a deep understanding of complex processes.

In addition to the exemplary nature of the case study location, a single case study methodology was considered the most appropriate because of the in-depth nature of the research and the way in which institutional arrangements, historical stakeholder relations and stakeholder attitudes, interests and perceptions collectively shape decisions within a collaborative process. To understand how these influences shape decisions required getting 'inside' the decision-making process. This required developing trust, respect and rapport with key stakeholders. Developing these relationships takes time. Unlocking decision-making processes takes time.

Thus, while this thesis is based on a single case of local government and tourism development the Hurunui District, broader theoretical and conceptual issues are dealt with in respect of the changing role of local government, and therefore tourism public policy, in regional locations. In aggregate, the issues raised in this thesis represent the analytical understanding of power relations and decision-making in regional tourism development during a period of rapid and fundamental change in public policy paradigms. This case, therefore, serves to both confirm and challenge existing understandings about the role of local government in regional tourism development.

5.3.1 Critiquing the Case Study Approach

The decision to use a case study approach allows for a focus on 'why' and 'how' research questions (Yin, 2003) and for an analysis that, as Epstein (1967) has suggested, can focus on describing and critiquing social processes as they fit into the larger social world. According to Ellemor (1998: 74), a case study approach "is a choice of the object to be studied, rather than a methodological choice". The methods used within a case study approach may differ from case to case. This section outlines some of the arguments described in the academic literature regarding the use of a case study approach to tourism research.

Rather than being a methodological choice, a case study is a research strategy used to investigate phenomena within a 'real life' context (Hartley, 1994; Yin, 1984). A case study typically attempts to achieve a holistic understanding of a phenomenon as it occurs within a bounded system through an in-depth investigation, utilising multiple data sources (Orum, Feagin & Sjoberg, 1991; Stake, 1998; Yin, 1984). The in-depth nature of case study enquiry provides the researcher with a level of understanding of decision-making processes and stakeholder interactions not possible through other strategies, such as surveys (Hartley, 1994). It is this detailed nature of enquiry that makes case studies ideal for investigating and refining emergent theory (Hartley, 1994; Stake, 1998).

Numerous authors, including Jafari (1987) and Kerr, Barron and Wood (2001), recommend case-specific studies to develop thick description and improve understanding

in a specific context rather than attempting to develop universal models. Case studies can include investigation into the irrational and less tangible aspects of policy making. They can reflect upon the wider political context within which decisions are made and draw attention to the power inequalities that are embedded in society. On this point, a number of authors highlight the extent to which specific contexts and relationships generate a variety of different approaches to policy making (see, for example, Dredge, 2006; Dredge & Jenkins, 2003; Hope & Klemm, 2001; Kerr et al., 2001; Ladkin & Bertramini, 2002; Pforr, 2005; Stevenson & Lovatt, 2001; Thomas & Thomas, 1998; and Treuren & Lane, 2003). Moreover, authors such as Agrawal (1999), Bramwell (2006), Bramwell and Meyer (2007), and Kerr et al. (2001) recognise the importance of people in the process and their research supports a social conceptualisation.

It is also important to acknowledge that case studies, as a research strategy, have been criticised in the literature. This criticism appears to be centred largely on two main areas: a perceived lack of academic rigour, and a perceived limited basis for scientific generalisation. The former stems from the iterative nature of case study enquiry and the need for researchers to make decisions about how information is collected and what constitutes evidence. This criticism revolves around the issues of repeatability and the opportunity for bias in reporting methods and conclusions (Bailey et al., 1999; Orum et al., 1991; Yin, 1984). In response to this criticism, qualitative researchers have sought to instil more rigour in case study design and research methods (e.g., Bailey et al., 1999; Stake, 1998; Yin, 1984). This has included: making methods of information gathering and drawing conclusions more explicit and open to evaluation (Bailey et al., 1999; Yin, 1984), using multiple sources of evidence (i.e., triangulation) (Stake, 1998; Yin, 1984), and developing a research design that establishes a chain of evidence (Yin, 1984: 40).

The latter criticism appears to be based principally on the difficulties associated with the location-specific nature of case study research. Orum et al. (1991), for example, argue that a case study represents a single instance of a phenomenon and this limits the degree to which the researcher can generalise findings to other cases or locations. Embedded in this criticism is the view that case study research should seek statistical generalisation to explain or predict phenomena in other populations. The worth of case study research,

however, lies not in its ability for statistical generalisation, but for its ability for what Yin (1984: 21) describes as “analytic generalisation”, where the researcher is “striving to generalise a particular set of results to some broader theory”. The aim of case study research, then, is to compare empirical results to previously developed theory (Yin, 1984: 38). The strength of case studies is their ability to extend or refine theory (Hartley, 1994).

5.3.2 A Single Case Study as an Appropriate Approach

A single case study, as a research strategy, was considered appropriate for this research for a number of reasons. Firstly, an important aspect of the research involved gaining an understanding of decision-making processes. The case study approach encourages a more holistic understanding of a phenomenon by obtaining information over a period of time using multiple research methods (Orum et al., 1991; Yin, 1984). This permits the researcher greater potential to understand complex stakeholder interrelationships, the meaning behind social action, and the influence they have in shaping decisions (Orum et al., 1991). This is a significant consideration for the research described in this thesis, which is concerned not only with understanding what happened in the case study area with respect to public policy and tourism development, but perhaps more importantly how and why it happened.

Secondly, case studies take into account the context in which the phenomenon being studied occurs (Hartley, 1994). Stakeholder behaviour, decisions and policy outcomes can only be understood in the context of broader influences such as institutional arrangements and historical forces operating within the system. A case study presents an ideal strategy to examine collaborative approaches to regional tourism planning and development. This notion of context forms a central focus of this research. As this thesis will argue, the tourism development pathway experienced in the Hurunui District is spatio-politically contingent and, as such, is inextricably intertwined with parallel and concomitant forces of multi-scalar social, political and economic change. Implicit in this conceptualisation is the recognition of the tourism system as an open system; able to impart change upon a variety of external environments, and simultaneously subject to the forces of change imparted by these same external environments (e.g., Leiper, 2004).

Thus to understand change in the tourism development pathway of the Hurunui District one must also understand the context within which that change took place.

Thirdly, in order to study how stakeholder attitudes, perceptions, interests and relationships shape decisions, it is important to develop trust and rapport with stakeholders. Being involved in a case study provides this opportunity. It also encourages gaining an understanding of the complex policy-making processes at play, and can improve the quality of information uncovered (Browne, 1999). Such a research approach is widely accepted in the tourism and planning literature, particularly when building grounded theory (e.g., Brown, 2002; McGuirk, 2001; Michaels, 1999; Mitchell & Hollick, 1993), as this research endeavours to achieve.

A single case study approach thus fits well with this doctoral thesis, which is developed from the views of a range of tourism stakeholders, including policy makers, local government planners and politicians, tourism managers and promoters, community stakeholder groups and industry representatives.

5.4 Methodological Paradigm: Interpretative

There are many possible paths a researcher can follow when conducting research, with each path being shaped by a range of epistemological and methodological choices. One of the first choices a researcher must make is identifying the paradigm that underpins their research. The choice of a research paradigm is influenced largely by the nature of the 'macro' research question; that is to say, *what is the aim of my research?* It is also important to acknowledge that a researcher's own interests, values and background have some influence on the choice of research methods paradigm (Murray, 2006). This is particularly the case for research undertaken within the broader constructivist suite of research methods paradigms, which recognise the interpretative and participatory role of the researcher (as opposed to being restricted to an 'observer' role).

From this starting point, a researcher will then select a methodological paradigm which will provide the most suitable lens through which to view, interpret and understand the

phenomenon being investigated. An important consideration will also be the methodologies and methods associated with the various paradigmatic perspectives. This is an important choice as the paradigm influences how the research will be undertaken. The following section thus provides a discussion of the methodological paradigm utilised in this thesis.

5.4.1 Paradigmatic World Views

A number of authors have provided definitions for what is meant by the term 'paradigm' in the social science context, with each definition relating, in turn, to the construction and understanding of a particular world-view. For example, Sandelowski (2000: 247) defines a paradigm as "world-views that signal distinctive ontological (view of reality), epistemological (view of knowing and relationship between knower and to-be known), methodological (view of mode of inquiry), and axiological (view of what is valuable) positions". It is argued that to be located in a particular paradigm is to view the world in a particular way (Burrell & Morgan, 1979: 24). Another definition is proffered by Guba and Lincoln (1998: 200), who have a more explicit focus on the centrality of the notion of 'world-view':

A paradigm represents a world view that defines for its holders the nature of the world, the individual's place in it, and the range of possible relationships to that world and its parts.

Paradigms thus define different views of the social world based upon different meta-theoretical assumptions with regard to the nature of science and society. Based on the above, one might argue that in this context a paradigm is simply the overlying view of the way the world works. This discussion is extended by Jennings (2010: 35), who in framing an overall paradigmatic view provides a distinction between 'paradigm', 'methodology', and 'methods':

A paradigm is the overlying view of the way the world works; the methodology is the complementary set of guidelines for conducting research within an overall paradigmatic view of the; and the methods are the specific tools of data and/ or empirical material collection and analysis/ interpretation/ (re)construction

that a researcher will use to gather information on the world and thereby subsequently build 'theory' or 'knowledge' about that world.

As noted by Zahra (2006), tourism is a complex social phenomenon and as such tourism research should try and attempt to capture the complexity of this phenomenon. However, most research methods textbooks break down this complexity and analyse the phenomena through paradigm lenses (Davidson & Tolich, 1999; Jennings, 2010; Patton, 1990). Within the academic literature a variety of research paradigms are offered as suitable vehicles from which to frame tourism research. According to Pansiri (2009), for example, two major social science paradigms have dominated claims regarding their superiority in research: positivist and interpretative (or constructivist). For Jennings (2001), six paradigms are considered common to tourism research: positivism, interpretative social sciences (or constructivism), critical theory, feminist perspectives, post-modernism, and chaos theory. For Lincoln and Guba (2000), paradigms such as post-positivism, critical theory and constructivism are offered as suitable research paradigms reflect the post-modern turn in the social sciences. All of these labels or groupings of the diverse views of the world are arguably not so different from each other, as they are all systems designed to analyse, compare, and contrast the same phenomena.

This research employs an interpretative social sciences methodological paradigm as described by Jennings (2001), and seeks to integrate a New Regionalism and Foucauldian perspective for the purposes of analysis. This interpretative social sciences paradigmatic approach is discussed below.

5.4.2 Interpretative social sciences Paradigm

The interpretative social sciences paradigm has its foundations in Max Weber's notion of 'empathetic understanding' (Jennings, 2010). Central to this notion is the concept of appreciative accuracy, in which the researcher is able to adequately grasp and accurately convey the emotional context in which the action took place. However, it could also be argued that the interpretative social sciences paradigm has also been shaped by the sociological writings of Blumer (1956), in which the process of interpretation is argued to

be of central importance when analysing social settings. The following quote helps to clarify the centrality of interpretation to human understanding:

We can, and I think must, look upon human life as chiefly a vast interpretative process in which people, singularly and collectively, guide themselves by defining the objects, events, and situations which they encounter...Any scheme designed to analyse human group life in its general character has to fit this process of interpretation (Blumer, 1956: 686).

From these Weberian and Blumerian foundations we can see the emergence of a number of defining characteristics associated with the interpretative social sciences paradigm. These characteristics are identified by several authors (e.g., Denzin & Lincoln, 2005; Jennings, 2001; 2010) as having an ontological (*what is the nature of reality?*), epistemological (*what is the nature between the researcher and subject?*), methodological (*how should the researcher gather knowledge?*), and axiological (*how is knowledge valued?*) basis. These characteristics are discussed below.

Ontological Basis

From an ontological perspective, the interpretative social sciences paradigm asserts there are multiple explanations or realities to explain a phenomenon (Jennings, 2010: 40). The presence of these multiple explanations or realities is described by Denzin and Lincoln (2005: 24) as a 'relativist ontology'. Any one of a range of multiple realities is not more or less 'true' in an absolute sense but simply more or less informed and/or sophisticated (Guba & Lincoln, 1998). Importantly these realities and their construction can change over time. As noted by Zahra (2006), this relativism can lead to conflicting social realities not only between researcher and informant but also for the individual researcher if his or her constructs change as he or she gets more informed and experienced over time. Consequently the researcher must assume an *inductive* approach to research in which explanations of phenomena are used as the basis for theory building and generation.

The researcher's task when building or generating theory is to understand what is happening within a given situation, and relies on building interpretation of practice through engaging with and comparing multiple sources of data (Murray, 2006). From

these multiple sources of data emerge patterns and relationships, and it is this emergent nature which forms the basis of the development of grounded theory. It does not test a hypothesis but seeks to discover the theory implicit within the data (Murray, 2006). This doctoral research utilises an inductive approach to research in order to develop grounded theory regarding the changing role of local government in tourism development in the Hurunui District.

Epistemological Basis

The epistemological basis of the interpretative social sciences paradigm is one in which the relationship between the researcher and subject is 'inter-subjective' (Jennings, 2010: 41) rather than objective. This is because the researcher is obliged to enter the social setting and become one of the social actors in that setting. As such this paradigm assumes a subjective epistemology (Denzin & Lincoln, 2005: 24) in which the researcher and subject co-create understandings. Clearly, then, the relationship between researcher and subject(s) is the epistemological question.

Conventionally the interpretative researcher needs to avoid imposing the researcher's viewpoint. The researcher in the interpretative paradigm needs to understand the social world as it is, at the level of subjective experience. It seeks an explanation within the frame of reference of participant as opposed to the observer of action. The researcher or investigator and the 'object' investigated are assumed to be interactively linked (Zahra, 2006), thus occupying a state of 'inter-subjectivity' as noted above. This inter-subjectivity of researcher and subject(s), in turn, can create challenges associated with the ability of the researcher to relate to the subjective experience of all the individuals involved in this research. This can be problematic when investigating a range of often conflicting views and perspectives, as is the case with this doctoral research, and requires the researcher to be mindful of the contextual subjectivity associated with each individual subject/ informant/ interviewee.

Methodological Basis

According to Zahra (2006: 27), the objective of the social sciences interpretative paradigm is to examine the subjective world of human experience, thereby retaining the integrity of

the phenomena being investigated. To achieve this, the researcher needs to get inside and understand from within. Thus from a methodological perspective the interpretative social sciences paradigm utilises qualitative research methods to gather knowledge from the empirical world. This preference for qualitative research methods is noted by numerous authors within the academic literature (e.g., Denzin & Lincoln, 2005; Jennings, 2001, 2010; Zahra, 2006). A researcher operating within this paradigm seeks to understand phenomena from an insider's perspective (Jennings, 2010), and as such represents an emic perspective (Fetterman, 1989). Since the views of all social actors are considered, exceptions are included rather than discounted as is often the case with a positivist paradigm. In fact it is often these 'exceptions' which help to develop insights into how and why a specific phenomenon occurred within the research setting.

As noted above, the researcher undertakes an inductive approach to his or her research by getting involved with the data or the participants in order to develop explanations for the phenomena. These generalisations, according to Locke (2001), are used as the basis for theory-building and generation. The variable and personal nature of these theories and the social constructions of the researcher can only be elicited and refined through interaction between and among the investigator and respondents (Guba & Lincoln, 1998). The range of methods of empirical material collection typically utilised within the social sciences interpretative paradigm include, for example: participant observation, in-depth interviews, and case studies. All three of these data gathering methods are utilised in this research.

Axiological Basis

Finally, the axiological basis of the interpretative social sciences paradigm is centred on the value of propositional knowledge which is transactional and has instrumental values linked to social change and emancipation (Jennings, 2010: 41). According to Guba and Lincoln (2005), both are end points in themselves as well as being intrinsically valuable. The significance of these values is acknowledged by Jennings (2010) as being integral to research processes since research is a social process. Thus the researcher is subjectively involved in knowledge-making, relating again to the interpretative social sciences epistemological stance. The interpretative paradigm questions the axiology of the

positivists and claims that human values intrude on the research process. The frame of reference and values of the researcher is increasingly seen as an active force that determines the way that knowledge is obtained (Zahra, 2006: 26). It should be acknowledged that the values or biases of the researcher inevitably influence the questions asked and the conclusions drawn within the research process. This inevitability of researcher subjectivity is noted by Locke (2001), who argues that the examination of the values of the researcher on the research process is an example of reflexivity, reflecting on the assumptions that are made when researchers produce what they regard as knowledge.

As noted above, one way in which the researcher's values can set the direction of the research is by the perspective through which the researcher views certain phenomena. In relation to tourism policy-making, this research adopted a New Regionalism perspective. From this standpoint, the institutional structures and dynamics of social interactions were believed to have an implicit influence on the Hurunui District's capacity to undertake 'regional' tourism planning and development. In short, regional tourism development outcomes are the result of the interactions between those stakeholders charged with making decisions, and the political and institutional framework that determines how these interactions take place. Within the policy-making process, the researcher adopted a Foucauldian view of power and politics, whereby tourism development and promotion outcomes are conceptualised as being shaped by the power struggles between competing interests.

By combining the New Regionalism and Foucauldian perspectives of policy-making, a clear insight is provided into how the researcher interprets (i.e., views through the theoretical 'lens') tourism development and promotion in the Hurunui District. In the case study location, tourism policy is developed by those stakeholders engaged in the decision-making process under neoliberal-inspired public policy ideologies. This policy paradigm, as well as other government policies and legislation, provides the 'rules' that govern how these stakeholders interact and make decisions. Outcomes from the process are believed to be products of these stakeholder interactions, which are (partially) shaped by the political and institutional framework in which they operate.

5.5 Research Methodology: Qualitative

Sociological enterprise, according to Denzin (1989), rests on three interrelated activities: theory, research, and substantive interest. Theory cannot be judged independently of research activity. Research methods are of little use until they are seen in the light of theoretical perspectives. Substantive speciality is of little use or interest until it is firmly embedded within a theoretical framework and grounded upon sound research strategies. The separate elements of the sociological act, therefore, must be reunited and synthesised in the 'research act', that is in those endeavours that take the sociologist from the "vague realm of theory to substantive issues in the empirical world" (Denzin, 1989: 2). This section discusses the research methods employed in this doctoral thesis. As discussed in previous sections of this chapter, this research is framed within an interpretative social sciences paradigm. Within this paradigm, qualitative research methods are employed as the primary mechanism by which to gather knowledge from the empirical world. As such, this thesis employs a qualitative research methodology to gather and interpret information about the changing role of local government and regional tourism development in the Hurunui District.

The key principle of a qualitative approach to empirical material collection and interpretation/ (re)construction is that of empathetic understanding (Jennings, 2010). This concept has been introduced in earlier sections of this chapter, and relate to Weberian notions of 'verstehen', or empathetic understanding (Jennings, 2010). There are a number of theoretical positions that inform the use of a qualitative research methodology. These include: symbolic interactionism, heuristic inquiry, ethnomethodology, ethnography and grounded theory. This latter theoretical position – grounded theory – is employed in this research. As a theoretical position, it provides guidelines for inductively generating theory from empirical settings and materials.

Throughout the research process this researcher has remained mindful of the human element associated with local government tourism policy development and actions. This conceptualisation of local government tourism policy as a social activity, emerging from human action and interaction, has implications for the design of research strategy. In this case, grounded theory offered clear advantages in enabling the researcher to build theory

from the 'bottom-up' from the actions, words and behaviour of the people under study. As Glaser (1992: 16) noted, grounded theory recognises the importance of people in "shaping the worlds they live in through the process of symbolic interaction" and the interrelationship between peoples' perceptions and actions. It emphasises the need to "get out in the field", study phenomena using the perspectives or voice of those studied, collect and analyse data simultaneously and refine theory using a wider range of data including policy documents and secondary material (Glaser & Strauss, 1968; Goulding, 2002; Stevenson et al., 2008).

The research area described in this thesis is characterised by a complex web of relationships and a range of tangible and intangible factors. In addressing this issue of complexity within destination areas, Fonseca (2002), Mitleton and Subhan (2002), Stacey (2003), and Shaw (2002) argue that complex social phenomena are affected by a range of factors, many of which are not tangible. They advocate the use of qualitative approaches to try to describe and interpret these phenomena by focusing attention on people. By doing this, they highlight the importance of communication, conversations and story-telling as a way of developing knowledge about change in the social sphere. In the case of tourism, such an understanding is important as "the one factor that should be borne in mind by any involvement in tourism is that the only 'constant' is change" (Murphy, 1985: 77). This is especially so in the case of the Hurunui District, where rapid and fundamental change has impacted upon the political, economic and social spheres of the research setting.

The blending of grounded theory with ideas from the above-noted authors thus provides a qualitative research methodology for this research which focuses on the societal context, communications and human behaviours which shape the tourism policy, planning and development processes in the Hurunui District. This qualitative methodology enabled consideration of the multiplicity of voices of the interviewees and added depth, meaning and reflexivity. Moreover, it was developed in the knowledge that any theory arising from this study would be context-specific, although it may nonetheless have resonance in a wider setting.

5.5.1 Validity in Qualitative Research

Issues related to validity in qualitative research have been addressed for more than half a century (Atkinson, Coffey & Delamont, 2003). These issues appear to be located historically within the positivist-constructivist debate in which the relative absence of replicability, hypothesis testing and 'objective procedures' commonly associated with qualitative research methodologies. Such methodologies are largely unable to address causal questions and employ randomised experimental designs, and as such diverge from a 'pure scientific approach' advocated by a positivist paradigm.

Traditionally, validity in qualitative research has traditionally involved determining the degree to which researchers' claims about knowledge corresponds to the reality being studied (Cho & Trent, 2006). This interpretative/ (re)constructivist character does not mean that qualitative studies are not rigorous. It merely suggests that traditional measures of reliability and validity are less suited to the qualitative tradition. This point is addressed by Jennings (2010: 150), who notes rather than 'reliability' and 'validity', terms such as trustworthiness, authenticity and 'goodness of fit' are utilised.

In recent years, two quite different approaches to the validity question within the academic literature on qualitative research have emerged: *transactional* and *transformational* validity. According to Cho and Trent (2006: 121), transactional validity is an interactive process between the researcher, the researched, and the collected data. It is aimed at achieving a relatively higher level of accuracy and consensus by means of revisiting facts, feelings, experiences, and values or beliefs collected and interpreted. Transformational validity, on the other hand, is considered by Cho and Trent (2006: 121–122) to be a progressive, emancipatory process leading toward social change that is to be achieved by the research endeavour itself. This is a somewhat radical approach to the question of validity insofar as it appears to challenge the very notion of validity, even a constructed one (Wolcott, 1990).

For the purposes of this research, a transactional approach is utilised in order to address the question of validity in qualitative research. The following section describes the

specific research methods and instruments used to gather the empirical data presented in this thesis.

5.6 Research Methods: A Multiple Methods Approach

Research methods help us to understand the world. According to Singleton, Straits and Straits (1997), they are an essential set of skills, insights and tools needed to answer intelligently any but the simplest questions. Different research methods yield different types of information and, because no single research method can ever completely capture all the relevant features of any given empirical reality, authors such as Denzin (1989) argue for the use of multiple research methods in the analysis of the same empirical events. Most notably Denzin (1989) advocates a research framework based on his principle of 'triangulation'. The aim of triangulation is to exploit the strengths and neutralise, rather than complicate, the liabilities (Calatone, DiBenedicto & Bojanic, 1988). Thus, the integration of multiple data sources, investigators, theories and methods in a single investigation can better enable the researcher to forge valid propositions that carefully consider relevant rival causal factors.

Seiber (1973) argues that the use of multiple approaches in social research need not be antagonistic to research needs, but that an integration of fieldwork and survey methods may greatly increase the validity and understanding of the research problem. This notion is supported by Simmons (1984), who contends that the integration of formal and informal social research methods can be achieved on a systematic and comparative basis. It is important to note that some researchers advocate for a multiple methods approach based on combining quantitative and qualitative methods. For example, Walle (1997: 524) suggests that in the hospitality industry one of the purposes of qualitative research is to provide information for developing further quantitative research. Implicit in this is the notion that qualitative methods alone are an inadequate mechanism by which to gather empirical data. This position is challenged by Simmons (1989), who argues that this relationship can be reciprocal, with quantitative research readily able to provide information for developing further qualitative research.

Once the research strategy has been determined it is necessary to identify the techniques through which information will be gathered. Deutscher (1968), for example, identifies two techniques for investigating human behaviour through qualitative research: (1) to ask questions; and, (2) to observe behaviour. Each technique allows the researcher to uncover or reveal, and to explore, different aspects of human behaviour and interaction occurring within the study location. Likewise, each technique has inherent strengths and weaknesses that require the researcher to be judicious in selection and use at various junctures of the research process.

In an attempt to gain greater insights than that available using a single technique, this research utilises a multiple method approach to the collection of data. This approach also helps to satisfactorily address issues of validity and reliability in qualitative research (see, for example, Cho & Trent, 2006). This doctoral research therefore utilises different methods as appropriate to the different phases of the research process. Importantly, the selection of specific methods has been influenced not only by paradigmatic and methodological considerations, but also by an overarching 'macro' research question: what is the aim of my research? The principal research method utilised in this thesis is a comprehensive series of semi-structured interviews with key research informants. These interviews were undertaken with key stakeholders in order to gain an understanding of their interests, insights, attitudes, perceptions, and a history of their interactions. This method is complemented with multiple participant observation fieldwork undertaken in the case study location, and further supplemented with secondary data obtained via document analysis. Information gathered through primary research was then compared and contrasted with that gathered through secondary data collection techniques, including literature reviews, document analysis, participant observations and textural analysis of historical texts, newspapers, and government debates and policy documents. These methods are discussed in greater detail below.

5.6.1 Semi-Structured Interviews

The primary data collecting technique used in this research is semi-structured interviews with key research informants. Specifically, this research utilises a comprehensive series of 35 semi-structured interviews with key research informants from 19 agencies,

organisations and stakeholder groups associated with or impacted by tourism development in the Hurunui District. These interviews were carried out from July 2008 to June 2009, and were between 60 to 90 minutes in duration.

Semi-structured interviews were selected as the primary data collecting technique for three key reasons. Firstly, interviews provide an appropriate forum to discuss and explore historical aspects of the case study. This includes the way in which previous institutional arrangements and organisational structures have influenced current patterns of interaction and decision-making with respect to tourism and regional development. Secondly, interviews are identified within the methodological literature as the most suitable technique to investigate issues of stakeholder relationships and politics within the case study location (e.g., Henderson, 1991, Murray, 2006; Taylor & Bogdan, 1984). Thirdly, the wide range of individuals, organisations and settings to be investigated, ranging from the central government tourism managers engaged in policy development through to community-level stakeholder groups, made participant observations across the entire network both unsuitable and unworkable.

As noted by Murray (2006), while there are many advantages to using interviews as a research technique, it should not be selected as the primary tool for data collection without examining its shortcomings. These need to be acknowledged so that the researcher, in designing and conducting the interviews, can minimise the potential negative effects of this technique. Foremost among these potential shortcomings is that, unlike participant observation, the interviewer relies exclusively on second-hand accounts from others. Thus, while interviews allow the researcher to better understand the participants' experiences and interpretations of past events, when used in isolation they afford the researcher no opportunity to observe these events. Mindful of this potential shortcoming, interview data gathered in this doctoral research was compared and contrasted with information gathered through secondary data collection techniques, including literature reviews, document analysis, participant observation fieldwork, and textual analysis of historical texts, newspapers and government debates and policy documents.

Sample Selection

Research informants were selected via a purposeful method of theoretical sampling. This non-random method of sampling is accretive in process and reflexive in character, and is considered to be a hallmark of grounded theory methodology (Jennings, 2010).

Theoretical sampling is described by Strauss (1987: 21) as follows:

[Theoretical sampling is] sampling directed by an evolving theory. It is harnessed to the making of comparisons between and among those samples of events, activities [and] populations.

As noted earlier in this chapter, and in keeping with a Foucauldian perspective, research informants were selected on the basis of the various stakeholder groups, organisations and agencies they represent. These groups, in turn, were selected on the basis of the roles and responsibilities (actual and potential), influence over, and/or potential impact experienced by, the process of tourism governance and development in the case study location. As such, they were considered to be those closest to the decision-making process and, by implication, those with high levels of knowledge (and thus Foucauldian 'knowledge–power') necessary in respect of tourism-related decision-making and power relations in the Huruui District. Clearly, various respondents will have been much 'closer' to the decision-making and development process than others, depending on the roles/positions they hold and the organisations they represent. There is also an element of interconnectedness, particularly in locations such as the Huruui District, where a relatively low number of individuals typically hold a disproportionately high number of significant positions across a range of organisations.

This researcher was mindful of ensuring equitable representation across the broad range of stakeholder groups and interests within the research setting. As such, interviews were conducted with informants from the public, private, and non-government sectors at the national, regional and local levels. Interviews were also conducted with informants from the tourism industry, as well as from non-tourism industries such as agriculture. In addition, informants were selected from a broad geographical spread of the Huruui District area in order to have representation from across the case study area. Research informants from local Māori iwi (Ngāi Tahu) were also utilised in order to identify specific

issues associated with the identification and engagement of Treaty of Waitangi partners in the development of Haurunui District tourism (see Table 5.1 for a overview of the research sample, and Appendix A for a full list of research informants and positions held). The majority of interviews with research informants were conducted face-to-face and on an individual basis. These interviews were tape-recorded on most occasions to enable the researcher to establish rapport, to probe and clarify issues as they emerged and to revisit this information during the research process. Tape-recording was not used on several occasions at the request of the research informants being interviewed.

At the district level, it was anticipated that these stakeholders would be aligned principally with the public sector (e.g., local council, tourism promotions, elected officials), while at the local level, these stakeholders were likely to be aligned with the private sector (e.g., tourism business owners/operators) as well as community representatives, community organisations and individual residents. This approach was employed to clarify the way in which the public and private sectors regard tourism development and its anticipated growth, stagnation, decline and/or rejuvenation – à la Butler's (1980) concept of a tourism area cycle of evolution – as well as to reveal any incongruity between the two cohorts and identify any potential or actual vectors of conflict. As noted above, this phase of the research process was informed largely by documentary analysis undertaken prior to this stage.

Once identified and contacted, in-depth interviews were conducted with informants in which a range of questions, topics and issues were discussed. These were based around a range of key themes, including: the role of tourism in the Haurunui District; the perceived value or benefit of tourism to the District; the change over time of tourism (and its use as a development tool) in the District; how that change has been managed over time; the influence of their organisation on shaping that change; and, the impact of that change on their organisation.

Table 5.1 Overview of Research Sample

Public Sector Agencies	Local Government	Tourism Sector	Māori Interests	Local Interests
<p>National: Ministry of Tourism</p> <ul style="list-style-type: none"> • Policy Manager • Policy Analyst <p>Regional: Department of Conservation</p> <ul style="list-style-type: none"> • Canterbury Conservancy Manager (Waimakariri section) <p>New Zealand Trade and Enterprise</p> <ul style="list-style-type: none"> • Regional Economic Development Manager <p>Enterprise North Canterbury</p> <ul style="list-style-type: none"> • General Manager 	<p>Elected Positions: Hurunui District Council</p> <ul style="list-style-type: none"> • Mayor • Deputy Mayor • District Councillors <ul style="list-style-type: none"> ○ Hanmer Springs ○ Cheviot ○ Amberley ○ Amuri-Hurunui ○ Glenmark • Community Board Members <ul style="list-style-type: none"> ○ Hanmer Springs (Board Chairs – present and past) ○ Hanmer Springs (Board Members – present and past) <p>Appointed Positions: Hurunui District Council</p> <ul style="list-style-type: none"> • Chief Executive (present) • Chief Executive (past) • Manager <ul style="list-style-type: none"> ○ Environmental Services/Planning 	<p>Promotion/Managers: Christchurch and Canterbury Tourism (RTO)</p> <ul style="list-style-type: none"> • Chief Executive • Board Member <p>Alpine Pacific Tourism (RTO)</p> <ul style="list-style-type: none"> • General Manager • Board Members <p>Hurunui Tourism</p> <ul style="list-style-type: none"> • General Manager (past) • Board Chair (past) <p>Hanmer Springs Thermal Pools and Spa</p> <ul style="list-style-type: none"> • Committee Chair (present) • Committee Chair (past) • General Manager <p>Amuri Tourism Promotions Group</p> <ul style="list-style-type: none"> • Member (past) <p>Industry: Thrillseekers' Canyon Outdoor Adventures</p> <ul style="list-style-type: none"> • Owner/Operator <p>Hanmer Springs Heritage Hotel</p> <ul style="list-style-type: none"> • General Manager 	<p>Ngāi Tahu: Ngāi Tahu Property Limited</p> <ul style="list-style-type: none"> • General Manager • Project Manager <p>Ngāi Tahu Tourism Limited</p> <ul style="list-style-type: none"> • Business Development Manager <p>Ngāi Tahu Forest Estates</p> <ul style="list-style-type: none"> • Board Chair 	<p>Special Interest: Federated Farmers of New Zealand</p> <ul style="list-style-type: none"> • President (North Canterbury/Chatham Island Region) <p>Waipara Valley Winegrowers Inc.</p> <ul style="list-style-type: none"> • Committee Chair <p>Waipara Valley Promotions Association</p> <ul style="list-style-type: none"> • Committee Member <p>Waipara Valley Wine and Foods Celebration</p> <ul style="list-style-type: none"> • Committee Member <p>Hanmer Springs Community: Hanmer Heritage Forest Trust</p> <ul style="list-style-type: none"> • Trust Chair • Trustee <p>Hanmer Village Protection Group</p> <ul style="list-style-type: none"> • Secretary/Member <p>Queen Mary Reserve Trust</p> <ul style="list-style-type: none"> • Trustee <p>Hanmer Springs Business Association</p> <ul style="list-style-type: none"> • Chair

Specific issues within the research setting were also explored as and when they were revealed via the interview process. The interviewees were also asked to identify the issues and interactions influencing the tourism policy, planning and development process in their experience. Their responses often led to reflections about key people or organisations, the place or role of tourism in Hanmer Springs and the Hurunui District, the political will to engage in tourism, the networks and joint arrangements to deliver government and council policies. At the end of each interview the interviewee was asked if there were any other important issues that had not been discussed, enabling them to broaden out the frame of reference and introduce new themes (see Appendix D for a full list of interview questions).

Data Analysis

The informant interviews undertaken in this research were transcribed in full, along with any additional notes made by this researcher at the time of the interview. Notes taken during the field observations were also included, along with any comments and insights that arose from the observation. These notes gradually grew with each observation and interview, and spawned specific themes that served to support the preliminary quantitative data analysis. These themes were then separated out of the main body of data using dual processes of open coding and axial coding.

Following the work of Glaser (1992), Stauss and Corbin (1998), Goulding (2002) and, more recently, Stevenson et al. (2008), a procedure of initial open coding was used in this doctoral thesis to fragment the interview data identifying concepts and using constant comparison to scrutinise for meaning. The initial codes were labelled to generate concepts, which were then clustered into descriptive categories. The identification of concepts were then analysed in more depth and grouped under more abstract higher-order concepts. At this stage incidents were compared with incidents recalled from experience, from research notes written during the data collection and analysis process, and from the literature.

Axial coding was used to begin the process of reassembling the data that were fractured during open coding. Goulding (2002: 169) describes axial coding as “a more sophisticated

method of coding data which seeks to identify incidents which have a relationship to each other". At this stage the descriptive codes were subsumed into the higher-order category which, as argued by Goulding (2002), serves to unite the theoretical concepts to offer an explanation or theory of the phenomenon. This approach assisted in the separation of data and afforded a more precise means of analysis.

5.6.2 Participant Observation Fieldwork

Participant observation involves 'intensive fieldwork in which the investigator is immersed in the culture under study' (Patton, 2002: 81). Within the methodological literature, participant observation has been described in a variety of ways. Junker (1960), Gans (1982), Adler and Adler (1987), and Lewins (1992) have variously presented either a two-, three-, or a four-role model for participant observation fieldwork. The basis of these models can be determined according to the level of 'participation/immersion' in the observed phenomenon (see Table 5.2). This thesis utilises an '*etic*' model of participant observation based on peripheral membership. It has a strong focus on the role of the researcher as an observer (an 'outsider'), rather than as a participant fully immersed within the research setting (an 'insider').

Table 5.2 Comparison of Participant Observation Roles

(Adapted from Jennings, 2010:179)

	Junker (1960)	Gans (1982)	Adler & Adler (1987)	Lewins (1992)
Participant Observation Roles	Complete observer	Total researcher	Peripheral membership	Etic
	Observer as participant	Researcher participant	Peripheral membership	Etic
	Participant as observer	Researcher participant	Active membership	Emic
	Complete observer	Total participant	Active membership	Emic

There are a number of advantages associated with incorporating participant observation into this doctoral research (see, for example, Jennings, 2001; 2010). Foremost among

these is that participant observation allows for the examination of interactions and behaviours in real-world settings. In addition to providing first-hand information, this technique can also highlight behaviours, events and interactions that the observed (and, by implication, research informants) may not wish to discuss. There are also more practical advantages associated with the use of participant observation fieldwork. For example, it is considered to be a time-efficient data collection technique, and enables a wide range of empirical materials to be collected. This is because the researcher is typically in the study setting for an extended period of time.

As noted by Jennings (2010: 180-181), there are a number of disadvantages associated with participant observations, including an inability to accommodate temporal comparability, and is also associated with subjective interpretations by researchers. While no other method provides the detailed understanding that comes through engaging in participant observation, it is not practical or even possible in all situations (Taylor & Bogdan, 1984). Further, participant observation offers little insight into the feelings, thoughts, intentions or previous behaviours of participants (Patton, 1990). According to Murray (2006), a more appropriate approach to investigate these aspects would be for the researcher to ask questions, typically through interviews. This is commensurate with arguments for the use of multiple research methods (see above).

In order to complement the information gathered via semi-structured interviews with key research informants, participant observation fieldwork was utilised by this researcher at a number of stages during the research process. The initial phase of participant observation was undertaken prior to the commencement of the series of semi-structured interviews. This was undertaken at this time in order to provide this researcher with a fuller understanding of the research setting, including the physical environment, touristic features, and community dynamics. The second phase of participant observations was then undertaken whilst the series of interviews was in process. This was undertaken at this time in order to better understand and interpret the information gathered during the interviews, and to be able to observe and/or experience some of the phenomenon identified by research informants.

5.6.3 Document Analysis

Documents of relevance to the case study location and to the subject area were analysed by this researcher. This was done in order to provide an academic context against which tourism in the case study location can be placed. This analysis took place at three distinct levels. First, a thorough review of the academic literature relating to such themes as tourism planning, regional development, public policy and core-periphery conflict, as well as the illumination of relevant theoretical perspectives within which to frame the research, were analysed. This served to place the research within an academic framework, and provided suitable theoretical paradigms from which to interpret fieldwork data.

Second, relevant documentation relating to the placement of tourism as a mechanism for regional development were sourced and analysed. Included in this phase was an examination of policy and planning documents for the Hurunui District and for Hanmer Springs (in the form of growth management strategies and town development plans). This, in turn, was complemented by an analysis of national-level development policies and strategies directed towards the stimulation of regional economies. This provided a broad context under which to consider the application of tourism as a mechanism for regional development. Such an approach acknowledges that local-level development initiatives and actions are informed, enabled and even constrained by higher-level policy structures and parameters.

Third, local community perspectives on the suitability and acceptability of tourism as a mechanism of regional and local-level development were addressed using documentary analysis, by way of accessing meeting notes, newspaper articles, newspaper letters to the editor and the like. It was anticipated that issues relating to the provision and appropriate funding mechanisms of tourism infrastructure and facilities, as well as power and conflict in local authority and/or community politics, may be revealed during this phase of the documentary analysis. This indeed proved to be the case. This analysis occurred at the commencement of the fieldwork phase of the research and served to inform the question design of the semi-structured interviews used in this doctoral research.

5.7 Research Ethics

This research has been undertaken with the formal approval of the Lincoln University Human Ethics Committee (application number: 2008-43). As such this doctoral researcher was mindful to conduct this research in a manner which adheres to the principles of ethical tourism research. These principles are identified within the methodological literature as: integrity, respect for persons, beneficence, and justice (see, for example, Jennings, 2010: 96-122). Within these broad principles are a number of specific considerations, including (but not limited to): voluntary participation, informed consent, anonymity, confidentiality, the right to withdraw from the research project, and the right not to be harmed.

Ethical issues, such as voluntary participation, the opportunity to withdraw from the study, confidentiality, anonymity (if required by participants), the taping of interviews and access to the data were outlined in an information sheet provided to each participant, along with a consent form, prior to the interview. The researcher also brought copies of the information sheet (see Appendix B) and consent form (see Appendix C) to each interview. Before the commencement of the interview the researcher ensured that each participant understood the ethical issues relating to the research and consented to participation. At this time, the participant was also given the opportunity to discuss any issues about confidentiality that he or she thought might not have been fully addressed.

The issue of anonymity and confidentiality is an important consideration when undertaking social research. This is especially the case when investigating potentially sensitive subject areas relating to stakeholder relationships and the politics of decision-making in regional locations. In order to protect participant confidentiality, it was decided that participants would not be identified within the body of this doctoral thesis unless expressly permitted by the research informant. This stance is reflected in the wording of the research information sheet provided to each research informant. As such, participants who were unwilling to be identified by name or by organisation within the body of the thesis have been assigned a generic pseudonym (e.g., 'Anonymous Industry Representative'). This approach was adopted because it provides the reader consistency in identifying multiple comments made by the same individual without fear of disclosing

their identity. In addition, the date on which the interview occurred has also been omitted from the in-text personal references to ensure participant confidentiality when required.

The research informants typically did not raise ethical concerns. However, on one occasion a participant requested that the interview not be tape-recorded. In this instance, the researcher reverted to simple note taking (to which the informant consented) to record responses to questions. On another occasion, an informant sought clarification as to how the information they would be providing during the course of the interview would be referred to in the thesis. This clarification was provided to the satisfaction of the concerned informant. In addition, during the course of several interviews information was provided by informants on the basis that it was 'off the record' and was not to be included in the final doctoral thesis. The information obtained on these few occasions was instead used to build the researcher's understanding of the relevant issues at play within the study area and context. This was done with the approval of the research informants, and helped to critically evaluate the information gathered from other sources.

5.8 Conclusion

The purpose of this chapter has been to describe and discuss the data gathering procedures utilised in this research. This chapter thus describes the research approach adopted within this thesis, and discusses details of the rationale behind the selection of the research strategy, data collection techniques and procedures for analysis.

Specifically, this research utilises a single case study of local government and tourism development in the Hurunui District. Rather than being a methodological choice, a case study is a research strategy used to investigate phenomena within a real-world context. As noted above, a case study typically attempts to achieve a holistic understanding of a phenomenon as it occurs within a bounded system through an in-depth investigation, utilising multiple data sources. Such an approach is widely accepted in the tourism and planning literature. A single case study approach thus fits well with this doctoral thesis, which is developed from the views of a range of tourism stakeholders, including policy

makers, local government planners and politicians, tourism managers and promoters, community stakeholder groups and industry representatives.

This single case study approach is framed within an interpretative social sciences paradigm. This paradigm, which sits within a broader suite of constructivist research paradigms, has its foundations in notions of empathetic understanding. Central to this notion is the concept of appreciative accuracy, in which the researcher is able to grasp adequately and convey accurately the emotional context in which the action took place. This interpretative social sciences paradigm is also informed by sociological writings, in which the process of interpretation is argued to be of central importance when analysing social settings. This thesis seeks to integrate a New Regionalism and Foucauldian perspective for the purposes of analysis.

Qualitative research methods are employed as the primary mechanism by which to gather knowledge from the empirical world. As such, this doctoral thesis employs a qualitative research methodology to gather and interpret information about the changing role of local government and regional tourism development in the Hurunui District. Within this qualitative research methodology, this research employs a multiple methods approach to the collection of data. The principal research method utilised is a comprehensive series of 35 semi-structured interviews with key research informants from 19 agencies, organisations and stakeholder groups. These interviews were conducted from July 2008 to June 2009. They were undertaken in order to gain an understanding of the societal context, communications, and human behaviours which shape tourism policy, planning and development in the study setting. This method is complemented with participant observation fieldwork, and further supplemented with secondary data obtained via document analysis. Information gathered through primary research was then compared and contrasted with information gathered through secondary data collection techniques.

Taken together, this researcher considers that the approach employed in this thesis is in keeping with the paradigmatic values and methodological techniques identified within the academic literature. As such, the research findings reported in this thesis are based

on a robust and defensible methodological position. The following chapter will now introduce the case study location – the Hurunui District, New Zealand – and discuss the salient characteristics and issues which serve to contextualise this research project.

Chapter 6

Research Setting: The Hurunui District, New Zealand

6.1 Introduction

The purpose of this chapter is to describe the case study location of the Hurunui District, New Zealand. In doing so a number of key and often recurring themes will become evident, such as territorial administrative amalgamation, the historical and ongoing presence of central and local government intervention in, and responsibilities over, various tourism-related resources within the District area. In addition, and perhaps most significantly, this chapter will attempt to chart the changing socio-political landscape within the present-day Hurunui District area. It is intended that this will provide a broader context upon which the research findings contained in this thesis can be interpreted. That is to say; the tourism development experiences of the Hurunui District are socio-politically contingent, and as such one must have a full understanding of the forces and processes involved in shaping that context.

This chapter begins with an examination of the early development of the District area and the process of territorial administrative amalgamation. It then provides a discussion of the changes to rural life experienced in the Hurunui District, with a focus on the development of sunrise industries such as tourism. It then moves on to an extended discussion of the township of Hanmer Springs; the premier tourism destination in the Hurunui District. Within this section the issues of government involvement in the development of the Hanmer Springs' tourism product (the Hurunui District's apex tourism attraction) are explored.

6.2 Background

The Hurunui District is situated in the North Canterbury region of New Zealand's South Island (see Figure 6.1). This District is rural in character and, as is typical of many rural districts in New Zealand, occupies a large land area (8,646 sq. km) that is sparsely populated (resident population 10,476). The District area itself is divided into five

municipal wards³³, with the administrative capital for this territorial local authority (TLA) located at the southern end of the District area in the township of Amberley. This administrative capital is situated approximately 85 kilometres from the alpine village of Hanmer Springs; the District's premier tourist destination.

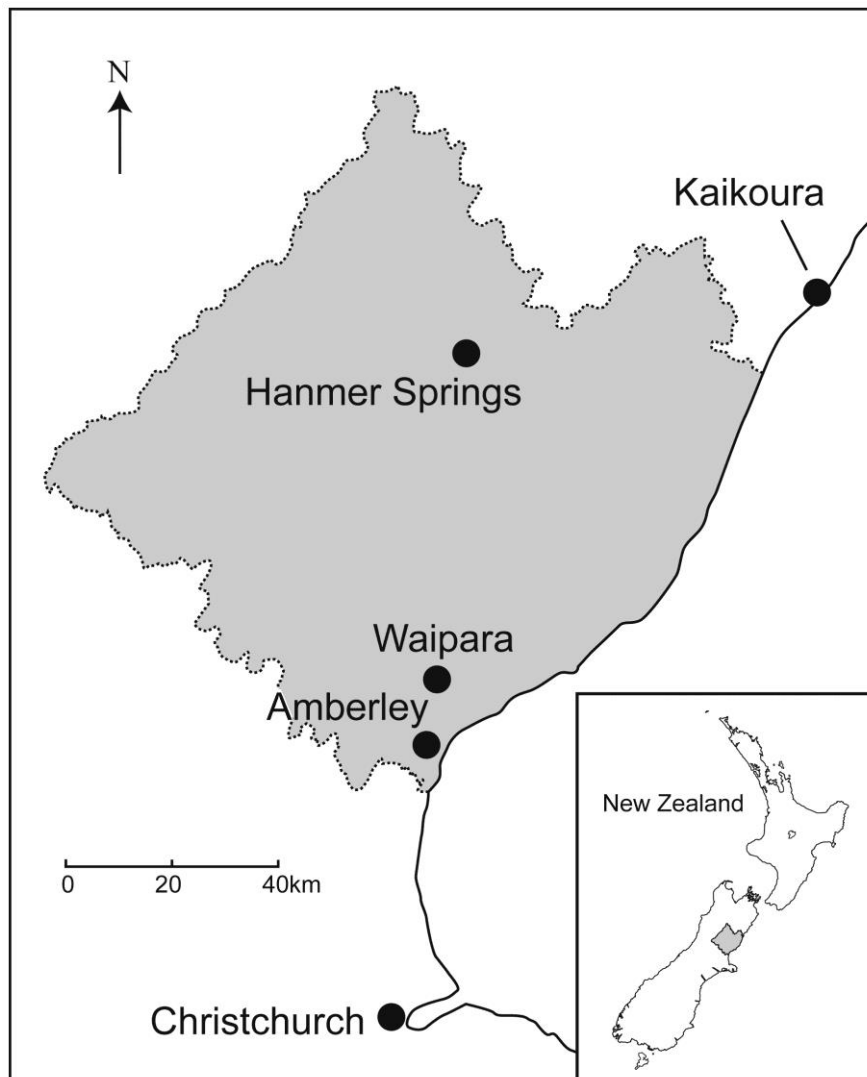


Figure 6.1 Location Map of Hurunui District, New Zealand

The strong farming presence within the District economy, while now complemented by recent growth in tourism and viticulture, signals the Hurunui's traditional and ongoing links with the agricultural sector. In fact, this history of pastoralism characterises the early

³³ These municipal wards are: Amberley, Amuri–Hurunui, Cheviot, Glenmark, and Hanmer Springs.

histories of many settlements throughout the wider Canterbury region, with much of the socio-economic development experienced in these rural areas said to have been carried “on the sheep’s back” (Gardner, 1983: 433). The recent history of the area now occupied within the District boundaries is punctuated by change. While the social histories of the Hurunui reach back over 100 years, the Hurunui District itself is a relatively new incarnation, having only been gazetted in 1989.

A series of three territorial amalgamations at the local government level, beginning in 1968 and finishing in 1989 with the Local Government Act 1989 saw the area go from a group of individually administered counties to the present-day Hurunui District. It is important to note that this process of amalgamation was vehemently opposed by each of the constituent areas and was, according to Lovell-Smith (2000), finally agreed only under considerable duress from central government. In addition, the Canterbury Regional Council (‘Environment Canterbury’), instituted under the same Act, assumed responsibilities for the management of biophysical resources within the District. Thus, the nexus of administrative power and control within the District has undergone several iterations and has moved progressively toward an increasingly centralised position.

In addition to these changes, the Hurunui District (as was the case for many rural areas throughout New Zealand) experienced a period of significant upheaval in the primary sector during the late 1980s and early 1990s. As noted earlier in this thesis, this upheaval was the result of a process of wide-ranging state sector reforms and concomitant government policies directed toward the removal of farming subsidies and trade tariffs. This ‘more market’ approach by central government, while typical of a growing trend internationally towards a neoliberal economic perspective, nonetheless represented a significant threat to many regional economies (see, for example, Dalziel, 2012: 64–65). The Hurunui District, which until that point had relied largely on pastoral farming as the foundation of the District economy, was faced with the need to diversify its economic base or risk economic decline and potential de-population. The promotion and development of the District’s tourism sector was thus regarded by the Hurunui District Council as an appropriate means by which to ameliorate the effects of a declining agriculture sector. For the Hurunui District it was a case of not only diversifying its

economic palette, but of continuing the District area's long-standing association with the tourism sector and long-standing history of government involvement in the District's tourism sector.

6.3 The Development of a District: The Early Years

According to Lovell-Smith (2000: 11), a visitor to the area now known as the Hurunui District in the 1950s would not have been able to detect that the region was divided into the five counties of Cheviot, Amuri, Waipara, Kowai and Ashley. The scene outside the car, bus or train window was of rolling hills and river flats bounded by mountains to the west and coastal hills to the east. Sheep and some cattle grazed on the hills and crops grew on the flatter land. Thus, the North Canterbury region at that time shared a common economic base: sheep and other forms of pastoral and arable farming.

The end of the Second World War in 1945 and the return of servicemen to rural areas marked the beginning of a period of growth and recovery³⁴. The sheep farmers were about to experience the 'wool boom' brought about by the Korean War, which began in 1950, and farmers in North Canterbury were well placed to capitalise on this demand. Sheep numbers had already started to rise in the mixed agricultural basins around the rural townships of Waikari, Hawarden, Culverden and Cheviot. This was due largely to advancements in agricultural science in the form of better strains of pasture seeds. In addition, the increasing mechanisation of farming during the early 1950s allowed for the large-scale application of pasture fertiliser in the District (Lovell-Smith, 2000).

After the end of the Second World War, the use of aircraft to spread thousands of tonnes of lime and superphosphate – as well as other fertilisers and rabbit bait, especially on steep or broken country – had become a feature of North Canterbury farming (Wilson, 1993). The use of new kinds of pasture, especially the growing of lucerne, was also a significant development for the District during this time. According to accounts by local historians (e.g., Cresswell, 1952; Gardner, 1983), the uptake of new pasture technologies

³⁴ Telfer (2002: 40) notes the thinking in the time period immediately after the Second World War was dominated by functionalist modernisation and influenced by Keynesian economics, which advocates a relatively high degree of state intervention.

and mechanised production methods saw many farmers treble their production, the result of which saw the District become “prosperous in the extreme” (Cresswell, 1952: 125). For some North Canterbury farmers, the pioneering stage of taking up land was a recent experience. Following the Second World War, a number of soldiers’ rehabilitation schemes saw farms being made available in several parts of the region: at Motunau in the Waipara County; near Amberley (the present-day Hurunui District administrative capital); and in the Amuri County. For those returned soldiers who took up this land, the pioneering experience was truncated into a few years, as they progressed rapidly from having no electricity or telephone services and working with draught horses, to achieving greatly improved amenities in a relatively short space of time (Ensor, 1983).

While most of the land in North Canterbury was taken up with pastoral farming, there were some exceptions to the rule. For example, at Ashley, Balmoral and Hanmer Springs, there were three large state forests planted mainly in *Pinus radiata*. At the settlement of Loburn, about 30 small orchards west of the Makerikeri River had been planted between 1914 and 1916. While a combination of adverse factors in the 1930s and 1940s – including the loss of the export trade during the Second World War – saw many orchards pulled out, the 1950s was a decade of recovery for those who remained. Near Sefton, in the Kowai County, was a long-established dairying area.

Despite the apparent uniformity of land use in the region, each county and township had its own distinct history and character, and residents and County councillors were keenly aware of where the County boundaries lay. Sometimes the demarcation of the boundary became very obvious when, for example, a centre-line road mark stopped halfway across a bridge. Indeed, one observer has described the North Canterbury counties at the time as “like walled cities; each one regarding ‘their own territorial rights as sacrosanct’” (Lovell-Smith, 2000: 14). A brief description of these formative North Canterbury counties thus follows, as it is these ‘walled cities’ which would ultimately be compelled through circumstance and central government directive into territorial administrative amalgamation to form the present-day Hurunui District.

6.2.1 Cheviot County

Cheviot County (84,000 hectares) was one of the smaller counties in New Zealand. Defined in the Counties Act (1876), it remained a County 'on paper only' until 1893, when the government purchased the Cheviot Hills estate and subdivided to provide land for settlers. The topographical features of the County – a strong line of coastal hills to the east, the Lowry Peaks to the west and gently rolling hills and river flats in between – gave the County a bowl-like shape. This, according to Lovell-Smith (2000: 14), fostered feelings of isolation and self-sufficiency. While such feelings might be regarded as somewhat typical of many rural areas during this time of early settlement and development, Cheviot County was unlike the other North Canterbury counties in that it had only one major township, which was also called Cheviot. This township served as the business and administrative capital of the County.

6.2.2 Amuri County

Cheviot County's western neighbour was the much larger Amuri County (429,000 hectares), although much of its area extended into mountainous 'high country'. The Amuri County was distinguished by two contrasting topographical features: the Pukahu Plains of the Waiau and Hurunui rivers (also known as the Amuri Plain); and the hills and high country surrounding the plain.

The Amuri County was a very productive pastoral area. Prior to 1939, much of this pastoral activity consisted of high country grazing. However, at the end of the Second World War regional planning was being promoted as part of post-war reconstruction. This movement towards regionalism in public policy was the forerunner to the new regionalism evident in many Western democracies at present. At the top of the list of North Canterbury rural projects was irrigation. The Amuri Plain was seen as a suitable area for development (Gardner, 1983: 433), but it was not until 1977 that construction commenced on the Amuri Plains Irrigation Scheme. Three years would pass before the first stage of the Waiau section of the scheme was ready to operate, and a further four years before the final section of the scheme – the Balmoral section – was completed. The impact of the irrigation scheme was significant, and not only increased profitability for farming, but also created suitable pasture conditions for dairy farming on the plains. The

prominence of dairy farming in the former Amuri County area continues to the present day.

Unlike Cheviot, with its single main centre, Amuri County had four distinct townships: Culverden; Rotherham; Hanmer Springs; and Waiau. The township of Culverden – the administrative capital for the Amuri County – was the last of the four centres to be established and owed its existence to the railway which arrived there in 1886. Because it was also on the route of the only formed road to the Marlborough Region (to the north) it became a rail and coach centre. The building of livestock sale yards in 1888 ensured that it became a stock centre for the Amuri (Gardner, 1983). The other township of note in this County, and one which is presently of central importance to the Hurunui District's destination product, is the township of Hanmer Springs. This township will be discussed in finer detail in Section 5.6 of this chapter. However, for the purpose of continuity a short description of the town is provided below.

Hanmer Springs is unlike all the other North Canterbury townships insofar as it was not (and is not) primarily a farming service centre. The presence of a natural upwelling of hot springs had made the area a popular tourist destination from its early days – particularly for Christchurch residents – and by the 1950s there were about as many holiday homes in the township as there were permanent residences (Lovell-Smith, 2000: 19). The economy of the township was determined by the presence of the Queen Mary Hospital, which since the 1940s had been oriented towards the treatment of functional diseases of the nervous system and the detoxification of alcoholics. The hospital's origins went back to 1916 when it was first opened as a sanatorium for shell-shock and neurasthenic cases following the First World War, but had since been under the auspices of the health department. The hospital owned and controlled the hot pools, which consisted of three small swimming pools dating from between 1893 and 1908 (Rockel, 1986).

With a population of 872 at the time of the 1951 census, Hanmer Springs was the largest town in the District and, according to Lovell-Smith (2000: 20), in many ways the most progressive. The presence of a large government institution (i.e., Queen Mary Hospital) and a hardworking progress league, formed in 1933, were contributing factors. Because it

was a holiday destination, Hanmer Springs also had several guest houses, two motor camps and an expensive Spanish-styled private hotel called The Lodge. As a centre for detoxification of alcoholics, there were no licensed premises in Hanmer Springs until The Lodge obtained a liquor licence in 1953.

6.2.3 Waipara County

Waipara County (242,746 hectares) lay between the Hurunui River to the north and the Waipara River to the south, extending inland to the west as far as the Puketeraki Range and Lake Sumner, and to the coast in the east. The County was divided by a range of distinctive limestone hills. The two main areas of settlement were at Waipara Township, Omihi and Greta Valley on the seaward side of the range, and Hawarden, Waikari and Scargill on the inland side. The County offices were located at Waikari, while the township of Hawarden served as the service centre for a large surrounding farming area. Waipara Township, situated at the railway junction where the branch line to Waiau left the main north line, was largely a railway settlement.

6.2.4 Kowai County

Like Waipara, the Kowai County (40,778 hectares) had once been a Roads Board District in the Ashley County (Lovell-Smith, 2000: 25). It became a separate County in 1912. The County was bounded by the Waipara River in the north, the Ashley River in the south, the coast in the east and by a line from the top of Mt. Grey to the Ashley Township in the west. The County headquarters were situated at the township of Balcairn, which was the historical centre local body activity since the Roads Board built its offices there in 1876. A short distance south of Balcairn lay the larger township of Sefton, which in its 'heyday' saw the development of railway, dairying and flour milling; the last significant industry for Sefton.

The present day Hurunui District capital, Amberley, is situated a few kilometres north of Balcairn. It was settled later than Balcairn and Sefton and had, by 1950, become the largest township in the County. Like the communities of Balcairn and Sefton, Amberley was established when the railway was being put through and continued to grow at the

expense of Leithfield, its nearest neighbour to the south. Leithfield, situated on the main road north from Christchurch (but not on the railway line), had flourished in the 1870s when it was the only business centre between Kaiapoi and Kaikoura and all the traffic stopped there (Lovell-Smith, 2000: 27). But when the railway reached Amberley in 1876 business quickly moved to Amberley and Leithfield declined.

6.2.5 Ashley County

The Ashley County, which lay inland from Kowai County, was larger than Kowai in terms of its area (80,072ha), but was largely rural and had a far smaller population. The County's southern boundary was the Ashley River; its eastern boundary ran through Ashley Forest, and in the north-west the County included part of Lees Valley. There was no township within its boundaries and the nearest shop and post office were at Ashley Bank at the south-east corner of the County. According to Lovell-Smith (2000), the size of the County can be gauged by the number of staff it employed: the County Clerk, Jack Finlay, was the only administrative worker. The outside workers comprised a County foreman, a grader driver and two truck drivers. The 40-year period from 1950 to 1989 was to see most of the North Canterbury region which was composed of five counties – the 'walled cities' – finally united administratively under the aegis of one local body. How this came about is described in the next section.

6.3 Territorial Amalgamation in North Canterbury

Local government reform – under the guise of territorial amalgamation – was talked about for many years in North Canterbury before the present-day Hurunui District was finally established in 1989. Prior to the commencement of county mergers in 1968, the North Canterbury area was divided into five Counties: Cheviot, Amuri, Waipara, Kowai and Ashley. Each of these counties was, in turn, administered by its own elected County Council. According to Lovell-Smith (2000: 29), while there was general agreement that

there were too many separate local authorities in New Zealand³⁵, to actually achieve the amalgamation of counties was much more difficult.

There had, however, been numerous proposals for reform and unsuccessful attempts at amalgamation before this time (Lovell-Smith, 2000). Relevant to this history was the provisional scheme to amalgamate the five North Canterbury counties of Kowai, Ashley, Eyre, Oxford and Rangiora, issued in 1949. This scheme, however, was abandoned by the Local Government Commission in 1950 after the Eyre County had made it known it would prefer a union with Oxford and Rangiora only, but also because a general election was about to take place and local body reform was not politically palatable (The Christchurch Press, 1950).

In 1953 the Local Government Commission Act was amended to place more emphasis on negotiation between the commission and the local authorities. Meetings between the North Canterbury counties and the Local Government Commission held in 1954 resulted in the five counties of Ashley, Eyre, Oxford, Rangiora and Kowai formally requesting the Local Government Commission to formulate a scheme embracing the five counties and the Ashley-Waimakariri Water Supply Board. This scheme also did not proceed, after Oxford County rejected the proposal (Lovell-Smith, 2000). The other four counties then asked the Local Government Commission to bring down a further provisional scheme which was subsequently rejected by a poll of electors in the Kowai County in 1956 (The Christchurch Press, 1956).

The Amuri (home to Hanmer Springs, the Hurunui District's premier tourist destination), Cheviot and Waipara counties considered amalgamation between 1954 and 1956. These plans for amalgamation, however, were abandoned after a meeting between the three counties in March 1956. The reasons for this abandonment were outlined in a letter to the Local Government Commission from the Waipara County Clerk, dated 19th April 1956, which stated that the "unanimous opinion of all present that no advantage would

³⁵ In 1948 there were 125 county councils in active operation. This figure was more than double the number created by the Counties Act of 1876.

accrue from any scheme of reorganisation of local government in the area” (Lovell-Smith, 2000: 30).

As noted by Lovell-Smith (2000), the possibility of amalgamation had been hanging over the counties for seven years at this point, making it difficult for them to plan ahead. As the chairman of the Kowai County, Mr Joe Blakely, commented at the end of 1957, the abandonment of the amalgamation proposals had enabled the County to proceed with constructive development (The Christchurch Press, 1957). The inevitability of local government amalgamation, however, was finally confirmed in 1968 by the voluntary merging of the Kowai and Ashley counties, thus creating the newly-formed Ashley County.

6.3.1 First Movement: The Ashley County Amalgamation, 1968

The territorial amalgamation of Ashley and Kowai was by way of a more ‘organic’ process, after the respective Councils had become accustomed to working together on issues like noxious weeds and the eradication of hydatids. The prospect of amalgamation at this time, while still resisted, was beginning to be seen more favourably at the Council level for a number of reasons. Foremost of these was Ashley County posting a financial deficit at the end of 1963 – the first such deficit in 18 years – prompting a leading County Clerk to comment: “it does appear as though the resources of the Council, both financial and physical, are being taxed to the limit” (Lovell-Smith, 2000, 30).

It is apparent that one of the most significant issues for the County Council at this time (and for many of similar ilk) was the system of roading funding. The national funding system for roading was centred principally on the State Highway network. The cost (and responsibility) of maintaining this national roading system was borne by the Ministry of Works; a central government department. However, because counties like Ashley had no state highways within territorial administrative boundaries it became increasingly difficult for these local authorities to make financial ends meet. Indeed, such was the financial plight of such County Councils during this time that it was remarked that “the days of the small County had gone” (The Christchurch Press, 1965).

This process of amalgamation was accelerated in 1966 when the two Councils met to consider a report from the National Roads Board. They found that the Board would 'foster' the amalgamation of counties by agreeing to accelerate roading programmes in the weaker counties, thereby bringing them up to the standard of the larger counties. At the time both counties, but particularly Ashley, were facing the necessity of replacing a large number of bridges. According to Lovell-Smith (2000), the prospect of what amounted to an 'amalgamation grant' was very appealing to both County Councils. At the request of the counties, a survey of the required roading and bridging work in both counties was undertaken by the National Roads Board in 1967. The results of this survey revealed that the Councils stood to gain approximately \$67,000 in roading and bridging subsidies over the next five years if they amalgamated. In addition, they could also expect to save at least \$4,000 in administrative costs (Lovell-Smith, 2000). It is important to note that in 1967 these sums of money were significant and represented a considerable 'sweetener' for the prospect of amalgamation.

In November 1967 the Councils asked the Local Government Commission to prepare a provisional scheme for the merger, and when no objections were received within the following month, the scheme became final at the end of December 1967. The new County created by the amalgamation of the Kowai and Ashley counties was named Ashley County.

6.3.2 Second Movement: The Hurunui County Amalgamation, 1977

The fourth Local Government Commission, set up in 1967, was given the task of producing area schemes for the whole of New Zealand by the end of 1972. It was little over a year after the Kowai-Ashley amalgamation that the Local Government Commission contacted the newly created Ashley County requesting its views on further territorial amalgamation. Unsurprisingly, the response of Ashley County was not favourable (Lovell-Smith, 2000). Despite these views, the Local Government Commission pursued its course and, by June 1971, had prepared a Draft Area Scheme. The 'New County No. 1' proposed

in the scheme (with a suggested name Hurunui) was an amalgamation of Amuri, Cheviot and Waipara, with small portions also of the Kaikoura, Oxford and Ashley counties³⁶.

An important component of the proposed scheme was the inclusion of the township of Amberley, because of the need to include a “desirable residential area through which all County traffic would pass, and within which an administrative centre appropriate to the needs of the new authority could be established” (Local Government Commission, 1971: 123–124). This proposed area scheme, however, was not received favourably and the Amuri, Cheviot and Ashley counties all objected to the scheme; Amuri and Cheviot on the grounds that the new County would be too big and the administrative centre at Amberley too far from the distant parts of the County (Lovell-Smith, 2000). Ashley complained that having “built itself into a strong unit of local government by previous voluntary amalgamation, [it] was now proposed to be divided up to the benefit of other authorities” (Local Government Commission, 1972: 23). All objections were dismissed.

The final scheme was issued in October 1972, shortly before the general election that saw the third Labour Government come into office. As a result of the change of central government, the ‘grand plan’ for North Canterbury was not pursued by the Local Government Commission (Lovell-Smith, 2000: 35). In July 1973, after the Minister of Local Government had commented that he favoured voluntary amalgamations, the Waipara County Council and Ashley County Councils commenced discussions regarding the likelihood of a proposed merger. However, due to the political climate of the time, which was ‘complicated’ by a change of government in the 1975 general elections, the amalgamation of the Waipara and Ashley Counties was not finalised until 2 May 1977. On that same day, the newly created Hurunui County Council held its inaugural meeting. In approving the merger of Ashley and Waipara, the Local Government Commission made it clear that while this could be regarded as a ‘step in the right direction’, it was not the ultimate solution for North Canterbury (Lovell-Smith, 2000: 37).

³⁶ This proposed amalgamation was very similar, in fact, to the boundaries of the eventual Hurunui District Council, which came into being almost 20 years later in 1989.

6.3.3 Third Movement: The Hurunui District Amalgamation, 1989

With the election of the fourth Labour Government in 1984, it became apparent that local government was going to be overhauled in the name of improved autonomy, efficiency and accountability (Bush, 1995). This was soon confirmed by the setting-up of the seventh Local Government Commission, which in April 1985 contacted the Amuri, Hurunui and Cheviot County Councils to request a review of territorial administrative boundaries, functions and powers, and relationships with neighbouring territorial councils. Following this, in August of that same year, the Commission presented a report to each of the three County Councils, recommending that there were “sufficient advantages evident to make consideration of a union desirable” (The Christchurch Press, 1985).

The general consensus was that amalgamation would have many practical advantages, particularly for the Amuri and Cheviot counties, including a larger financial base, better qualified and more specialised staff, better and bigger plant, and more sophisticated office equipment. Against these advantages the County Clerks spelt out possible social implications: the County may be so large that people feel out of touch; there would be reduced representation and councillors and staff could be less accessible. Cheviot, as the only township in Cheviot County, was seen as being especially vulnerable to a loss of community identity (The Christchurch Press, 1985).

In 1986 the three counties met with the Local Government Commissioner, who requested they make a study of potential cost savings from a three-way amalgamation. A report prepared by the three County Clerks estimated that a three-way merger would save the counties about \$200,000 in administrative costs alone, while a two-way merger between Amuri and Cheviot counties would produce a cost saving of \$31,000 (Lovell-Smith, 2000: 41). Despite these potential cost savings, each County’s response was to reaffirm their desire for maintaining administrative independence from one another.

In 1987 the Local Government Commission once again contacted the three Councils, giving them a deadline of 31 July of that year to ‘talk amongst themselves’ about voluntary amalgamation and report on progress. As was the case on previous occasions, Amuri, Hurunui and Cheviot remained in favour of preserving the status quo (Lovell-

Smith, 2000). By this time, however, the Local Government Commission position on amalgamation had 'firmed', and in October 1987 gave the counties until December 1987 to agree to a 'voluntary' merger or risk having the commission impose its own proposal on them. The comments of the Chairman of the Cheviot County Council – Mr Robert Sloss – appear to reflect the prevailing views of each of the County Councils at the time, when he stated that “while he could find no good reason for amalgamation, the consequences of refusing a merger might be worse than joining” (The Christchurch Press, 1987a).

At a joint meeting on 27 November 1987 the three Councils agreed that a representative subcommittee of three councillors from each Council be established to explore the possibilities of a 'reorganisational proposal' introducing a new unit of territorial local government comprising the three counties of Amuri, Cheviot and Hurunui. In the week before Christmas 1987, the Hurunui, Cheviot and Amuri County Councils bowed to the inevitable and reluctantly agreed to the three-way amalgamation. The wording of the Amuri County Council's motion for the three-way amalgamation – which was passed by only one vote – captured the despondency of the situation, beginning “Reluctantly, under extreme pressure from the Local Government Commission...” (The Christchurch Press, 1987b).

While the series of local government mergers in the Hurunui were ultimately 'voluntary', the historical record of these events clearly indicates that amalgamation in North Canterbury was voluntary in name alone. In fact, many commentators have suggested that it was a political inevitability that the mergers occurred. Moreover the process of amalgamation itself, and the inevitable requirement for concession and compromise by participants on numerous issues, propagated clear 'winners' and 'losers' with respect to the carving-up of territories and the re-establishment of political structures and power relations. These winners and losers were by no means restricted to those within the boundaries of the merging counties.

For the newly-formed Hurunui District, the final merger also re-ignited a long-standing territorial administrative boundary dispute with the Rangiora District Council to the south. There was still an outstanding issue over the southern boundary of the new

County. All three counties had made it very clear that the agreement to amalgamate had rested on the assumption that the Hurunui's southern boundary would remain unchanged. This was, however, challenged by the Rangiora District Council (later to become the Waimakariri District Council). Rangiora had recognised the existing boundary as anomalous since the Ashley–Waipara merger of 1977, and was determined to rectify it (Lovell-Smith, 2000: 41). Hurunui County argued that the boundary change would 'weaken one local authority for the benefit of another' (The Christchurch Press, 1988).

Under the District Scheme proposed by the Local Government Commission, the newly created Hurunui District stood to lose \$8 million per annum in revenue from forestry resources in the Ashley Forest (Lovell-Smith, 2000). In addition, the proposal would also cut through the County's water scheme. Despite these concerns, however, the Local Government Commission released its final draft scheme for North Canterbury, in which the southern part of the former Hurunui County would go to the new Waimakariri District Council. This equated to a loss of 30 per cent of the overall rating area of the then Hurunui County and would mean a loss of \$700,000 per annum in rates. Moreover, Hurunui County was losing 40 per cent of its bridges and 60 per cent of its roads, the rating area of subdivisions in Loburn and Ashley, and the Canterbury Timber Products factory; the single largest ratepayer in the District (Lovell-Smith, 2000: 42). Taken together, this process of amalgamation and associated revision of administrative boundaries created not only a significant political impact but also a significant and deleterious impact on the resource base of the emergent Hurunui District.

6.3.4 Fourth Movement: Reconfiguring Regional Government

Just as the amalgamation of the North Canterbury counties took a long time to happen, the idea of some kind of regional government was also discussed for many years. The Labour Government elected at the end of 1972 included in its election manifesto "rationalising local government by regionalisation" (Bush, 1995: 47). In much the same way as local authority amalgamation, the District Councils in the Canterbury region took a pragmatic approach to the adoption of a regional authority (Lovell-Smith, 2000: 44). Instead of resisting and then having a regional authority imposed on them, they chose

instead to create a Canterbury United Council³⁷, which was formed in 1979. The 1979 scheme provided for the United Council to undertake regional planning and regional civil defence, and to assume the functions of the Canterbury Regional Planning Authority under the Summit Road (Canterbury) Protection Act 1962.

With Labour once again in government at the end of 1984, it was soon evident regional government was going to be strengthened. After the 1987 general election the pace of change intensified. Undeterred by more than 500 submissions on the proposed local and regional government reforms, the government proceeded with its Local Government (No.3) Act 1988, providing for the preparation of schemes which included directly elected Regional Councils responsible for resource management, and the abolition of ad hoc boards. The final draft scheme for the Canterbury Regional Council was released at the same time as the plan for the amalgamation of the three counties – Amuri, Cheviot and Hurunui – in 1989. There was disappointment amongst these County Councils that 12 of the Regional Council’s representatives were to come from Christchurch, while just two would come from North Canterbury (Lovell-Smith, 2000: 44). The first Canterbury Regional Council was elected in October 1989 at the same time as the first Hurunui District Council.

The progress towards amalgamation in North Canterbury was largely a series of reactions to decisions and conditions emanating from central government (Lovell-Smith, 2000: 45). According to Murray (1985: 223) amalgamation schemes promoted by central government had little success unless there was a specific local issue also motivating Councils to act. The voluntary merger of the Ashley and Waipara counties arose from the difficulty Ashley was having in funding roads and bridges under the conditions of the National Roads Board Act. When Ashley and Waipara merged in 1977 they were motivated by staffing and accommodation problems, but they were also reacting against, and trying to forestall, a scheme emanating from the Local Government Commission.

The 1989 union of Hurunui, Amuri and Cheviot was ultimately forced on the three counties by central government, under the auspices of the Local Government

³⁷ Unlike regional councils, which are elected bodies, united councils were ‘nominated’ councils.

Commission. While one may wish to speculate about whether or not voluntary amalgamation might have eventually occurred under different conditions, the socio-political uncertainty precipitated by this extended period of change had, somewhat ironically (given the highly parochial nature of constituents within each County), a galvanising effect for local residents. The extended period of local government amalgamation – commencing in 1968 with the Ashley-Kowai merger and culminating in 1989 with the formation of the Hurunui District – provided North Canterbury residents with a common experience from which to rail against the seeming injustice of the reforms and to celebrate the creation of a new common identity. What is certain, however, is that by the 1980s the counties were no longer the ‘walled cities’ of the past. Improved roads and communications had encouraged and enabled a much greater degree of contact among North Canterbury residents. Another factor which had greatly improved co-operation among the counties was their working together in a common struggle against the noxious weed, *nassella tussock*.

6.3.5 Postscript to Amalgamation in the Hurunui: A Fifth Movement?

It is interesting to note that the prospect of yet more local government amalgamations continues to mark the District’s political landscape. Specifically, the potential for amalgamation between the Hurunui and Kaikoura District Councils has been mooted by the Local Government Commission as recently as September 2008. The Kaikoura District is the Hurunui District’s eastern neighbour and experiences high tourist flows through its one major township: Kaikoura Township. Kaikoura is home to a thriving nature-based tourism industry and is used as a launching point for an array of marine tourism attractions and activities (e.g., whale watching, swimming with dolphins, viewing fur seal colonies etc). Thus from a purely tourism perspective there would seem to be obvious and potentially beneficial synergies associated with territorial amalgamation between the two neighbouring districts. However this proposal has been formally rejected by Hurunui District residents and is, at the time of writing, not being pursued by either District Councils or by the Local Government Commission.

6.4 Changes in Rural Life: Economic Upheaval and the Rise of Sunrise Industries

In addition to the above-noted administrative changes, the Hurunui District has been affected by both national and international events during the past 50 years. Following the introduction of incentives to encourage farm development in the 1960s, the government later introduced measures to counter the effects of depressed wool and lamb prices in the 1970s in order to protect farmers' incomes. A livestock incentive scheme was introduced in 1976 aimed at boosting stock numbers. The 1978 budget saw the introduction of 'Supplementary Minimum Prices' (SMPs) for all the major pastoral products, and the introduction of the Land Development Encouragement Loan Scheme. In the Amuri County, some 80 per cent of the hill country farms became involved in livestock incentive schemes and the farm improvement loan programme (Lovell-Smith, 2000: 84).

Meanwhile, overseas factors, including Britain's entry into the European Economic Community (later to become the European Union) in 1973, and the increase in oil prices in the 1970s, led to falling world prices for New Zealand agricultural products. In 1983 the government acknowledged that the level of assistance for agriculture was unsustainable, and in 1984 it announced that the SMP scheme would close at the end of 1983–1984 Season. The Labour Government's first budget of 1984 took matters even further, announcing the end of concessionary farm development loans and the removal of subsidies on fertiliser and noxious weed control. This last point was significant for the Amuri County, given the problems of eradicating the *nassella* tussock.

Other measures followed, including the introduction of partial cost recovery for services provided by the Ministry of Agriculture and Fisheries, and the phasing out of development expenditure tax deductions and the concessionary livestock valuation system (Rayner, 1990). These national and international developments had a major impact on North Canterbury's farming communities. Farms and farmers came under financial pressure in the mid-1980s and were still under pressure at the end of the 1990s. Many farms were sold, often to be divided and bought by neighbouring farmers anxious to increase their farm size. Small farms, in particular those up to 300 acres (121 hectares)

which in the 1960s provided a good living for farming families, were too small to be economically viable by the 1990s.

A major change in rural life during this period was the loss of permanently employed farm workers. Between 1976 and 1990, the number of permanent full-time paid farm workers in the Hurunui District fell by 200. On many farms the labour contribution of spouses became vital. In some cases, wives (or husbands) took on part-time work away from the farm in order to keep them financially afloat (Lovell-Smith, 2000: 85). Other farm properties turned to supplementary activities to boost farm incomes. Some North Canterbury properties, taking advantage of the natural beauty of their surroundings, began to offer 'farm-stay' or 'home-stays', in many cases also offering four-wheel drive adventures or a farm tour.

As a consequence of this upheaval, the District economy was compelled to diversify and broaden its base in order to offset the potential losses from a declining rural sector. For a district that had always gained its income from primary production, a major shift in thinking was necessary to recognise the valuable role that tourism could play in the region's economy. This potential role of tourism as a contributor to regional economies was not lost on the political cartoon satirists of the day, as Figure 6.2 aptly shows (see below). The Hurunui District Council, realising that tourism could provide jobs and income for local residents, while also supporting established local businesses, took a lead in encouraging tourist development (Lovell-Smith, 2000: 206).

6.4.1 Changing Patterns of Land-Use in the Hurunui

Pastoral farming, established as the dominant land use in the Hurunui District prior to the 1950s, continued to be the primary economic activity of the region throughout the years from 1950 to the 2000s. Yet while the basic pattern of farming remained the same, there were important changes in farm management practices and technological improvements which led to an enormous increase in productivity. Most significant was the development of the hill country farms, which comprise the bulk of the District, using techniques such as increased cultivation and increased use of fertiliser and lime on pastures. The increase in productivity was most easily seen in the number of stock units per hectare, which on

most farms at least doubled. Perhaps the greatest contributing factor to this increase in productivity, however, was the installation of rural water schemes in the 1960s and 1970s. The provision of a reliable water supply was enormously beneficial for the hill country farms, enabling subdivision of land into smaller blocks and the development of new grazing patterns.

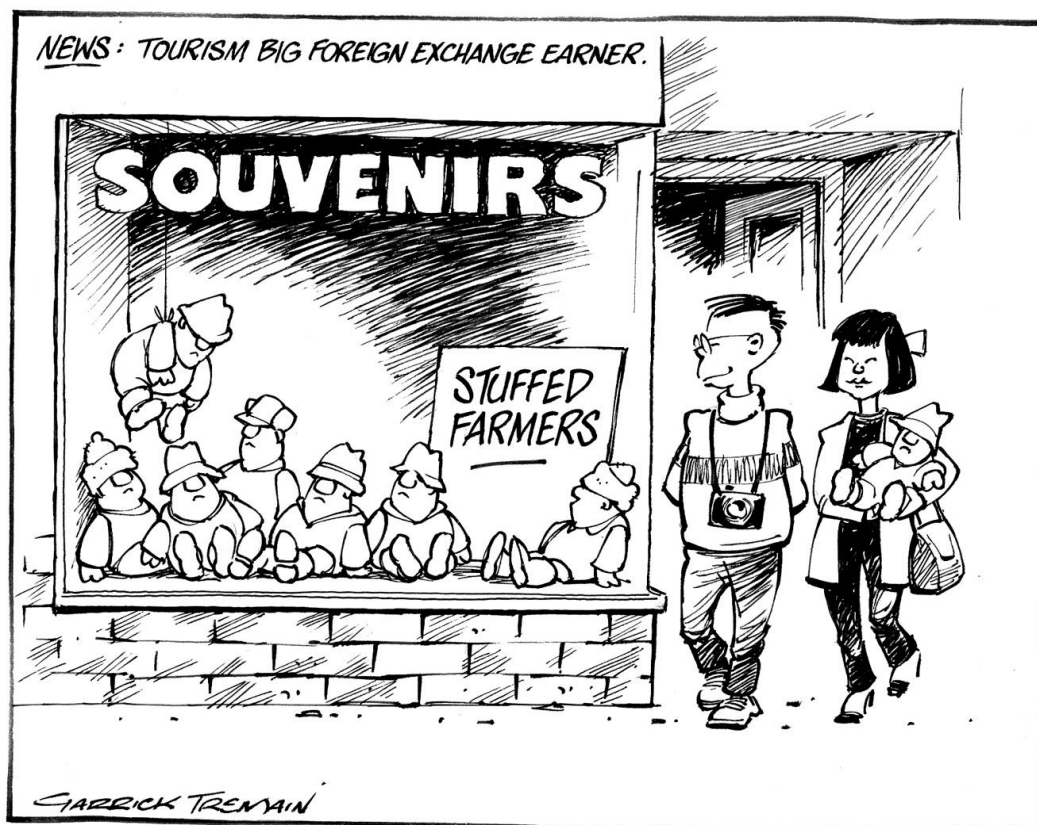


Figure 6.2 Political Cartoon Satire: 'Stuffed Farmers'

(Reproduced with kind permission of Garrick Tremain).

While increased production was a general rule for the hill country and high country of the Hurunui District, there were some exceptional and dramatic developments in the Amuri (and Waipara) District following the introduction of irrigation schemes. The construction of the irrigation schemes was partly funded by government subsidy, partly by suspensory loans, and partly by the farmers themselves. In the 1970s when the schemes were approved, it was envisaged that irrigation would enable farmers to double their production of sheep meat and wool, with perhaps some diversification into cropping. The

development which took many people by surprise, however, was the success of dairy farming in the area. The growth in dairy cows in the Amuri was considerable; from 381 units (cows) in 1977 to 4,307 units in 1990. By the year 2000 there were 46 dairy farms on the Amuri Plain alone, milking about 500 cows a day, which meant there was a total of 23,000 cows in the District. With annual return from dairying in the Amuri having risen to \$43 million in March 2000, the irrigation scheme had proved to be a good investment for the government (Lovell-Smith, 2000: 75–76).

6.4.2 The Emergence of Sunrise Industries

According to Lovell-Smith (2000: 209), the Hurunui District now presents a mosaic of economic activity quite different to the preponderance of pastoral farming of the 1950s. The District economy has undergone change since this time, and the reliance on pastoral farming has softened with the emergence and growth of new, or ‘sunrise’, industries. While agriculture continues to be the single largest contributor to the Hurunui economy, recent times have seen an expansion in both viticulture and tourism. The introduction of Montana Wines, a ‘big player’ in the New Zealand wine industry, into the District has resulted in “the number of plantings in the area double” (Hurunui District Council, 2006a: 13). The tourism sector has also undergone a similar period of growth, and both international and domestic visitation has increased significantly over the past decade. The Hanmer Springs Thermal Reserve, Mt. Lyford Ski field and the Waipara wine producing area are recognised as ‘anchor’ destinations that have been a catalyst for significant business investment in the Hurunui District (Hurunui District Council, 2006a: 14).

6.4.3 Developing Tourism in the Hurunui District

The Hurunui District Council has a variety of roles and responsibilities associated with tourism activity in the area. These can be categorised broadly as those which relate to the enablement of tourism and the management of tourism’s impacts. While tourism is predominantly a private sector activity, the public sector nonetheless has an important role to play as the sector relies heavily on public goods as a key component of the tourism product. Moreover, the negative externalities associated with tourism activity are most commonly borne by the public sector and, ultimately, paid for by local ratepayers. These

public sector roles and responsibilities have been discussed in finer detail in Chapter Two of this thesis.

One of the first initiatives taken by the District Council was a joint venture with the Department of Conservation to run a visitor information centre at Hanmer Springs, opened in 1991. This was followed by a newspaper advertising campaign promoting the North Canterbury Triangle touring route (now known as the Alpine Pacific Triangle). This touring route incorporates the wine tourism attractions of the Waipara Valley (the southern tip of the triangle), the marine-based tourism attractions of Kaikoura (the north-eastern tip of the triangle) and the alpine spa and adventure tourism attractions of Hanmer Springs (the north-western tip of the triangle). In addition, close working relationships between the Hurunui District Council, the Waimakariri District Council (the Hurunui's southern territorial neighbour) and the North Canterbury Business Development agency (better known as Enterprise North Canterbury) have seen the development of a number of tourist or visitor trails clustered around complementary visitor attractions within the District (e.g., food and wine trails, health trails, and arts and crafts trails). Similar working relationships have also been established with the Kaikoura District Council to capitalise on tourism-related synergies. The result of such inter-agency, inter-regional collaboration has been to further extend the reach of this North Canterbury 'alliance' southward towards the region's major tourism market and international gateway of Christchurch City, and northward towards the marine-based tourism attractions of Kaikoura.

More formal promotion of the District began in May 1992 with the formation of the Hurunui District Promotions Association. The following year, an interim promotion board was elected to plan for the future promotion of the District, and in 1995 the Hurunui District Council commissioned the development of a District-wide tourism strategy. This led to the appointment of a tourism development co-ordinator in September 1996, and eventually to the establishment of a District tourism board in 1999. Later in that same year a full-time District tourism manager was appointed. Since that time, a targeted tourism rate (local government property tax levied at accommodation providers in the District) has been introduced by the Council in 2005 as a means by which to off-set the

total operating costs of the District promotions organisation, now called Alpine Pacific Tourism (see Appendix E for a timeline of tourism development in the Hurunui District).

The scale of tourism in the Hurunui is significant when considered against the District's relatively small resident population base. According to the most readily available regional tourism data for the Hurunui District, a total of 1.09 million visits were made by international and domestic visitors to the District in the year 2005 (72% were domestic visitors). These visitors accounted for approximately 745,000 visitor nights (82% were by domestic visitors). Visitor expenditure for this same period in the Hurunui was NZ\$93.3 million. Similarly, domestic visitors dominated this measure and accounted for 81 per cent of this visitor expenditure (Ministry of Tourism, 2008). Likewise, the growing significance of tourism in the Hurunui District as a generator of employment is also considerable, as Table 6.1 indicates. The total employment created by tourism in 1996 (based on the first three sector categories in the table below) is 678 FTEs. By 2006 this figure had grown to 960 FTEs. This represents an increase of 282 FTEs (+42%) over the 1996–2006 period. By comparison, the growth of employment in agriculture for the same period was 63 FTEs (+3%).

The core focus of the Hurunui District's tourism development is centred on the alpine spa village of Hanmer Springs (resident population 746). Hanmer Springs is unlike many rural townships in New Zealand insofar as it is not, nor has it been, a farming service centre for the surrounding pastoral hinterlands. Rather, it is a township whose initial establishment and subsequent development has been based largely upon the thermal springs and hot pools situated in the area. The natural amenity of these hot pools, along with the scenic alpine beauty of the township's location, has combined to make Hanmer Springs an extremely attractive and popular visitor destination. These thermal springs thus represent, arguably, the dominant tourism resource in the Hurunui District and are, as such, a catalyst for growth and associated development in both the township and wider District area.

Table 6.1 Employment in the Hurunui District (FTE) by Sector: 1996–2006³⁸

(Source: Statistics New Zealand, 2006)

Industry	1996	2001	2006	% change 96/06
Accommodation, Cafes, Restaurants	270	330	423	57
Cultural and Recreational Services	69	114	129	87
Retail Trade	339	369	408	20
Transport and Storage	147	168	201	37
Property and Business Services	153	240	339	122
Construction	183	180	291	59
Agriculture, Forestry and Fishing	2046	1986	2109	3
Mining	3	6	6	100
Manufacturing	297	390	369	24
Electricity, gas and water supply	6	9	6	0
Wholesale Trade	90	117	147	63
Communication Services	24	27	30	25
Finance and Insurance	45	36	54	20
Government Administration and Defence	90	66	78	-13
Education	213	270	285	34
Health and Community Services	240	315	318	33
Personal and Other Services	93	102	129	39
Not elsewhere included	<u>354</u>	<u>330</u>	<u>375</u>	<u>6</u>
Total (FTEs)	4662	5055	5697	22

Somewhat surprisingly, no accurate data presently exists for visitor flows to Hanmer Springs Township. This is also the case for visitor expenditures within the township. Given this, one can only surmise the level of tourism activity in Hanmer based on data provided by the town's largest tourism asset: the Hanmer Springs Thermal Reserve (see Figure 6.3). These data indicate that approximately 520,000 tourists visited the Hanmer Springs Thermal Reserve in the year 2006. As is the case for the Hurunui District, these visitors are primarily domestic in origin. However, what is perhaps more striking is that approximately 65 per cent of all visitors to the Thermal Reserve are from locations within the Canterbury region. This reinforces the notion of Hanmer Springs and the Hurunui District as being the 'playground' for Christchurch and Canterbury residents. This, in turn, is perhaps not so

³⁸ Extracted (via http://www.stats.govt.nz/tools_and_services/tools/TableBuilder/2006-census-pop-dwellings-tables.aspx) from New Zealand Census of Population and Dwellings, 2006, *Statistics New Zealand*. Date 14 January 2013.

surprising given the close geographical proximity of Hanmer Springs and the Hurunui District to Christchurch City – the South Island’s most populous city, major centre of commerce, and also the Hurunui District’s major tourism market.



Figure 6.3 Hanmer Springs Thermal Pools and Spa

(Photo credit: Michael Shone, private collection)

Given the significance of the township of Hanmer Springs to the Hurunui District tourism product, the following section explores the development of the township in greater detail and examines some of the key issues which have shaped the township’s tourism development trajectory.

6.5 Hanmer Springs: Tourist Town

Hanmer Springs is a small, relatively isolated alpine village in North Canterbury and is situated approximately 130 kilometres north of Christchurch, the largest urban centre in

the South Island of New Zealand. Named after Thomas Hanmer, who helped in the early survey of the District, the township lies on an elevated tussock plain in a basin encircled by the Southern Alps and the Amuri and Hanmer mountain ranges. Dominating the town, and situated at its centre, are the thermal pools for which the town is named and known. These pools are situated in the grounds of the former Queen Mary Hospital; initially a sanatorium established by the government for returned soldiers, before becoming a centre for drug and alcohol rehabilitation. The high scenic amenity of the township, and the development of the thermal springs into a commercial thermal spa, attracts many visitors each year (see Figure 6.4).



Figure 6.4 Hanmer Springs Visitor Information Sign

(Photo credit: Michael Shone, private collection)

The recent history of Hanmer Springs has been shaped largely by the presence, and development into a commercial enterprise, of a natural upwelling of thermal springs in the area. The Hanmer Springs thermal pools are low temperature artesian springs

produced as a result of the fractured rock bed along the Hanmer Fault. The thermal water originates from rainwater that fell up to 180 years ago, and which then seeped down through fractured rock in the Hanmer Mountain Range to a depth of about 2,000 metres below the Hanmer Plain. Heat radiating from the Earth's mantle raises the temperature of the rainwater in the underground reservoir. This heated groundwater then rises to the surface through a series of interconnecting fractures in the Greywacke bedrock under Hanmer Springs.

6.5.1 The Māori Mythology of Hanmer Springs: The Fire of Tamatea

The hot springs at Hanmer were known to local Māori in pre-European times by two alternate names: Waitapu and Wai-iriki (Gardner, 1983:6). According to local Māori mythology, the formation of the thermal springs is attributed to the story of Tamatea – the great Māori traveller – who in local legend found himself in Banks Peninsula without fire. An appeal to the North Island brought a rolling ball of flame from Mt Ruapehu and Mt Ngauruhoe. After the fire had erupted from Ngauruhoe's volcanic ridge, it rolled down the surface of the land to burn out the channel of the Wanganui River. Upon reaching the sea the fire rose into the air, making towards Banks Peninsula far to the south. Along the way a piece of the fire fell from the sky to form the thermal springs at Hanmer. Another piece ploughed a black mark along a ridge at the head of Lyttelton Harbour that was known to the Māori as Te Whaka Takanga-O-te-ngarehu-o-te-ahi-a-Tamatea ('the falling embers of the fire of Tamatea'). Since the story continues with Tamatea's journey to Nelson during which the fire kept the party warm, it is perhaps not fanciful to detect a reference to an ancient use of the springs by travellers (Ensor, 1983; Gardner, 1983).

The Māori name for the Hanmer Plain, upon which Hanmer Springs is situated, is *Mania Rauhea* ("the place of shining tussock"), so named because of the vast expanse of windswept tussocks that once occupied the plain in pre-European times. The Hanmer Plain has a history which can be traced back to the days when greenstone was the principal wealth of the Māori tribes of the South Island. In 1831, men of the Ngatiawa and Ngatiraikawa tribes – two sections of the great Māori chieftain Te Rauparaha's raiding forces – came overland from Cloudy Bay via the Wairau Valley, Wairau Gorge and thence

across the Hanmer Plains on their way to the historic attack on the Ngai Tahu pa at Kaiapoi (Ensor, 1983: 1).

According to Gardner (1983: 6), there seems little doubt that exploration of the Amuri District by Europeans could have been “expedited by fuller use of the native knowledge available”. It is surprising, for instance, that a feature of the Amuri which must have been of interest to local Māori, and which was to become the centre of the District’s largest European community (i.e., Hanmer Springs), virtually disappeared off the landscape until 1859. In fact, it appears that none of the early European explorers were informed of the thermal springs at Hanmer, though all were guided by Māori to their neighbourhood. While the reasons for this are unclear, it is interesting to note that unlike the North Island thermal reserves of Rotorua and Te Aroha, local Māori never made permanent habitation in the Hanmer Plain, arguably because of the harshness of the alpine environment. Rather, the area was used as a “staging post to the West Coast” (Crawford, 2005: 1), where highly valued resources of *pounamu* (New Zealand jade/greenstone) were known to, and traded by, local Māori.

6.5.2 Hanmer Springs and European Discovery

The discovery of the thermal springs by European settlers has been credited to several people, but according to Gardner (1983: 222), in his historical account of the Amuri County, it is difficult to see how any man can advance a better claim than William Jones, a farm manager from the nearby Culverden area. The discovery of the hot springs by Jones was reported in Nelson (the provincial seat of government at this time) by the Nelson Examiner, dated 25 May 1859, in which the hot pools were described:

...he (Jones) observed what seemed to him a remarkable fog, and upon leaving his track to examine it, he discovered some holes which were filled with water of a temperature varying from milk-warm to almost boiling.

There was a rush to see this ‘remarkable’ discovery and the Nelson Examiner, in describing the pools more fully, warmed to the thought of a new health spa in the province:

...the temperature of the water is highly agreeable for a warm bath, and a swim in it is a great luxury...There can be no doubt that the place will not long hence be one of favourite resort...The beautiful alpine scenery in the neighbourhood would alone be sufficient attraction if the roads could be improved (Nelson Examiner, 25 January 1860).

In February 1860, the Nelson Provincial Government proclaimed a reserve of 2,560 acres around the springs, and it was hoped that the Waiau Gorge Bridge, erected in 1864, would provide better access to the proposed health resort. When it became obvious, writes Gardner (1983), that very little of the money cast into the springs would return to Nelson, the provincial government lost interest. During the 1860s and most of the 1870s, the hot pools remained undeveloped. Attempts during this time to develop Hanmer Springs were unsuccessful. When H.A. Tarrant (for A.W. Rutherford), in May 1870, moved in the Council for the laying out of part of the Reserve in town and suburban lots, his motion was lost. Occasional visitors frequented the hot pools, and then went away determined to move the authorities to action. However, the first need was for something more expensive than bathhouses and suburban lots; namely roads and bridges. The springs had to wait their turn for adequate access for many years (Gardner, 1983: 223).

First to take advantage of the benefits to be obtained from the waters of the springs were “casual passers-by” making their way to and from the north (Souvenir Book Committee, 1933: 13). In 1878, Mr John Fry (Proprietor of the Jollies Pass Hotel) erected steps and a two-roomed shed on the bank of the main spring, and although the pools were still in their natural state its popularity was such that steps were taken to put the springs to commercial use. As such, the pools were ‘officially’ opened in 1883, when a shelter was erected around the main pool. In the following year, over 2,000 paying customers used the thermal baths and pools (Souvenir Book Committee, 1933: 13), and served to confirm the potential of the thermal springs as a North Canterbury tourist attraction. Of course much work had been undertaken in Hanmer Springs prior to this date. In 1858 the Nelson Provincial Government had commissioned geologist Julius von Haast, who was later to become Surveyor-General of the Canterbury Province, to explore the south and west of the province. Included in his explorations was a visit to the Hanmer thermal springs,

during which time von Haast was able to provide calculations for maintaining constant temperatures for usage of the water for bathing (Ensor, 1983: 5).

The Hanmer Plains Reserve was officially surveyed in 1879 and comprised an area of 2,560 acres contained in a rectangular strip of land four miles long and one mile wide. At the date of survey, the lands were the holdings of two brothers: H.P de la Pasture and G.C. de la Pasture. Three hundred acres of the Hanmer Plains Reserve was set aside as a township site and to the north and east was a suburban area of 340 acres. The township site as surveyed did not include the thermal springs; they lay 15 chains (approximately 300 metres) from the western boundary of the township site. The failure to include the thermal springs within the boundaries of the township survey evidently created quite a stir throughout the Canterbury Province. Local newspaper reports of the time covered the Hanmer Springs survey in some detail, reflecting the level of feeling within the wider community about the public's ability to access and utilise the 'restorative waters' of the springs. The Lyttelton Times (dated 2 March 1881), for example, ran the following story:

It is a matter of surprise to all who discuss the subject that some provision is not made for the enclosure of at least one of the many pools there are at this spot, so that invalids might be enabled, whether male or female, to avail themselves of this special boon to sufferers. In the first place, for the benefit of the public of Canterbury who require the use of the Springs, a most culpable neglect is apparent in the want of a bridge across the Waiau [River], and secondly, some permanent arrangements might be made with the Proprietor of the [Jollie's Pass] Hotel, which would give him power to enclose one or more of them, as at the present time anything like enclosing one of the pools is regarded as a violation. Yet in spite of numerous representations on the subject nothing satisfactory has been done. It is to be hoped that in the interests of Canterbury their representatives will take this matter up, and see that some justice is done – both in the matter of the bridge across the river and an arrangement being made which will cause all sufferers of climatic disease, to enjoy to the full, the benefits of the baths.

People were travelling to Hanmer Springs at this time especially to bathe in the thermal pools and to benefit from the mineral waters. According to Ensor (1983: 7), the Hanmer

Plains Hot Springs were also a topic for discussion in Parliament on 29 June 1882, when Mr Wright asked the Minister of Lands, Mr Rolleston:

Whether he will endeavour to render the Hot Springs on the Hanmer Plains available for the use of invalids by selling or leasing The Hot Springs? There were no buildings suitable for the accommodation of visitors within a very considerable distance from these springs and would Mr Rolleston be prepared to take some action to render these Hot Springs available to those who were not sufficiently well off to travel to the Springs in the North Island?

Mr Rolleston said in reply:

He was of the opinion that it would be very undesirable to do anything with the springs that would at all take them out of the hands of the public, and that it would be proper to secure to the public an absolute right to their use under certain regulations. As far as he could gather from reports he had received from the Hanmer Plains, it appeared that what was required was to have the springs properly cleaned, and bath-houses in connection with them. He quite thought with the honourable member that these springs would be a very great public benefit if thrown open, and if better accommodation and greater facilities provided.

Evidently, the Government thought it would be worthwhile to go ahead with development at the Hot Springs, and in 1883 declared the Hot Springs a Government Resort. It was not until April 1884, however, that the completed bath-house was opened to the public.

6.5.3 Government Involvement: The Early Years

At the turn of the twentieth century only the wealthiest of New Zealanders could afford to tour their own country, and many settlers and immigrants were too preoccupied with breaking in the land or earning a living to travel for pleasure. As McClure (2004) recounts, holidays were limited to the occasional anniversary days when people took one- or two-day excursions out of the cities to rivers or the sea, or to the health resorts of Rotorua, Te

Aroha or Hanmer Springs. The location of Hanmer Springs in the South Island of New Zealand gave it a “bracing air and separated it from the world of work” (McClure, 2004: 51). Being situated 400 metres above sea level, and surrounded by mountains of up to 2,000 metres in height, firmly entrenched the township as an alpine spa location. It thus provided a marked point of difference between it and other resort locations of the time. At the turn of the century Hanmer Springs was becoming popular as a health resort in the broadest sense; as a spa for the infirmed and resort for recreation. When the Department of Tourist and Health Resorts took over responsibilities for Hanmer’s thermal reserve in 1901 from the Department of Lands and Survey, the baths were renovated and the title of its sanatorium changed to Hanmer Spa to foster the idea of leisure as well as health (McClure, 2004: 51). However, in spite of the government’s efforts, the popularity of Hanmer Springs waned.

According to Gardner (1983), Hanmer Springs – as a Government Reserve – constituted one of the major problems of the Minister of Tourist and Health Resorts. The Hon. Thomas Mackenzie visited Hanmer in 1909 (the year in which the Hanmer and Percival Rivers were bridged), and again in 1910. At the second visit, Mackenzie was presented with a formidable budget of complaints and suggestions. The main source of town water for Hanmer Springs, the Rodgerson Reservoir, was inadequately supervised and gave out water of undrinkable quality during times of flood. The need for adequate lighting, drainage, rubbish disposal, and a faster motor service were also brought before the Minister. The community of Hanmer Springs, aware of growing popularity, was staking a claim to the facilities necessary to maintain and foster it. It was even suggested to the Minister, by a deputation from Hanmer Springs, that the Department of Tourist and Health Resorts should “take control of the township”. However the Minister, in light of the “painful experience at Rotorua”, firmly rejected the idea (Gardner, 1983: 227). Once again, the community of Hanmer Springs heard the argument that larger revenues from the springs would induce the government to spend more money on them.

Though Hanmer Springs had to fight tenaciously for each improvement, it was well on the way to becoming a major tourist and health resort by the outbreak of the First World War. In fact it was the War itself, which far from retarding the development of Hanmer

Springs, enabled it to escape from the vicious circle of ministerial arguments. The Township at last gained the opportunity to show convincingly its therapeutic possibilities. By the 1920s, Hanmer Springs was ready to progress more rapidly than at any earlier stage of its existence. In the early years of Hanmer Springs's settlement and subsequent establishment, the government was lobbied strongly by local interests regarding the provision of funding and advertising to further develop the location as a tourist and health spa. At this time, there were three recognised thermal resorts within New Zealand, each competing for government assistance to further develop their locations. These thermal resorts were Rotorua and Te Aroha in the North Island, and Hanmer Springs in the South Island. Rotorua was by far the most advanced tourist resort town of the three, and its superior geothermal attractions succeeded in attracting both government and private investment. In fact, Rotorua quickly became New Zealand's iconic tourism resort of the time, and continues to be a key New Zealand tourism destination to the present day.

Both Hanmer Springs and Te Aroha were unable to compete with Rotorua for government funding and advertising and to this end the dreams of development were stymied. However, the township's position as the only recognised thermal resort in the South Island, coupled with its alpine location and relative isolation afforded it a degree of kudos as a genuine retreat from the pressures of everyday life for its visitors. In addition, the construction of the Queen Mary Hospital in the township, as a hospital for the war-injured, added to the town's status as an alpine health spa.

The thermal springs in Hanmer were gazetted a Recreational Reserve in 1874. The result of this newly acquired Reserve status was that the government had management responsibilities over the thermal springs. These responsibilities did, however, 'bounce' between a number of government departments over a number of years. For example, the Nelson Provincial Government was initially responsible for the springs, as at the time of European discovery the area was located within the provincial boundaries of Nelson. These responsibilities were subsequently transferred to the Canterbury Provincial Government after a re-alignment of territorial administrative boundaries. The Department of Lands and Survey then assumed the direct management responsibilities of

the area upon the gazetting of the springs as a Government Reserve, which was then passed to the Department of Tourist and Health Resorts in 1901.

Thus a pattern of shifting departmental responsibilities for the Hanmer Springs Thermal Reserve has been established since the township's earliest days. At the central government level these responsibilities presently rest with the Department of Conservation, which was created under the Department of Conservation Act 1987. At the local government level, these responsibilities have been vested by the Crown to the Hurunui District Council who is now responsible for the management of the thermal reserve. Importantly, the Hurunui District Council is bound by the legislative constraints outline in the Hanmer Springs Thermal Reserve Act.

6.5.4 Queen Mary Hospital: Taking the Waters

According to McManaway (1951, in Dench, 2006: 41), the Queen Mary Hospital has always been more than a 'hospital' in the usual meaning of the term. It has included in its activities control and supply of electric power to the township of Hanmer Springs and was the local water supply authority; it maintained the grounds for the use of visitors; controlled the bath houses, pools and tea kiosk of the present-day Hanmer Springs Thermal Reserve; it was the headquarters of the Special Area Medical Officer; it maintained the Conical Hill reserve of sixty acres; it provided an ambulance service for the District; and in many ways assisted in the general welfare activities of the township in which a large proportion of residents were directly or indirectly associated with the hospital. Thus the development of the Queen Mary Hospital and the development of the township's thermal springs are inextricably intertwined.

The tradition of healing, which began at Hanmer Springs with the discovery of the thermal springs, continued with the establishment in 1897 of a government sanatorium. After European settlement, people came to 'take the waters' in growing numbers as the government of the day promoted the natural beauty of the site (Crawford, 2005). Initially travellers stayed in hotels and private houses, often some distance from the pools. As a result of local agitation and lobbying to government ministers, a government sanatorium was opened in 1897 and shelter trees were planted around the site.

McManaway (1951, in Dench, 2006: 42) notes, in his historical account of the Queen Mary Hospital, that Hanmer Springs was known as a 'Sanatorium' long before the building which was to take this name was built. This reflected the positioning of Hanmer Springs, at least in its formative years, as a health spa. Opened on 9 December 1897, the Sanatorium was under the control of the Department of Tourist and Health Resorts. The purpose of the 'San', as it was then known, was to provide accommodation for people whose complaints compelled them to "live near the waters" (McManaway, 1915, in Dench, 2006: 42). The first resident medical officer was appointed to the Sanatorium in 1909, and 18 in-patients were taken on application and fees were charged.

6.5.5 Government Involvement: The Latter Years

Hanmer Springs, according to numerous observers (e.g., Ensor, 1983; Gardner, 1983; Lovell-Smith, 2000), has grown as a provincial resort; not as a County or District township. In the early days of the township's development, this growth was enabled largely by the strong support (often financial) given to Hanmer Springs as the Amuri County's recreation centre. Many of the amenities in the township were developed initially by Amuri initiatives and capital, with the Amuri County Council taking a leading role in each new phase of development. More recently, this mantle of support and responsibility has been taken by the Hurunui District Council (on behalf of the Hurunui District ratepayers), who have further developed the township and amenities therein. While the eras of the Amuri and Hurunui administrations are separated by time and by, arguably, institutional capacity and entrepreneurial intent, they are nonetheless characterised by similar obstacles to progress and development.

Perhaps the greatest obstacle to the progress of Hanmer Springs was the longstanding three-way tension between government departments, Council and private developers. Departmental officials aimed to control and limit growth in the interests of their health and tourist services. The Council objected to large state reserves which produced noxious weeds but no rates, yet shared in County services. Developers wanted freer access in order to promote residential areas around a resort improved by state and County funds. By the mid-1960s, these disputes were being steadfastly defused. After a long period of 'quiet consolidation', Hanmer Springs was moving into a phase of something approaching

'taking-off' (Gardner, 1983: 467). Beyond the traditional attractions of the hot springs, the township and its surroundings were now seen to have great residential and recreational possibilities. Government, County, developers and residents did not need to compete for a limited resource; all could co-operate in an expanding and many-sided enterprise.

In February 1967, the Amuri County Council formally recognised that Hanmer Springs was 'going ahead', and that the County would have to take the initiative in planning. At this time, the thermal pools – the township's *raison d'être* – were becoming a contentious issue. The public pool facilities were dilapidated and the Health Department wanted to be rid of an unwanted and uneconomic burden (Gardner, 1983: 468). In August 1969, a deputation of residents from Hanmer Springs asked the Amuri Council to take over the pools, thus setting in motion a very fruitful joint County–township campaign. However, a good deal of water flowed through the run-down pools before the Health Department and the Council reached agreement on the terms of the takeover. When efforts to hold government to a firm financial commitment failed, local residents showed their determination and commitment by forming the Hanmer Springs Thermal Pool Development Association in December 1970. By vigorous campaigning, the Association had in six years raised about \$38,000. In turn, the Amuri Council was encouraged to raise a small loan of \$80,000. This latter sum just bridged the ever-widening gap caused by inflation, which threatened to kill the whole project. Finally, on 2 September 1978, an entirely new complex of five outdoor pools was opened by E.G. Latter, Member of Parliament for Marlborough, who had been an effective advocate in the nation's capital of Wellington. The final cost of the re-development was \$281,000; a significant amount at that time. Besides the Association's contribution, the Council had put up \$128,000 (including \$110,000 of loan money) and the government had provided \$115,000 in subsidies.

The 1970s saw a round of strong development for Hanmer Springs. An environmental plan was commissioned by the Amuri County Council in 1972; the Hanmer State Forest Park was gazetted in 1977; before and after that date a pattern of walkways was extended through this 17,000 hectare Reserve. The Amuri Ski Club, which had been founded in 1956, equipped itself with modern tow facilities in 1977. New residential

streets and motels in contemporary architecture also helped smarten the township's image and appearance.

There were major developments at the Hanmer Springs Thermal Reserve during the 1990s. Ownership of the Thermal Reserve was transferred to the Hurunui District Council in 1989 via the process of local government reforms, and a management committee established, initially on a trial basis. The result of this committee's work was a further redevelopment of the thermal pools, which re-opened in 1992 and greatly increased the numbers of visitors to both the Hurunui District and Hanmer Springs. This programme of redevelopment has continued, with the addition of activity pools and waterslides in 1998 and the opening of a Vichy Day Spa and Beauty Treatment facility within the thermal reserve complex in 2006. Further expansions to the complex are planned for the near future, although the scale of this work will be subject to land availability in the adjacent Queen Mary Reserve.

The pools continue to be managed by the Hanmer Springs Thermal Reserves Management Committee; which is a Reserves Committee within the Hurunui District Council. The thermal pools have gone from being an unprofitable operation and financial drain on Council resources during the early 1990s, to a being a lucrative source of revenue for the Council in the present day. In fact, such has been the financial turn around of the Hanmer Springs Thermal Reserve that in the 2007-2008 Financial Year it delivered a net operating surplus of NZ\$1.5 million to the Hurunui District Council (Garry Jackson, Mayor of Hurunui District, personal communication, August 6, 2008). A portion of the operating profits from the Thermal Reserve are made available for the development of Reserves within the District's five constituent municipal wards, thus ensuring that some of the financial benefits from tourism activity in Hanmer Springs are spread amongst the remainder of the District area.

The importance of Hanmer Springs, and of tourism generally, as a key 'growth-pole' for the Hurunui District has been further confirmed with the commissioning – by the Hurunui District Council – of the Hanmer Springs Development Plan (Hurunui District Council, 2003), followed by the release of the Hanmer Springs Growth and Management Strategy

and Town Centre Development Plan (Hurunui District Council, 2006a). Both of these documents have sought to provide a future vision for urban and rural growth in Hanmer Springs, and to help the community capitalise on the recent growth in visitation and economic activity in Hanmer Springs. This has been further complemented by the identification of tourism growth and development in Hanmer Springs as a key strategic area in the Hurunui District Council's Long-Term Council Community Plan 2006 (a ten-year long-term planning document), thus signalling the anticipated role of tourism generally, and tourism in Hanmer Springs specifically, as a significant contributor towards broader development objectives within the Hurunui District area.

6.6 Conclusion

This chapter has provided an examination of the various contextual elements contained within the case study location of the Hurunui District, New Zealand. Arguably the most striking feature of the context provided in this chapter has been that the history of the District area has been punctuated by extended periods of *change*. That change has been in the form of political amalgamation, which has had the effect of imposing, at least initially, a contrived sense of District identity in the Hurunui District. The series of territorial administrative amalgamations also lead to an incremental removal of the nexus of control from local communities to ever more distant (and alien) administrative capitals. It also served to demonstrate the power of central government to impose itself upon sub-national governance, from the regional level through to the local community level.

This chapter has also discussed that, although agriculture continues to be the single largest contributor to the Hurunui economy, recent times have seen an expansion in sunrise industries such as tourism. As a consequence of this growth, both Hanmer Springs and the Hurunui District are presently experiencing significant levels of tourist visitation. The Hanmer Springs Thermal Reserve is thus recognised as a key 'anchor' destination which has been a catalyst for significant business investment in the District (Hurunui District Council, 2006b: 14). In fact, the ongoing growth and development of sunrise industries in the Hurunui during the mid-2000s has been such that in 2006 the District was ranked as New Zealand's third-fastest growing territorial authority economy. This is

out of a total of 74 territorial authorities in New Zealand (Business and Economic Research Limited, 2006).

Admittedly, this economic growth cannot be attributed solely to ongoing tourism development in the District. However, the emergence and subsequent growth of the tourism industry has acted to broaden the economic base of the Hurunui District and to complement the recent growth in the District's primary sector. This is associated most notably with the growth of the Waipara Valley wine producing region and with the District's strengthening dairy industry. In addition, the close proximity of the District's southern settlements of Leithfield Beach and Amberley to Christchurch City (the South Island's largest city and centre of commerce), and the relative ease of rural-urban commuting that such proximity affords, has also contributed to growth in urban development experienced presently in the Hurunui District.

As noted above, one of the key 'anchor' destinations of the Hurunui's tourism product is the Hanmer Springs Thermal Reserve. This thermal reserve is operated as a Local Authority Trading Enterprise (LATE) by the Hurunui District Council, which retains full ownership of the complex. This situation of public sector ownership of a significant tourism resource, while certainly not unique and without precedent, nonetheless presents an intriguing conundrum for the local authority insofar as the extent to which District-wide development objectives are able to accommodate local-level touristic 'realities' is often a highly contentious and vexatious issue. Indeed, this situation appears to have been 'tested' in recent times as large-scale redevelopment of the complex, as well as Council purchases of surrounding lands to accommodate this development, have raised the question of public sector enablement and management of tourism in the District.

This chapter has also explored the position of Hanmer Springs as the premier tourism destination in the Hurunui District. This position has been established largely through the presence of the thermal springs for which the town is named and known, and development of the Hanmer Springs Thermal Pools and Spa. The development of the thermal pools, indeed the extraordinary development trajectory of Hanmer Springs itself,

is largely the result of significant public sector involvement. This involvement has been at the central and local government level, and has resulted in the township of Hanmer Springs becoming the flagship destination within the District area. Thus, while tourism in Hanmer Springs provides ongoing benefit to the wider District area, it nonetheless presents a destination context in which the primacy of development in Hanmer Springs might be interpreted by some as occurring at the expense of development in other parts of the District. It is this tension, along with the other issues noted in this section, which will thus be explored in the following chapters of this thesis.

Chapter 7

Evolving Models of Tourism Governance in the Hurunui District

7.1 Introduction

This chapter uses data from secondary sources and key informant interviews to discuss the establishment and evolution of the Hurunui District's tourism product and evolving governance structure. The first section (7.2) 'sets the scene' by providing an historical account of tourism in the Hurunui, including a discussion of the distinct features of the area's tourism product. It also discusses the structural changes which occurred in New Zealand during the 1980s and 1990s, and what these changes meant for rural districts, such as the Hurunui. The role of the Hurunui District Council in tourism development is then discussed, spearheaded with a brief summary of the conditions leading up to the establishment of the Hurunui District itself in 1989. Discussed next is the initial establishment and subsequent development and refinement of the District's formal tourism governance structure. The significance of Hanmer Springs as a regional tourism attraction and Council involvement in the Hanmer Springs Thermal Pools and Spa are also considered, as is the leadership role played by tourism 'champions' within the District Council structure and wider community. Also covered is the role of the Hurunui District Council in shaping the area's emergent strategic tourism vision.

The chapter begins to build a critical understanding of how the tourism sector in New Zealand is used by local government to support or bolster regional development. In the case study location, the local government authority in question is the Hurunui District Council. As is the case for all territorial local authorities in New Zealand, the Hurunui District Council is bi-modal in its structure insofar as it has an elected 'arm' made up of a Mayor and District Councillors, as well as an administrative 'arm' made up of managers, planners, and other District officers and employees. Broadly speaking, the elected arm of the District Council is responsible for setting policy and planning directives and agenda, while the administrative arm is responsible for enacting these policies and planning directives and agenda. Thus, in the context of tourism, these two arms of the Hurunui District Council act together to: (1) develop a strategic direction for tourism, (2) identify

key outcomes of tourism activities undertaken by Council, and (3) influence the scale, speed and type of tourism development which may occur in the District.

7.2 Tourism and Change in the Hurunui District

Tourism has a long history in the Hurunui area, particularly in the small rural town of Hanmer Springs where tourism has progressively developed since the discovery of locally situated alpine thermal springs in the late 1800s. The significance of Hanmer Springs and the thermal pools for which the small town has become renowned can be traced to early European exploration in the North Canterbury area and earlier Māori travel. According to many historical texts which examine the socio-cultural histories of the wider Hurunui area (e.g., Gardner, 1983; Lovell-Smith, 2000), the natural upwelling of thermal mineral springs at Hanmer was well known to local Māori in pre-European times. While the temperature of the waters was not sufficiently hot enough for cooking, the hot springs at Hanmer were utilised by Māori to bathe in and warm themselves whilst journeying between the South Island's West Coast³⁹ and Canterbury Plains.

While Maori travelled to and used the alpine springs, the Hurunui's association with tourism (in its modern commercial sense) really commenced when European settlers discovered the natural upwelling of thermal waters at Hanmer Springs. The discovery of these springs and the subsequent reporting of them in local newspapers not only piqued the curiosity of colonial settlers towards these 'natural wonders' – as was the fashion of the day – but also served to hasten a steady stream of intrepid and determined visitors to the site. In making this characterisation, one should consider that at the time of European discovery and initial development of the thermal springs, the alpine location of Hanmer Springs was relatively inaccessible to large portions of the tourist market because of its geographical distance from major urban centres. Indeed, the challenge of accessibility and terrain would remain in place for some time before central and provincial

³⁹ The West Coast area contained vast deposits of Pounamu (New Zealand greenstone) that were highly prized by Maori, not only for its decorative and spiritual value but also for its utilitarian application in tools and weaponry

governments committed financially to the development of transport infrastructure such as roads, bridges and railway⁴⁰.

This early form of central government investment in (tourism) infrastructure was not out of the ordinary; as early as 1870 tourism was recognised by central government in New Zealand as being a potentially significant contributor to the national economy. This recognition was gradually accompanied by financial investment by central government in the development of hotel facilities at locations of high natural amenity and with obvious tourism potential. Places with geothermal springs, were high on the agenda for such government investment⁴¹ which proved serendipitous and advantageous for the fledgling settlement of Hanmer. Thus, from this vantage point, early government involvement in the development pathway of Hanmer Springs can be viewed as not only an exercise in public works investment (e.g., roads, bridges, and railway) but also direct investment in the country's emergent tourism industry (see Chapter Five for a full description of government involvement in Hanmer Springs).

Important here is the fact that such an active role in tourism development has undergone a significant transformation in recent decades, insofar as the complicit role played by central government as an active participant in the tourism sector has receded and been replaced by a prominent local government sector. As noted in Chapter Four, this central–local shift is a defining feature of a neoliberal transformation in public policy in New Zealand, defined by a devolved style of local governance. While this neoliberal transformation has its origins in the politico-economies of North America and Western Europe, the ripples of this economic and public policy transformation were felt in many advanced capitalist countries throughout the world. In the case of New Zealand, the apparent zealotry with which the reform process was adopted by the Fourth Labour Government and then advanced further by the incoming National Government of the

⁴⁰ It must also be noted that this government investment was secured only through the considerable and sustained lobbying of government politicians by local community representatives (Gardner, 1983). Importantly, this apparent ability of the Hanmer Springs and North Canterbury community to flex its political 'muscle' and garner politico-economic leverage from its thermal resource is a trait which remains to the present day.

⁴¹ The centrality of thermal resorts to the New Zealand tourism product is revealed by McClure (2004: 24), who notes that "by 1900...thermal resorts had been the main focus of government support for tourism because they had the potential to draw overseas visitors".

1990s signalled a significant and extended period of re-adjustment for the regional economies within the country.

The ‘rolling back of the state’ – a phrase which so characterised the initial phase of economic neoliberalism of the mid-1980s – was sympathetic to bottom-up notions of governance informed by concepts of new regionalism and, more recently, new localism (e.g., Tosutti, 2001). As will become apparent in this chapter, this conceptual backdrop resonates well with the Hurunui District and Hanmer Springs experience, not least because in the turmoil of the aforementioned neoliberal transition, many primary-based industries (upon which much of New Zealand’s wealth and comparatively high standard of living was based) began to slip into decline due to the removal of agricultural subsidies, and emergent ‘sunrise’ industries such as tourism came into the ascendance⁴² (see the next section of this chapter for a more detailed discussion about tourism development as a response to the decline of the rural sector in the 1980s).

The period of neoliberal transformation was compounded further in North Canterbury via a process of territorial local authority amalgamation⁴³, which in 1989 saw the final reconfiguration of the present-day “Hurunui District” gazetted by the Local Government Commission. For the former-County Council areas now contained within the new Hurunui District area⁴⁴, this period during the 1980s and 1990s undoubtedly represented a period of unprecedented change; both politically and economically. While this theme is elaborated upon in previous chapters (for example see Chapter Six), the undeniable truth for the case study area is that the experiences of the past 25 years have conditioned the manner in which tourism is both viewed by the local community and utilised by the Hurunui District Council.

⁴² The changing face of North Canterbury’s economic base can be characterised from one dominated by sheep and wool farming in the post-war period of the 1950s–1970s, to one which now accommodates a broader array of economic undertakings. This changing shape of economic endeavour and the concomitant blooming of ‘sunrise’ industries in the region – so called because of their relative ‘youth’ or renewed economic potential – have contributed to a period of sustained socio-economic dynamism in the Hurunui. This period of change, informed largely by the changing ideology of public policy and government reorganisation, was undoubtedly impacted and perhaps even hastened by a growing tourism sector within the District.

⁴³ The ‘walled cities’ of North Canterbury, noted with some affection in Gardner’s (1976) account of the former-Amuri County, remain to this day, although a softening of historical rivalries and territorial parochialism is now discernible with the passing of time.

⁴⁴ See Chapter Six for details on former-County Councils in the Hurunui District.

This notion of *change* is also evident within the academic literature, in which tourism is described as being an agent of change; be it economic, social, cultural or environmental (e.g., Butler, Hall & Jenkins, 1998; Murphy, 1985). Importantly, however, that same body of scholarly literature cautions against premature judgements against the tourism sector as the primary instigator of change within host communities. Typically, tourism development is one of many factors which combine to create the conditions of change within destination areas. Other factors may include political ideologies and public policy responses, economic cycles of growth and decline, socio-cultural dynamism, and macro-regional influences such as globalisation.

Rather than being a linear or causal relationship, the literature describes the need to contextualise the conditions within which tourism development occurs. According to Hess (2004), one of the central notions in this contextualisation of change is the concept of the 'embeddedness' of economic action into wider institutional and social frameworks. This concept of embeddedness, when viewed from a societal perspective, argues that economies are not stand-alone entities independent of external influences. Rather, they exist within a network of social and cultural institutions which dictate their existence and shape of development. So it is for the development trajectory of the tourism sector in the Hurunui District. That is to say, the shape and scale of tourism development in the Hurunui District is socio-spatially contingent.

7.3 Tourism, Neoliberalism and Rural Decline in the Hurunui District

The conceptualisation of the tourism system as an open system, and of the relationship of influence within and between the tourism system and destination areas, is well established in the academic literature (e.g., Leiper, 2004). For the case study location of the Hurunui District, however, this academic understanding has been confirmed by a tourism development pathway which has been informed largely by the prevailing socio-economic and political conditions within the District since its inception in 1989. This tourism development pathway has been both punctuated and shaped by a number of broader societal factors such as amalgamation, economic restructuring and a reorganisation of government roles and responsibilities. These factors have combined to not only create what might be described as 'the rules of the game' for tourism

development to occur, but have also influenced the manner in which the tourism industry and sector have been perceived and received by the Hurunui District community.

As discussed in Chapter Four, the 1980s and 1990s was a period of significant change and upheaval for many rural locations in New Zealand, such as the Hurunui District. Although typical of a growing trend internationally towards a neoliberal economic perspective, it nonetheless represented a significant threat to the ongoing profitability of the District's economy. This was further compounded, at least in the Hurunui, by a period of severe drought which further compromised the farming community's financial profitability. For a District area whose wealth and prosperity was based on agriculture, the potential ramifications of a declining rural sector for the wider District community were stark. Not only could the economic impacts be potentially significant for the farming community, but the flow-on effects of this situation for the rural service communities in the Hurunui would also be significant.

As a consequence of these reforms, the District economy was compelled to diversify and broaden its base in order to offset the potential losses from a declining rural sector. For a District that had historically derived its income from primary production, a major shift in thinking was necessary to recognise the potentially valuable role that tourism could play in the Hurunui economy. The need for economic diversification within the District during this time was not only palpable, but the acuity of the situation for many of the smaller peripheral settlements within the District area was very high. Not only were the loss of agricultural subsidies and concomitant removal of tariffs on imported goods impacting upon the profitability of the rural sector, but the 'rationalisation' of numerous government departments and activities at this time (such as the Railways Department and Post Office services) meant that jobs were being lost and the provision of an array of community services being redirected to larger urban centres.

The newly-formed Hurunui District Council, realising that tourism could provide employment and income for local residents while also supporting established local businesses, took the lead in encouraging tourism development (Lovell-Smith, 2000: 206). According to John Chaffey, the Mayor of the Hurunui District during this time of economic

instability and political reform, tourism was seen as a way of revitalising the District in the early 1990s:

Farming was in the doldrums, schools were struggling to stay open and services such as banks were packing up and leaving town. I was looking at ways of keeping school leavers in the District and putting a bit of heart in communities (John Chaffey, quoted in Bristow 2005: 21).

As noted above in the comments by John Chaffey, perhaps the most significant issue the District Council were attempting to address at that time was that of *community* stability. These comments resonate strongly with Kearsley's (1998) assertion that for many small rural communities tourism represents an industry of last resort, and is sympathetic to Rothman's (1998) conception of tourism development as being somewhat of a 'devil's bargain' for destination areas. The rationale behind the use of the District Council's eventual tourism 'solution' was both sound in its logic and reflected an awareness of the broader societal implications that a rural economic downturn could impart ultimately upon the nation as a whole. Importantly, Mayor John Chaffey was previously the Chairman of the former-Amuri County Council, which had been absorbed into the Hurunui District area via territorial amalgamation in 1989. As noted in Chapter Five, the Amuri County area was home to the alpine spa village of Hanmer Springs and the thermal pools for which the village is named and known.

Mayor John Chaffey's background, and the working relationship with the visitor industry afforded to him via the Amuri County Council's involvement in the Hanmer Springs Thermal Pools and Spa, arguably gave him a more refined understanding of the tourism sector's potential as well as its pitfalls than might otherwise have been the case. Secondary to the Mayor's existing tourism connection, but nonetheless significant in terms of displaying political aptitude and leadership, was that he served several terms during this time as the Rural Sector Representative on the New Zealand Local Government Association's National Council. This gave the Mayor an appreciation of the wider rural and regional context within which the Hurunui's own specific development problems were located. This is a point highlighted by Paddy Clifford who was the Hurunui District Council CEO during John Chaffey's Mayoralty:

Within the Council and particularly with the Mayor, who was the New Zealand representative on Local Government New Zealand, felt that this decline was wrong, and that something must be done [about it]. Because without a vibrant rural community, it would affect the viability of farming and this would ultimately impact upon New Zealand as nation. Provision of essential service was essential, so as to ensure that families would be attracted to live in rural areas. Rural New Zealand was on the downturn and some initiatives needed to be undertaken. Council members were of the view that tourism might offer some potential for halting the economic decline in the District. The Hurunui was clearly vulnerable to the ups and downs of farming cycles, and it was important to diversify in order to soften the impacts of those economic cycles. Diversification was seen as an opportunity for looking at a range of interventions, of which tourism was seen at that time as providing the greatest opportunity (John Chaffey, personal communication).

This initiative shown by the Hurunui District Council towards finding a locally-derived solution to the problem of a declining rural sector was undoubtedly borne out of the necessity to have something – anything – with which to supplement the District's economic base. Ironically, it is this same notion of self-reliance and of locally-derived solutions to locally-felt problems, which is considered one of the hallmarks of new regionalism ideology. Nonetheless, for the Hurunui District at that point in time, the solution to the challenge of rural decline lay in the notion of 'self-help'. This is commensurate with conceptualisations of economic localism, or the 'new' localism, which is identified within the academic literature as a response to the impacts of globalisation and associated economic marginality in peripheral or regional locations (e.g., Tossutti, 2001). This view is confirmed by the comments of Brian Westwood, the inaugural full-time manager of the Hurunui District Promotions Board, who noted the following:

The background environment [to the growing interest in tourism by the District Council] was that the rural sector had just got a 'hammering' in previous years from drought and stuff like that. There was quite a significant article in The Christchurch Press [newspaper] that had an impact on the thinking of Councillors at the time. It was a story about Waiau [Township], and how it was on 'death's door' and about to 'die'. The rural obituaries were being written at that time for places like Waiau. It was those sorts of stories that were generating the mood and intention that said: "right, let's see what we pick on that can help bring us out of this

[economic decline]". And tourism seemed to be the ideal one (Brian Westwood, personal communication).

Undoubtedly, the identification of tourism as a means by which to offset economic and social decline was influenced by the District's existing tourism assets, historical connections with the visitor industry and geographical location. The District area being located within easy and convenient access to a major metropolitan area (i.e., Christchurch) and along major transportation networks of State Highway 1 (the major north–south portal in the South Island) and the Lewis Pass (a major portal to the South Island's West Coast) provided the District with a steady flow of visitor traffic. This geographic advantage, coupled with an abundance of scenic natural landscapes and an already established visitor destination in Hanmer Springs, combined to highlight the tourism sector's development potential and suitability to the Hurunui situation.

While the Hurunui area had undoubtedly been a District area whose economic wealth, prosperity, and social stability had been derived from agricultural activities, it was not the case that there was no historical connection with the tourism industry. As noted in Chapter Six, the longstanding connection of Hanmer Springs with tourist visitation and industry development meant that the Hurunui District already had an existing relationship with the tourism sector and was, therefore, not an altogether unfamiliar or unconnected solution to the challenge of the declining profitability of the rural economy. Moreover, the connection between the tourism sector and local government in the Hurunui was likewise well-established before the economic constrictions of the 1980s and 1990s necessitated a revision by the Hurunui District Council of how to best utilise existing tourism resources. It is a point expressed by a number of informants, but is perhaps articulated the best by the former Manager of Hurunui District Promotions and former Chairperson of the Hurunui Tourism Board, Brian Westwood:

Well, the Hurunui has been involved in tourism by default for quite a long time through the ownership of the Hanmer Springs Thermal Pools. That has always given them some engagement in the tourism sector (Brian Westwood, personal communication).

This mention of Hanmer Springs as the Hurunui District's only township destination clearly hints towards the townships prominent role in the Hurunui's tourism product. Significantly, this prominence is noted by Federated Farmers' North Canterbury and Chatham Islands Regional President, Chris Sundstrum:

It's important to remember that the Hurunui has really been a tourist 'Mecca' for a long, long time, perhaps more so than most [places]. That has been centred on Hanmer Springs and the thermal pools, and that goes back to probably the 1800s. Sure, farming has been the main income earner of the Hurunui since New Zealand was settled. But with the [declining] economic conditions, farmers were forced to look at other things to supplement their incomes, including tourism. This included things like farm stays, jet boat rides and horse trekking (Chris Sundstrum, personal communication).

This quote provided by the Federated Farmers' Regional President clearly indicates that the development of the tourism industry in the Hurunui is not confined to those activities undertaken by the District Council. Indeed, they suggest a level of tourism entrepreneurship by the agriculture sector which is commensurate with the notion of tourism as an inter-sectoral activity. That is, tourism does not occur within a social, cultural, environmental, or economic vacuum. Rather, it is embedded in the societal context/conditions within which it occurs. As such the tourism development trajectory of the Hurunui District is necessarily socio-spatially contingent.

For the Hurunui, and indeed for many rural areas in New Zealand, the context within which 'sunrise' industries such as tourism came into prominence was one of socio-economic and political change. This notion of change is not new, and has been explored fully by many academics both within and beyond the field of tourism studies. Indeed, from Heraclites onwards (circa 500 B.C.) it has been suggested that humanity is in a state of 'always becoming', despite the appearance of structured categorisation and 'being' (Lee, 2005). In other words: our own lives and the societies in which we live are dynamic and in a state of constant change. More recent reflections on the nature of change and its relationship to tourism are offered by authors such as Murphy (1985: 77), who notes:

The one factor which should be borne in mind by any destination involved in tourism is that the only 'constant' is change; tourism is a highly competitive business [and is] dependent on many external factors over which a destination has little or no control.

The basis of this understanding is usually centred on the premise that tourism, as a phenomenon, is not only affected by change at various scales and levels but also acts to effect change in destination areas. This in turn is informed by our understanding of tourism, like other expressions of human activity and economic endeavour, as occurring within an open system and with the ability to impart influence and experience influence from other components within that open system; be they social, cultural, environmental or economic in character (e.g., Leiper, 2004).

For the case study location, it is the interconnectedness of the tourism system with the socio-economic and political environments in particular which has manifestly acted to shape the broader Hurunui tourism experience. Moreover, the manner in which the Hurunui tourism product experienced its resurgence since the late-1980s and early-1990s can be characterised as being firmly embedded in the societal structures and processes at work within and upon the Hurunui District itself since this time. As Hanmer Springs Community Board Chairperson, and local historian, Rosemary Ensor, points out:

There has been quite a lot change in this District. Not just tourism, but also other things. The irrigation scheme that went into Culverden and was finished in 1970s helped the dairy industry to take off in the 1990s. ... Then in the mid 1990s we, along with the Mayor John Chaffey, decided that we could do a District promotions 'thing'. This was also prompted by the economic conditions at the time. You have to remember that unemployment was rife, and children had to leave the District to find work. So we thought that an alternative would be to promote the District in order to get people to come here and spend money, thereby stimulating our economy. ... So I think that apart from farming, tourism has to be considered the lifeblood of the Hurunui, because there isn't anything else. Farming is still the backbone [of the District], but tourism is very important. In many ways, tourism has been an economic saviour for us (Rosemary Ensor, personal communication).

Tourism has now grown to be a key feature of the Hurunui District's economic palette, and continues to attract significant levels of public sector support for and investment in the tourism industry. The reasons for this support are outlined by the District Mayor, Garry Jackson, who contends:

Tourism's a vital part of our economic and community model, in the sense that it is a key part of our economy and it is growing. And you see that not only in terms of the ongoing growth and development of Hanmer Springs itself. You see it in terms of the ongoing growth and development of the Hanmer Springs Thermal Pools and Spa, which is a Council-owned piece of business. So that has a direct feedback. You see it in terms of the ongoing growth and development of the Waipara wine area. You see it in terms of the ongoing growth and development of other tourism activities and products, be they restaurants, homestays, B&Bs [Bed and Breakfasts] and so on, and the combination of all of that, in terms of all the people that travel, the people that visit. You see it in the growth and development of individual townships and communities, because they become more tourism-focused. Probably Waiau is a good example of that and also Culverden to a degree (Garry Jackson, personal communication).

Perhaps the most apt rationale for tourism's increased prominence on the Hurunui's 'landscape' is offered by Amberley Ward Councillor, Julie Coster, who states:

I think that at the end of the day, the economy comes into things. And for an area to grow it needs something to stimulate the economy. For the Hurunui, it's tourism. ... I think that nothing can ever stay stagnate; nothing can ever stay the same. There's always going to be change, and at the moment it's the turn of the wine industry, dairying and tourism. I mean, who knows; in 15–20 years time it might be another industry that's paramount. But at the moment, it just is what it is (Julie Coster, personal communication).

That being said, however, many key informants were quick to point out that although tourism is undoubtedly an important contributor to the Hurunui economy, the 'backbone' of the District's economy was still centred primarily on agriculture. As noted by the District Mayor, Garry Jackson:

The Hurunui is still a farming District. It's still a traditional rural District. But tourism has grown to be, if you like, an additional part of our economy. ... For me, tourism is a part of this District. But this is a District which is a traditional rural New Zealand farming area, with immense values in terms of its rural heritage; its 'authenticity' (Garry Jackson, personal communication).

Another Hurunui District Councillor from the Glenmark Ward, Kerry Prenter, echoes these views:

Sure, tourism seems to have a pretty loud voice in the Hurunui. But it's not as 'loud' as it used to be. And make no mistake; agriculture remains the core industry in the District. Oh, absolutely. Take away the dairying from Culverden and the sheep out of North Canterbury and it's all over [for the Hurunui District's economy] (Kerry Prenter, personal communication).

This view is shared by Cheviot Ward Councillor Vincent Daly, who when asked of the financial contribution made by tourism in the District stated the following:

Most of our main business, at the end of the day, is farming. Farming is our 'bread and butter'. The dairy farmers turn over a huge amount [of money] compared to our tourism industry (Vincent Daly, personal communication).

Thus a picture emerges of tourism as a relative new-comer to the economic landscape of the Hurunui District, and whose emergence (or re-emergence) has served to add a valuable dimension to the District economy. Importantly, however, from the perspective of Hurunui stakeholders is the recognition that while the tourism sector has been useful to the District in terms of addressing an immediate economic need, the core of the Hurunui's economic palette remains firmly entrenched in the District's agricultural proficiency.

7.4 Strategic Tourism Development in the Hurunui District

The Hurunui District Council presently plays a prominent role in the organisation, promotion, and industry development of the Hurunui's tourism sector. These roles have

been largely enabled through the Local Government Act 2002, which for the first time in New Zealand's history effectively 'unshackled' local government to engage in activities previously outside the scope of their mandated responsibilities. This legislation empowered territorial local authorities to undertake activities which could contribute to the sustainable development goals of social, cultural, economic, and environmental wellbeing within their constituency. For the Hurunui District Council, this legislation served to legitimise the Council's existing engagement in the District's tourism sector.

This engagement with the tourism sector coincided with the formation of the Hurunui District in 1989, when the ownership of the HSTPS was transferred to the Hurunui District Council via territorial administrative amalgamation from the former-Amuri County Council. The Hanmer Springs Thermal Pools and Spa complex, and the alpine village of Hanmer Springs in which the thermal pools are located, are considered to be the 'jewel in the crown' of tourism in the North Canterbury area and attract considerable levels of visitation, revenue and critical acclaim for the District area. The HSTPS is managed as a stand-alone entity by the Hurunui District Council, which employs a management staff to operate the business operation.

The governance of the thermal pool complex is overseen by the Hanmer Springs Thermal Pools and Spa Management Committee, which is in turn a remnant of the Management Committee formed under the Amuri County Council administration prior to territorial amalgamation. The Hanmer Springs Thermal Pools and Spa Committee is a sub-committee within the Hurunui District Council, and presently has on its membership two independent members, the Mayor of Hurunui District, one District Councillor, and the General Manager of the thermal pools complex. Adjacent to the HSTPS, but separate from its operation, is the Hanmer Springs visitor information centre (i-SITE Visitor Information Centre). This visitor information centre is operated by the Hurunui District Council in conjunction with the Department of Conservation, and is at present the Hurunui District's sole visitor information centre.

Concurrent with this engagement in the tourism industry at Hanmer Springs, the Hurunui District Council has assumed responsibility for the strategic tourism planning and

promotion of the Hurunui District's broader tourism sector. A central component of this role has been the establishment of a tourism governance structure and associated District promotions agency. Since its inception in 1993, the District's tourism governance has been headed by the Hurunui Tourism Board. From an organisational perspective, this Hurunui Tourism Board is a committee of the Hurunui District Council, and is responsible for setting the strategic direction of the Hurunui District's tourism sector. It also has a role in liaising and co-ordinating with a number of external organisations. Foremost among these external organisations is Enterprise North Canterbury; the economic development agency for the combined Waimakariri District and Hurunui District areas. The Hurunui Tourism Board is also responsible for overseeing the activities of the District's tourism promotions agency. This agency has, since its initial establishment, undergone several transformations with respect to its structure, personnel and branding focus. However, the governance of this agency has remained the responsibility of the Hurunui Tourism Board.

7.4.1 Developing a Hurunui Tourism Strategy and District 'Brand'

One of the first initiatives taken by the District Council, in conjunction with the Department of Conservation, was to establish a visitor information centre at Hanmer Springs, which opened in 1991. This visitor information centre was one of a network of visitor information sites established throughout New Zealand during this time. This network can be considered to be a first 'real' step towards a collaborative approach between central government agencies and territorial local authorities in the active promotion of local tourism operators and attractions within destination areas. Importantly for the Hurunui District, the placement of the visitor information centre at Hanmer Springs (rather than at the District's administrative capital of Amberley) represented an acknowledgement of Hanmer Springs's primacy in the Hurunui tourism product. Perhaps more importantly, the Hanmer Springs visitor information centre remains the sole information centre within the Hurunui District area, and is now located within the HSTPS complex. Such overt positioning of the District's sole visitor information centre within the Council-owned thermal pools makes a very clear statement about the primacy of Hanmer Springs and of the HSTPS in the Hurunui's tourism landscape.

Following the establishment of the visitor information centre at Hanmer Springs, a Christchurch newspaper advertising campaign promoting the Hurunui District was undertaken by the District Council. These newspaper advertisements encouraged readers to “drive the North Canterbury triangle up the coast road to Kaikoura and back along the Inland Road to Waiau, through the Weka Pass back to Waipara” (Lovell-Smith, 2000: 206). Side trips were suggested along the way, including: walkways at Greta Valley and Port Robinson; tramping, hunting and fishing activities at Lake Sumner; and the thermal pools at Hanmer Springs, which were always seen as the promotional ‘flagship’ of the District (Ibid). More formal promotion of the District began in May 1992 with the formation of the Hurunui District Promotions Association under the chairmanship of Councillor Bruce Johns, and in June of the following year an interim Tourism Board was elected to plan for the future promotion of the District.

Up to that point, there had not been any co-ordinated approach to District promotion in the Hurunui area. Rather, there had been an array of locally-organised special interest groups and business associations whose main goals appear to have been centred principally on self-interest. This fragmented approach to the promotion of activities and interests within the Hurunui is reflective of one of the key characteristics of the tourism industry as a whole: that is, tourism as a fragmented industry. The need for a co-ordinating body in the Hurunui to overcome this industry characteristic and to promote a District-wide tourism ‘brand’, while recognised by the District’s larger tourism operators, required that the District Council take a leading role in this endeavour. An anonymous industry informant makes the following observation:

People could see there was a real opportunity for tourism to do well here, and that the District could build on the potential of Hanmer Springs and the thermal pools there. But there was no cohesion amongst the tourism industry at that time. There were a number of individual promotions groups scattered throughout the District area, such as the Cheviot Promotions Group, the Waipara Winegrowers Association, Waipara Valley Association and the Hanmer Springs Business Association. But we really needed someone to be able to liaise with these groups and see if there was any future in getting the industry to generate the revenues to do something a bit more significant with the District. That’s really what we needed the Council to do; to take the lead and bring

everyone together (Anonymous Industry Informant, personal communication).

A significant change in the District Council's treatment of tourism occurred in October 1995, with the publishing of a visitor and tourism strategy for the Hurunui District. This Strategy was commissioned by the Hurunui District Council – with the financial support of the Canterbury Business Development Board and the Hanmer Springs Thermal Reserve – and was prepared by the Australian consultancy firms Calkin & Associates and Vaux Oelrichs Partners. It is important to note that the formulation of this strategic document was not based on purposeful debate or broad consultation among the wider Hurunui District community. Rather, “as part of the process a workshop was held with key Council and industry people at the Council Chambers on Monday 2 October 1995” (The Hurunui Visitor and Tourism Strategy, 1995: 107). As such, the strategic direction of the Hurunui District's destination development established in that document should be considered a Council-driven initiative. The dominant role of the Hurunui District Council in the development of this initial tourism strategy is noted within this document itself, in which members of the workshop group noted above raised concerns about the appropriate role of local government in promoting the District's tourism sector. These concerns are shown below:

The group recognised that there was some uncertainty in Council as to the degree and level of its involvement in tourism. While the Council is seen as supportive of the industry, the group felt it [the Council] is not sure of its tourism role. Should it be the leader and catalyst or should the private sector be the leader backed up by a supportive Council? (The Hurunui Visitor and Tourism Strategy, 1995: 109).

The Tourism Strategy set out for the first time a strategic direction for the District's visitor industry. Perhaps more significantly, it articulated the reasons why the Hurunui District Council should be involved in the promotion and development of the District's tourism sector. The following excerpt, taken from the 1995 Tourism Strategy, provides a succinct rationale for the Council's decision to pursue a more formalised role in the District's visitor industry:

“Council is already involved in the visitor and tourism industry. Therefore, the question is – should Council remain a stakeholder (emphasis added). Council owns and has responsibility for:

- a. Most of the roads, the toilets, the parks and playgrounds and many of the signs that visitors use.*
- b. There is an expectation by visitors, operators and service businesses and many, if not most, residents that Council has an important role in the provision of information services.*
- c. Council has regulatory control over the quality of visitor and tourism development as well as some health and safety issues.*
- d. Council is a very significant tourism operator as the owner of the Hanmer Springs Thermal Reserve – the major reason that Hanmer Springs is a major destination in the Canterbury Region and essential for the viability of Hanmer and the whole District’s tourism industry.*

In recent community surveys, the Hurunui community gave priority to two issues that should encourage Council’s role:

- Council having a leadership role in economic development.*
- The beautification of the District’s villages for residents and visitors.*

Taking all this into consideration, Council not only has a role to play, [but] it is a very significant role. If the Hurunui District seeks to maximise the benefits of visitors enjoying the District then Council’s role is pivotal to achieving a successful result and to minimise the costs” (The Hurunui Visitor and Tourism Strategy, 1995: 5–6).

A major outcome of the Hurunui Visitor and Tourism Strategy was identification of a number of tourism opportunities for the District. These opportunities included: community festivals and events; strong visitor flows through the District; the Hurunui’s proximity to Christchurch; and a variety of Department of Conservation lands within the District area. In order to take advantage of these perceived tourism opportunities, a number of issues were also identified that needed to be addressed in order for the District to benefit fully from visitors to the District. Of these identified issues, six related directly and indirectly to the roles and responsibilities of the Hurunui District Council (Hurunui District Visitor and Tourism Strategy, 1995: 15–16). These included:

- The need for a tourism co-ordinator to facilitate the development and marketing of the industry.
- The lack of co-ordination between the District tourism operators, coupled with the lack of awareness between them of each other's facilities.
- The need to inform local communities of the benefits of tourism and the variety of attractions and activities available in the District.
- Improving both directional and information signage throughout the District.
- Council having a liaison person to provide assistance and advice to small businesses on the rules and regulations to be complied with.
- Clarifying the Council's tourism role.

Another significant outcome of the visitor and tourism strategy was the recognition that the Hurunui's ongoing prosperity required the strengthening of trans-territorial linkages. The view was taken by the authors of the strategy that the promotion of the Hurunui's tourism product should not be limited by the territorial administrative boundary of the District area. Potential was seen for product triangulation between the wine and food attractions of Waipara, the alpine spa attractions of Hanmer Springs (both located within the Hurunui District area) and the marine-based attractions of the neighbouring Kaikoura District. After a period of discussions with the Kaikoura District Council and the Kaikoura District promotions agency, the tourism promotions alliance was formalised and the North Canterbury Touring Route re-branded as the Alpine Pacific Triangle Touring Route.

At the time of its launch, the Alpine Pacific Triangle was only the second official touring route in New Zealand's South Island, which was in itself a noteworthy achievement. However, from a strategic perspective, the 'triangle' represented a conscious decision by the Hurunui District Council and its fledgling promotions agency to develop intra-regional partnerships and alliances which were complementary to the Hurunui's tourism brand and were of mutual benefit to each alliance partner. In the case of the Alpine Pacific Triangle Touring Route, the 'Wine, Water and Whales' product agglomerate on which the brand was based proved to be a highly marketable tourism brand, as the comments of Mayor Garry Jackson indicate:

One of the challenges for us was to overcome the perception that Kaikoura didn't 'need' the Hurunui as much as the Hurunui needed Kaikoura. But the reality is that for Kaikoura and Hanmer, it was really complementary. It's almost an inverse relationship between domestic and international. Kaikoura had all the international [market]; Hanmer had all the domestic [market]. The idea was that we could both grow both by sharing the load. So we get the internationals to stay an extra night and go through to Hanmer. And for domestics we build this local touring route so that they can have two or three day itineraries and can go through to Kaikoura. So instead of spending all their time in Hanmer, we'll grow it that way. The logic of the route made sense as well. You're selling a bigger picture. Instead of marketing a one night stay, you're marketing more of a destination itinerary or product that is much better and easier to sell offshore than a one night stop or drive through that Kaikoura was (Garry Jackson, personal communication).

It is important to note at this point that in addition to this rationale, another significant catalyst for the District Council's 'pro-tourism' stance was that the greater-Canterbury Region's tourism promotions organisation at that time – the Canterbury Tourism Council⁴⁵ – was being restructured. Consequently, there was a lot of speculation within that restructuring process about whether or not Canterbury Tourism would focus just on Christchurch or on the wider Canterbury region. Perhaps not surprisingly, there appears to have been a lot of apprehension within the Canterbury region about the future promotional focus of the restructured Canterbury Tourism. This formative period in the Hurunui's tourism structure is recalled by Brian Westwood, the first full-time tourism manager of the Hurunui District's emergent tourism promotions agency:

There was a lot of nervousness among the District Councils about that, and the general feeling in the Hurunui was "if Canterbury Tourism is not going to promote us anymore, then we'll have to do it ourselves". I think that these were exactly that; practical minds sitting in the positions that they were in, saying: "look, where we sit with the Hurunui in particular is that we've got this tourism asset in the District called the Hanmer Springs Thermal Pools and Spa, so let's use it. We've got all this business that's passing by our door and we're not doing anything about it. Nobody else is doing it. Let's pull our sleeves up, see if we can actually pull things

⁴⁵ This organisation is the present-day regional tourism organisation for the wider Canterbury province. It was initially renamed Christchurch and Canterbury Marketing (CCM), before eventually being renamed Christchurch and Canterbury Tourism (CCT).

together and make it work for us instead of just watching everything dwindle away. They can't do anything with the agriculture sector. It's too hard. But tourism seemed to be something that had potential". So, you've got a number of things happening all at once. And when you put them together you've got a very strong case to go to Council and say: "if we don't do this ourselves, and put the money in ourselves, we're going to be left out in the cold. Currently, we've got a local economy that's struggling. We've got obituaries being written about our townships. We need to do something". So that was the environment upon which the investment was put into employing someone to do the full-time tourism manager job (Brian Westwood, personal communication).

From an organisational perspective, the release of the Hurunui District Visitor and Tourism Strategy heralded the formalisation of a tourism governance structure for the Hurunui District. It led to the appointment of Ross Thompson as tourism development co-ordinator in September 1996, and eventually to the formal establishment of the Hurunui Tourism Board in 1999. This Tourism Board, chaired by Simon Cowles, was made up of "approximately four independent external members – people who understood tourism in the Hurunui – and three elected Council members" (Garry Jackson, personal communication). Later that year, a full-time manager – Brian Westwood – was appointed to replace the role previously undertaken by the tourism development co-ordinator Ross Thompson. This was followed by the re-launching of the Hurunui District Promotions Association as 'Alpine Pacific Tourism', thus capitalising on the dominant product package of the Hurunui's suite of attractions: the emergent Alpine Pacific Triangle Touring Route.

The primary role of this re-launched tourism promotions agency was, and still is, to promote the Hurunui District as a visitor destination to both the domestic and international visitor markets. Subsidiary to this role is the provision of marketing assistance to individual member subscribers of Alpine Pacific Tourism through a variety of mechanisms and forums at their disposal. Upon its re-launch in 1999, Alpine Pacific Tourism was registered as a Regional Tourism Organisation (RTO) with the national association of Regional Tourism Organisations (Regional Tourism Organisations New Zealand – RTONZ). This effectively moved the Hurunui District from under the umbrella of the Canterbury Tourism Council and afforded it a level of freedom and autonomy over the way in which the District's tourism industry could be promoted to external markets. It is

this ability to create and promote their own tourism future which so appealed to the architects of the Hurunui District's emergent tourism governance structure.

7.5 Re-engineering the Tourism Model: from Alpine Pacific Triangle to Hurunui Wellness

More recently, the focus of the Hurunui's District promotions agency has shifted to accommodate a more holistic view of tourism's contribution to Hurunui 'wellness', and to better align to sector's ability to address broader issues of community wellbeing. The desire to reduce the operating costs of Alpine Pacific Tourism to the District Council (as principal funder of Alpine Pacific Tourism) was also an important driver of this change, as was the desire to garner greater marketing leverage from the wellness values associated with the HSTPS.

Taken together, the shift in the Hurunui tourism brand from the Alpine Pacific Triangle to *Hurunui Wellness* represented a deliberate first step in creating a longer-term strategic tourism vision for the Hurunui that had greater synergies with key issues identified in the Hurunui District Council's Long Term Council Community Plan (LTCCP) 2009–2019. These issues include: improving upon the fiscal prudence and therefore affordability of Council activities and spending; and the further development of the Hurunui wellness theme in such a way as to address the social, cultural, economic, and environmental 'wellbeings' identified in the Local Government Act 2002. One of the key drivers behind this shift towards Hurunui Wellness, Mayor Garry Jackson, provides an insider's perspective of these changes:

On a community level – or if you like an LTCCP level – we have come to an understanding that the core values of the Hurunui lie in a word called 'wellness'. We have interpreted the word 'wellness' in its widest sense, and we have seen it as encompassing the four core wellbeings that are in the LGA anyway; economic, social, environmental and cultural. They're all aspects of wellness. We came to a view that although it's just a word, it does bring a lot of those issues together; to life. We got to the point which said if we believe that the Hurunui and wellness do fit together, then if we develop strategies and action plans in our LTCCP – which the LGA requires us to do – then we build a robust foundation for the future

of this District. When we did that, and came to terms with that word and those values, and what that could mean for our District, then what we said was: “as a Hurunui community and individual communities within the Hurunui, we stay true to those values and we actually position ourselves as being a destination potentially for wellness tourism”. So that gives us then a potential platform or foundation to be regarded as a destination for wellness tourism. And if that’s the case, then the tourism foundation that will sit under Hurunui tourism – whatever the brand name will be – means that we remain true to who we are. We are who we are (Garry Jackson, personal communication).

The impact of this shift in tourism branding for the Hurunui, and of the review process which initiated the changes, has been two-fold. Firstly, it has resulted in significant changes to the structure and operation of the District promotions agency. The agency has experienced a reorganisation of its staff, with the general manager position being made redundant and replaced with two clearly defined positions: a Tourism Development Manager (to be accommodated within Hurunui District Council Chambers and staff at Amberley), and a Tourism Marketing Manager (to be incorporated into the responsibilities of the incumbent HSTPS Marketing Manager at Hanmer Springs). This separation, it can be argued, provides greater clarity around the key roles of each position within this newly created structure and is in many ways an exemplar of a ‘classic’ destination management–marketing split. Secondly, it signalled the intention of the District Council to incorporate the District’s tourism governance structure and strategic direction more closely into the overarching Hurunui wellness vision and associated policy settings (see Figure 7.1).

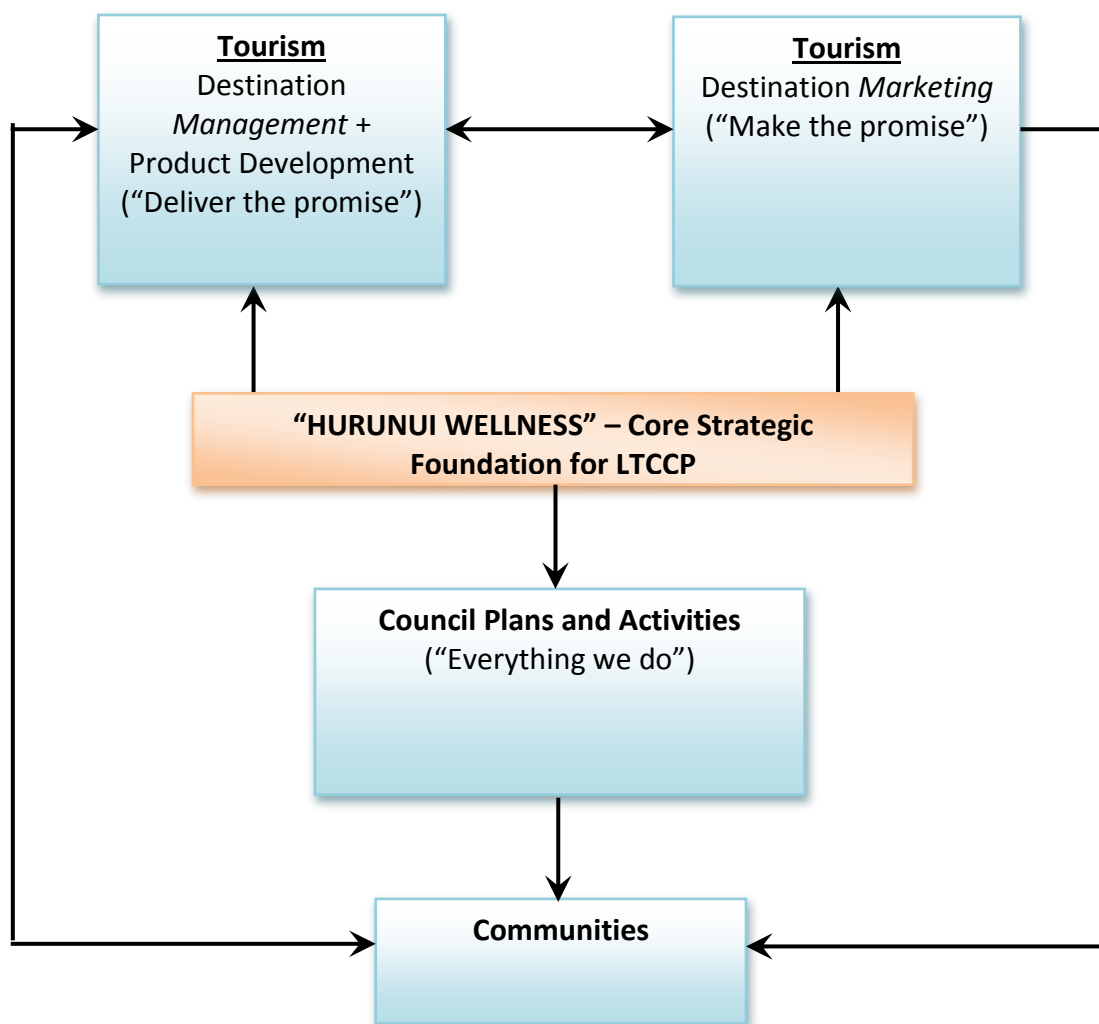


Figure 7.1 Extending the LTCCP 'Wellness Foundation'

(Source: Hurunui District Council, 2009a)

These changes, and their implications for Hurunui tourism, are identified by Scott Pearson⁴⁶, the General Manager of Alpine Pacific Tourism:

In fact, Alpine Pacific Tourism, as an organisation, is going to be phased out and the new Tourism Board is going to be called the Hurunui Tourism Governance Board. Basically what's happening there is that the marketing function of the Hurunui's regional tourism organisation (Alpine Pacific Tourism) is now going to be undertaken by the Hanmer Springs Thermal Pools and Spa. They've basically said: "if we combine the marketing budget of Alpine Pacific Tourism with the thermal pools and spa, which has a predominantly domestic focus, then we'll have a bigger pool of

⁴⁶ Scott Pearson replaced Brian Westwood as General Manager of Alpine Pacific Tourism in 2003.

money and be able to create a number of efficiencies and economies of scale". Through a restructure of the organisation, Alpine Pacific Tourism will no longer be working within a committee. Let me explain this clearly. The Hurunui Tourism Governance Board will still be a committee of Council, and it will still have a role of destination marketing for the entire District. But there will also be a key function there of destination management. The difference really is that Council, through making these changes, won't have a tourism marketing manager within the actual staff and office at Amberley. Through doing this, the Council has managed to avoid certain administration overhead costs. That is going to save the organisation approximately \$60,000 a year (Scott Pearson, personal communication).

The consequence of this review of tourism governance, Alpine Pacific Tourism was disestablished by the Hurunui District Council on 30 July 2009. Formal notification of this disestablishment was provided to the Regional Tourism Organisation New Zealand by the outgoing General Manager of Alpine Pacific Tourism, Scott Pearson. In this correspondence, contained within the Agenda document of the inaugural meeting of the Hurunui Tourism Governance Board (13 August 2009), it was noted that the Hurunui District Council had undergone a strategic tourism review and decided to reduce the organisation's status from regional tourism organisation to that of a District Tourism Organisation:

The District's RTO status has now been transferred to Christchurch and Canterbury Tourism. A new Hurunui Tourism Governance Board has been formed to govern destination marketing and management in Hurunui. The marketing operation will now be run from under the wing of the Hanmer Springs Thermal Pools and Spa, while other activities will be carried out on a contract basis (Hurunui District Council, 2009b: 5).

The structure of the Hurunui Tourism Governance Board has since been refined and is now positioned as a Council Committee within the Hurunui District Council governance structure. It is made up of ten Committee member, and includes: the District Mayor, two District Councillors, the District Council CEO, the HSTPS General Manager, two independent members, the HSTPS Marketing Manager, and a representative each from the Waipara Valley Winemakers Association and Hanmer Springs Business Association. The Hurunui Tourism Governance Board is responsible for overseeing the destination

marketing and destination management of the District as aligned to the values and principles of Hurunui wellness. They are also responsible for the co-ordination of roles, responsibilities and resources of the North Canterbury Economic Development agency – Enterprise North Canterbury – with regard to regional development and business capability.

In this way, the new tourism approach taken by the Hurunui District Council relies on maximising the resources already in place through the HSTPS, the Visitor i-Site at Hanmer Springs, and the activities of Enterprise North Canterbury. Moreover, this new approach signals the intention of the District Council to maximise the Hurunui's Wellness brand and to have a dedicated focus on destination marketing, product development and destination management (Hurunui District Council, 2009b: 12) (see Figure 7.2 below).

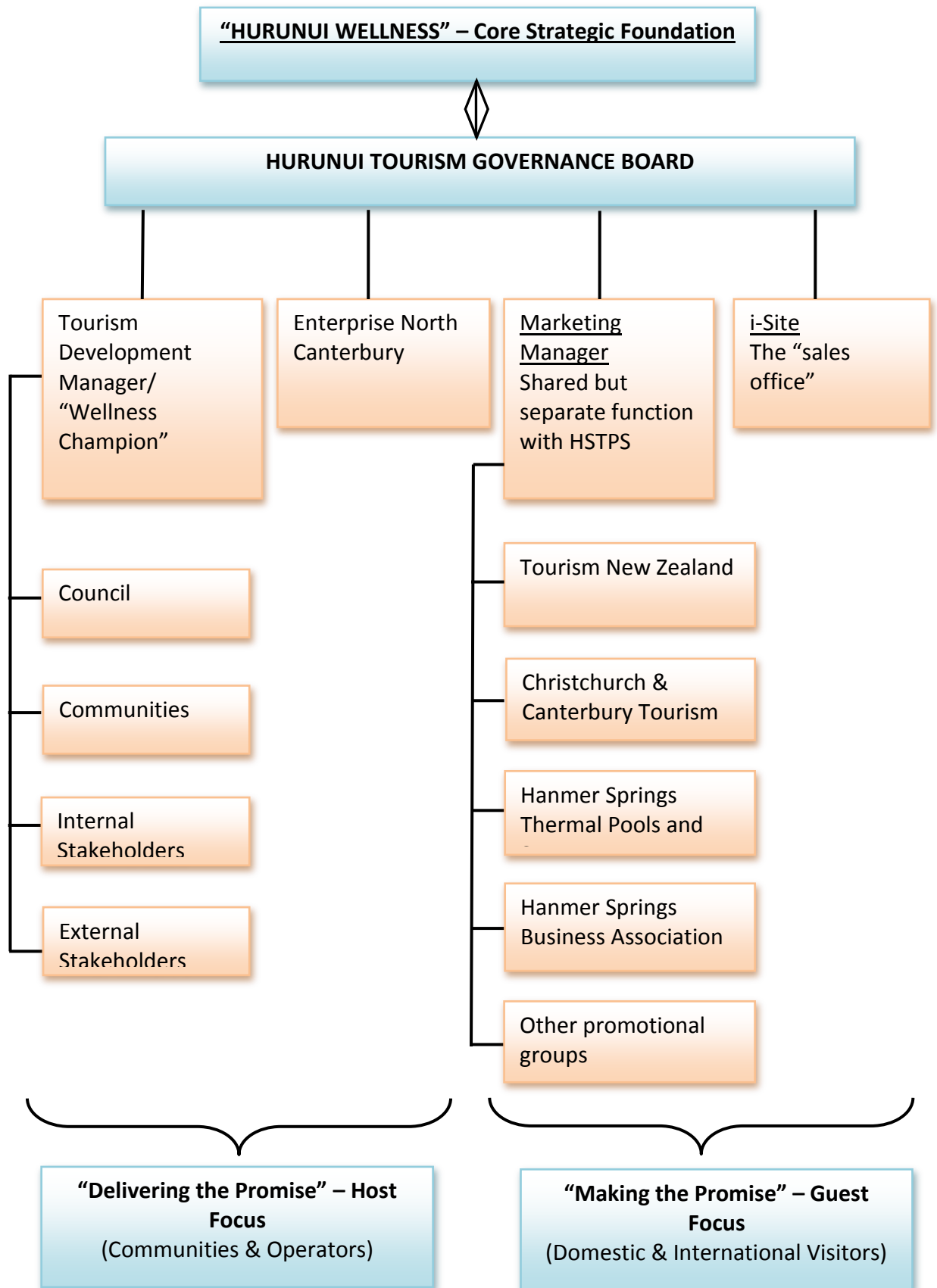


Figure 7.2 Hurunui Wellness: Core Strategic Foundation

(Source: Hurunui District Council, 2009b)

7.6 Governance of the Hanmer Springs Thermal Pools and Spa

As noted above, the Hurunui District Council has had since its inception in 1989 a level of involvement in the tourism sector beyond that which might be considered commensurate with those roles associated with the sector's *enablement* and *management of tourism's impacts*. This extended involvement is centred on the HSTPS. Located in the alpine village of Hanmer Springs, the HSTPS was vested by the Crown in the Hurunui District Council and was gazetted as a recreational reserve on 23 November 1990. The legal title of this recreational reserve is the Hanmer Springs Thermal Reserve. The District Council operates the HSTPS under the provisions of the Reserves Act 1977. Pursuant to the Reserves Act, the District Council is only able to apply any surpluses derived from the Thermal Reserve to other Recreational Reserves administered by the Council. The Council actively uses these surpluses to fund the costs relating to other District Reserves, cemeteries and public toilets. In addition, as the District library in Amberley has been built on a Recreational Reserve, the costs associated with the library function is also subsidised by the surpluses from the Thermal Reserve.

The day-to-day operation of the thermal pools is the responsibility of an on-site management team, which in turn reports to the District Council. Because of the importance of the HSTPS to the District economy, the District Council has a special committee to oversee the management and business operation. This committee – the Hanmer Springs Thermal Pools and Spa Management Committee – was formed in 1989 to govern the HSTPS and comprises some elected members of Council, a Hanmer Springs Community Board member and independent 'external' representatives. The Management Committee attends to the long-term direction and planning of the pool complex and seeks to ensure that the operation is managed in a profitable manner so that there is a financial surplus to assist in funding of the District's other Recreational Reserves. Thus, as well as providing facilities for the social and recreational use of residents, the HSTPS makes an important contribution to the local economy by attracting regional, national and international visitors to the District. The HSTPS provides a substantial revenue stream to the Hurunui District Council and has made an important financial contribution towards the funding of other reserves in the District. Over the five-year period 2004–2009, that financial contribution has amounted to \$3.1 million. Moreover, the total returns to the

Hurunui District Council in terms of forecasted surpluses over a ten-year period 2009–2019 are anticipated to be in the order of \$27 million (HDC, 2009a).

To the outside observer, it could be argued that this HSTPS management model is indicative of a District Council which has a clear understanding of the potential of tourism activity to contribute to broader issues of regional growth and development. The municipal enterprise exhibited by the commercial activities associated with the HSTPS has enabled the District Council to re-distribute tourism-generated revenues in a much more direct manner than might otherwise have been the case. This is manifested in the form of a reduction of property rates levies, as the HSTPS revenues are used to offset Council spending in other areas, and thus relieve at least some of the financial burden on Hurunui District ratepayers. Indeed, this view is supported by the specific treatment given to ‘tourism’ as an identified key Council activity in the Hurunui District Council’s Long-Term Council Community Plan 2009–2019. In this document, which is effectively a ten-year strategic vision for the District, tourism is identified as one of three anchor industries around which the Hurunui economy is based (the others being agriculture and viticulture). More specifically, tourism’s contribution to the District economy is discussed in detail, as is the District’s Council involvement in destination marketing and destination management. However, this level of local government engagement in the District’s tourism sector has not always been as comprehensive as it is now. This point is noted by Brian Westwood:

Well, the Hurunui District Council has been involved in tourism by default for quite a long time through the ownership of the Hanmer Springs Thermal Pools. That has always given them some engagement in the tourism sector. However, in the early days – this is immediately after amalgamation in 1989 – they were quite ‘stand off-ish’ as a Council. They operated the pools as a stand-alone unit and weren’t really interested in doing anything too much further beyond that, apart from giving a little bit of support for some of the promotion groups (Brian Westwood, personal communication).

This reticence to become more deeply involved in the District’s visitor industry was typical of the way in which local government intervened in the tourism sector during this time.

While the neoliberal transformation of New Zealand's rural economy had certainly left the Hurunui District in need of economic diversification, the District Council did not appear to act on this need to any significant degree until the early 1990s. However, since this time the way in which the Hurunui District Council has utilised the innate tourism potential of Hanmer Springs to grow the District's wider tourism product has grown considerably. Concurrently, the Hurunui District Council has fostered the township's growth and expansion via the commissioning of a number of plans, including the Hanmer Springs Development Plan in 2003 and the Hanmer Springs Growth Management Strategy and Town Centre Development Plan in 2006. These documents signalled the Council's intention for the further development of Hanmer Springs for the benefit not only of local residents but also of visitors to the township. These planning documents have been enabled by the opening up of land for the development of residential sub-divisions and extensive town centre beautification schemes and amenity and infrastructure works.

In addition to the extraordinary high levels of township growth and development experienced in Hanmer Springs since territorial amalgamation in 1989 (when compared to other Hurunui townships), Hanmer Springs also has what is considered by some informants to be a disproportionately high level of community representation within the Hurunui District Council governance structure. Specifically, in addition to the Ward Councillor representative around the Council table (Hanmer Springs Ward) the township also has an elected Hanmer Springs Community Board which operates under the umbrella of the Hurunui District Council. Significantly, Hanmer Springs is the only township in the Hurunui District with Community Board representation within the District Council. In addition to this, there is also a dedicated Hanmer Springs Business Association representative on the Hanmer Springs Thermal Pools and Spa Management Committee, and several of the village's more active community members feature prominently on the newly created Hurunui Tourism Governance Board.

When considered in aggregate, Hanmer Springs thus appears to occupy a favoured position within the Hurunui District's tourism product *and* tourism governance structure. This has been noted by several research informants, and will be addressed more fully in the following research findings chapter. However, the comments of one anonymous

research informant in particular capture the potentially fractious ramifications of Hanmer Springs's preferential status:

Interviewer: Is there any animosity within the District about the special place Hanmer Springs has in the Hurunui, or even the special treatment it may have received from Council? Of the special position of favour it holds?

Respondent: Yes. Well, the Hanmer Springs Thermal Reserve belongs to the Council; in other words, to all the ratepayers. And there is a little bit of money that comes out of that and goes into reserves throughout the District. But the great part of that money is sunk back into it and borrowed money to develop Hanmer Springs. Every three years it seems that it has to be refurbished and reignited again to attract more people and to keep them coming back. So a great majority of the income, of the earnings, never sees the light of day to benefit the District. And people say: "where is the benefit to us? Everything is going to Hanmer Springs" (Anonymous Research Informant, personal communication).

This has, in turn, led to a contested understanding of the dominance that Hanmer Springs appears to exert over the Hurunui District's tourism 'landscape', and of the level of influence that Hanmer Springs itself has over the Hurunui's tourism governance structure. For stakeholders from Hanmer Springs, such a prominent position in the District's tourism product and governance structure is a logical extension of the already prominent role of the village and its tourism attractions. These sentiments are echoed by local Hanmer Springs historian and chairperson of the Hanmer Springs Community Board, Rosemary Ensor, who notes:

The Hurunui District is, after all, an agricultural-based district. ... There has been quite a lot change in this District. Not just tourism, but also other things. The irrigation scheme that went into Culverden and was finished in 1970s helped the dairy industry to take off in the 1990s. But I think that tourism has to be considered the lifeblood of the Hurunui, because there isn't anything else. Farming is still the backbone, but tourism is very important. I mean, there's a destination already here in Hanmer Springs, and none of the other townships in the Hurunui are destinations in themselves. That is what makes Hanmer unique (Rosemary Ensor, personal communication).

The Township's prominence as the District's principal visitor destination, while undoubtedly historical and based on an on-going programme of product growth and development, is not in dispute. However, the prominent role played by the Hurunui District Council in sponsoring that growth and development raises questions about the level of sponsorship and assistance provided by the District Council to other townships and industry sectors in the Hurunui. It is these questions of equity, and of the efficacy and appropriateness of local government involvement in the tourism sector, which the following chapter will address.

7.7 The Importance of Tourism Champions in the Hurunui District

There have been a number of key people who were instrumental in generating the necessary momentum to establish the Hurunui District's fledgling tourism governance structure. Foremost of these figures were the District's inaugural Mayor, John Chaffey, and the Hurunui District Council's CEO, Paddy Clifford. According to an anonymous research informant, there was no cohesion amongst the tourism industry at that time. Both John Chaffey and Paddy Clifford were acutely aware of the potential for the tourism sector to help alleviate some of the economic ills experienced in the Hurunui's farming community and were therefore strong advocates of the sector's promotion and development. Moreover, one could quite rightly argue that the senior positions these two men occupied within the District Council – as District Mayor and District Council CEO – meant that their 'pro-tourism' views and opinions held considerable gravitas with their District Council colleagues.

For the District's tourism industry, the support of these two leading figures within the District Council structure was critical in a District area whose economy was dominated by agriculture and whose District Councillors were largely from the farming community. As noted by this anonymous research informant:

There were a couple of key people that began making the changes in the Hurunui District Council's approach to tourism. First, there was the Mayor, John Chaffey. He was very instrumental in a lot of the tourism developments. And the other person was Paddy Clifford, who was the CEO of the District Council at the time. He

was also very pro-tourism, and could see how the tourism industry could benefit the District in terms of economic growth. They contracted Ross Thompson, who was at that time a part-time tourism manager. He used to be the manager of the thermal pools, so that's how he knew those guys, and then he worked part-time for the Council pulling together quite top-level tourism things with each of the different promotions groups that were in the District. Ross Thompson was, at that time, also the acting chief executive of the Canterbury Tourism Council (the forerunner to Christchurch and Canterbury Tourism). So he was well-positioned within the industry to understand what was going on. Those three heads in the organisation were quite 'pro-tourism'. They were interested in developing the sector a lot more aggressively (Anonymous Research Informant, personal communication).

The potency of the Hurunui's emergent tourism governance structure was undoubtedly strengthened by the appointment of Ross Thompson as the first manager (albeit part-time manager) of the Hurunui District Promotions Association. As the acting chief executive of the Canterbury Tourism Council and former manager of the HSTPS, he was ideally suited to undertake the tasks demanded by the newly created Hurunui role. However, the Hurunui District Council soon came to the realisation that a part-time manager wasn't going to be enough to do the job 'properly', and that a full-time appointment was required. This newly created full-time role was filled by Brian Westwood, who, like Ross Thompson, had previously worked for the Canterbury Tourism Council and thus had an intimate knowledge of the inner workings of a District promotions organisation. The following commentary on the rationale for the expansion of the District promotions managerial position is provided by Brian Westwood:

They (the HDC) came to the realisation that a part-time person wasn't going to be enough to do the job properly. What they wanted to do was to get all the heads of the industry together and create a Tourism Board that was focused on aptitude rather than on political allegiances and stuff like that. The Council asked for a volunteer [Tourism] Board to be set up. And they got some really good people around the table. People like Simon Cowles, and Jeanette Elliott who used to run Canterbury Tourism – these types of people. Good top-level people with good business heads on them and also a sound knowledge of the industry as well. That Board operated for about six months with a part-time manager. They put a proposal back to Council that said: "look, it's not going to work. We can't do this job with a part-timer. We need to employ

a full-time person to actually give us the momentum to actually get something happening". So that's where the role of the full-time Tourism Manager came in. The initial brief of the full-time Manager role was to set up a Tourism Board and increase our guest nights. Get us more business in the District (Brian Westwood, personal communication).

Indeed, the seemingly serendipitous ability of the Hurunui District to find the 'right people for the job' might be considered a defining characteristic of the District's tourism experience, and is a trait which undoubtedly acted to assist with this early period of development in District promotions capability. This is consistent with observations found within the academic literature which note the important role of 'significance individuals' and 'local heroes' in destination development (e.g., Ateljevic & Doorne, 2000; Harvey, 1989b; Lowe, 1993). These authors also recognise that different individuals are often utilised at different stages of the development trajectory. As is the case with the Hurunui District, these individuals play a central role in the initial establishment and ongoing development of the tourism sector in destination areas. In the context of public sector tourism entrepreneurship, it is argued that a local authority is not entrepreneurial as such; rather entrepreneurship is the activity of individuals who act on behalf of the authority (Ateljevic & Doorne, 2000). This is undoubtedly true for the Hurunui District, where significant *individuals* within the District Council structure and tourism promotions agency consistently championed the growth and development of the tourism sector.

The effect of this ability to gather 'good people' in the initial establishment and development of the Hurunui District's tourism governance structure was to have a tourism sector with strong leadership. It would be true to say, however, that the Hurunui District's seemingly innate pre-disposition towards the visitor industry presented the emergent District promotions personnel with an extremely good starting point from which to commence their industry promotion and destination marketing. This point is made by Brian Westwood, who acknowledged that the Hurunui's existing tourism assets and attractions provided him with an extremely 'saleable' tourism product:

Leadership is a feature of tourism in the Hurunui. We were fortunate to have such good people involved in creating the Hurunui's new tourism governance structure. In fact, I was lucky

that my previous background was that I worked for Canterbury Tourism. So I knew exactly what was required to make an RTO work. We had a really good [tourism] product in the Hurunui, and we also had a really good infrastructure to get some quick 'wins'. One of those was the development of the Alpine Pacific Triangle. The hard work of John Chaffey, who engaged in some serious lobbying of central government [for major levels of investment in public works projects], allowed us to get the inland road to Kaikoura converted from a shingle road to a sealed road. It was like a God-send for the tourism in the District. I mean, you couldn't not succeed with a new asset like that being dropped on your back door. And pulling those three corners of the triangle together to make it into a marketable product was something that most other regional tourism organisations were quite envious of, because I had a really good product to sell (Brian Westwood, personal communication).

Thus, the ongoing growth and success of the Hurunui District's tourism sector can be attributed in no small part to the already well-established and highly saleable tourism product at Hanmer Springs. That such a popular and potentially lucrative tourism asset should be located within the territorial boundaries of the Hurunui District was not only serendipitous for the District Council's tourism industry pioneers during the 1990s, but also represented a genuine means by which to diversify the District economy and regenerate hitherto ailing rural townships. However, the consequences of this growth and development of the tourism sector, and the implications of the District Council's pluralistic roles and responsibilities in this endeavour, resonate through the District to the present day and highlight areas of potential fracture in Council–community relationships.

7.8 Conclusion

This chapter has presented empirical research findings relating to the Hurunui District's tourism development trajectory since territorial administrative amalgamation 1989. This has included a description of events at the broader national and sub-national levels which precipitated the Hurunui District Council's eventual engagement in the District's tourism sector. Issues of economic diversification and community regeneration in the face of rural decline were foremost in the rationale of the District Council's leadership decisions. This leadership also recognised the important role the Hurunui District Council could play in not only facilitating and co-ordinating development efforts of the tourism sector, but also

the potential to utilise and further develop the District's existing tourism product and 'brand' identity: the alpine village of Hanmer Springs and the HSTPS.

From the initial commissioning of the Hurunui District's Visitor and Tourism Strategy in 1995, and the establishment of an interim Hurunui Tourism Board which accompanied the release of this strategy, the Hurunui District Council has been the lead agency in the development of the District's tourism sector. This role has been legitimised by legislative mandate via the LGA 2002, and has been enabled by strong leadership within the Council structure. The relationship between the District Council and the tourism sector has, over this relatively short period of time, experienced a series of refinements and adjustments to the sector's governance structure and branding identity. An initially outward looking approach to District promotions, utilising the Alpine Pacific Triangle as the Hurunui's core brand identity, has since been replaced with a more inward looking approach based on the Hurunui District Council's core vision of Hurunui 'Wellness'.

In conjunction with District promotions, the on-going (re-)development of the HSTPS, under the umbrella of the District Council, has further strengthened the Hurunui's tourism profile outside of the District. The on-going success and recognition of this thermal pool complex has acted to justify the District Council's participation in the District's tourism industry. Thus a picture emerges of local government as not only an *enabler* of the tourism sector and *manager* of the sector's impacts, but also a full and active *participant* in the District's tourism industry. In fact, the Hurunui District Council is considered to be the District's largest and most profitable tourism operator. The various tensions that such a pluralism of roles and responsibilities has created within the case study area will thus be addressed in the following chapter.

Chapter 8

Local Government Pluralism in Regional Tourism Development

8.1 Introduction

The purpose of this chapter is to identify and discuss the substantive issues relating to the growing prominence of the tourism sector in the case study location, and of the Hurunui District Council's promotion of the sector's development. These issues are revealed in data obtained through interviews with key research informants, and complemented with data from secondary sources. The central findings of this thesis indicate the presence of conditions which have combined to create contested understandings about the appropriate role of the tourism sector in promoting intra-District development objectives. Issues of equity in public sector funding appear to be of prime importance, as is the much broader question of local government participation in the District's tourism industry via the Hanmer Springs Thermal Pools and Spa. These issues, in turn, speak to an underlying tension within the case study area of local government pluralism in regional tourism development in the Hurunui District.

This thesis seeks to integrate a New Regionalism and Foucauldian perspective for the purpose of analysis. Tourism development outcomes in the Hurunui District are theorised as being the result of interactions between stakeholders involved in decision-making, and the political and institutional frameworks which determines how these interactions take place. Within the decision-making process, this thesis has adopted a Foucauldian view of power relations, whereby tourism development and promotion outcomes are conceptualised as being shaped by the power struggles between competing interests (e.g., Flyvberg, 1998; Sharp & Richardson, 2001). By combining the New Regionalism and Foucauldian perspectives, a clear insight is provided into how the researcher interprets (i.e., views through the theoretical 'lens') tourism development and promotion in the Hurunui District. In the case study location, tourism policy-making and decision-making is undertaken under a New Regionalism public policy framework. This policy framework, as well as other government policies and legislation, provides the 'rules' that govern how these stakeholders interact and make decisions. Outcomes from the process are believed

to be products of these stakeholder interactions, which are (partially) shaped by the political and institutional framework in which they operate.

The structure of this chapter is as follows. The chapter begins with a discussion on the question of equity in tourism funding, in which the broader question of free-riders in tourism is addressed via the question: *who should pay for tourism in the Hurunui?* This is then followed by a section which examines stakeholder perspectives of the role of local government in the tourism industry. In this section, the prominent role played by the Hurunui District Council is examined in the context of local government involvement in a private sector activity. The final section then addresses issues of *regional* development in the Hurunui District, and examines stakeholder perceptions that development in the Hurunui District is actually manifested primarily as development in Hanmer Springs.

8.2 Equity in Tourism Funding: Who Should Pay?

One of the most significant findings of this research relates to the issue of costs versus benefits from tourism development in the Hurunui District. This issue was consistently raised during discussions with numerous research informants from a variety of backgrounds and organisational affiliations. Based on the comments of these research informants, this issue appears to be fundamentally grounded in the question: who pays for, and who benefits from, tourism development in the Hurunui District? This question of 'who pays for tourism?' and 'who benefits from tourism?' is, of course, a common theme in the academic literature (e.g., Mair, 2006; Simmons & Fairweather, 2005) and speaks to a much broader issue of public sector roles and responsibilities in stimulating industry growth and activity. For an industry like tourism which relies so heavily on public goods as the basis of its product, and which has numerous un-priced externalities associated with that same product, the issue of how best to address the issue of equity assumes increased importance in regional locations such as the Hurunui District. Central to this issue are notions of equity and fairness in the burden of cost associated with District tourism promotions, and perceived subsidy of the tourism sector by District ratepayers.

One of the most salient issues identified by research informants when speaking of equity and fairness centred on the issue of public funding of the tourism sector. Specifically, the

manner by which the Hurunui District Council provides funds for the promotion of tourism in the District and, by implication, subsidises the promotional activities of the District's tourism operators, is widely acknowledged by research informants. This issue is also impacted by the need to provide a suitable level of infrastructure, services and amenities in order to adequately service the visitor industry. Importantly for a small local authority grappling with rural decline, such services are typically provided to visitors free of charge but are not free of cost. The issue of how and from whom that cost is recovered thus assumes increased significance in times of economic hardship, as was the case for the Hurunui. Given the increasingly austere economic conditions faced within the rural sector at the time, and considering the District's already established 'relationship' with the tourism industry (via Hanmer Springs), the District Council decided to implement a unilateral tourism funding mechanism to assist in the establishment of a District promotions agency.

According to the former-CEO of the Hurunui District Council, Paddy Clifford, this funding mechanism was adopted because the tourism sector was fundamentally seen to be "good for everybody in the District, and should therefore be funded by everybody in the District" (personal communication). Thus it was decided by Council that the activities associated with District tourism promotions would be funded by ratepayer contributions from within the structure of the 'general rates' levied against all property owners in the Hurunui District. In other words, all ratepayers would contribute to District tourism promotions in the Hurunui based on the capital value of his or her property. For a District whose principal means of economic growth was historically based on primary production, the new focus on the tourism sector by the District Council appeared to leave many in the agricultural sector feeling 'uneasy' about the apparent public sector subsidy of the District's emergent tourism industry. The following comments made by Paddy Clifford reflect this position:

We were a cash-strapped Council, and there was an immediate backlash from ratepayers, who viewed tourism as not part of Council's core business. ... Much of the community – especially the farming community – viewed Council's intervention in tourism with disapproval (Paddy Clifford, personal communication).

According to a number of research informants, the question of tourism being funded by 'the District' became a very topical and emotional issue in the Hurunui, most particularly from the point of view of rural landowners. As recounted by a number of research informants, it was the case that many rural landowners felt that they – through their general rate levy – were subsidising those in the tourism industry. That did not sit comfortably with them, especially in the context of an economic environment in which the principles of user-pays were prevalent. As noted by Chris Sundstrum, Federated Farmers North Canterbury and Chatham Island Regional President, the backlash from the Hurunui District Council "throwing money and attention at tourism" was based on the conviction that local Council rates and levies should be targeted at specific users and activities (personal communication). Rather than have a unilateral approach to Council funding, those industries which benefit from Council spending in a particular area should have an accordingly proportionate amount of their local Council taxes (or 'rates') directed towards that area of Council activity. In the eyes of rural landowners, many of whom regarded the flow-on benefits of tourism to the wider District area as being tenuous at best, this targeted approach to funding the District Council's tourism-related activities represents a more equitable basis by which to bear the financial burden of the Council's tourism activities.

This disapproval of the District Council's unilateral tourism funding mechanism at this time was also informed by an increasingly fractious relationship between the District Council and the rural sector. The origins of this disquiet, while centred principally on the increasing ability of the Council to impose various caveats on farming land-use practices, were nonetheless amplified by a desire for a fairer system of tourism funding. This context of conflict and rural ratepayer displeasure can be seen in the comments of Garry Jackson:

Well, in the early days of the Tourism Board and tourism structure of this Council, it originally set that model up based on funding from the general rate, which meant that every ratepayer was paying into this, and that was being paid on capital value. So, if you like, large landowners and farmers were paying more in outright dollar terms than urban people. That created at the time, because of a) some other issues that this Council had with its landowners, and b) there was huge animosity between this Council

and its landowners on other issues, but this flowed over into their animosity towards paying a general rate to tourism (Garry Jackson, personal communication).

This underlying atmosphere of displeasure of rural ratepayers that was directed towards the Hurunui District Council during this time is confirmed by the comments of Chris Sundstrum. Specifically, it was noted by Chris that other issues relating to the categorisation and associated land-use restrictions imposed by the District Council, via the District Plan, contributed to a fraught relationship between the Council and the rural community:

Has the relationship between the Hurunui District Council and the farming community been 'good'? In the late 1990s there was an issue about Significant Natural Areas – SNAs – being included in the District Plan, and that created a lot of 'grief' [between the farming community and the Council]. In fact, there was an SNA action group set up by Federated Farmers at that time to fight that issue. The SNA issue was set up very, very badly and it resulted in the loss of a lot of privacy for rural landowners. It also resulted in the loss of a lot of land rights. It meant that people could march on to people's farms for a SNA and tell you what to do with it. In most cases, they were SNA because they were being looked after properly by farmers (Chris Sundstrum, personal communication).

The issue relating to Significant Natural Areas (SNAs) has its basis for enforcement in the Resource Management Act 1991 (RMA)⁴⁷. Under the RMA, local Councils are required to take certain actions with regard to the protection of endangered species and the preservation of biodiversity. Within that regulatory framework, it is encouraged that Councils incorporate into their District Plans the requirement to both identify and take steps to protect areas where such biodiversity could be identified (i.e., Significant Natural Areas). As a consequence of the District Council's approach to this issue of SNAs, a fractious relationship developed between rural landowners and the District Council and

⁴⁷ This Act is New Zealand's foremost environmentally-based legislation and provides regulations on how the natural environment should be managed. Specifically, it is concerned with managing the use, development and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural wellbeing and for their health and safety while at the same time sustaining these resources for future generations, safeguarding the 'life-supporting capacity' of the environment and avoiding, remedying, or mitigating any adverse effects of activities on the environment (Part II, Section 5(2) of the Resource Management Act 1991).

eroded much of the goodwill which had to that point existed between the two parties. The description by the Hurunui District Mayor, Garry Jackson, of this issue and of how it impacted the relationship between the Council and its farming community is both blunt and to the point:

The fact of the matter was that this Council was at absolute loggerheads with its landowners over issues in the District Plan around biodiversity and SNAs and so on. And in the 1999-2001 period, this Council was facing picket lines outside this building from landowners about what the Council was doing to them in its Transitional District Plan with regard to private property rights, SNAs and so on. In fact, this Council ended up in the Environment Court – taking its own land-owners to the Environment Court – to impose the District Plan and the SNA regulations.

Garry Jackson continues:

The animosity that was created, I cannot describe. It was immense. In the middle of that, in the year 1999, the Council announces it is creating this new tourism structure called a Tourism Board and appointing a General Manager, and it is funding it from the general rate. So the early days of this tourism funding model did anything but galvanise the District. It actually drove it further apart and absolutely drove a wedge into this District (Garry Jackson, personal communication).

In 2002, as a response to a growing concern among local ratepayers (i.e., local government taxpayers) regarding the sourcing of funding for District tourism promotions activities from the general rate, the District Council announced its intention to revise the tourism funding model. To this end, a discussion document was released by the Hurunui District Council and a process of public consultation undertaken in which an equity-based tourist rate tax specifically targeting tourism operators and associated service industries was proposed.

Prior to this time all District promotions activities undertaken by the Council (through the work of Alpine Pacific Tourism) were funded out of the unilateral general rate levied against all District ratepayers (i.e., property owners and business operators). The need for

a more equitable approach to District tourism promotions was acknowledged in this Council discussion document, which noted:

Everyone in our District benefits in some way from increases in tourism. Most obviously are the spin-offs of extra money flowing through the District, including increased employment opportunities. Other benefits are more subtle, such as having an increasing number and variety of hospitality, retail and service providers. ... Certain businesses have a lot to gain by the promotion of the District. The Council is considering a targeted rate for these businesses that would reflect this higher level of benefit (Hurunui District Council, 2002).

While the talk of a targeted rating system helped to placate an increasingly irate rural sector – whose comparatively heavy rates burden had hitherto served to provide a disproportionate subsidy of tourism – the proposed targeted rating structure was met with vocal opposition from a number of parties affiliated with the District’s tourism industry. The following comments provided by one such tourism industry stakeholder in the local District newspaper, The Hurunui News, are representative of this opposition:

It is intended by Council to collect this tax directly from all business operators, including part-time holiday homes. While almost everyone would agree that funding is needed to upgrade both the sewerage and water systems in Hanmer Springs Township, the Council should look in one of their ratepayer funded mirrors ... and realise that their very own Hanmer Springs Thermal Pools and Spa are the highest users of ratepayer-funded Council services. It would be fair to assume that the vast majority of visitors to Hanmer Springs are customers of the Hurunui District Council via the Thermal Pools. ... What happened to user-pays? (Letters to the Editor, Hurunui News, 19 May 2003: 10).

This industry stakeholder continues:

The Council has completely missed the point. It has conceded that the targeted tourism tax is to promote the Hurunui District, of which the Council’s very own Thermal Pools – being the District’s key touristy destination – will be the main beneficiary. How much money do they need to run a successful business? ... Do major

tourism operators in our neighbouring regions strike a tax on other businesses to help pay for their own promotion, because of some perceived benefit that may or may not trickle down? (Ibid).

Despite these concerns voiced by opponents of the amended tourism rating model, and after an extended period of public consultation, the targeted tourism rate was incorporated into Council Regulations in July 2003. In defending its position, the former-CEO of the Hurunui District Council reminded tourism stakeholders that the revised funding model was a response to calls from within the wider District community questioning the fairness of the former funding model:

The issue that has caused greatest concern among general ratepayers in recent years is: 'who should pay for this activity?' Many people have told the Council that the current funding arrangement [from the general rate] is unfair and that Council should target those that benefit the most (Paddy Clifford, personal communication).

The initial establishment of the Hurunui District's 'new' tourism funding model was based on a mixed funding system, whereby the operational activities of the District tourism promotion agency (Alpine Pacific Tourism) were funded via the general rate as well as the targeted tourism rate. This mixed model approach to tourism promotions funding was seen to be, at least in the early stages of its existence, a palatable means by which to levy the District ratepayers. By 2005-2006, however, this mixed system had been replaced by a funding system which levied exclusively those business operators identified by the District Council as having a connection with the visitor industry. One of the main driving forces behind the adoption of an entirely targeted tourism rating model was Hurunui District Mayor, Garry Jackson, who recalled:

Did the early movement towards a mixed tourism funding model help to alleviate any of the non-tourism sector in the District? Perhaps a little. But what it really did, in my view, was to highlight the fact that it (District tourism promotion) could be done via a targeted rating system. The feedback I got during this time was: "why don't we get rid of the general rate in total and move completely to a targeted rate? Because it should be a targeted

rate". That was the general view of those people (Garry Jackson, personal communication).

The decision to move from a mixed to a targeted funding model in 2005-2006 did not receive unanimous support from around the District Council Chambers, with a number of Councillors expressing a view that such a shift would jeopardise the District's entire tourism structure. This fear was also held by those within the Hurunui Tourism Board, many of whom felt that the gains made through the sector's recent development were at risk and that the District Council were, in effect, turning their collective backs on the tourism industry. For the Chairperson of the Board at the time, Brian Westwood, it represented the commencement of what was perceived to be a premature retreat of Council support for the District's re-emerging tourism sector. Perhaps more significantly, there was a real concern held by key tourism stakeholders that the District Council were going to move completely away from any involvement in the sector and eventually 'decommission' the Hurunui Tourism Board. This concern is articulated by Brian Westwood:

The problem was that the incoming Council after the 2001 Local Government Elections were largely elected on a platform of 'core services'. They were very focused on stripping down as much peripheral spending as possible, and tourism was deemed to be 'peripheral spend'. So in many respects the pendulum had swung from the previous administration under John Chaffey, which had been very active in establishing and developing a bona fide Hurunui tourism structure. But in my opinion there was a lot of uninformed thinking going on. All they (the Council) were seeing was the level of funding, but they weren't actually looking at what we were doing with that funding and the value of that funding to the District. It was almost a case of "well done, but we don't need you anymore. You've achieved what you set out to do, now you can move on" (Brian Westwood, personal communication).

This feeling of unease at the District Council's movement towards a targeted tourism funding system was also reflected in the submissions received by Council to the Draft 2005-2006 Annual Plan. Among these submissions was representation from the Tourism Industry Association New Zealand (TIANZ), as well as from the Regional Tourism Organisations of New Zealand (RTONZ), both of whom conveyed their opposition to the

mooted structural changes. According to a number of Council informants, the tone of these submissions indicated a concern for the future viability of the District's tourism structure (i.e., The Hurunui Tourism Board, and the Hurunui's District promotions agency), and a desire to ensure that any proposed changes to the District's tourism funding structure would not impact negatively on the future growth and development of the Hurunui's tourism industry.

While the challenge to the ongoing operation of the Hurunui Tourism Board did not eventuate, it could be argued that the shift towards a targeted tourism rate signalled a change in the way in which the tourism sector was viewed from within the District's Council chambers in Amberley. However, to say that such a change was indicative of the District Council intention to reducing its involvement, and therefore financial obligation, in peripheral activities such as tourism, while a compelling proposition, is stridently challenged by the Mayor of the District and leading 'architect' of the Council's tourism model. As argued by Garry Jackson (personal communication):

Garry: Let me add one other point here, just in case this is misconstrued. It might have been misconstrued at the time, but there is no greater passionate advocate for tourism than myself. I wasn't sitting in here as Mayor thinking: "why are we doing this tourism thing anyway?" As a Mayor, I am passionately committed to tourism, as an individual I love the tourism industry. I've had the good fortune through my other careers to travel to a lot of places. I've seen tourism work at all sorts of levels in all sorts of countries. I actively and wholeheartedly agree with tourism. So it's not like I'm anti-tourism. I just saw a need to 're-engineer' it. The rationale for addressing the whole issue of Council funding of District tourism promotions was ideologically driven that we get rid of the general rate. And to let you know the depth of feeling, there was a faction of rural-based Councillors who said: "let's just get rid of tourism altogether. Why are we even 'doing' it? Why are we propping up this one sector of our community? Farmers don't have a Farm Manager sitting in here within the Council to promote farming, so why should we have a Tourism Manager promoting tourism? The operator should just get on and do it. Why are we subsidising them?" In fact, the word "subsidising" was used quite a lot around the Council table.

Interviewer: So are you saying that the new funding model was not a signal that the District Council was pulling back from tourism, but rather it was just being a bit smarter in adopting a model where the burden was carried more equitably?

Garry: Correct. I said that face-to-face with everybody. We had public meetings through out the District, and the phrase I used continually was: “we are re-engineering the business model for tourism”. We weren’t pulling out of tourism, and in fact I kept saying: “we’ll actually end up stronger, but we are re-engineering the way the model is set up”. And if you want one lesson from me to come out of all this is that the tourism industry itself had to grow up and get ‘real’ and understand that they had to make it on their own two feet. In some cases they had be told this face-to-face; that they weren’t going to get the same level of subsidy from the general ratepayer anymore. Since then, the issue has died down and the factionalism, or whatever you want to call it, has gone away. I also think the tourism operators who are paying the targeted tourism rate have felt a greater sense of ownership and a more direct relationship with the tourism structure and promotion of the District (Garry Jackson, personal communication).

Within the academic literature, this issue of equity – of who pays for and who benefits from tourism – appears to be aligned most closely with the ‘free-rider’ phenomenon. According to Pasour (1981), the free-rider phenomenon arises from the fact that an individual may be able to obtain the benefits of a good (or service) without contributing to the cost of provision. In the case of a public good, where the provider has limited powers of exclusion, a good which others provide for themselves will also be provided to the free-rider. It is this component which is especially relevant to the free-rider problem in tourism destinations, which in the case of the Hurunui District utilises an extensive array of public and free goods as constituent components of its destination product.

The free-riders noted by informants in this research are identified as coming from a number of different quarters. Firstly, and arguably most conventionally, visitors travelling to and/or through the Hurunui District are regarded as free-riders. This is most commonly related to the provision (and use) of facilities and amenities such as public toilets, rest areas, township beautification schemes and associated public works. For the Hurunui District the financial burden associated with the provision of such amenities is

considerable, as the comments of Julie Coster, District Councillor for the Amberley Ward, indicate:

We, as a District Council, are especially proud of the quality of the public toilets in the District and we spend large sums of money on maintaining them each year. Fundamentally, that is an example of direct spending on tourism by the Council that is both necessary and costly for ratepayers. Thinking off the top of my head, the cost of cleaning toilets in Culverden, for example, might be approximately \$38,000 a year, and in Amberley about \$45,000 or something like that. But because our toilets are used just so much, they just need regular cleaning. And you can't have public toilets and have them cleaned just once a day. Not in a busy area like that, with 5000 cars going through Culverden each day. I mean, that car park is so busy, and those toilets are so busy (Julie Coster, personal communication).

In addition to the provision of public toilets, the Hurunui District Council appears to have been mindful to provide complementary facilities such as recreational areas which encourage visitors to stay longer in townships which typically attract short-stay visitors. This seems to be particularly so for townships located on major transport corridors, such as Culverden, Cheviot and, to a lesser degree, Amberley. In these locations visitors are typically reported as 'stopping for a drink, for fuel, and for the toilet'. This short-stay behaviour is emblematic of a broader challenge for small rural township locations which are not considered destinations in their own right. It is these locations which often have to experience a number of the symptoms of visitor activity (e.g., increased traffic flows, increased littering, increased demand for public facilities and amenities), without gaining a proportionate benefit from the activities of these visitors during their short stay.

At the centre of this problem for many locations is the fact that not all places are attractive to tourists; not every township is a visitor destination. However, the functional value of these locations – be they transit locations, rural service centres, or other – is able to be expanded upon in order to extend the stay of visitors and potentially increase the amount of visitor spending. This strategy is discussed below by Wendy Doody, who in her role as District Councillor for the Amuri-Hurunui Ward, has been involved in promoting the interests of the township of Culverden:

In my time in Culverden, we have put a tremendous amount of energy into developing the recreational reserve immediately behind the public toilets. This reserve, the Rutherford Reserve, is a huge area and has been developed to encourage people to get out of their car. Not just go to the toilet and go to the tea rooms, but to actually get out and take a break and have a walk. We've got a 2.5km walking track that they can stretch their legs on. There are areas where they can exercise their dogs, a playground area for their children to play on and take a break. And we're going to extend on that. So it's about encouraging people to take a break and to take time out. And by doing so now we've got people walking up the streets and looking at the different shops we have in Culverden (Wendy Doody, personal communication).

This rather unglamorous example of Council spending on tourism, while certainly not part of the core responsibilities of Hurunui District's promotions agency and therefore not funded via the Council's targeted tourism rate mechanism, nonetheless represents a cost which must be borne by the ratepayers within the District area. This includes those District ratepayers with no affiliation to or outwardly benefitting from the District's tourism industry. That is to say, someone other than the visitors themselves typically have to bear the cost of provision. This theme is expanded upon by Brian Westwood, who offers the following opinion on the matter:

Did farmers feel connected with the tourism industry in the Hurunui, especially those providing homestays for tourists? Only some farmers had homestays. And some farmers felt they were paying for infrastructure that wasn't really necessary, like public toilets in townships such as Amberley, or information boards. You know, "why should a farmer who hasn't got anything to do with the tourism sector have to pay towards an information board [for tourists]? What's the point of that?" (Brian Westwood, personal communication).

This public spending on visitor-related facilities and amenities brings into focus a second and arguably more fractious concern expressed by research informants regarding questions of fairness associated with the District Council's intervention to the free-rider problem. Within the tourism literature the free-rider phenomenon is most commonly described in relation to market failure and government attempts to overcome this failure (e.g., Higgins-Desbiolles, 2006; Leiper, 1995).

According to Pasour (1981), government sanctions (i.e., actions) are typically sought to restrain free-rider activity. Embedded within this scholarship is the stance that government intervention is considered to be an accepted means by which to alleviate the symptoms of free-rider activity. For example, authors such as Higgens-Desbiolles (2006) acknowledge there have been a number of arguments supporting the opinion that governments should be sponsors to tourism promotion. This is because governments are ideally placed to co-ordinate destination marketing and promotion as they have the organisational capacity to provide a degree of sectoral oversight. Governments are also able to access a greater level of resources than might ordinarily be the case for the industry participants. However, in the case of the Hurunui District this conventional view appears to have been transformed from a problem of market failure to a problem of government failure. That is to say, the Hurunui District Council is considered by numerous research informants to have overstepped the bounds of 'appropriate' local government involvement in the Hurunui tourism sector.

The basis of stakeholder disquiet about the tourism funding model, and about the tourism-related activities of the District Council, appears to be centred principally on the issue of public sector involvement in what is ostensibly a private sector activity. For general ratepayers within the community, the concern is for the use of Council resources for activities not considered to be core business. For sections of the District's tourism industry, the concern is for the efficacy of local government ability to impose itself upon the marketplace, and to master market disciplines. As remarked by a number of industry participants in the Hurunui District:

The point is, Council is saying: 'we want your money to promote tourism because we are better at it than you'. Well, I for one would rather spend my own money, thank you very much. The Hurunui District Council should stick to its core activities like roading, water and sewerage, and not engage in business unless they are able to run it without financial help like the rest of us (Letters to the Editor, Hurunui News, 19 May 2003: 10).

Okay, I've got a homestay, but I'll pay for my own marketing thank you very much. Why would I want to pay the Council to do it for me? God knows they've taken enough of my money already. I

*mean, it's not even something they should really be doing anyway
(Anonymous Tourism Industry Operator, personal communication).*

The tenor of these comments indicates the existence of contested understandings with respect to public sector roles and responsibilities in tourism development in the Hurunui. In addition, community stakeholders clearly question the ability of the Council to separate its managerial responsibilities for the wider District area with its entrepreneurial aspirations in Hanmer Springs. The District Council's involvement in tourism generally, and direct investment in the Hanmer Springs Thermal Pools and Spa (HSTPS) specifically, is regarded within the community as a conflict of interest and reflecting a position of undue commercial privilege. In addition, it is also regarded by numerous research informants as an example of local government inability (or, perhaps, unwillingness) to moderate its entrepreneurial aspirations.

At the heart of stakeholder unease is the perceived special treatment given to Hanmer Springs as a consequence of the District Council's financial interest in the HSTPS. By the Council's own admission the HSTPS, being the apex tourism asset in the Hurunui, has certainly benefitted greatly from the promotional activities undertaken by the District promotions agency. However the deep involvement of the Council in tourism activities, especially those related to District promotions and HSTPS operations, raises questions about the appropriate role of local government and the acceptable limits of public sector intervention. This has synergies with Leiper's (1995) reflections on the role of government intervention in addressing the free-rider problem in tourism destinations. In examining the case of Australia, Leiper concludes that these efforts have largely paid off but he challenges the wisdom of this success:

Has need become greed? While there have certainly been arguments supporting the opinion that governments should be sponsors of tourism promotion, because of the free-rider/market failure problems and other reasons, no study of costs and benefits to society at large has been prepared which adequately justifies the huge and rising expenditures on the promotion of tourism industries by Australian governments (at Commonwealth, State and Territory levels) over the past fifteen years. Perhaps some of the money would be better spent on something in tourism other than industry promotion, or for a quite different field of

government policy beneficial to the common wealth. These possibilities are one reason why investigating the scope of industries associated with tourism has more than academic relevance (Leiper, 1995: 109).

Leiper's somewhat provocative question regarding the role of government as sponsors of tourism promotion speaks to this research insofar as it raises a contentious and often fractious issue regarding the activities of government. In the Hurunui District, the free-rider problem, and more specifically, the government intervention response to that problem, points to a broader issue of power relationships within the case study setting. As the above-noted comments of several Hurunui District informants indicates, the core issue surrounding the special treatment of tourism by the District Council is based on the perceived nexus of control. That is to say, the District Council has the legislative mandate to levy rates, to decide upon funding activities, and to determine the scale, pace and location of development. The notion of power, and the location and expression of that power within the District area, are important concepts in this thesis. These issues will now be explored in the following section.

8.3 Questioning the Role of Local Government in Tourism

While many research informants spoke positively about the benefits associated with tourism activity in the Hurunui, there were a number of people who expressed concern about the prominent position of the industry in the Hurunui District. These informants were mindful to acknowledge the important role played by tourism in the Hurunui's economy, and spoke encouragingly about the future role of the industry in the District. However, they were also frank in their assessment of the long-term ability of the industry to lead the District economy. At the heart of these comments appears to be a conceptualisation of tourism as principally a supplementary industry whose true value is in its ability to add value to existing and/or traditional sectors of economic activity such as agriculture. The comments of Allan Preece, from the Hanmer Village Protection Group, reflect this view:

Tourism, for me, should be the last resort of a country or region. I think it is the very worst kind of development you can possibly get. I suppose you could argue in terms of economic development

“where else could you go?”, because in Canterbury, apart from agriculture, we have nothing else. But you certainly wouldn’t want to put all of your eggs into the tourism basket. For me, tourism would be one of the last growth areas that I would want to look at. Although tourism will stimulate some economic activity through visitor spending, much of the benefits of that will go to central government through taxes. So, a lot of the benefits are lost at the District and Regional level. The cost of tourism in the Hurunui to the Council is actually quite high, and I would have thought that the net result would be a lot of work for not much gain. The money that is gained from local government rates would not offset the additional costs caused by tourism for core infrastructure development (Allan Preece, personal communication).

A similar opinion is provided by an anonymous community stakeholder who, much like the anonymous stakeholder above, appears opposed in principle to the promotion of the tourism industry as the dominant sector of the Hurunui District economy.

Perhaps that’s more of a philosophical thing, but I don’t see tourism as a ‘saviour’ area. That role belongs to agriculture. It’s very easy for politicians to play tourism as the ‘saviour’ of the economy. But if you take it to its logical conclusion, does that mean that we’re going to be a nation of bellhops and hotel room cleaners? It’s a pig of an industry; it’s a low skill industry and it’s a very poor wage industry. Is that where we really want to go?

This stakeholder continues:

But there’s another side to it; it brings a lot of foreign dollars into the country. It brings a lot of spend. So that’s where you do get some spin-off. It’s helpful. But from a socio-economic perspective – looking at where the country’s going to go – I don’t know if I’d encourage my children to go into the tourist sector for a career. So, no, I don’t see tourism as the panacea. But what I do see are huge opportunities, particularly in rural areas, for ‘add-on’ income to base industries. You know, the opportunity to have a side-line business on an existing farm or property, or something like that. I see that as a good aspect of the tourism sector in New Zealand (Anonymous Community Stakeholder, personal communication).

These comments reflect a pragmatic view of the tourism industry as just one component of a much broader palette of economic activity within destination areas. Rather than interpreting these stakeholder comments as overly disparaging of the Hurunui's tourism industry, these comments appear to come from an appreciation of the nature and character of the tourism in the District. Moreover, the strong influence of neoliberal public policy during the 1980s and 1990s is acknowledged by this anonymous stakeholder as being a primary driver behind the promotion of tourism as an economic growth mechanism during this time. This context awareness is noted below:

My pick of the history is that the Hurunui was knackered by the rural decline of the 1980s, and instead of just sitting there and going: "oh dear", they've done something about it. They've looked at every aspect that the Hurunui District has to offer, and that comes down to different farming methods that they've promoted or encouraged [such as dairying], to the tourism thing, where they've said: "these are all the aspects; let's give this place a push". So, damn good governance by a county during the recession. And now they're moving along with it, and it's growing 'legs' (Anonymous Community Stakeholder, personal communication).

This understanding of the role of tourism in the Hurunui resonates with the findings of numerous authors in the academic literature. These authors (e.g., Benington & Geddes, 1992; Hopkins, 1998; Kearsley, 1998; Mair, 2006; Simmons & Fairweather, 2005) propose that tourism must be seen as a contested component of these greater forces of rural change, in which the sector has been used as a tool to offset declines in other sectors of regional economies. The findings of Kearsley (1998) are of particular salience to the Hurunui case study, as they are placed in the context of changing economic conditions in rural New Zealand locations:

It seemed, to many small communities, that only tourism was left as a viable course of jobs and community income. Consequently, many farms attempted to set up tourist ventures, local authorities tried to encourage local festivals and events, and many individuals attempted to set up small enterprises as fishing, guiding or local tours (Kearsley, 1998: 83).

The similarity of economic context between what Kearsley describes and what the Hurunui experienced is evident. However, the response of the Hurunui District Council appears to have far exceeded the 'encouragement of local festivals and events' noted above. It is a response that extends to tourism industry participation, and is expressed most manifestly via the HSTPS. On this point, a common theme raised by many research informants in the course of this research has been to question the appropriate role of the Hurunui District Council in tourism activity within the District. This District Council activity can be categorised into two separate (and yet inter-related) roles: the promotion of tourism in the District; and the participation of the Council in the District's tourism industry.

When one considers the overarching rural character of the Hurunui, and the historical and dominant presence of the agriculture sector within the District, it becomes apparent that local Council involvement in tourism sector is a highly contentious issue. Since the first sitting of the newly created Hurunui District Council in 1990, the Council table has been dominated – at least in terms of representation – by members of the District's farming community. Moreover, the working relationship between Councillors and the constituent interests they represent has been at times highly fractious as intra-District jealousies and conflicts have been amplified by the imposition of territorial administrative amalgamation and concomitant loss of community 'sovereignty'. This has led to the creation of conditions whereby District Council encroachment into areas outside of their recognised sphere of core responsibility is fraught with contestability.

Indeed, according to a senior planner in the District Council, there has been ongoing debate within the District about whether or not Council should even be in the business of tourism, and indeed a number of past Councillors have been elected to office with an assumed mandate to stop this involvement. The District Council, for its part, has argued that it is already involved in the tourism industry, and that the key question for the community to consider is whether or not it should remain a stakeholder. Given the District Council's position as owner and operator of the HSTPS, and when considered in the context of economic diversification and rural decline, the decision was made by the Council to further entrench its role in tourism promotions and development. This stance

proved to be highly inflammatory for local ratepayers, many of whom view local government involvement in tourism as tangible evidence of Council resources being used to favour one part of the District over another. As noted above, this is particularly so, given the Hurunui District Council's ownership of the dominant tourism attraction in the District: the thermal pools in Hanmer Springs.

As discussed earlier in this chapter, the former concerns surrounding the role of the Hurunui District Council as tourism promoter centred on the issue of funding. That is, ensuring that an equitable system of tourism funding is utilised in the District so that the main beneficiaries of District tourism promotion (i.e., tourism industry operators and associated sectoral participants) bear the cost of this promotional activity. A similar model of user-based funding was also instigated by the Council in the Hanmer Springs Ward to ensure the costs of town development projects are met primarily by those ratepayers living in that Ward area. According to several research informants within the Council structure, the proportion of cost met by these ratepayers is 80 per cent, with the remaining 20 per cent of the total cost levied against ratepayers outside of the Hanmer Springs Ward. The latter concern relates to the Council's role as owner and operator of the Hanmer Springs Thermal Pools and Spa. This will be discussed below.

When asked to comment on why the District Council was involved in the tourism industry, one common response was to say that tourism was 'embedded' into the Council. According to Andrew Dalziel, the CEO of the Hurunui District Council, there is quite clearly a tie-in to the development of the District through tourism, quite clearly:

That is embedded in our system now and is understood by Councillors. In a District like Hurunui, when it comes together, Hanmer Springs is the obvious tourism town. You've got the Waipara wine industry taking off now. So that has a big tourism impact. ... It's really heavily scrutinised. Now, at the moment we're doing it because it's one of our few sources of generating a good profit that we can return back into the District (Andrew Dalziel, personal communication).

A similar opinion is provided by Andrew Feierabend, an environmental planner in the Hurunui District Council, who notes:

The reality is that the District Council is already in the business of tourism and economic development across the District, and I think that it was just a change around the Council table that brought the focus of the discussion back to whether we should be in the [tourism] business or not. Now, the decision has been made clearly that we should still be in the business. Council may still grapple from time to time with the investment in the Hanmer Springs Thermal Reserve, and say “should we really be involved in this, is it part of our core business?” The interesting piece with that piece of infrastructure, the Hanmer pools, is that it returns a whole lot of cash to the Council, which is then used to subsidise its rating revenue. If the Hurunui District Council actually pulled out of tourism completely, the question would then be “from where is that income source going to be replaced?”(Andrew Feierabend, personal communication).

The views of Andrew Dalziel and Andrew Feierabend could be seen to represent the prevailing District Council support for the tourism industry. Their opinions are, arguably, grounded in a robust understanding of where and how the tourism industry connects with the public sector in the Hurunui. As such, one might expect a supportive response to the question of Council involvement in tourism. Importantly, these two individuals are involved with the implementation of Hurunui District Council tourism policy. One might expect a more contrary view to be expressed by elected members, whose role includes the setting of tourism policy. The following three excerpts from interviews with Councillors Vincent Daly (Cheviot Ward), Julie Coster (Amberley Ward), and Kerry Prenter (Glenmark Ward) illustrate this divergence of opinion:

Where does tourism fit in the District and in the Cheviot Ward? I suppose as a Council it's in our business model. We've [the Hurunui District Council] got the major attraction in the District, which is run by the Council. So, like it or not, we're in the tourism business. ... I suppose in the Hurunui that we are a little bit different to other Districts, because we own the big business in tourism. So we have always been putting money into it anyway, indirectly. I mean, we're going to spend \$7.5 million up there [in Hanmer] on redevelopment [of the thermal pools]. So, you know, we have got

our fingers in the pie already (Vincent Daly, personal communication).

Why should we [the District Council] be involved in tourism? I think that's a question which affects local government throughout New Zealand, not just us. Obviously as a Councillor you recognise that Council provides lots of the facilities that tourists use. Therefore there is an implicit requirement to be involved in tourism, at least indirectly. It was hard at the start for us, but I think now everyone is starting to see the benefit of having the Council involved. It's a shame that Council have to lead the way in some things. But I think there's a requirement sometimes that Council should be seen to take the lead. Perhaps not taking over, but taking a lead; supporting (Julie Coster, personal communication).

What is Council doing in tourism anyway? It's a fair question. In my opinion, things really need to change in this District. These people – the beneficiaries of tourism in the District – need to take up the slack and get Council out of it altogether. Tourism promotion is not, and should not, be a core activity of Council. There must be better things we could be spending our money on (Kerry Prenter, personal communication).

The sentiment expressed by Kerry Prenter that there must be better things to spend public monies is raised within the academic literature by Leiper (1995: 109) and discussed earlier in this chapter. This is indeed an important question and appears to lie at the heart of stakeholder disquiet surrounding Council involvement in tourism: are there better things we could be spending public money on?

Significantly, the comments made by two of these Councillors (Kerry Prenter and Vincent Daly) provide a contrasting perspective of the tourism-related role(s) of the District Council than that offered by Andrew Dalziel and Andrew Feierabend. This question of divergent views within the political structure of the Hurunui District Council was asked of all of the project's District Councillor research informants. The response to this question revealed a potential area of fracture within the District Council Chambers, and is most commonly described by these informants as an 'East–West divide' around the Council table. This 'East' encapsulates the two Hurunui District Council Wards of Cheviot and

Glenmark, while the 'West' includes the Amberley, Amuri-Hurunui, and Hanmer Springs Wards.

In general it appears that Councillors from Eastern Wards are less supportive of Council involvement in the tourism industry than their colleagues in the West. This is based on the premise of relatively low levels of tourism activity in the East results in relatively low levels of economic benefit to the ratepayers in these Wards. Conversely, the relatively high levels of tourism activity in the West, especially in Hanmer Springs, is seen to create relatively high levels of economic benefit to ratepayers in these Wards. The comments of Kerry Prenter reflect the 'Eastern' perspective of this issue:

Interviewer: Do the politics of North Canterbury still play out around the Council table? Around decision-making?

Kerry Prenter: Yeah. Hanmer Springs and West of that divide, and then East of it. Not as much as there used to be though, but it's still there. There is a divide. And mainly the divide is created by Hanmer Springs getting too much. And in the past they had good reason. Even in town planning now, Hanmer Springs usually gets everything they want, no problems.

Interviewer: I guess this is another difficulty with tourism. For example, obviously people travel to Hanmer Springs and use public amenities and facilities, which get paid for by local government who represent the entire District area. Therefore people in the Glenmark Ward are paying out their pocket for the benefit of other people.

Kerry Prenter: That's right, and they're not getting the return they should get. I mean, the paying is okay as long as you're getting the return. But they're not getting the return, are they? It all just gets siphoned back into Hanmer Springs.

The following comments by Vincent Daly, while not explicitly addressing the 'East-West' division around the Council table, are nonetheless indicative an undercurrent of frustration at the ongoing involvement of the District Council in the tourism industry:

Vincent Daly: That's been the main conflict; the role of local Council in tourism. You know, people getting their rates line and seeing they're paying \$200 a year for tourism, and saying: "well, what are we getting for that?" And their road was full of potholes, and no tourists come up their road, do they (laughs).

Interviewer: That's another argument, isn't it? Why should the public sector effectively subsidise a private sector activity?

Vincent Daly: That's what I put to my fellow Councillors: "can we put a similar subsidy in to keep the local garage or local shop in business?" Obviously, the answer was no. The problem is that there seems to be different rules for different businesses. Yes, tourism is important, and yes tourism does play a role in the District economy. But at the end of the day you can't keep on artificially propping up an industry sector. ... In some ways it is just like Supplementary Minimum Prices all over again, and that can't be good for the District (personal communication).

Taken together, the comments provided by Kerry Prenter and Vincent Daly present a view of Council involvement in tourism as emblematic of public sector subsidy of the tourism industry in the Hurunui. That is to say, the tourism industry is considered by these research informants to be free-riding on the tourism-related activities of the District. This is despite the apparent recognition by these same informants that the tourism industry does provide economic benefit to the Hurunui District. The implication of this position is that these Councillors are not opposed to tourism *per se*, but opposed to the ongoing involvement of the Hurunui District Council in the tourism industry. Their concerns are not directed towards tourism industry-based, but rather towards Council-based activity *in* the tourism sector.

Significantly, this sentiment expressed by Kerry Prenter and Vincent Daly is not representative of all Councillors within the Hurunui District Council. As noted above, the question of local government involvement in the Hurunui tourism industry is described by research informants within an East–West dualism. As such, the comments of Wendy Doody, Councillor for the Amuri–Hurunui Ward, provide a 'Western Ward' perspective on the issue of local government involvement in tourism broader perspective on this issue:

It's split Council. We find that the Councillors on the West of the Hurunui are more favourable to tourism than the Councillors over on the East side: Glenmark, Cheviot and Amberley. And I find that quite staggering, because Cheviot is on the main trunk line. Their place is growing and developing. They've got food outlets and they've got 'this, that and the next'. You know, it's really 'go-ahead'. And yet when that targeted tourism rate went forward, they were the ones that squealed the most, and yet they really have the potential to do really well. And Amberley, with all that traffic. That's the one town that gets everything, whether it's going North, South, East or West. Visitors have to pass through Amberley to get to other parts of the District. There's really no choice in the matter. But they (Amberley businesses) haven't made the most of this opportunity (Wendy Doody, personal communication).

The question of an East–West divide around the Council table was also put to Julie Coster, the District Councillor for the Amberley Ward. The view provided by Cr. Coster is similar in sentiment to the view of her District Council colleague, Cr. Doody. It reflects recognition of District parochialism, but also suggests that a broader view on the issue of ratepayer representation needs to be adopted by all Councillors:

Councillors are parochial by nature, of course. You feel allegiance to your own area first. But then you're well aware that you are a Councillor for the whole area. So therefore you've got to extend your thoughts (Julie Coster, personal communication).

The inherent parochialism of the Hurunui District, as a remnant of previous territorial administrative arrangements, has served to heighten feelings of peripherality and marginality within some communities (remembering that communities are not homogeneous). This appears to be manifested most acutely in the relationship between the District Council and the community (the *dissatisfied* community, at least), in which a Foucauldian conceptualisation of power relationships is apparent in the discourse of research informants. In the case of the Hurunui District, New Zealand's neoliberal transformation has resulted in a more prominent role of local government in activities previously considered non-core. The peripheral (or 'non-core') nature of tourism activity to conventional local government roles and responsibilities during this period is acknowledged by Andrew Feierabend, who notes:

The last two local government terms, this Council has really been told to 'stick to its knitting' with respect to focusing on core service delivery. Streets, roads, drains, core business, fiscal frugality; all of those concepts. You know, don't get into any of that social services stuff (personal communication).

Andrew Feierabend continues:

There has been a great debate within this District about whether or not Council should even be in the business of tourism. There were those elected members who came in with the view that their mandate was basically to remove the Council from the tourism industry. And the Council went out and consulted (with the public) on that issue, and I think it may well have gotten a surprise in terms of the reaction they got. The reaction they got was basically: stay with the status quo, but look at how you might re-jig the funding so that perhaps the farming community wasn't getting hit as hard, in terms of the rating process, as they previously had been, and then move the burden to those people who benefit principally from Council involvement in tourism. That led to the extension of the targeted tourism rate (Andrew Feierabend, personal communication).

The tenets of neoliberalism appear to be based on market and state rationality. Central to the concept of a 'more-market' approach adopted by New Zealand under neoliberalism is the retreat of the state from activities considered to be outside of 'core business' (e.g., Beck, 1994). However, the response at the local level to the globally pervasive public policy shift towards neoliberalism has been to extend the sphere of local government roles and responsibilities in the Haurunui District in order to counter unwanted socio-economic effects. This has acted to create a somewhat paradoxical situation in which the 'rolling back' (Le Heron & Pawson, 1996) of the Central State has been replaced with the 'rolling back in' of the Local State. This resonates with the likes of Lemke (2001) and Agrawal (2005), both of whom note the ebb of central government and prolongation (or flow) of government at the local level. A similar view is offered by Dredge and Jenkins (2007), who suggest that in the absence of interest from state and national governments, Local and Regional Tourism Organisations, peak bodies and sector groups are increasingly entering the void as they attempt to address the perceived risks to tourism in a variety of ways.

As argued by Bush (1995), for local government the most significant impact of this neoliberal ideological shift with respect to agency roles and responsibilities can be seen as a shift from the traditional 'roads, rates, and rubbish' role to investment in the social and economic development of their regions. This is indeed the case for the Hurunui District area. In the Hurunui District, this increased investment in the District's tourism sector has occurred over an extended period of time (i.e., since 1995 with the establishment of the Hurunui Tourism Board). There is a feeling that the time for tourism-related local government activity has expired, and that the sector should be left to stand or fall on its own merits. However, the ongoing financial profitability of the HSTPS is seen by research informants from outside of the Hurunui District Council as unduly influencing how the tourism sector is both regarded and treated by the District Council.

8.4 Development for the Hurunui District or for Hanmer Springs?

Another issue of significance identified by my research informants relates to the role of Hanmer Springs as the hub of development in the Hurunui District. It is important to note that the position of this township as the Hurunui's premier visitor destination is not in question. Nor is the status of the Hanmer Springs Thermal Pools and Spa as the District's apex visitor attraction. What is questioned by a number of research informants, however, is the seemingly favoured status of Hanmer Springs as the primary focus of urban development projects. Specifically, there appears to be a perception among various stakeholders in the Hurunui that development in Hanmer Springs is occurring, or rather being sponsored and promoted by the District Council, at the expense of development in other parts of the District area. This development, as noted by a number of research informants, includes infrastructure upgrades, town redevelopment and urban beautification projects, as well as destination promotion.

The implication of this above-noted view is that Hanmer Springs is being developed at the expense of development in other parts of the District. Rightly or wrongly, the perceived favoured status of Hanmer Springs reveals areas of potential fracture over the way in which the District Council fulfils its organisational roles and responsibilities. The comments of Andrew Dalziel and Kerry Prenter aptly capture this sentiment:

But around the Council table there is that conversation about: “well, if my rural town is suffering, why aren’t we putting more money into there?” There’s a perception that Hanmer gets everything. It’s a nice place, Hanmer Springs. It’s a good looking town. Everything is nice and neat and well-manicured. And some of these other towns are struggling for facilities (Andrew Dalziel, personal communication).

Every three years it seems that it [the thermal pool complex] has to be refurbished and reignited again to attract more people and to keep them coming back. So a great majority of the income, of the earnings, never sees the light of day to benefit the District. And people say: “where is the benefit to us? Everything is going to Hanmer Springs” (Kerry Prenter, personal communication).

In acknowledging this perception of the Council favouring development in Hanmer Springs over the rest of the District area, Andrew Feierabend provides an explanation for why that may in fact be the case. Central to his argument is the fact that Hanmer Springs experiences extraordinary pressures created by the physical presence of visitors at a much higher level than anywhere else in the District area. Consequently there is a greater requirement for District Council-initiated development projects to be directed toward areas of greatest need, such as Hanmer Springs. The comments below reflect this position:

You see planning instruments being developed to control and manage the corridor between State Highway 7 and Hanmer Springs. You see special provisions being developed for subdivision down that corridor, all with an emphasis on trying to retain what people see as being special when they come to Hanmer, or if they’re going to live in Hanmer or invest in Hanmer. So there’s been a reasonably strong focus on that over the last 20–25 years. Now, I think that’s where you see a much more structured and planned approach to meeting the demands of tourism in Hurunui than necessarily in other parts of our District, because I don’t think the pressures are the same (Andrew Feierabend, personal communication).

These comments are echoed by Michael Malthus, Hanmer Springs Ward Councillor and Deputy Mayor, whose comments below indicate that Hanmer Springs is treated

differently by the District Council because the Township *is* different when compared to other locations within the District:

But our Council, being mainly rural-based as in farming, the core structure of Council was considered the only thing that our Council should be involved in. By 'core' structure, I mean Council business; not tourism business. And what we had in Hanmer Springs, being tourist base, was different to the rest of the District. And this difference has often made it difficult to convince Councillors around the table that the needs of Hanmer Springs may well be different from the core needs of the District (personal communication).

Michael Malthus continues:

The development in the District is seen to be development in Hanmer Springs. There's no two ways about it. And the likes of people in Amberley say that a lot of the benefits are going to Hanmer Springs. And that the Council is more oriented toward Hanmer Springs than Amberley, and that perhaps they (Hanmer Springs) are getting a bigger share of the cake (Michael Malthus, personal communication).

The international literature is divided as to the true value of tourism to broader (regional) development objectives. Based largely on the premise of 'trickle-down' economic redistribution, it is proposed that tourism development (much like other sectoral forms of development) will lead to the creation on flow-on effects in the form of revenue generation and job creation. This is implicitly held to flow through to all 'corners' of community, district, regional and international economies. The findings of this research contest this view of tourism development as a contributor to *regional* development. Rather, it is evidenced in the case study location that a few selected areas of the Hurunui District receive disproportionate benefit from the promotion and development of the tourism industry, while many other areas receive very little direct benefit.

Put simply, there is a prevailing view among a number of key research informants that development in Hanmer Springs is promoted at the expense of development in other

parts of the District area. The District Council's financial interest in the HSTPS at Hanmer Springs is seen as the principle reason for this Hanmer-centric approach. As such, the promotion and development of tourism in the Hurunui District is seen to compound, rather than alleviate, regional developmental inequalities. It must be acknowledged, however, that not all locations can be tourist destinations. In the Hurunui District, the relative prominence of locations as tourist destinations is usually characterised by two key dimensions: tourism asset base and geographic location.

This also has synergies with the broader issue of defining development, and is thus linked to concepts associated with development theory. There are a number of key characteristics associated with the term, most notably those that relate to change (usually for 'good') or improvement in conditions over time. There is, however, a degree of ambiguity associated with notions of development. This issue is raised by a number of authors (e.g., Elliot, 1999; Sorenson, 2000; Thomas, 2000; Welch, 1984), who all note the ambiguity associated with the term. Salient questions related to this thesis are: *what are we developing? and for whom are we developing it?* More recently, development has been linked with notions of sustainability, and as such has become a recurring theme in tourism research (e.g., Butler 1999; Hall & Lew, 1998; Wall, 1997). However, many authors have criticised this concept for its ambiguity. Questions of salience to this thesis are: *what are we sustaining? and for whom are we sustaining it?*

It is worth noting at this point that the perception of Hanmer Springs as receiving a disproportionate level of developmental assistance from the Hurunui District Council is contested by several research informants. The basis for this opposing viewpoint is grounded in the argument that Hanmer Springs ratepayers pay much more towards the District's tourism funding model than ratepayers in other parts of the District. This perspective is further complemented by an opinion that tourism activity in Hanmer Springs accounts for a majority of tourism activity in the District. The township helps to generate a significant income for the rest of the District, most notably (and directly) via the District Council's redistribution mechanism for HSTPS operating profits⁴⁸. The

⁴⁸ As noted in Chapter Six of this thesis, the HSTPS delivered a net operating surplus of NZ\$1.5 million for the financial year 2007-2008. Moreover, Chapter Seven notes that, over the five-year period 2004–2009, the financial contribution of the HSTPS to the funding of other Recreational Reserves in the Hurunui District

comments of Allan Preece, Secretary of the Hanmer Village Protection Group, are indicative of this view:

The Hanmer ratepayers, in my opinion, pay a disproportionate amount of money for what is essentially the benefit of the wider District and the business groups in the town. There's no question in the world about that. Council should definitely put more of the revenue back into Hanmer. It's the village that has to put up with the presence of tourists, and the village that has to pay for a large proportion of public works through our general rates. We have a lot of upkeep costs here, like roads, walking trails, bike tracks, as well as things like rubbish collection. I don't think Hanmer ratepayers should be disadvantaged because of the additional costs of tourism. And they are disadvantaged at the moment. The town have always believed that the Council don't give them their share of resources, particularly when you consider the proportion of rates Hanmer contributes to the Council coffers (Allan Preece, personal communication).

In answer to this assertion, a succinct retort is provided by Peter Parish, Chairperson of Waipara Valley Winegrowers Association, who observes:

Just because 80% of the targeted tourism rate revenue comes from Hanmer, it doesn't have to mean that we have to focus exclusively on Hanmer. There's a great opportunity for Hanmer to give something back to the community; to the people of Waiau, Culverden, Waipara, and Woodend. I see that as being important (Peter Parish, personal communication).

There is also an opinion expressed by several research informants which suggests that Hanmer Springs stakeholders feel aggrieved at having to share their scenic township with a large tourism operator and accommodate the daily throng of visitors who travel to the town to 'take the waters' (Graeme Abbott, personal communication). This concern is noted below by Jeff Dalley, from the Hanmer Springs Business Association:

There is a bit of a love-hate relationship in the town between Hanmer residents and the Hanmer Springs Thermal Pools and Spa.

has been NZ\$3.1 million. The total returns to the Hurunui District Council in terms of forecast surpluses over a ten-year period 2009-2019 are anticipated to be in the order of NZ\$27 million.

They are our United States; they are the dominating feature of the township. If we didn't have them, Hanmer would be a pretty sorry community. In fact, we wouldn't have a community; there would be nothing there. But it is dominant and it is very successful, and for that reason alone a lot of 'pot shots' get thrown at it. It is also Council-owned, which doesn't help much in terms of public perceptions (personal communication).

Jeff Dalley continues:

However, part of the maturing of the Hanmer Springs business community is the coming to understand the fact that we are very lucky to have an operator of this scale. It is a well-organised and well-run operation, and has a high profile throughout Canterbury. I mean, why wouldn't we want to ride on their coat tails? (Jeff Dalley, personal communication).

It is important to acknowledge, however, that the perceived special treatment of Hanmer Springs is based on the contribution made by the HSTPS to the District economy, and the District Council coffers. Such treatment of the District's premier and most profitable tourism resource is therefore understandable, with the high marketing profile of the village and thermal pools serving to anchor the wider District tourism product. The centrality of this tourism resource to the District and wider North Canterbury area is well-recognised, with Lovell-Smith (2000) noting that, without the dynamism of the thermal pools, Hanmer Springs as an area, Hurunui as a District, and Canterbury as a region, would lose a substantial point of difference. However, while the ongoing promotion of Hanmer Springs and the HSTPS are critical to the successful development of the Hurunui tourism product, it need not be the case that little attention should be given by the District's promotions agency to other aspects of the local tourism industry. The words of an anonymous industry representative succinctly capture the crux of this sentiment:

Currently, in terms of promoting tourism in the Hurunui, it seems that all roads inevitably lead to Hanmer Springs. But it doesn't have to always be the case. The Hurunui has a wide range of tourism attractions to offer potential visitors, yet the focus of the Council's tourism promotions seems to be firmly fixed on Hanmer Springs. The Council should also be encouraging visitors to spend more time in other parts of the District. But it just doesn't seem to

happen, because ultimately the power to make it happen rests at the Council Chambers in Amberley. But then, the power has always been in Amberley (Anonymous Industry Representative, personal communication).

The above-noted quote is indicative of a much deeper issue relating to the perceived inequitable manifestation of power relations between tourism stakeholder groups in the District. The examination of power relationships in destination areas is an emergent theme in the international tourism literature. It has been long recognised that destination communities are an important component of a successful tourism planning process. The international literature notes the complexity of issues surrounding the identification and involvement of 'community' in the decision-making process. My research supports this view that facilitating the meaningful participation of the community in the destination planning process is fraught with difficulty. This is especially so in regions such as the Hurunui District, where tensions between sectoral interests, and between residents and absentee land owners (e.g., many holiday home owners in Hanmer Springs) is further complicated by the prominent position of the Department of Conservation (a 'custodian' of vast tracts of conservation lands in the Hurunui, but not a Hurunui District 'ratepayer') and Te Rūnanga o Ngāi Tahu (the main Māori tribe in the South Island of New Zealand, and a landowner with significant holdings and commercial interests in Hanmer Springs and the wider District area). The comments of Tony Sewell, Chairperson of Ngāi Tahu Forest Estates, provide a revealing insight into the issue of stakeholder engagement noted above:

I'll tell you a wee story. Ngāi Tahu is a significant landowner in the Hurunui District, and we have interests in the forests and Queen Mary Hospital land in and around Hanmer Springs township. So you would expect that we would be involved in any meetings about how best to use these resources, wouldn't you? Well, someone said to me a while back: "you'd better come up here to this Hanmer Heritage Forest Trust meeting". And they were having this meeting on how they (the Trustees) were going to run the Hanmer Heritage Forest, which we own! So I went to the meeting, uninvited by the Trustees, and said: "look, hang on, I'd just like to introduce myself. I'm the Chairman of the Board of Ngāi Tahu Forest Estates. I guess it's my land you're all talking about. If you'd like to come to my office tomorrow, we're having a meeting on

what we're going to do with your house (laughs). They didn't like it (Tony Sewell, personal communication).

This situation described by Tony Sewell, when viewed through the optics of stakeholder engagement, displays similarities with the controversy regarding Significant Natural Area (SNA) property rights noted earlier in this chapter. Central to these above-noted frustrations is the notion of power and marginality. Specifically, a number of respondents indicated that, although tourism has an unfair sectoral advantage and received disproportionate public sector funding in the Hurunui, they felt that nothing would change anytime soon. Quotes such as “the power has always been in Amberley” appear to be symptomatic of this position. However, these sentiments indicate a degree of inevitability regarding ongoing local government involvement in the Hurunui’s tourism industry. Moreover they also suggest that some local constituents feel they are unable to influence local government tourism policy. This view was also expressed along the East-West geographical divide within the District area. In this sense, it would appear that the ‘deep democracy’ noted by Appadurai (1996) is perceived by a number of research informants to have been circumvented by the District Council’s operational interest in the tourism industry.

The nature of this power, it must be said, is not expressed manifestly as an iron-fisted, totalitarian approach by the District Council. In fact, local constituents have been able to access the process of establishment and development of the District Council’s tourism sector focus. This is confirmed by numerous respondents, particularly by those within the District Council structure, who have noted the variety of public consultation mechanisms utilised during this extended period. One must take from this that the power being referred to by these ‘dissatisfied’ respondents is akin to Latour’s (1986) notions of power *in potentia* and power *in actu*. This contested view of power is recognised by Molnar and Rogers (1982), who note that power is essentially a contested concept; a concept whose application is inherently a matter of dispute. Taken further, it is not the expression or exertion of power which is at play, but rather the ‘having’ power and coercion and authority associated with its legitimised use which creates this interpretation of power relations. This is perhaps best stated by Lowi (1970: 314–315), who proposes: “policy is deliberate coercion. ... Administration is a means of routinizing coercion. Government is a

means of legitimizing it. Power is simply the relative share a person or group appears to have in shaping and directing the instruments of coercion". Thus, the question of who has power remains a salient topic of academic enquiry.

8.5 Reflections on a New Regionalism Theoretical Perspective

As noted earlier, this thesis seeks to integrate a New Regionalism and Foucauldian perspective for the purpose of analysis. Tourism development outcomes in the Hurunui District are theorised as being the result of interactions between stakeholders involved in decision-making, and the political and institutional frameworks which determine how these interactions take place. Within the decision-making process, this thesis has adopted a Foucauldian view of power relations, whereby tourism planning and development outcomes are conceptualised as being shaped by the power struggles between competing interests (e.g., Flyvberg, 1998; Sharp & Richardson, 2001). By integrating the New Regionalism and Foucauldian perspectives, a clear insight is provided into how the researcher interprets (i.e., views through the theoretical 'lens') tourism development and promotion in the Hurunui District. In the case study location, tourism policy-making and decision-making is undertaken under a New Regionalism public policy framework. This policy framework, as well as other government policies and legislation, provides the 'rules' that govern how these stakeholders interact and make decisions. Outcomes from the process are believed to be products of these stakeholder interactions, which are (partially) shaped by the political and institutional framework in which they operate.

The Hurunui District has been subject to the forces of neoliberalism-inspired public policy over a protracted period of time (approximately 25 years). As is noted within the academic literature on regional tourism development, those locations with a relatively high reliance on primary production (such as agriculture) – often exhibiting peripheral characteristics – have turned often to emergent sunrise industries such as tourism as a means by which to stave off regional economic and community decline. This shift in sectoral focus is enabled typically by the public sector; often in the form of local government but also via national and regional tourism development agencies. The use of the tourism sector for this purpose appears to be both a matter of convenience and expedience insofar as regional locations often have an abundance of tourism resources

(e.g., scenic natural landscapes, and associated recreational opportunities), and the sector is often able to provide above-average growth rates and concomitant low entry requirements (i.e., capital investment). In short, the tourism sector is – in many cases – regarded as a suitable economic surrogate to overcome short- to medium- term challenges associated with reorganised economic conditions in regional locations. The central tenet of a New Regionalism perspective is that local government will have an expanded role as facilitator, promoter, moderator, and co-ordinator of economic development in their locations. In this way, locally-derived solutions to locally-identified (and experienced) challenges/realities are considered by proponents of the New Regionalism to be readily achievable by communities and destination areas.

Against this background, many destinations have been actively involved in constituting (and re-constituting) regional structures, which support the development of specialised modes of tourism production to attract niche markets. This typically involves the clustering of complementary tourist attractions, services and products with a view to establishing a unique ‘product identity’ and to increase competitive advantage. In the case of the Hurunui District, this is exemplified by the development and promotion of the Alpine Pacific Triangle Touring Route, incorporating the wine tourism attractions of the Waipara Valley (the southern tip of the triangle), the marine-based tourism attractions of Kaikoura (the eastern tip of the triangle) and the alpine spa and adventure tourism attractions of Hanmer Springs (the western tip of the triangle). The marketing and promotion of this touring route is managed and co-ordinated by the Hurunui District tourism promotions body: formerly Alpine Pacific Tourism, but now known as Hurunui Tourism. In addition, close working relationships between Alpine Pacific Tourism/Hurunui Tourism, the Hurunui District Council and Enterprise North Canterbury – the economic and business development agency for the North Canterbury region comprising the Hurunui and Waimakariri Districts – have seen the development of a number of tourist or visitor ‘trails’ clustered around complementary visitor attractions within the district (e.g., food and wine trails, health trails, arts and crafts trails).

Such clustering (i.e., horizontal market integration) of attractions thus represents the manifestation of a collaborative approach to regional tourism development espoused by

the principles of New Regionalism. The concept of clustering is particularly compelling in the case of tourism, as visitor experiences are seldom compartmentalised neatly within specific or discrete territorial boundaries (Dredge, 2005: 305). As such, these clusters (or networks of attractions) are developed and promoted according to the style and type of tourism products offered, rather than by the spatial characteristics associated with boundaries, borders or jurisdictions. In this way, New Regionalism principles of integration, collaboration and co-operation appear to be ideally suited to stimulate the formation of local and regional-level tourism partnerships and networks. Moreover, the formation of such structures confirms the significant role of localised networks, institutions and other un-traded interdependencies in regional economies and governance.

In addition, the ideological shift from economic neoliberalism to New Regionalism has also seen a shift in the role of agency for local government. As noted earlier in this thesis, arguably the most significant impact of this transformation has been manifested as the new role for local authorities to provide for the economic and social wellbeing of their constituent communities (Bush, 1995; Boston et al., 1996). This shift has variously been referred to as the transition from managerialism to entrepreneurialism (Harvey, 1989a), or as the adoption of 'economic localism' (Lowe, 1993). Prominent in this shifting focus for local government has been the active support for a range of sunrise industries, including tourism. On this point, and drawing on Harvey's (1989a) discussion of the transformation of urban governance, Ateljevic and Doorne (2000) contend that there are three key issues surrounding tourism entrepreneurship in local government: (1) public sector involvement in speculative construction of place; (2) the establishment and utilisation of public-private sector alliances; and (3) the ability of 'significant individuals' or 'local heroes' to influence the climate and patterns of development within a locality.

According to Schöllmann and Dalziel (2002: 7), the New Regionalism perspective differs from previous approaches to regional development through its focus on *local strengths and advantages*, and its aim to enable more autonomous and less dependency-based regional development. For local government, the most significant impact of this ideological transformation with respect to agency roles and responsibilities can be seen

as a shift from the traditional 'roads, rates, and rubbish' role to investment in the social and economic development of their regions (Bush, 1995). Needless to say, this 'expanded investment role' has been adopted strongly in the Hurunui District, with the tourism sector being utilised as a key driver of social and economic development by the HDC.

In the case of the Hurunui District, the influence of New Regionalism public policy can be seen in: (1) the ongoing investment of significant levels of public monies into urban redevelopment programmes as well as key tourism resources and/or assets. This includes, for example, the commissioning of various urban redevelopment plans and growth management strategies for Hanmer Springs township (and associated programmes of public works), as well as the ongoing Council-funded expansion of the Hanmer Springs Thermal Pools and Spa; (2) the active support of cross-sectoral alliances and partnerships by the District Council and its neighbouring local authorities; and (3) the strong advocacy for tourism within the Hurunui District specifically, and North Canterbury region generally, by a number of 'significant individuals'; most notably the District's inaugural mayor, John Chaffey.

As noted above, a number of key characteristics associated with New Regionalism are evidenced in the case study location. For example, the Hurunui District Council has acted to promote the tourism sector via the activities of the former Alpine Pacific Tourism/Hurunui District Promotions. Through this conduit, the District Council has also played a leading role in the establishment of a tourism promotions alliance with the neighbouring Kaikoura District to the north. This alliance – known as the Alpine Pacific Triangle – although now defunct, sought to promote a trans-territorial tourism product which featured a 'regional' destination product of 'wine, water and whales'. In addition, the District Council has actively sought out regional economic development opportunities through Enterprise North Canterbury (with its neighbouring Waimakariri District to the south) and, at a regional level, New Zealand Trade and Enterprise (with a focus on economic development in the wider Canterbury region).

However, it is the view of this researcher that the Hurunui District Council has acted in an *atypical* manner in respect of the way in which it has responded to neoliberal change and

adopted the tenets of New Regionalism. The Council has become more than a 'mere' facilitator, promoter, moderator, and co-ordinator of the District tourism sector; they have become an active and prominent participant in the tourism industry. This has resulted in an extended reach of the state at the local level, insofar as the District Council has essentially re-configured the parameters of their roles and responsibilities to include their entrepreneurial tourism activities at the Hanmer Springs Thermal Pools and Spa. This local government entrepreneurialism is an unexpected finding of my research, as the literature suggests that this is not a typical response by local government under a New Regionalism public policy framework (e.g., Hall, 2007). As noted above, the New Regionalism perspective represents a more advanced style of neoliberalism which promotes a repertoire of locally-derived alliances and partnerships, and reaffirms local and regional identities. In many ways it can be considered a moderated approach to local and regional development, in which local government is encouraged to act as a promoter, facilitator, moderator, and co-ordinator; not as an entrepreneur.

This then raises the question: "What exactly is an 'appropriate' tourism-related role for local government under a New Regionalism perspective/policy paradigm?" The literature indicates that it is an 'extended' role when compared with a 'pure' neoliberal approach; it also includes the role(s) of facilitator, promoter, moderator, and co-ordinator. Implicit in the literature is the notion of a reflexive local government which is responsive to local needs and issues (and associated constituent wellbeing). The devolved style of governance promoted by a New Regionalism perspective is certainly evidenced in the case study location, to the degree that the Hunrunui District Council took an active and leading role to address issues of regional decline associated with the 'retreat' of central government under neoliberalism. In fact, one might argue that the District Council has acted with remarkable determination in first anticipating, and then responding to, the manifest needs of its constituents.

Based on the findings of this thesis, it is apparent that an 'appropriate' tourism-related role for local government is not fixed over time and space. Rather, it is dynamic and is influenced by events over time and contingent upon location-specific circumstances. That is to say, the Hunrunui District Council clearly views tourism as being a core component of

its organisational roles and responsibilities. This has been embedded via the historical connection with the tourism sector in the District, the ongoing ownership and operation of the HSTPS, and reinforced through the tourism sector's role in offsetting the declining profitability of the rural sector during the 1980s and 1990s. Taken together, the HDC appears to regard the tourism sector/industry as a source of 'local strength and advantage' for the District area, and this is in line with the comments by Schöllmann and Dalziel (2002: 7) noted above. However, this stance (as it relates to tourism development) is unlikely to hold true in other territorial areas for which tourism has not been prominent or profitable. Thus, the notion of 'appropriate' tourism-related roles for local government is necessarily conditional and contestable. Moreover, in the case study location, the HDC is not only intimately involved in the promotion of tourism development and the management of the sector's negative impacts, but they are also active participants in the District's tourism industry.

In essence, the present regional development policy framework which encapsulates tourism in New Zealand, and is interpreted and evidenced in the Hurunui District, represents a devolved mandate towards away from Government towards 'governance'. Importantly, governance eschews the rigid divide between the state and the market in favour of a repertoire of alliances, networks and partnerships (Keating, 2002), and thus represents a more bottom-up approach to regional polity. This shift thus represents a fundamental feature of the more recent tourism policy reform discourse in New Zealand. The resulting dialectic, however, between the attempted regional development and local reassertion of difference – from a marketing and promotion perspective – can often reduce the effectiveness of inter-regional partnerships, as prospective partners are not only potential collaborators but also potential competitors. In addition, there is also a 'horizontal dialectic' (Dredge, 2005: 314) where, in the sub-regional context, the politics of local destination identity and the pursuit of local industry interests create competition and assertions of difference. As markets change, and new niches and market specialisations emerge, local destination identities continue to be created and re-created.

In addition to the above challenges, the issue of regional integration, and the concomitant requirement to align sub-national tourism development objectives with

national-level strategies and 'visions', remains problematic. As noted above, this is because local and regional actors, agencies and organisations are, at the same time, potential tourism partners and potential tourism competitors. This apparent dichotomy represents a significant obstacle to be negotiated by tourism stakeholders. While the tenets of New Regionalism advocate a bottom-up, integrative approach to regional development based on stakeholder co-operation and collaboration, the pursuit of local and regional-level collectivism can serve to heighten inherent tensions between vested actors, agencies and organisations. This inherent tension is also noted by Schöllmann & Nischalke (2005), who assert that the realisation of such integrative regionalised 'solutions' are often fraught with conflicting agency roles and competing agenda. Perhaps of greater concern, however, is the recognition that such approaches to regional (tourism) planning and development may also create new conflicts, as marginal groups become more articulate and elites are able to gain a greater slice of participatory benefits through their own networks (Milne & Ateljevic, 2001). This, potentially, can lead to the eventual 'capture' of key tourism resources by dominant individuals, organisations and/or agencies (e.g., the Hurunui District Council).

The pluralism of local government tourism-related roles articulated (i.e., rendered explicit) in this thesis raises a number of challenges insofar as it can amplify existing conflicts between local government and a number of sectoral and community special interest groups. This finding also suggests that the tourism-related roles and responsibilities of local government are not necessarily prescriptive or consistent over time and space. Rather, they appear to be contingent upon a range of characteristics (e.g., social, economic, political, institutional, environmental, sectoral) that combine in a variety of ways to establish the destination context. These characteristics, and the ways in which they combine to shape the destination context, do not afford predictive explanation by broad theories of economic and political reorganisation under neoliberalism. Rather, they require a more refined and nuanced approach which is sympathetic to the processes by which tourism-related decisions are made and power-relations expressed.

Taken together, this suggests that a New Regionalism perspective lacks the necessary sophistication to explain the tourism-related actions of the HDC in the case study location. Specifically, while a New Regionalism perspective is able to broadly predict local government actions as they relate to local economic and community development responses, it is not able to 'delve into the details' of decision-making and power relations. This is of significance, as the processes associated with tourism policy formation, planning and development are value-laden and often highly politicised. As noted by Simmons (1994) and Fallon (2001), contestation, consensus and dissonance among competing participatory interests are inevitable features of development in this manner. Almost by definition, such issues necessitate an interest in how power is exercised, by whom, in what manner of political arrangement and to what end. In order to understand better local government tourism-related actions and decision-making, and to explain why the case study location presents an atypical manifestation of a New Regionalism approach, it is necessary to understand tourism-related power relations. This is what the Foucauldian perspective offers.

8.6 Reflections on a Foucauldian Theoretical Perspective

As noted in Chapter Two of this thesis, recent theoretical discussions on the role of the state have noted significant transformations linked to globalisation, neoliberal economic agendas and the rise of meta-governance. For example, Hall (2004; 2007) relates the concept of power to the study of tourism governance, which has become increasingly multi-scalar in character. Under conditions of contemporary globalisation, the strict territorial basis of state authority, power and legitimacy, which has been the basis of sovereign governance for most of the past 150 years, has been challenged (Hall, 2007). Governance, as stated earlier in this thesis, is essentially about power, or rather the articulation of power. Critical to this may be the design and structure of institutional or organisational arrangements for tourism (Hall & Jenkins, 1995), such as the relationship between institutions at different scales of regulation. Those who benefit from tourism may well be placed in a preferred position to defend and promote their interests through the structures and institutions by which communities are managed. This, very clearly, is a significant mechanism by which tourism power relations are both articulated and managed in the Hurunui District.

This concept is central to many of the discussions with research informants in this thesis regarding the appropriate role of local government in tourism development in the Hurunui District. The comments by an anonymous industry representative noted previously in this chapter bear repeating, as they succinctly capture the crux of this conclusion:

Currently, in terms of promoting tourism in the Hurunui, it seems that all roads inevitably lead to Hanmer Springs. But it doesn't have to always be the case. The Hurunui has a wide range of tourism attractions to offer potential visitors, yet the focus of the Council's tourism promotions seems to be firmly fixed on Hanmer Springs. The Council should also be encouraging visitors to spend more time in other parts of the District. But it just doesn't seem to happen, because ultimately the power to make it happen rests at the Council Chambers in Amberley. But then, the power has always been in Amberley (Anonymous Industry Representative, personal communication).

As the above comments indicate, the processes associated with tourism policy formulation, planning and development are value-laden and often highly politicised. In other words, they are political processes and are the subject of power relations among constituencies (Coles & Church, 2007: 7). Sitting against this background, it is clear that tourism development forms but one component of a broader social and economic palette in the Hurunui District. Indeed, this is true for many communities and destination areas. Within any given destination area, there is likely to be a degree of heterogeneity; that is, at any time, more than one programme (e.g., tourism, viticulture, dairy farming, rural irrigation schemes, urban redevelopment) may exist and be founded in its own rationality.

According to Lemke (2000), it is not possible to study the technologies of power (i.e., the mechanisms and processes associated with decision-making and thus articulation of power) without understanding the political rationality underpinning them. In the case of the Hurunui District, it is possible to discern a range of development 'programmes', including: agriculture (pastoral and arable), dairying, viticulture, and tourism. Therefore, in order to understand the basis of local government involvement and promotion of tourism development in the Hurunui District, it is necessary to recognise the impact of

neoliberal and New Regionalism ideologies at the national and international levels on the District economy and community. Importantly, Foucault's governmentality also recognises this integral link between micro- and macro- politico-economic levels (Lemke, 2000: 13).

In tourism terms, the local state is the level dealt with by most accounts of politics. However, as noted by Hall (2007: 260), tourism governance is multi-scaled, with roles increasingly being played by supranational actors, such as the World Tourism Organisation. Moreover, the nature of tourism governance is complicated by the situation that tourism is not an issue that tends to register on the political agenda of most national governments. At the local or regional level, where there is either a very high proportion of the population employed in the sector or a high visitor-to-permanent population ratio, then tourism may be an electoral issue. This is very clearly the case for the Hurunui District, in which the tourism industry/sector holds a prominent position as a significant contributor to the District economy and source of employment.

However, in general terms, tourism is not a political issue (Hall, 2007). Yet, arguably, it is in this situation that the analysis of tourism power possibly becomes even more significant because it is an area that is less open to public scrutiny or influence. According to Hall, much of the lack of debate at the national and local state level may be partly explained through the development of sub-governments; that is, closely linked sets of administrative and private sector interests in which the interests of institutions, such as national or regional tourism organisations, are synonymous with the interests of key players in the tourism industry, including industry associations. This view can be readily extended to the Hurunui District, where both the District tourism promotions agency and the Hanmer Springs Thermal Pools and Spa are governed by structures outside of Council, but still beneath the umbrella of its influence via board and committee membership, legal status and financial contributions. This allows both to exhibit a degree of overt organisational distance from the Hurunui District Council, while at the same time having their operational activities influenced strongly via indirect mechanisms associated with board/committee membership and decision-making, local government policy-making and planning cycles, and financial planning and reporting.

For the most part, this appears to have been able to occur in the Hurunui District largely because issues have never fully become part of the unfolding political agenda; they are practically just agreed as they are. In other words, decisions have not been hidden but neither have they been subject to systematic public policy debate. A consequence of this exclusion from the systematic policy debate is that it has reinforced tourism power relations through the 'capture' of institutional and organisational forms of knowledge as they relate to the governance of the sector. This is a manifestation of a Lukesian view of three-dimensional power, which advocates for the consideration of "the many ways in which potential issues are kept out of politics, whether through the operation of social forces and institutional practices or through individuals' decisions" (Lukes, 1974: 24). This is complementary to Foucault's power-knowledge, but extends the concept to accommodate the consideration of institutional bias and manipulation of preferences. As such, it provides a more sophisticated interpretation of Foucault's binary of power relations (i.e., power imposed *by*, and imposed *upon*). On this point, it is evident from the findings of this thesis that the development-related preferences and institutional practices of the HDC are directed towards the support and active participation in the District's tourism sector and industry.

It must be noted, however, that the relationship between power and resources is not always an obvious or simple one (Allen, 2003). It is crucial to distinguish between the exercise of power and the control of resources, because the two do not always go hand in hand in a causal manner as, for instance, power may not be utilised. Perceptions of power and its significance also differ markedly among stakeholders, as may their strategies and tactics for employing it (Buchanan & Badham, 1999). This is of salience to this thesis, as numerous research informants implied that the HDC ownership and operation of the Hanmer Springs Thermal Pools and Spa represented the 'capture' by the HDC of the District's key tourism resource. Moreover, this owner/operator relationship was also believed to have further compounded this 'capture' by having a Hanmer Springs-centric destination promotions strategy for the Hurunui District. However, the District Council research informants interviewed in this thesis were at pains to point out that in the case of the Hurunui District, council ownership of the Hanmer Springs Thermal Pools and Spa did not result in any 'inappropriate' tourism-related decision-making by the Council. That is to say, it was their implied opinion that there was no causal relationship between

ownership of resources and the exercise of power. Thus, it was a contested view of the relationship between ownership, control and manifestations of power among the research informants in this thesis.

Following Foucault's notions on power relations, on power–knowledge and governmentality (i.e., that power is omnipresent and yet localised in its deployment, and that the way we perceive the world shapes the way we act towards it), this thesis argues that the relationship between local government, tourism industry intermediaries and communities in destination areas must take relations of power and knowledge into account when planning and designing programmes for tourism. Although power is seemingly everywhere, Foucault also emphasised that every site of power is simultaneously also a site of resistance. For example, Hannam (2002) notes that the processes of tourism development are increasingly subject to forms of resistance from verbal or written to direct actions and physical violence. This is also noted by Miller (2003: 205), who states “where there is power there is resistance. Power is a relational phenomenon which exists through a multiplicity of points of resistance which are present throughout the networks of power”.

This notion of resistance is evidenced in the Hurunui District case study, in which the tourism-related actions (and in-actions) of the HDC have been challenged on a variety of levels by a variety of tourism and ‘non-tourism’ stakeholders. This resistance, both formal and informal, has been expressed via a number of fora, including Letters to the Editor, feature articles in local newspapers, formal submissions to the Council, in the minutes of various special interest committee meetings, in discussions and debates among local ward councillors within the council chambers, and through the voting choices of District constituents in local government elections. The articulation of this resistance, while a typical feature of the democratic process in action, is nonetheless an important signifier of community and sectoral approval (or disapproval) of local government activities in regional tourism development.

8.7 Conclusion

This chapter has provided an examination of a number of substantive findings of this research. The findings discussed in this chapter relate to issues of equity in tourism funding, the role of local government in the tourism industry, and the location-specific nature of tourism-related *regional* development in the case study area. Taken together, the substantive content of this chapter reveals an explicit focus on the role of the public sector in the promotion and development of tourism in destination areas, with specific reference to local government in the Hurunui District of New Zealand.

The international literature has many contributions which examine the role and responsibilities of the state in the promotion and development of tourism. Some authors define these roles and responsibilities for local government under the dualism of tourism 'enablement' (i.e., facilitating and co-ordinating tourism growth) and 'management' (i.e., managing the impacts of tourism) (e.g., Simmons & Fairweather, 2005). Other authors propose that, in addition to those roles and responsibilities described within this categorisation, local government is also involved indirectly in tourism through infrastructure, amenity and service provision which impact upon visitors and their overall destination experience (e.g., Richards, 1991; Stevenson, Airey & Miller, 2008; Stevenson & Lovatt, 2001). For example, local government is involved in the provision of parks and reserves, museums, art galleries, public swimming pools and other recreational facilities. In addition, local government is an active participant in urban beautification and gentrification projects.

These authors argue that such involvement in the tourism sector is necessary because of the widespread use of public goods (e.g., resources, landscapes, infrastructure etc.) as key attractions and 'enablers' of tourism activity. However, my research further extends this conceptualisation of public sector roles and responsibilities at the local level to include tourism industry participation. The Hurunui District Council, via its ownership and operation of the District's apex tourism resource (the Hanmer Springs Thermal Pools and Spa) is effectively engaging in an activity (and industry) that is largely considered the realm of the private sector. Despite being a profitable financial venture for the District, which yields significant revenues to be redistributed by the Hurunui District Council back

into the whole District area, the municipal enterprise being exhibited by the Council has resulted in contested understandings about the appropriate role of local government in tourism promotion and development. It must be recognised that there are also significant requirements for resourcing development programmes (e.g., infrastructure upgrades, town-centre redevelopment programmes etc.) which 'support' tourism development in locations such as Hanmer Springs.

These roles and responsibilities are all readily identifiable in my case study research, and serve to justify the involvement of the Hurunui District Council in the District's tourism sector. This role is further legitimised by the provision within legislation (i.e., LGA 2002) to provide for the wellbeing of their constituent communities. Thus, the model of local government and tourism moves from a dualism to a *pluralism*, where local government is arbiter, benefactor, and beneficiary of tourism development in the case study area. Central to this pluralism is the notion of public sector entrepreneurship in tourism development. This is entrepreneurialism has been acknowledged by Ateljevic and Doorne (2000), who note the central role of 'significant individuals' within local authorities for promoting tourism futures. This is the experience of the Hurunui District, where a succession of 'significant individuals' within the umbrella of local government championed the cause of tourism development in the District area (e.g., Mayors John Chaffey and Garry Jackson, former-CEO Paddy Clifford, former-Hurunui Tourism Board Chairperson Brian Westwood).

One of the identified issues in this thesis has been the seemingly favoured status of the tourism industry. This sentiment, it seems, is not restricted to the case study area but extends to the national level of public policy. This view was expressed most acutely by those respondents with strong associations with the agriculture sector, many of whom had presumably experienced the impacts of neoliberal restructuring first-hand. Central to the concerns raised by these respondents was the notion fairness and an even-handed approach by government. This issue is also recognised by Simmons and Fairweather (2005: 265), who note that in the New Zealand context tourism's deployment as a major driver of regional development is in stark contrast to the neoliberal approaches that characterise the market-led reforms which drove the restructuring of the New Zealand

economy in the late 1980s and early 1990s. Therefore while the findings of this thesis are, to a large degree, spatio-politically contingent to the Hurunui District setting, the issue of local government tourism-related roles and responsibilities nonetheless remains salient across a broad range of destination settings and contexts.

Chapter 9

Thesis Conclusion

9.1 Introduction

This thesis examines how and why local government utilises tourism development as a mechanism for fostering regional development. It does so by providing a theoretical perspective on the changing role of local government in regional tourism development under an evolving public policy paradigm. To achieve this, the thesis utilises a single case study of the Hurunui District, New Zealand. The rationale for selecting local government as the unit of investigation is that it is at the local level that the impacts of tourism are experienced most acutely. That is to say, in destination areas it is typically local government (i.e., territorial local authorities) which has the primary responsibility for the management of natural, cultural and built resources, the management of tourist behaviour, and also the promotion of destination area attractions and activities (e.g., funding for regional tourism promotional organisations, festivals, events). No other level of government in New Zealand has such a high level of direct and/or indirect institutional responsibility for the management and promotion of the tourism sector, and the management of destination areas and communities.

An underlying assumption of this research is that government activities and policies work to structure or set the parameters within which development options are framed at the local level. While this research is not intended to be an evaluation of the success or failure of these options, it is anticipated that this work will add to the growing scholarship which investigates the forces influencing the framing of particular development policies (see, for instance, Benington & Geddes, 1992; Mair, 2006; Reese & Fastenfest, 2004; Wolman & Spitzley, 1996).

One of the most striking features of this case study setting is that the more recent history of the District area has been punctuated by discernible periods of rapid and fundamental *change*. That change has been in the form of a series of territorial administrative amalgamations, which has had the effect of imposing, at least initially, a contrived sense

of District identity in the Hurunui District. Significant change has also been experienced in the District's agriculture sector, which underwent a period of rapid and fundamental restructuring caused by neoliberal public policy in the 1980s and 1990s. Another striking feature of this case study setting is the prominent position of the town of Hanmer Springs as the premier tourism destination in the Hurunui District. This position has been established largely through the presence of the thermal springs for which the town is named and known, and continual development of the Hanmer Springs Thermal Pools and Spa.

The development of the thermal pools, and indeed the extraordinary development trajectory of Hanmer Springs township itself, is largely the result of significant public sector involvement. This involvement has originated at the central government level and latterly (and arguably more significantly) at the local government level, and has resulted in the township of Hanmer Springs becoming the flagship destination within the District. Thus, while tourism in Hanmer Springs provides ongoing benefit to the wider District, it nonetheless presents a destination context in which the Hanmer Springs-focused tourism development aspirations of the Hurunui District Council is regarded by some stakeholders as having been pursued at the expense of broader District-wide development. It is this tension, along with the other issues noted in this section, which have been explored in this thesis. This chapter will state the main points and draw conclusions relating to these tensions and issues.

9.2 Revisiting the Research Problem

The past 25 years have seen a radical restructuring of local–central relations in New Zealand. A significant outcome of this restructuring has been a dramatic shift in the roles and responsibilities of local government within their constituencies. This restructuring has been informed largely by a changing public policy landscape, in which the historical social democratic pattern of Keynesian welfarism was supplanted in 1984 by a policy framework influenced by the principles of neoliberalism (Baragwanath, 2003; Brohman, 1996; Shone, Horn, Simmons & Moran, 2005; Shone & Memon, 2008; Telfer, 2002). The economic management ideology behind this framework has led to transformational economic, political and social restructuring.

Latterly, since the late 1990s, an advanced style of neoliberalism has emerged in which governments, arguably in an attempt to reconnect with communities, have refocused the basic unit of economic and social development at the local and regional levels. The overall effect of this restructuring is commonly represented in the academic literature in terms of a shift from local government to local *governance* (Jones, 1998; MacLeod & Goodwin, 1999). This shift to governance is identified as a fundamental feature of the more recent international policy reform discourse, and thus signals a more active role for the state at the local level (Shone & Memon, 2008). For local government, the most significant impact with respect to agency roles can be seen as a move from the traditional 'roads, rates and rubbish' role to investment in the social and economic development of their regions (Bush, 1995). It is under these conditions that local government involvement in tourism development is framed.

This period of restructuring towards a more neoliberal market ideology occurred at much the same time as a period of significant growth in international tourist arrivals to New Zealand. The changing economic conditions experienced during this time had far-reaching consequences for the country that were felt most profoundly at the local level (Shone et al., 2005: 86). In New Zealand, the peripheral economies of regional and rural areas were faced with the effects of the reform process more immediately than their larger urban counterparts and felt the impacts of this period with the greatest acuity. These conditions were reinforced further by waning business confidence in the rural sector and investment decisions becoming increasingly directed toward major centres of commerce. For provincial locations, such radical changes to the economic landscape in New Zealand reinforced the economic dependencies experienced with larger urban centres. With smaller regional centres facing declines in the profitability of primary production and a workforce migrating to the main centres, tourism represented a suitable means by which to stem this outbound flow of capital investment and labour (Shone et al., 2005: 87).

The above conditions indicate that regional tourism development in New Zealand exists within a contested policy context. First, its role in regional economic development is contradictory of a 'pure' neoliberal perspective, appearing to be an unquestioned condition of regional rejuvenation. Second, the contested roles of government (e.g.,

enablement vs. management) lead inevitably to differing perspectives of policy action which can vary over time. Consequently government agencies are often caught between facilitating tourism growth while struggling to develop policy and action programmes to mitigate and manage that same growth. The development of destinations most often depends on the arrangement and promotion of attractions and activities; the former of which are commonly provided by public agencies (Gunn, 1994). Finally, sitting in the shadows of recent tourism analyses (e.g., Simmons & Fairweather, 1998; 2000; 2001; Simmons et al., 2003) has been the broader question of who gains and who loses from tourism development.

This concern is also raised by Mair (2006), who notes that development policymakers in many rural communities are turning to tourism as a relatively benign way to generate growth and development in the face of restructuring. However, the potential threat of competition, inefficiency and economic slow-down often appear disregarded as tourism continues to comprise a significant part of many rural economic development strategies. For Mair, therein lies the conundrum: if tourism is known to cause problems in rural communities, and yet it is still increasingly encouraged as a development strategy, what can be done?

Set against this background, the objective of this research has been: ***To provide a theoretical perspective on the changing role of local government in regional tourism development under an evolving public policy paradigm.***

In addressing the research objective, this thesis does several things. First, it explores, through the perspective of multiple stakeholders and historical documents, the changing role of local government in tourism development in a case study district. Second, it situates the changing role of local government within a policy-aware and globally contextualised explanatory framework. Third, it explores specific local initiatives that illustrate how structural pressures (global and national, economic and political) have been actively managed at the local level. Fourth, it documents some of the conflicts and areas of unease and dissent that have resulted from local government activities in the tourism sector.

The specific research questions identified to address this objective are as follows:

1. What role(s) has local government played in the development of tourism in the Hurunui District?
2. How and why has the tourism-related role(s) of local government in the Hurunui District changed over time?
3. How has this change been managed?
4. What has been the impact of local government promotion of tourism development in the Hurunui District?

9.3 Understanding Tourism Development in the Hurunui District

From the initial commissioning of the Hurunui District's Visitor and Tourism Strategy in 1995, and the establishment of an interim Hurunui Tourism Board which accompanied the release of this strategy, the Hurunui District Council has been positioned as the lead agency in the development of the District's tourism sector. Important here is the fact that such an active role in tourism development has undergone a significant transformation in recent decades, insofar as the role of central government as an active participant in the tourism sector has receded and been replaced by a more engaging local government sector. This role has been legitimised by legislative mandate via the Local Government Act 2002⁴⁹, and has been enabled by strong leadership within the Hurunui District Council structure. The relationship between the District Council and the tourism sector has, over this relatively short period of time, experienced a series of refinements and adjustments to the sector's governance, structure, and branding identity. An initially regionally-focused approach to District promotions, utilising the Alpine Pacific Triangle as the Hurunui's core brand identity, has since been replaced with a more inward looking approach based on the Hurunui District Council's core vision of Hurunui 'wellness' (see, for example, Section 7.5 in Chapter Seven).

⁴⁹ As noted in Section 4.7.3 of Chapter Four, the Local Government Act 2002 was amended in December 2012 under the Local Government 2002 Amendment Act 2012. These changes to the Act are discussed in Section 9.6 of this chapter.

In conjunction with District promotions, the on-going (re-)development of the Hanmer Springs Thermal Pools and Spa (HSTPS), under the umbrella of the District Council, has further strengthened Hurunui's tourism profile outside of the Hurunui District area. The on-going success and recognition of this thermal pool complex has acted to validate further the Council's involvement in the District's tourism industry. Thus a picture emerges of local government as not only an enabler of the tourism sector and manager of the sector's impacts, but also a full and active participant in the District's tourism industry. In fact, the Hurunui District Council is considered to be the District's largest and most profitable tourism operator. The various tensions that such a pluralism of roles and responsibilities has created are addressed below.

This research indicates the presence of conditions which have combined to create divergent understandings about the appropriate role of the tourism sector in promoting intra-District development objectives. Issues of equity in public sector funding appear to be of prime importance, as is the much broader question of local government participation in the District's tourism industry via the HSTPS. These issues, in turn, speak to an underlying tension within the case study area of local government pluralism in regional tourism development in the Hurunui District. It is widely acknowledged within the international literature that the public sector in general, and territorial authorities such as the Hurunui District Council in particular, have an important role to play in the provision of a 'successful' and sustainable tourism sector (refer to Chapter Two for details on the roles of local government in tourism development). However, the municipal enterprise presently being exhibited by the District Council via the HSTPS suggests the need for this entrepreneurial dimension to be more fully investigated in the academic literature.

The major tourism icon of the Hurunui District, the HSTPS, is in a pragmatic sense Council-owned and operated. By this, I mean the District Council's ownership and operator position is managed via a LATE management structure. As such, the public sector – in the guise of local government – has not resiled from its role as tourism participant, as the policy paradigm shifts towards local governance might otherwise suggest. Rather, it has re-positioned itself into a much more prominent and strategically dominant 'silent

partner' in the Hurunui's tourism landscape. Not that it is particularly silent, as several key informants have attested to, particularly via its influence on the tourism board, thermal pools and spa board, and the like.

The initial impetus for the Hurunui's interpretation of its tourism advantage was based on the neoliberalism-induced 'shocks' within the rural sector, and on the need to find a suitable industry surrogate to offset the declines in other sectors of the regional economy. In the Hurunui District, as elsewhere, this created conditions which were akin to desperation in terms of the urgency associated with promoting the sector as a growth surrogate. However, this original impetus must be overlaid with the question of local government involvement in the tourism sector, which is an ostensibly private sector activity. The District Council's position as owner-operator of the Hurunui's apex tourism asset, regardless of the meticulous administrative separation of Council and commercial activities and the like, brings into focus the question of whether or not such public sector involvement in a commercial venture is equitable (or even politically tenable).

This, in turn, has led to contestation and dissonance about the role of tourism as a mechanism of district and regional development. Specifically, it is argued by a vocal portion of research informants that tourism promotion and development in the Hurunui District is nothing more than the promotion and development of Hanmer Springs; that they are in fact one and the same. It must be noted that all research informants in this study acknowledge the position of Hanmer Springs as the District's premier tourist destination. However, many of these same informants have voiced concerns about development in the township being promoted at the expense of development in other areas of the District. The proof of this situation for some informants can be seen in the perceived disproportionate advantage that Hanmer Springs and its immediate hinterlands have been able to leverage off the continued and significant inputs made by the District Council via the HSTPS⁵⁰. As noted in Chapter Eight, the findings of this research contest the view that tourism development is a contributor to *regional* development. Rather, it is

⁵⁰ This is evidenced in data contained within the Hurunui District Long Term Council Community Plan 2006-2016. This document forecasts Council spending of \$6,650,000 on capital expenditure in Hanmer Springs for the 2006/07 Financial Year. This figure includes capital expenditure on the HSTPS, the Hanmer Springs Visitor Centre, and the Queen Mary Hospital land (Hurunui District Council, 2006a: 174).

evidenced in the case study location that a few selected areas of the Hurunui District, most notably Hanmer Springs and its immediate hinterlands, receive disproportionate benefit from the development and promotion of the tourism industry, while many other areas appear to receive very little direct benefit.

Somewhat surprisingly, the extensive programme of public sector investment and subsidy in the North Canterbury area over many decades under the Keynesian model has not been referenced in the growing tourism sector, framed as it is under a neoliberal framework. This suggests that local government needs to be more explicit about the balance of their portfolios over time. This has also been noted by Cullen, Lennox and Simmons (2007), who have raised the wider question about the role of councils in trading entities.

Three issues begin to crystallise within this rich research context: (1) the question of whether or not the tourism sector is an effective contributor to regional development; (2) the suggestion that commercial businesses should operate on their own merits and without public sector intervention; and (3) the issue of market access to participation, ownership, and involvement (as well as the associated allocation of risk, costs and benefits) in the tourism sector. These issues are of the utmost salience in the case study location. The contemporary literature is acquiescent to the key proposition of this thesis, which is that tourism cannot be viewed as being a panacea for issues of regional development, even if the use of the tourism sector to off-set declines in other areas of regional economies is held to be the primary motivator for the promotion and development of this sector. The peculiar nature of the tourism sector, and of the tourism product itself, suggests that there will inevitably be a range of contested understandings about the value of the sector to regional development objectives. This includes the role and responsibilities of both public and private sector stakeholders in the promotion, development and management of this sector, its activities, and its impacts.

For the case study location, transformations in the role of the State (e.g., the receding role of central government and increasing role of local government) are experienced acutely and reveal an apparent tension in the relationship between the tourism sector

and the public sector. The guiding hand of neoliberalism in public policy, although influenced latterly by a Third Way philosophy characterised as the new regionalism, is manifested most notably as a tension between local government managerialism and entrepreneurialism. Concurrently, the contestability created by the tension between these two positions has been compounded by paradigm shifts in the conceptualisation of the role of the state, from the 'welfare state' of the pre-1980s, to the 'contractual state' of the 1990s, to the 'enabling state' of the 2000s (e.g., Cavaye, 2004). Thus, local government is confounded both by the prevailing philosophy of public policy, and by the incumbent responsibilities associated with management and entrepreneurship.

The manner in which the Hurunui District Council has responded to the tension and, in some cases, to the conflict created by the apparent irreconcilability of their roles and responsibilities for tourism and for the wider District area, has been multiple. The formation of a District tourism promotions agency – Alpine Pacific Tourism – and the eventual creation of a funding mechanism for this promotions body (via a targeted tourism rate) have helped to alleviate some of the issues surrounding the public-private sector nexus of tourism risk and responsibility. However, in their effort to diminish the scale of local Council influence over the District's tourism sector the District Council has ended up heightening some of the sectorial lines of debate which exist in the Hurunui area. The most recent example of this has been the restructuring of Alpine Pacific Tourism to incorporate the marketing expertise of the HSTPS (and to then be physically based adjacent to the thermal pools complex) and the streamlining of their staffing structure via the loss of the incumbent general manager. The effect of this restructuring has been to concentrate further the District's tourism promotions, product advocacy and organisational expertise within the town of Hanmer Springs. Although the rationale offered for this restructuring is centred on fiscal prudence and efficiency of resource use, the signal being received by stakeholders from the wider Hurunui District is one of *'we're going to be focusing more on Hanmer Springs than ever before'*.

In the case study location, a tightening of local government influence on the tourism sector via a devolved model of tourism governance has increased operational distance but also increased institutional linkages between the District Council and the tourism

sector. The profitability of the HSTPS further distinguishes this contradictory relationship and serves to heighten the complex nature of its tourism relationship. This raises a number of uncomfortable questions regarding the juxtaposition of tourism public policy intention with Hurunui District tourism development realities. For example, if local government (i.e., the Hurunui District Council) is seen to be acting in a way which is commensurate with the prevailing public policy conditions and is expanding its area of influence as mandated via legislative directives (e.g., LGA 2002), and yet its expanded suite of actions is viewed with cynicism and distrust, then what is local government to do? If the literature suggests that the devolved governance model should work, and yet appears to be fraught with issues of stakeholder dissatisfaction in practice, what does that mean for the broader issue of devolved tourism governance?

In answer to these questions, one might argue that resource allocation(s) are necessarily fraught with contestability. This is true of public sector resources such as those available to the Hurunui District Council (e.g., financial resources, organisational capacity, Council assets). As such there will inevitably be a degree of discord among stakeholders as to the appropriate role of local government 'non-core' activities such as the promotion of tourism development. As noted in Chapter Two of this thesis, however, governments are involved in tourism in a number of ways, and at many levels. For example, central and local governments decide whether or not to support the services used by tourists or tourism businesses, and virtually all government departments have some involvement with tourism in some form or other. As such, the focus for local government and communities should be on the broader question of where and how (and even *if*) the debate regarding local government promotion of tourism development takes place. In the Hurunui District, this is a debate which *is* taking place and suggests the devolved model of local governance *is* contributing to the goals of 'deep democracy' and, implicitly, community wellbeing.

9.4 Devolved Governance and Changing Tourism Geographies

The broader context of globalisation and associated global shift in public policy paradigms has resulted in a restructuring of relationships between urban and rural areas.

Concomitantly, these changes at the global level have also resulted in changing tourism

geographies at the local level. It is this transformation which forms a critical component of this research, and expands upon the global–local undercurrent which permeates this thesis. This is of significance as it firmly positions the changing role of the State, and the associated changing relationship with the tourism sector and industry, as a tangible manifestation of local response to global change.

This research highlights the use of tourism by local government as a tool for development in regional locations. The use of tourism for this purpose in the Hurunui District reflects, in turn, wider national and international trends that identify the tourism sector as a key lever by which to address issues of regional decline or upheaval within the discourse of sustainable communities. While many regional economies and communities worldwide experienced varying degrees of economic hardship under neoliberalism, the more recent adoption of an advanced style of economic neoliberalism influenced by new regionalism ideologies represents a philosophical ‘return to the regions’ by government (Shone & Memon, 2008). This public policy framework promises a more integrative bottom-up approach to local governance than experienced previously under the laissez faire form of neoliberalism in the 1980s and 1990s.

This change in public policy philosophy over the past 25 years, in combination with the wide-ranging reforms of the local government sector during this time, has seen a significant shift in the role of agency for local authorities. As noted earlier in this thesis, arguably the most significant impact of this transformation has been manifest as the new role for local authorities to provide for the economic and social wellbeing of their constituent communities (Boston et al., 1996; Bush, 1995). Prominent in this shifting focus for local government has been the active support for a range of sunrise industries, including tourism. In the case of the Hurunui District, this shifting focus has been evidenced by the active support and direct investment in tourism development. While the connection between public policy shifts and regional or local change is not a new topic of investigation, the significance of the exemplar presented in this thesis lies in the pluralistic roles played by local government in the District’s tourism sector. Conventionally, local government responsibilities for tourism are centred on the dual and often conflicting roles of enablement and impact management. These roles are typically

empowered by statute and operationalised through a variety of regulatory controls and planning mechanisms available to local authorities (e.g., land-use zoning regulations, asset management plans, long-term community plans, infrastructure and economic development plans). What is atypical, however, of the Hurunui District case study is that the tourism-related roles and responsibilities of the Hurunui District Council are further embedded as the owner and operator of the District's apex tourism resource: the HSTPS.

The outcome of this ownership relationship has been that the Hurunui District Council, via a devolved model of tourism governance, has reinforced its position as tourism sector enabler, manager, and participant. Thus, local government in the Hurunui District is not only an arbiter and benefactor of tourism development, but is also a significant beneficiary of direct involvement and entrepreneurship in the tourism industry. Consequently the District Council is no longer considered by many stakeholders in the case study area to be a dispassionate observer, but rather a highly motivated industry participant. This apparent position of conflict raises a number of questions relating to the legitimacy and appropriateness of public sector involvement in what is ostensibly a private sector activity, and of the ability of local government to adequately separate its managerial responsibilities from its entrepreneurial aspirations.

In this thesis, tourism development and promotion outcomes are conceptualised as being shaped by the power relations between competing interests; namely, the Hurunui District Council, the tourism industry, and local community stakeholders. Importantly, the process under which tourism policy is formulated in destination areas is conditioned by the public policy context within which it is placed. Outcomes from this process can thus be conceptualised as products of stakeholder interactions and shaped largely by the political and institutional framework in which they operate. From a Foucauldian perspective, the neoliberal governmentalities associated with the shift to local governance have undoubtedly served to increase the ability of the local Hurunui community stakeholders to direct the nature and scale of tourism development within 'their' District (i.e., the highlight being on 'local'). However, the neoliberal-inspired rolling back of central government, and concomitant rolling 'back in' of local government that so characterises the ideological shift of public policy to local governance, has also acted to extend the

regulatory and administrative reach of local authorities over the tourism sector. This prolongation of the State is noted by Lemke (2001), and is sympathetic to Agrawal's (2005) notions of environmentality. This case study confirms the view of these authors that the so-called 'retreat of the State' under neoliberalism is, in fact, a prolongation of government (or the mechanisms of government) at the local level. However the findings of this case study suggest that, rather than being a reconfiguration of power towards 'informal techniques of government' (e.g., NGOs) (Lemke, 2001), the Hurunui District example exhibits a reconfiguration of power towards *formalised* techniques of government at the local level via the municipal authority of the Hurunui District Council.

In New Zealand, local government has been required by legislative mandate via the Local Government Act 2002 to enable democratic decision-making and action by, and on behalf of, communities. Implicitly this includes maintaining an appropriately balanced and impartial role as both a promoter and mediator of social, economic, cultural, and environmental wellbeing within their territorial boundaries. In the view of several key research informants, however, the impartiality of the Hurunui District Council is regarded as having been compromised by its position as principal beneficiary of ongoing tourism growth and development in Hanmer Springs. Indeed, the high level of local government involvement and direct investment in the Hurunui tourism industry is seen by some stakeholders as evidence of the local Council utilising a position of commercial advantage to promote development in one part of the District at the expense of the rest of the District area.

This viewpoint is reinforced further for local community stakeholders by the use of District Council resources, most especially ratepayer-derived financial contributions, to undertake selected tourism-related activities. It is a situation, at least in the eyes of some stakeholder groups, of the Hurunui tourism industry receiving disproportionate advantage from the use of public resources, and of private sector interests receiving subsidy from the public purse. In essence, the Hurunui District Council's roles and responsibilities for the wider District area are interpreted by sections of the community as having been coloured by the special treatment given to the tourism sector generally, and Hanmer Springs specifically. From the local government perspective, however, District

Council involvement in tourism is characterised as having been motivated by a genuine desire to promote the social and economic development of all of the Hurunui District. The pluralistic roles undertaken by the District Council to achieve that end are, in the eyes of Council managers, performed with the utmost care of duty, diligence, and organisational transparency.

Clearly, then, contrary views are held by stakeholders regarding the appropriate roles and responsibilities of local government in tourism development in the Hurunui District. This divergence of opinion reveals areas of potential fracture between local government and their constituent communities. The unique relationship of local government and tourism development, where power relations are manifested as regulation and ownership of tourism resources, suggests that special attention needs to be paid to how power is patterned or funnelled into a small clique of people. In the case of the Hurunui District, the pluralism of local government roles and increased regulatory empowerment has combined to not only modify stakeholder power relations, but arguably also to alter power relations between the State and the local community.

It is in this public policy context that tourism has become an important component of the Hurunui District economy and, perhaps more significantly, a dominant part of the institutional psyche and regional development discourse of this location. While a new regionalism style of neoliberal economic management ideology advocates that the region be considered a core unit of economic activity, and promotes the use of partnerships and collaboration (as experienced in the Hurunui District), experience has shown that these alliances can be weighted in favour of dominant or resource-rich partners (Milne & Ateljevic, 2001). In the case study location, this perceived inequality in regional (and inter-regional) relationships has seen a movement by local government towards a more intimate form of economic localism within the District boundaries. Specifically, there has been a purposeful decision by the Hurunui District Council (the major tourism stakeholder in the District) to utilise a wellness-based District tourism brand identity to help achieve local Hurunui, rather than broader inter-regional, development objectives.

The more recent utilisation of 'wellness' noted in Chapter Seven of this thesis represents a re-branding of sorts for the Hurunui District tourism product. It is, however, more significantly indicative of the adoption of a more focused style of economic localism than previously employed by the District Council. Although more conventional conceptualisations of wellness and tourism focus on the corporeal aspects of spa and alpine resorts (e.g., Mueller & Kaufmann, 2001), the Hurunui District has broadened this consideration of the term to include the more holistic notion of community wellness. This treatment is, in turn, informed by the legislative mandate provided to the District Council under the Local Government Act 2002 noted previously in this thesis. This Act empowered local authorities, such as the Hurunui District Council, to undertake activities that allowed them to improve the wellbeing of their constituent communities. The components of this community wellbeing – social, economic, cultural and environmental – formed the guiding principles which underpin the public policy philosophy of community empowerment. This philosophy was, in turn, representative of a broader public policy movement from local government to local governance, and has been manifested as a rolling out and extended reach of the local State.

Within the discourse of sustainable communities, the concept of wellness has a number of synergies with broader development objectives associated with social and economic improvement. However, the use of tourism as an agent of economic localism has presented the District Council with a number of new challenges with respect to divergent and contested understandings about the appropriate role of the Council in the District's tourism sector. The academic literature suggests that far from being a localised problem, the issue of local government involvement in tourism development is experienced globally (e.g., Cawley & Gillmor, 2008; Dredge, 2005; Dredge & Jenkins, 2009; Kerr, Barron & Wood, 2001; Pforr, 2006; Stevenson, Airey & Miller, 2008). As such, the case study presented in this thesis has broader implications for the understanding of tourism development in regional locations.

9.5 Contribution to the International Literature

This thesis has sought to describe and analyse how the mechanisms of local government tourism policy and practice have been reconfigured in the Hurunui District, and to identify

factors which have influenced or shaped this reconfiguration and its outcomes (intended and unintended). Arguments on the reconfiguration on tourism governance, particularly at the sub-national level, have been informed greatly by contributions from within the public policy arena. Driven by the imperatives associated with devolved governance present within a wider public sector setting (e.g., partnership, stakeholder participation, collaboration, alliances, locally-driven solutions), the governance of the tourism sector has likewise been influenced by a process of 're-shaping' which has resulted in the apparent shifting of the state's influence to that of facilitator or 'enabler'. This shift in the institutional structure of the tourism sector, and the functions of destination promotion, management and governance, should be considered an inevitable outcome of a changing public policy paradigm.

The promotion of the tourism sector as a means by which to achieve social and economic development objectives is well established, and is reflective of a broader movement internationally towards the active support of 'sunrise' industries in regional locations (e.g., Beer, Maude & Pritchard, 2003). The utilisation of the tourism sector for this purpose has become increasingly salient over the past two decades, particularly in rural or provincial areas, where the sector has been used by governments to help offset declining profitability in other sectors of regional economies. These declines are attributed most commonly in the academic literature to a change in public policy ideology influenced strongly by economic neoliberalism (e.g., Dredge, 2005; Mair, 2006). So it is in the case of the Hurunui District.

Within this thesis it has been noted that, although regional locations are often well-suited for the development of tourism activity, the inherent characteristics or symptoms of these locations (e.g., geographic and political peripherality, limited financial resources within territorial local authorities, intra-regional parochialism) means there are likely to be an array of adverse impacts associated with such development. Given that tourism in regional locations inevitably relies on public and/or free goods as key tourism attractions and assets, local government necessarily also has an inescapable responsibility for the sustainable development of the sector. This is most certainly the case of the Hurunui District. While the academic literature tells us that a shift towards a more devolved style

of tourism governance is considered a more equitable model by which to structure 'tourism', the nuances of the Hurunui District and the associated peculiarities of the District's tourism resources sector appear to have led to a range of unintended consequences not otherwise revealed in the academic scholarship. Indeed, the Hurunui case study appears to depart, in some respects, from what we might expect to find in the tourism literature relating to the diminishing role of the State under a neoliberal-inspired public policy framework and concomitant growing role of 'informalised techniques of government' (e.g., Agrawal, 2005; Lemke, 2001). The reasons for this departure can be attributed largely to the pluralistic relationship of the Hurunui District Council with the District's tourism sector, as well as the profitability of the Council-owned tourism asset: the HSTPS.

The tourism sector does not exist within a vacuum. It is intrinsically connected to the environment(s) in which it is placed and under which it is influenced. This extends to the sphere of tourism governance where the very mechanisms that exert influence over the 'shape' of governance structures are themselves the result of greater forces of change in the realm of public policy. Thus, an examination of the structures of tourism governance, and of the way in which change has created location-specific challenges, is of salience in a context of both tourism and regional development. As such, this research has illustrated that the tourism experiences of regional locations are inextricably linked to the broader forces of change at the international and national levels. Indeed, the interconnectedness that so marked New Zealand's early development as a nation continues to impart its influence on the livelihoods and futures of regional communities throughout the country. More generally, this connectivity appears to condition the development trajectories of many internationally peripheral economies worldwide. Therefore, an appreciation of the broader context under which tourism development occurs is central to better understanding the role and potential for tourism to contribute to the development objectives of regional locations.

The question of public sector roles and responsibilities in promoting and managing tourism development, or perhaps more specifically, in public sector asset management and associated opportunity cost of resource-use in its broadest sense (i.e., physical assets,

financial assets, human resource assets, and temporal assets) is of salience not only for the case study location, but also for a range of 'other' destination settings and contexts. That is to say, there will inevitably be divergent views about public sector resource allocation, be they tourism-related or other. In regional locations, where dramatic changes in land use and economic development are often pervasive, illuminating the trajectory of the growing connection between tourism and development opportunities under changing politico-economic conditions helps to add depth and a public policy context to our understanding of this case study, and of tourism more generally. As such, this thesis has identified a need to reconceptualise not just the changing role of the State in regional development, but also the motivations for, and mechanisms through which, these changes take place.

This thesis has also confirmed the position that changing public policy paradigms at the global level have served to create changing tourism geographies at the local level. In the case of the Hurunui District, this has led to contested and divergent understandings about the legitimacy and appropriate role of local government in tourism development, and also highlighted areas of potential fracture in destination community relations. The active role taken by local government in the case study location, while apparently contradictory of more conventional understandings of government tourism activity, has nonetheless ensured that the benefits of tourism activity are shared across the District via the redistributive mechanisms associated with the Reserve status of the HSTPS.

Conventionally, one might consider public sector involvement (or, more specifically, intervention in the market) in promoting tourism development acts to privatise the benefits of the sector whilst socialising the costs. That is to say, the benefits of the tourism sector are accrued typically by the private sector, while the costs of tourism sector provision are borne largely by society. However, the Hurunui District presents a case where the benefits and costs of the sector have been both privatised *and* socialised via the Council's targeted funding mechanism, ownership of the financially successful HSTPS, and the institutionalised redistributive channels associated with revenues from the operation of this publicly-owned tourism asset. This presents a more equitable model of tourism governance, whereby the benefits and costs of the tourism sector are accrued

and borne by both the industry and by the community (via the use of public sector resources).

It is, in a sense, an example of a purposeful 'trickle-down' economic effect, whereby a portion of the operating revenues associated with the HSTPS are distributed in the form of (re)investment in Reserves in other parts of the District. This, in turn, has the effect of reducing the financial burden on Hurunui District ratepayers for the maintenance and development of facilities and amenities located on these Reserves. Thus, while the township of Hanmer Springs continues to be the focus of the Hurunui District tourism product, the model of regional tourism governance and funding adopted by the Hurunui District Council has helped to reconcile public sector entrepreneurial aspirations with institutional roles and responsibilities. As such, it is a model which this author believes has potential applications across a range of destination settings and contexts.

Taken together, the findings of this research confirm the view of much of the international literature insofar as tourism is viewed (and used) as a mechanism to stimulate regional economies and offset the declining profitability of other sectors in rural economies. The use of tourism for this purpose has, in turn, led to a change in public sector roles and responsibilities for tourism at the local level as authorities attempt to stave off socio-economic hardship in regional locations. This has created a reconfiguration of public sector, private sector, and community relations in the sphere of tourism promotion, participation, and development. Sitting alongside this issue is the challenge for local government to manage the urgency of an underlying economic development imperative while also remaining a benevolent and impartial provider of public facilities and amenities. This appears to be a particularly contentious issue in the case study location, as the District Council is engaged in what is arguably an extended programme of municipal enterprise via the tourism industry. Thus, the promotion of tourism development in the Hurunui District, while certainly beneficial with respect to ameliorating the immediate effects of regional decline, nonetheless reveals areas of potential fracture in Council–community relations.

One conclusion of this thesis is that the Hurunui District Council has acted in an extraordinary manner in respect of the way in which it has responded to changing public policy paradigms and adopted the tenets of New Regionalism. The District Council has become more than a 'mere' facilitator, promoter, moderator, and co-ordinator of the District tourism sector; it has become an active and prominent participant in the tourism industry. This overt local government entrepreneurialism is an unexpected finding of my research, as the literature suggests that this is not a typical response by local government under a New Regionalism public policy framework.

This then raises the question: "What exactly is an 'appropriate' tourism-related role for local government under a New Regionalism perspective/policy paradigm?" The literature indicates that it is an 'extended' role when compared with a 'pure' neoliberal approach; it also includes the role(s) of facilitator, promoter, moderator, and co-ordinator. Implicit in the literature is the notion of a reflexive local government which is responsive to local needs and issues (and associated constituent wellbeing).

Based on the findings of this thesis, it is apparent that an 'appropriate' tourism-related role for local government is not fixed over time and space. Rather, it is dynamic and is influenced by events over time and contingent upon location-specific circumstances. That is to say, the Hurunui District Council clearly views tourism as being a core component of its organisational roles and responsibilities. The Council appear to regard the tourism sector and industry as a source of 'local strength and advantage' for the District area, and this is in line with the comments by Schöllmann and Dalziel (2002: 7) noted above. However, this stance, as it relates to tourism development, is unlikely to hold true in other territorial areas for which tourism has not been prominent or profitable. Thus, the notion of 'appropriate' tourism-related roles for local government is necessarily conditional and contestable.

The pluralism of local government tourism-related roles presented in this thesis raises a number of challenges insofar as it can amplify existing conflicts between local government and a number of sectoral and community special interest groups. This finding also suggests that the tourism-related roles and responsibilities of local government are

not necessarily prescriptive or consistent over time and space. Rather, they appear to be contingent upon a range of characteristics (e.g., social, economic, political, institutional, environmental, sectoral) that combine in a variety of ways to establish the destination context.

Taken together, this suggests that a New Regionalism perspective lacks the necessary sophistication to explain the tourism-related actions of local government in the case study location. Specifically, while a New Regionalism perspective is able to broadly predict local government actions as they relate to local economic and community development responses, it is not able to 'delve into the details' of decision-making and power relations. This is of significance, as the processes associated with tourism policy formation, planning and development are value-laden and often highly politicised. In order to better understand local government tourism-related actions and decision-making, and to explain why the case study location presents an atypical manifestation of a New Regionalism approach, it is necessary to understand tourism-related power relations. This is what the Foucauldian perspective offers.

Following Foucault's notions on power relations (i.e., that power is omnipresent and yet localised in its deployment, and that the way we perceive the world shapes the way we act towards it), in this thesis I argue that the relationship between local government, tourism industry intermediaries and communities in destination areas must take relations of power and knowledge into account when planning and designing programmes for tourism. This relationship can give rise not only to acceptance of, but also resistance to, the promotion and development of tourism by local government. The articulation of this resistance, while a typical feature of the democratic process in action, is nonetheless an important signifier of community and sectoral approval (or disapproval) of local government activities in regional tourism development, and in regional tourism governance.

Governance, as stated earlier in this thesis, is essentially about power, or rather the articulation of power. Critical to this may be the design and structure of institutional or organisational arrangements for tourism (Hall & Jenkins, 1995), such as the relationship

between institutions at different scales of regulation. Those who benefit from tourism may well be placed in a preferred position to defend and promote their interests through the structures and institutions by which communities are managed. This, very clearly, is a significant mechanism by which tourism power relations are both articulated and managed in the Hurunui District.

It is also evident in the case study that, for the most part, the tourism-related entrepreneurial activities of the Hurunui District Council have never fully become part of the unfolding political agenda. In other words, decisions relating to the ownership and operation of the Hanmer Springs Thermal Pools and Spa have not been hidden, but neither have they been subject to systematic public policy debate. A consequence of this exclusion from the systematic policy debate is that it has reinforced tourism power relations through the 'capture' of institutional and organisational forms of knowledge related to the governance of the sector. This is a manifestation of a Lukesian view of three-dimensional power, which advocates for the consideration of "the many ways in which potential issues are kept out of politics, whether through the operation of social forces and institutional practices or through individuals' decisions" (Lukes, 1974: 24). This is complementary to Foucault's power-knowledge axis, but extends the concept to accommodate the consideration of institutional bias and manipulation of preferences. As such, it provides a more sophisticated interpretation of Foucault's binary of power relations (i.e., power imposed *by*, and imposed *upon*). On this point, it is evident from the findings of this thesis that the development-related preferences and institutional 'bias' of the Hurunui District Council are directed towards the support and active participation in the District's tourism sector and industry.

It is important to recognise that this discussion is based on a single case study. The selection of the Hurunui District as the case study location was not haphazard or arbitrary. Rather, it was selected on the basis that it appeared to be an unusual example of local government involvement in the tourism sector. Specifically, the Hurunui is a rural district area which has experienced considerable sectoral change as a result of an evolving neoliberal public policy paradigm. In response to these changing conditions, the District's tourism sector has grown considerably over the past 25 years, and is now widely

considered to be one of the dominant economic sectors in the Hurunui District. Within the District, the alpine village of Hanmer Springs dominates as the apex tourism destination, and Hanmer Springs is, in turn, dominated by the Council owned and operated Hanmer Springs Thermal Pools and Spa. The destination features which make the Hurunui District unusual as a case study (i.e., a high level of local government 'engagement', support and direct investment in the District tourism sector) are precisely those same features which this thesis has sought to analyse. Within the case study area, the Hurunui District Council appears to be 'doing things differently' in respect of tourism-related roles and responsibilities. This situation necessitated further investigation.

As with many case studies, the idiosyncratic nature of location-specific settings can make generalisations challenging. However, the uniting theme apparent throughout the scholarly literature on this topic is the dominant role of public policy in shaping the context under which tourism development is framed in regional locations. While the specific local government tourism experiences described in this thesis are arguably peculiar to the Hurunui District, they nonetheless have resonance in a wider setting of local authority policy development in a turbulent context of rapid and fundamental ideological change in public policy paradigms. That is to say, in this thesis, tourism development is the 'lens' through which public sector policy and actions are examined. The public sector necessarily has ownership of, and responsibility for, a considerable suite of tourism-related assets and resources, most often in the form of free and/or public goods.

Thus, while this thesis is based on a single case of local government and tourism development in the Hurunui District, broader theoretical and conceptual issues are dealt with in respect of the changing role of local government, and therefore tourism public policy, in regional locations. In aggregate, the issues raised in this thesis represent the analytical understanding of power relations and decision-making in regional tourism development during a period of rapid and fundamental change in public policy paradigms. This case, therefore, serves to both confirm and challenge existing understandings about the role of local government in regional tourism development.

9.6 Local Government Act 2002 Amendment Act 2012

Towards the end of the field investigation which supports this analysis, a significant change occurred to the Local Government Act 2002. This is of significance for the subject area investigated in this thesis, as it is this piece of legislation (and its subsequent Amendment Act) which directs local government activities. The changes to the 2002 Act, and its implications for local government tourism-related activities, are discussed below.

In December 2012, the Local Government Act 2002 was amended under the Local Government Act 2002 Amendment Act 2012. Although this amendment occurred too late to be incorporated into this thesis, it is nonetheless important to acknowledge the implications of this Amendment Act for local government (and, implicitly, upon the way in which local government may or may not undertake tourism-related activities within their constituencies). The purpose of the Amendment Act was to explicitly remove the 'wellbeing powers' of the 2002 Act. This can be seen when comparing Section 10 of the 2002 and 2012 Acts. Section 10 of the Local Government Act 2002 provided for the purpose of local government as follows:

The purpose of local government is-

- a. to enable democratic local decision-making and action by, and on behalf of, communities; and
- b. to promote the social, economic, environmental, and cultural wellbeing of communities, in the present and for the future.

In 2012, however, the Local Government Act 2002 Amendment Act 2012 replaced the second aim so that the section now reads:

The purpose of local government is-

- a. to enable democratic local decision-making and action by, and on behalf of, communities; and

- b. to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

There has been some legal commentary on the impact of these changes. Simpson Grierson (2012: 1), for example, has offered the following comments:

The implication of the new purpose statement is that local authorities' lawful roles, and how they perform them, are somehow reduced from what they have been. The difficulty, of course, is determining what that reduction entails. Ultimately, the courts will make that determination.

In the meantime, local authorities should at least ensure that their decision-making processes now include consideration about whether the matters they are dealing with "meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions". Probably more crucial, is that they ensure the way they are proposing to deal with a matter "is most cost effective for households and businesses" (whatever that means). That term is new to New Zealand law (though "cost effective" does appear in Weathertight Homes and ACC legislation). Expect judicial interpretation sooner rather than later.

Similarly, Anderson Lloyd Lawyers (2012: 10) have observed:

The change in focus will mean that councils should no longer fund activities based on "wellbeing" that cannot be considered a "local public service". The phrase "local public service" is broad enough to provide some wriggle room for activities that do not relate to infrastructure or regulatory functions but the breadth of the phrase is likely to cause debate around council chambers.

These comments suggest that economic development, including that which relates to the promotion of tourism development, is not excluded from the agenda of local governments. However, Councils need to exercise prudence to ensure that (i) any expenditure on economic development is a genuine local public service that is most cost

effective for households and businesses and (ii) it is efficient, effective, and appropriate to present and anticipated future circumstances. There is no guidance in the legislation on how to make these judgements.

9.7 Directions for Future Research

The very selection of case study locations, and the defining characteristics and destination context contained within these locations, can serve to impose boundaries and/or limitations relating to the ability to generalise findings across a range of settings. The research process itself, and the findings which come from it, can also reveal weaknesses and/or strengths of the research project, and provide directions for future research. So it is with this thesis. The objective of this research has been to provide a theoretical perspective on the changing role of local government in regional tourism development under an evolving public policy paradigm. To achieve this objective, a single case study approach has been utilised in this thesis. This approach, however, does raise some considerations for interpreting the research findings. It also presents opportunities for future research to be conducted to address these areas of 'consideration'.

The case study location of the Hurunui District presents a destination context in which the tourism sector's contribution to the local economy has grown significantly over a relatively short period of time. This growth has been assisted by the presence of a broad suite of tourism-related attractions and anchored by the ongoing success of the Council-owned HSTPS. This has served to create a specific set of destination conditions within which the findings of the research must be considered. As with many case studies, the peculiar and idiosyncratic nature of location-specific settings can make generalisations challenging. As such, there exist opportunities for future research to be undertaken in locations which exhibit differing sets of destination characteristics. The dimensions of these characteristics might include: physical location (e.g., proximity to markets, and access to transportation corridors), sectoral composition (e.g., diversity and relative strength of industry sectors), and historical connection with tourism (e.g., length of 'exposure'/historical connection with the tourism sector). Such an approach would help to test the generalisability of the research findings in this thesis to other destination contexts and settings.

In addition to these location-specific dimensions associated with case study selection, there exists an opportunity for future research which is able to incorporate the recent changes to the Local Government Act 2002 (LGA 2002) as enacted under the Local Government Act 2002 Amendment Act 2012 (LGA 2012). As noted above, and in Chapter Four of this thesis, although this amendment to the 2002 Act occurred too late to be incorporated into this research project (December 2012), it nonetheless has significant implications for the way in which territorial local authorities (such as the Hurunui District Council) may or may not undertake tourism-related activities. The hitherto cornerstone of the LGA 2002, community *wellbeing*, has been replaced by a much more ‘fiscally aware’ focus on cost-effective delivery of infrastructure, services, and regulatory functions. As such, future research could be undertaken to investigate the impact of this Amendment Act on the way in which local government throughout New Zealand engages with, and *in*, the tourism sector. Given the prominent position of the tourism sector as a significant export earner for New Zealand, and the associated role of local government as a key custodian of the sector’s public and/or free good resources, this is an area of future research which could contribute greatly to our understanding of how and why the public sector engages in the tourism sector.

9.8 Concluding Remarks

The substantive content of this thesis reveals an explicit focus on the role of the public sector in the promotion and development of tourism in destination areas, with specific reference to local government in the Hurunui District of New Zealand. Within this focus, there are four key research findings. These key findings are as follows:

1. For an industry like tourism, which relies heavily on public goods as the basis of its product, and which has un-priced externalities associated with that same product, the question of how to best address the issue of equity (i.e., who pays for, and who benefits from, tourism development) assumes increased importance in regional locations such as the Hurunui District.

2. Within the case study location, there are divergent views about the appropriate role of local government in tourism development. This reveals a potential area of fracture within the District community.
3. The inherent parochialism of the Hurunui District, as a remnant of previous territorial identities, has served to heighten feelings of peripherality and marginality within some communities. This appears to be manifested most acutely in the relationship between the District Council and the community (the dissatisfied 'community', at least), in which a Foucauldian conceptualisation of power relations is apparent in the discourse of research informants.
4. The response at the local level to the globally pervasive public policy shift towards neoliberalism has been to expand the roles and responsibilities of the Hurunui District Council. This has occurred in order to counter unwanted socio-economic effects, and has acted to create a paradoxical situation in which the 'rolling back' of central government has been replaced with the 'rolling back in' of local government.

Taken together, the findings of this research contest the view of tourism as a contributor to *regional* development, even if the use of the tourism sector to off-set declines in other areas of regional economies is held to be the primary motivator for the promotion and development of the sector. Rather, it is evidenced in the case study location that a few selected areas of the Hurunui District receive disproportionate benefit from the promotion and development of the tourism industry, while many other areas appear to receive very little direct benefit.

The tourism-related entrepreneurial activities of the Hurunui District Council raises a number of questions relating to the legitimacy and appropriateness of public sector involvement in what is ostensibly a private sector activity, and of the ability of local government to separate adequately its managerial responsibilities from its entrepreneurial aspirations. In the case study location, a tightening of local government influence on the tourism sector via a devolved model of tourism governance has

increased operational distance but also increased institutional linkages between the Hurunui District Council and the tourism sector. The profitability of the Hanmer Springs Thermal Pools and Spa further distinguishes this contradictory relationship and serves to heighten the complex nature of its tourism relationship. This raises a number of uncomfortable questions regarding the juxtaposition of tourism public policy intentions with Hurunui District tourism development realities.

The impartiality of the Hurunui District Council is regarded by many research informants as having been compromised by its position as principal beneficiary of ongoing tourism growth and development in Hanmer Springs. The high level of local government involvement and direct investment in the Hurunui tourism industry is seen by some stakeholders as evidence of the Hurunui District Council utilising a position of commercial advantage to promote development in one part of the district at the expense of the rest of the district area. This suggests the need for the entrepreneurial dimension of local government involvement in tourism development to be more fully investigated in the academic literature.

In essence, the present regional development policy framework which encapsulates the tourism sector in the Hurunui District represents a devolved mandate away from government towards *governance*. Governance, it is argued, eschews the rigid divide between the State and the market in favour of a repertoire of alliances, networks and partnerships (Keating, 2002), and thus represents a more bottom-up approach to regional polity. This shift thus represents a fundamental feature of the more recent tourism policy reform discourse in New Zealand. In addition, there is also a 'horizontal dialectic' (Dredge, 2005: 314) where, in the sub-regional context, the politics of local destination identity and the pursuit of local industry interests create competition and assertion of difference. As markets change, and new niches and market specialisations emerge, local destination identities continue to be created and re-created. According to Schöllmann and Nischalke (2005: 56), the above dilemma points to a more profound problem with regional development policy; it brings to the fore the tension between discrepant policy goals in the area of regional development.

The requirement for an integrative style of governance that is able to accommodate the views of a multiplicity of actors creates a multi-scalar framework which is heavily 'polycentric' (Andersson & Ostrom, 2008). That is to say, there is a complex web of relationships among multiple authorities and stakeholders, each with overlapping jurisdictions and with often-conflicting agenda. The multi-scalar attribute of the new regionalism policies, while highly democratic from the standpoint of inclusive governance, nonetheless presents an extremely complex and potentially unwieldy planning framework from the perspective of stakeholders, planners and tourism practitioners. In the Hurunui District, for example, the development-related objectives articulated in the national tourism strategy must somehow be translated at the local level if the sector's vision for an integrated and cohesive tourism product is to be achieved.

As visitor experiences are shaped by a tourism product that typically spans multiple administrative territories and borders, there is a requirement that tourism planning, promotion and development must likewise be accommodating of trans-territorial co-operation and collaboration. For local administrators, this means not only reaching outward and upward with respect to relationship-building, but in the case of the Hurunui also means establishing formalised agreements with neighbouring District authorities for the joint promotion of a broader trans-regional North Canterbury tourism product (i.e., the Alpine Pacific Triangle touring route). Such accords contain not only a requirement for agreement on issues of administration, but also on matters relating to the financial contribution from each of the respective parties. It is often the case that these two elements are not always allocated evenly, and while this may be an equitable reflection of the relative tourism-related position of each partner, it can nonetheless heighten existing opposition to public sector financial investment in tourism. It should be recognised, however, that tourism is a spatially constrained activity. At the centre of this problem for many locations is the fact that not all places are attractive to tourists; not every township is a visitor *destination*. However, the functional value of these locations – be they transit locations, rural service centres, or other – can be potentially expanded upon in order to bring some tangible tourism-related benefit to communities within these areas of the 'tourism periphery'.

The challenge for regional tourism planning and development in the context of sustainable community development, therefore, is to reconcile issues of democracy and economic rationality in the planning process; to overcome discrepant policy goals in the area of regional development; to foster collaboration and co-operation between potential tourism rivals; and to facilitate the alignment of multiple tourism visions towards a common goal, so that broader regional development and sustainable community objectives can be achieved. However, perhaps the greatest challenge for local government and regional tourism development centres on the ability to merge satisfactorily the power to decide with the power to transform. In other words, it presupposes that policies designed at the higher echelons of government will be, or even can be, delivered by local and regional governments at the lower echelons. According to Morgan (2005), far from being a theoretical issue, the problem of joined-up governance is assuming increasing significance because of the alarming growth of a delivery deficit; that is, the burgeoning gap between what is formally decided by national and supra-national powers and what is actually delivered in the “prosaic world of practice” (p.36). Governments therefore need to reconsider how they reconcile policy rhetoric with policy in action.

Dredge and Jenkins (2009: 18–19) take the position that governments are partners with business and the community in creating and perpetuating the structures and processes through which tourism production and consumption flourish (or not). Governments take a number of roles (e.g., as facilitators, as gatekeepers, and as protector of interests). They shape the playing field, the rules of the game and the mode of play; they can be imposing and highly regulatory referees or they can allow ‘the game’ to flow and ignore minor and sometimes major indiscretions. In this light government interventions should not be simply conceived of as an end result or implication of the tourism system. Instead, governments should be conceptualised as an integrated component, contributing to past, present and future conditions. As such, the municipal enterprise presently being exhibited by the Hurunui District Council, as owner-operator of the HSTPS, suggests the need for this entrepreneurial dimension of local government to be investigated further across a variety of locations and destination contexts.

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Appendix A

List of Research Informants

Public Sector Agencies: National/Regional

Robyn Henderson:	Ministry of Tourism (Policy Manager)
Katherine Lowe:	Ministry of Tourism (Policy Analyst)
Kingsley Timpson:	Department of Conservation (Manager, Canterbury Conservancy: Waimakariri Section)
Irvine Paulin:	New Zealand Trade and Enterprise (Regional Economic Development Manager, Canterbury)

Local Government: Elected Officials

Garry Jackson:	Hurunui District Council (Mayor)
Michael Malthus:	Hurunui District Council (Deputy Mayor) Hurunui District Council (Councillor, Hanmer Springs Ward) Alpine Pacific Triangle Board (Board Member)
Vincent Daly:	Hurunui District Council (Councillor, Cheviot Ward)
Julie Coster:	Hurunui District Council (Councillor, Amberley Ward)
Wendy Doody:	Hurunui District Council (Councillor, Amuri–Hurunui Ward)
Kerry Prenter:	Hurunui District Council (Councillor, Glenmark Ward)

Local Government: Appointed Positions

Andrew Dalziel:	Hurunui District Council (Chief Executive Officer)
Paddy Clifford:	Hurunui District Council (former-Chief Executive Officer)
Andrew Feierabend:	Hurunui District Council (Manager – Environmental Services/Planning)

Tourism Promotion/Managers: Regional/Local

Christine Prince:	Christchurch and Canterbury Tourism (Chief Executive Officer)
Heather Miller:	Enterprise North Canterbury (Manager)
Scott Pearson:	Alpine Pacific Tourism (General Manager)
Brian Westwood:	Hurunui Tourism (former-General Manager) Hurunui Tourism Board (former-Chairperson)
Tim Herrick:	Hanmer Springs Thermal Pools and Spa Management Committee (former-Chairperson)

Tourism Industry: Local

Graeme Abbott:	Hanmer Springs Thermal Pools and Spa (General Manager) Alpine Pacific Tourism Board (Board Member) Christchurch and Canterbury Marketing Board (Board Member)
Andrew Cameron:	Thrillseekers' Canyon Outdoor Adventures, Hanmer Springs (Owner) Hanmer Springs Community Board (Board Member)
Tony Howlett:	Heritage Hotel, Hanmer Springs (General Manager)

Māori Interests (Ngāi Tahu)

Edwin Jansen:	Ngāi Tahu Property Limited (Project Manager)
Dean Lawrie:	Ngāi Tahu Tourism Limited (Business Development Manager)
Tony Sewell:	Ngāi Tahu Property Limited (General Manager) Ngāi Tahu Forest Estates Board (Chairperson) Hanmer Springs Thermal Pools and Spa Management Committee (Chairperson)

Community Interests: Hanmer Springs

Jeff Dally:	Hanmer Springs Business Association (Chairperson) Alpine Pacific Tourism Board (Board Member) Hanmer Heritage Forest Trust (Trustee) Café owner, Hanmer Springs
Peter Ensor:	Hanmer Springs Community Board (former-Chairperson) Amuri Tourism Promotions Group (former-Member)
Rosemary Ensor:	Hanmer Springs Community Board (Chairperson) Hanmer Springs Community Historian

Special Interest Groups

Chris Sundstrum:	Federated Farmers of New Zealand (President of North Canterbury and Chatham Islands Region)
Peter Parish:	Waipara Valley Winegrowers Incorporated (Chairperson) Waipara Valley Promotions Association (Member) Waipara Valley Wine and Foods Celebration Committee (Member) Alpine Pacific Tourism Board (Board Member)
Roger Keey:	Hanmer Heritage Forest Trust (Chairperson)
Allan Preece:	Hanmer Village Protection Group (Secretary/Member)
Dr. Robert Crawford:	Queen Mary Hospital, Hanmer Springs (former-Medical Superintendent) Hanmer Springs Community Board (former-Board Member) Queen Mary Reserve Trust (Trustee)

Appendix B

Research Information Sheet

You are invited to participate as a subject in a project entitled: **Tourism Development in the Hurunui District**

This is a PhD research project being undertaken by Michael Shone, a PhD candidate in Tourism Management in the Environmental Management Group at Lincoln University, New Zealand.

You have been selected to participate in this research project because of the stakeholder group, organisation or agency that you represent. Participation in this research project is completely voluntary. Moreover, you can withdraw from the research project at any time up until to point of the release of preliminary findings.

The aim of this project is to examine the way in which tourism is used as a tool for regional development in New Zealand, and to better understand the manner in which such an application of tourism is managed and mitigated at the regional and local levels. To achieve these aims, my research utilises a case study of Hanmer Springs and the Hurunui District to shed light on the institutional arrangements and stakeholder relationships involved in the use of tourism development at Hanmer Springs as a 'growth pole' (i.e., a point of economic growth) for wider district-level development objectives in the Hurunui District.

Your participation in this project will involve participating in an in-depth interview with the researcher (Michael Shone). It is anticipated that this interview will take no more than one hour. In this interview, a range of topics relating to tourism development in Hanmer Springs and the Hurunui District will be discussed, with specific focus on the way in which this development has been influenced by various stakeholders groups, organisations and agencies. It is also possible that I may wish to re-interview you at a later date in order to follow-up or to seek clarification on an issue raised in the first interview. This would require no more than 20-30 minutes of your time.

I am required to undertake my study according to certain research protocol. In particular, I will ask you to sign the consent form attached and ask your permission to tape the interview so that I may later transcribe it for analytical purposes. A copy of the interview transcript and interview recording will be made available to you for your own records should you request it.

The information that you provide will be treated with the utmost respect. At no time will the tape or the notes I might take be made available to persons other than my two supervisors: Professor Ali Memon and Professor Paul Dalziel, and myself (Michael Shone). However, the results of the project will be published and may be made available to other groups. Because of this, your consent for your identity and/ or organisation to be revealed will be requested by the researcher on the accompanying consent form. Should

you not wish to grant this consent, you may be assured of complete anonymity of data gathered in this research project. The identity of participants and of the organisations he or she represents will not be made public without his or her consent.

The project is being carried out by:

Michael Shone (PhD Candidate in Tourism Management).
Environmental Management Group, Lincoln University
PO Box 84, Lincoln 7647
New Zealand

He will be pleased to discuss any concerns you have about participation in the project. If you have any further questions about the research you can contact my research supervisor:

Professor Ali Memon
Environmental Management Group, Lincoln University
PO Box 84, Lincoln 7647
New Zealand

The project has been reviewed and approved by Lincoln University Human Ethics Committee.

Appendix C

Research Consent Form

Name of Project: Tourism Development in the Hurunui District

I have read and understood the description of the above-named project. On this basis I agree to participate as a subject in the project. I understand also that I may at any time withdraw from the project, including withdrawal of any information I have provided, up until the release of the preliminary research findings. I also consent to publication of the results of the project with the understanding that anonymity, if requested, will be preserved.

In addition, please address each of the following point, making sure to delete the response option that does not apply to you:

- I do/ do not consent to having my interview tape-recorded.
- I do/ do not consent to being identified personally in the publication of the research findings.
- I do/ do not consent to the group, organisation or agency I represent being identified in the publication of the research findings.
- I do/ do not consent to being re-interviewed if required by the researcher.

Name: _____

Organisation: _____

Signed: _____ Date: _____

Appendix D

List of Interview Questions

Representatives from a variety of stakeholder groups, organisations and agencies have been interviewed in the course of this research project. The specific types of questions asked of each interviewee have therefore been dependent on the type of organisation or agency they represent. However, all of the interviewees have been asked questions which have their foundations in the research objective of this thesis: ***To provide a theoretical perspective on the changing role of local government in regional tourism development under an evolving public policy paradigm.*** These 'core' questions are as follows:

- How is tourism used as a catalyst or mechanism for regional development in the Hurunui District?
 - How, and why, has this role changed over time?
 - How has this change been managed?

- What role(s) has the Hurunui District Council played in promoting tourism development in the District?
 - How, and why, has this role(s) changed over time?
 - How has this change been managed?
 - What has been the response of Hurunui District stakeholders, including you, to this District Council role(s)?

Based on these research questions, interviewees have also been asked a range of questions, including:

- What are the special challenges associated with planning for tourism development?
- How has tourism been integrated into broader district planning cycles and documents?
- How have stakeholders been identified and included in this planning process?

- Where does Hanmer Springs 'fit' in the broader district-wide development plan or strategy?
- What role has your organisation played in influencing or shaping this role?
 - Has this involvement been on-going?
 - Has this involvement been 'meaningful' (e.g., placating, consultative or partnership?)
- Where does Hanmer Springs 'fit' in the Hurunui's tourism product?
- Where does the tourism sector 'fit' in the Hurunui's development plans, strategies and objectives?
- Has tourism enhanced/galvanised communities within the Hurunui District, or has tourism created division/conflict within the Hurunui?
 - How has this division/conflict been resolved?

Appendix E

Timeline of Tourism Development in the Hurunui District

- 1989: - Hurunui District Council gazetted via territorial amalgamation.
- Hanmer Springs Thermal Pools and Spa Management Committee formed.
- 1990: - Hanmer Springs Thermal Pools and Spa vested to the Hurunui District Council by the Department of Conservation.
- Hanmer Springs Thermal Pools and Spa gazetted a Thermal Reserve (November).
- 1991: - Visitor Information Centre in Hanmer Springs opened by Hurunui District Council and the Department of Conservation.
- 1992: - Newspaper advertising campaign in The Christchurch Press (Feb, April, May).
- Hurunui District Promotions Association formed (May).
- Thrillseekers' Canyon and Bungy Jumping opened at Hanmer Ferry Bridge. The conditions of the resource consent granting this operation require royalties to be paid per jump to towards a tourism fund (Lovell-Smith, 2000: 206).
- Alpine Tavern opened in Hanmer Springs.
- Extension of Mt Lyford ski area into Terako Basin.
- Establishment of wine trail in Amberley and Waipara Valley.
- Major redevelopment of Hanmer Springs Thermal pools and Spa undertaken (\$1.6m), increasing patronage to the pools by 100,000 people per year.
- 1993: - Interim Hurunui Tourism Board elected (June).
- 1995: - Hurunui District Visitor and Tourism Strategy commissioned and released.
- 1996: - Part-time Tourism Development Co-ordinator appointed by the Hurunui District Council (Ross Thompson).
- 1999: - Hurunui Tourism Board formally established.
- Full-time Tourism Manager appointed by Tourism Board (Brian Westwood).
- Alpine Pacific Tourism launched as a Regional Tourism Organisation for the Hurunui District. This replaces the Hurunui District Promotions Association. - Brian Westwood appointed inaugural General Manager of Alpine Pacific Tourism, and then subsequently replaced by Scott Pearson in 2003.
- Second major redevelopment of Hanmer Springs Thermal Pools and Spa. Results in 38% increase in turnover (\$) and 15% growth in visitor numbers.
- 2001: - The Heritage Hotel opens in Hanmer Springs. Forms part of national hotel chain.
- 2002: - Hanmer Springs Thermal Pools and Spa wins the Peoples' Choice Award at the New Zealand Tourism Awards.

- 2003:
- Targeted tourism rate introduced by the Hurunui District Council to fund operating expenses of Alpine Pacific Tourism.
 - Hanmer Springs Thermal Pools and Spa wins the Peoples' Choice Award at the New Zealand Tourism Awards.
 - Hanmer Springs Development Plan released (February).
- 2004:
- Hanmer Springs Thermal Pools and Spa judged Best Visitor Attraction at New Zealand Tourism Awards.
- 2005:
- Hanmer Springs Thermal Pools and Spa judged Best Visitor Attraction at New Zealand Tourism Awards.
 - Third major redevelopment of Hanmer Springs Thermal Pools and Spa commences.
- 2006:
- Hanmer Springs Thermal Pools and Spa judged Best Visitor Attraction at New Zealand Tourism Awards. Also wins the prestigious Distinction Award at the same awards ceremony.
 - Hanmer Springs Growth Management Strategy and Town Centre Development Plan released (July 2006).
- 2008:
- Council commences review of tourism governance structure and District promotions.
 - The Hurunui District's only Visitor i-Site (Visitor Information Centre) is relocated from its 'Main Street' Hanmer Springs site to the Hanmer Springs Thermal Pools and Spa complex.
 - The North Canterbury Food and Wine trail launched, incorporating the Waimakariri and Hurunui Districts. This forms part of wider Food and Wine Trail network which extends southward into the Selwyn District and northward into the Marlborough region.
- 2009:
- Hurunui Wellness introduced as the District's long-term strategic vision. Has considerable impact on the way tourism viewed as a contributor to the Hurunui District's 'wellness' vision.
 - Alpine Pacific Tourism disestablished as a Regional Tourism Organisation (July).
 - Hurunui Tourism Governance Board established (August) to take over tasks of destination management, destination marketing and product development formerly undertaken by Alpine Pacific Tourism.
 - Further major redevelopment programme announced for Hanmer Springs Thermal Pools and Spa. Scheduled completion date of December 2010.