

The Tourism & Leisure Group Ltd

The Impact of Tourism on Small New Zealand Communities

This newsletter focuses on small communities and the impact of tourism on them. It identifies some of the common features associated with tourism in small townships and suggests ways to ensure that tourism is seen as an essential component for strong and sustainable communities. A framework is proposed that incorporates tourism as one of the key strategic areas which needs to be planned for and measured on an ongoing basis.

While domestic and international visitors spend most of their time in our largest cities and established tourism destinations this was not always the case. The New Zealand tourism industry grew out of the desire for people to visit our unique landscapes – glaciers (Fox and Franz Josef), mountains (Mt Cook, Mt Taranaki and central North Island peaks), hot pools (Rotorua) to name but a few. The development of the railways also encouraged day trips away from the large cities to more rural locations. It is only in more recent times with the explosion in international visitors that the larger cities have gained a major foothold on the tourism industry.

As international visitors in particular have increased due to the promotion of our diverse range of natural landscapes so has the desire for people to see more of these places. In 1960 New Zealand attracted 36,500 international visitors. By 1980 this had increased more than ten fold to over 445,000, one million by 1990, almost 1.8 million by 2000 and in 2008 we attracted almost 2.5 million international visitors.

In major cities the increase in visitors has been accommodated through improved infrastructure facilities and services as the local population grew. The number of visitors in any one of our major cities is a small proportion of the total resident population. At peak times visitors comprise around 12% of the Christchurch population. It is a different story when we look at much smaller communities. Punakaiki on the West Coast of New Zealand for instance could have many times the permanent resident population in visitors either passing through or staying overnight. Akaroa in Canterbury has the same issues, although here it is potentially more of a problem than Punakaiki as it is located at the end of the road. There is no passing through so day visitors tend to stay longer than visitors to say Punakaiki, Franz Josef and Fox where many people stop for short visits then travel on to their end of day destination.

What do we know about the impacts of visitors on these small communities?

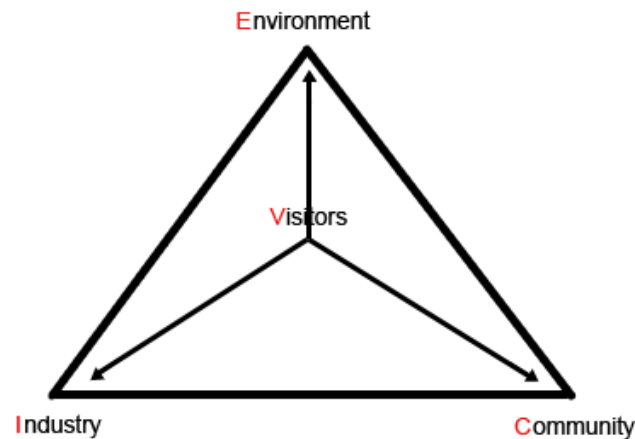
Two studies undertaken in the last two years in the South Island (Punakaiki and Akaroa) indicate that we should be concerned about the impact of tourism. Also we need to appreciate that what works in a large town or city may not work for a small township.

Common features and responses to tourism identified in the studies include:

- The small townships that attract large visitor numbers often have a natural icon (Franz Josef – glacier; Punakaiki – Pancake Rocks) that is in most cases much better known to visitors than the township itself. If not icon related then the townships are often located in areas of outstanding natural beauty (Akaroa, Lake Tekapo). While man made attractions have been developed in these locations they are often not the main reason for people to visit.
- Many of these small townships are almost totally reliant on tourism for their economic survival and this can lead to a polarisation of views from the local community (positive and negative) particularly in regard to tourism growth.
- At busy times of the year day visitors in particular can cause traffic congestion and parking related issues.
- As visitor numbers increase there is a requirement for enhanced and/or new infrastructure investment to meet the needs of tourism. Often the investment is provided through rates, even though there may not be a requirement for the new infrastructure from local residents and this can lead to a negative perspective of tourism by some sectors of the community.
- Tourism provides facilities and services for locals that would not be available if it wasn't for the larger number of visitors to the township (restaurants, retail, service stations, transport etc).
- Tourism can place a premium on land and house prices which is seen as positive by some but for young families it may make it impossible for them to live in the places where there is work. This in turn can put severe restrictions on the available workforce to service the tourism industry.
- Small townships which are attractive destinations for visitors also inevitably attract holiday home investment. These often outnumber the permanent residences. In Akaroa there are two holiday homes to every one permanent residence. People living permanently in these communities complain that the townships can lack community spirit as whole streets can have only a few if any people living in them for long periods at a time.
- With small townships minimal changes in population, businesses closing, building in sensitive areas, overuse of natural areas can have major impacts on the community and the environment
- With many small popular townships it is extremely difficult and in many cases perhaps impossible to 'cap' visitor numbers even though there may be extreme crowding, traffic congestion and parking issues.

While not wishing to put a negative spin on tourism in small townships, it is in some places being seen as a much less positive activity than many tourism industry leaders may consider, yet at the same time we have already identified that tourism is the economic life saver for many of these communities. The issue then is about ensuring that tourism is viewed as one of the positive components in building a strong community. To achieve this tourism cannot operate in isolation from the rest of the community. Figure 1 is a model that places 'The Visitor' as the key component of tourism, while confirming the importance of the other components.

Figure 1: VICE Model



The focus of the model is that a successful, sustainable tourism industry needs to identify how to:

- | | |
|--|---|
| <p>Welcome, involve and satisfy
 Achieve a profitable and prosperous
 Engage and benefit host
 Protect and enhance the local</p> | <p>VISITORS
 INDUSTRY
 COMMUNITIES
 ENVIRONMENT</p> |
|--|---|

Having determined that tourism cannot operate in isolation, it becomes clear that each community/township must take responsibility for planning its own future. So where does it start?

There is often a lack of information about the performance of the tourism industry in small townships because there are limited resources and no one organisation is responsible for collecting and analysing the data. In any case what data should be collected and how will it be used? Using regional data is unlikely to provide the in-depth information required.

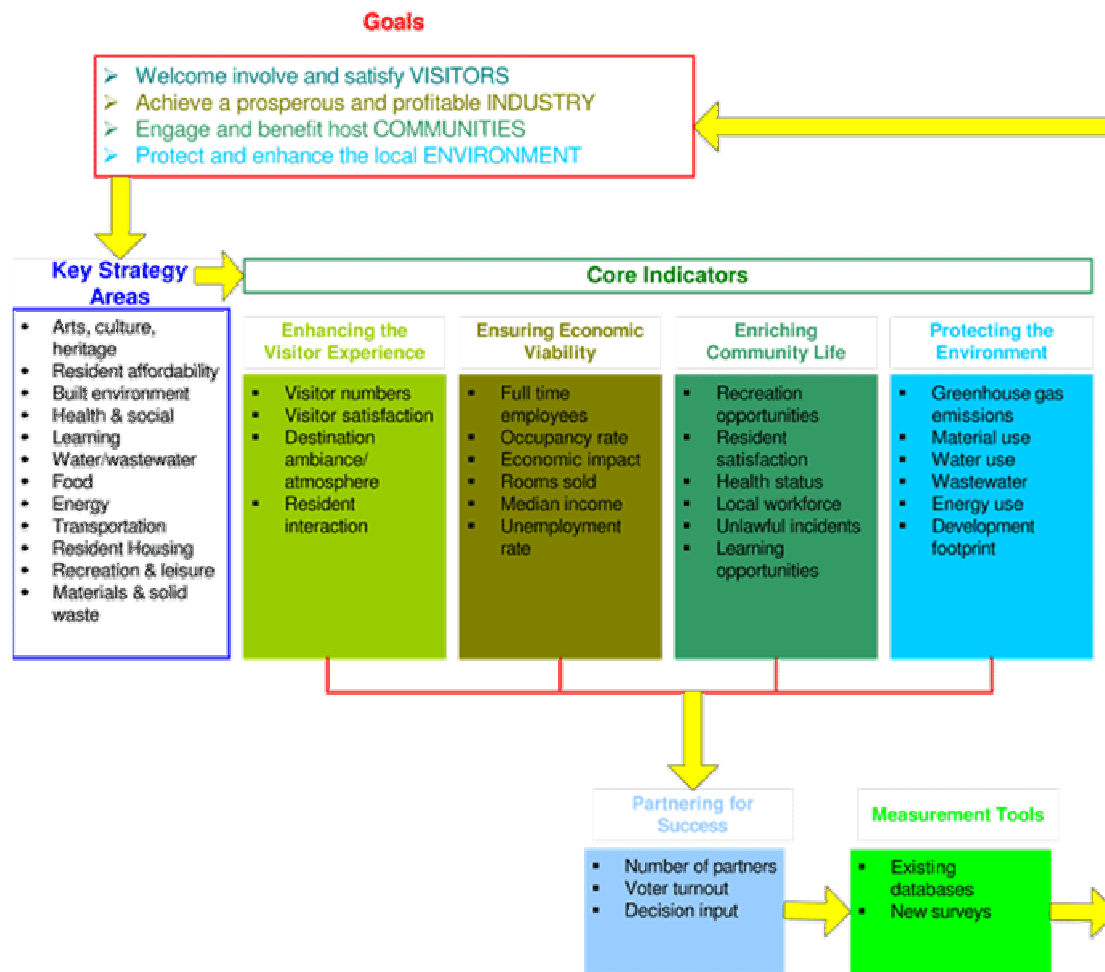
The data collected through the VICE model should include for:

- Visitors:
 - Numbers (international, domestic, local and day and overnight)
 - Degree of seasonality
 - Satisfaction with the destination and its attributes/services
- Industry
 - Number, types and size of tourism businesses
 - Performance of businesses, under utilised capacity, future opportunities
- Community
 - Demographics
 - Satisfaction with services and facilities
 - Interaction with tourism
- Environment
 - Resource use
 - Development footprint
 - Changes in the natural environment

After obtaining the data, analysis is required to identify issues and opportunities that can be developed into strategic options and put to the stakeholders so that their priorities can be identified and evaluated. Once agreement has been reached on the key strategic areas, core indicators can be developed that become the measurement tools for the performance of the whole community. Potential partners can be identified to fund and carry out the work proposed.

Figure 2 provides a framework for developing and monitoring the performance of the community. A similar model has been used successfully in the Canadian ski resort of Whistler for a number of years. Tourism fits within this framework along with the many other components that are essential to developing strong and sustainable communities.

Figure 2



What if we do nothing and just let tourism grow naturally?

The key to understanding the potential impact is to think about communities in 20, 30 and 40 years from now. Thirty years ago we had less than 20% of the international visitors we have now. While visitor numbers may not grow as quickly as they have in the past, it is inevitable that they will grow to a level in excess of current numbers. The Ministry of Tourism is forecasting a 18.6% increase in international visitors from 2008 to 2015. If this is the case then those places that are feeling the pressure of tourism growth now will be in a much worse position in the future. The key is to recognise the potential problems and take action to mitigate the issues.

How can we help?

The Tourism & Leisure Group in conjunction with LEaP at Lincoln University has undertaken a number of projects in small communities where tourism has grown significantly and where there is the potential for major issues now and in the future. Through these studies we have developed survey methodologies to collect the appropriate data, analysis techniques that identify the key issues and strategic planning frameworks that will deliver action plans and measurement tools to ensure that tourism growth is managed for the benefit of all stakeholders.

We would be pleased to discuss the benefits of an initial audit that will identify strategic and operational issues as well as identifying any shortcomings in data collection and information requirements that will assist in the development of a tourism strategy to meet the needs of all stakeholders in our smaller communities.

Contact Ray Sleeman if you would like to discuss how your community could benefit from this approach – ray.sleeman@tourismleisuregroup.co.nz 03 348 7929.

Ray Sleeman
Director
The Tourism & Leisure Group Limited
ray.sleeman@tourismleisuregroup.co.nz
www.tourismleisuregroup.co.nz