

CHANGING HOW TOURISTS ACCESS THE GREAT KIWI EXPERIENCE: HIGH VALUE OR HIGH VOLUME?

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INTRODUCTION

The aim of this paper is to investigate the impact that increasing numbers of international tourists are having on the tourist destination of New Zealand. New Zealand (NZ) is a desirable destination in the world and is characterised by stunning scenery, white capped mountains, beautiful lakes and wide open spaces. The latest tourist visitor numbers to year ending July 2018 were 3,820,505 and are predicted to grow in 2019 (Statistics New Zealand, 2018). This paper discovered that high visitor numbers are having a negative impact on NZ's environment. Alternatively, Bhutan's restrictions on visitor numbers to its Kingdom are helping to sustain its natural environment and culture. By investigating Bhutan's model for sustainable tourism it is recommended that strategies are needed to radically reduce the quantity of visitors to NZ in order to sustain the fragile environment. Change is needed to help in the transition towards a more sustainable management of this tourist destination.

International Tourists are accessing Aotearoa NZ, translated from Maori as Land of the Long White Cloud, with increasing ease through improved air connectivity, transport, road access and accommodation options. Tourism is now NZ's largest export earner (Kantar TNS, 2019). International tourist numbers are predicted to increase to 5.0million by 2023 (Fitch Solutions, 2019). New Zealand's own population forecast is set to increase to 5.01–5.51 million by 2025 (Statistics NZ, 2019) which begs the question, can the infrastructure and environment withstand this influx of visitors? The increased inflow of tourists and population growth has "led to serious capacity constraints and infrastructure pressures, which risk compromising the international visitor experience, constraining future growth, and negatively impacting New Zealand's tourism industry" (Jenkins, 2018, p.1). In order for the tourism industry in NZ to move forward in a sustainable way while still driving economic growth for the country, there needs to be a balance in providing outstanding experiences for visitors and communities while protecting and maintaining the unique natural environment they are coming to experience (Luxon, 2019). As a tourism lecturer educating the next generation to be sustainable practitioners, the emphasis is put on the importance of tourism planning being the key to the sustainable management of a tourism destination.

To explore the question of whether NZ authorities have begun to put in place strategies to change how tourists are accessing the great Kiwi experience, this paper analyses the perceived NZ model of low value - high volume tourism and compares it to a more sustainable model of high value-low volume tourism, concentrating on the Bhutan tourist experience model as an example. Value over volume refers to a strategy of attracting tourists with an average daily spend greater than that of the average visitor's total holiday spend (Gardiner, 2016).

Bhutan took this more cautious approach towards tourism, designing a policy of high yield/low impact or high value/low volume tourism, aimed at providing high quality service to wealthy tourists who are interested in and sensitive to Bhutan's culture and traditions (Brunet, Bauer, De Lacy & Tshering, 2001).

This comparative analysis takes a brief overview of the emerging issue and proposes a potentially more sustainable model than is currently being adopted by looking at saturation point verses sustainability in the NZ context. Themes that relate to this issue are NZ tourism growth, management of tourism destinations and background to Bhutan.

NZ TOURISM GROWTH

New Zealand's tourism industry continues to record steady growth in an ever-increasing competitive market. According to Fitch Solutions (2019), "In 2019, total tourism arrivals are expected to increase by 5.7% to reach more than 4mil" (p.6). This increase in numbers and pressure on NZ's infrastructure and environment has led to a shift in the perceptions and attitudes of New Zealand residents towards tourists evidenced in the release of the latest 'Mood of the Nation' survey; a joint research programme run by Kantar-TNS for Tourism New Zealand (TNZ) and Tourism Industry Aotearoa (TIA) (Kantar TNS, 2019). The report informs industry and government providing insights into New Zealanders' feelings about international tourism. While TIA's "2025 growth framework aims to increase the value of international and domestic tourism to \$41 billion by 2025, [thus] the strategic focus is on building value rather than volume" (p.5). While the growth framework looks at increasing value over volume and encouraging off peak growth it does not go far enough in reducing the numbers of tourists to the country. According to *Mood of the Nation* (2019), visitor numbers are starting to impact negatively on New Zealanders' impressions of international visitor numbers in some regions of the country. These impressions are influenced by personal experiences and national media outlets. The top five areas that are of concern to the general population are increased traffic congestion, pressure on the infrastructure, environmental damage, accommodation shortages and general overcrowding (Kantar-TNS, 2019).

The NZ Government has signalled the need for a more coordinated approach to a sustainable tourism future; working with local government, the tourism industry, regions and communities. However, "current tourism system features some out-dated policy settings and funding arrangements that were never designed to deal with the scale and pace of change that we have seen in the past five years" (mbie.govt.nz, 2018, p.1).

The Department of Conservation has taken steps to mitigate the impact of mass tourism on national parks and forests by introducing a trial-pricing differential for international visitors on four of its Great Walks. The seven month trial gathers valuable information on using a pricing schedule as a tool to manage visitor numbers (Department of Conservation, 2019). In the Queenstown Lakes District Council (QLDC) area the council plans to hold a referendum on a proposed visitor levy to help fund visitor related infrastructure and services for the whole of The Lakes District area (Queenstown Lake District Council, 2019). The referendum is in response to the increasing local pressure that visitor numbers are having on the infrastructure of Queenstown and the surrounding area. According to a report commissioned by QLDC Jenkins (2018) found that, "Queenstown faces a proportionately high international tourist load relative to its population, compared to other tourist centres in New Zealand, and this is projected to worsen" (p.1). The public and private sector are continuing to coordinate efforts to ease the strain socially, economically and environmentally on certain parts of the country by investing in sustainable tourism growth "ensuring there is investment in infrastructure to support growth [and] the destination is actively managed to reduce or mitigate negative impacts" (Tourism 2025 and Beyond, 2019 para. 4). Kelvin Davis, Minister of Tourism asserted, "We need value to grow faster than volume" (Davis, 2018, para. 20). As part of the new Government tourism strategy and supported by the private sector, that means attracting people in the off-season, getting people to visit more regions, stay for longer and spend more (Tourism Industry Aotearoa, 2019). While the new strategy appears to support the argument, in this paper of value over volume the strategy does not go far enough in reducing the numbers of inbound tourists. As a consequence the strain is beginning to show in parts of the country especially Queenstown, which is considered by many "to be the 'Crown Jewel of New Zealand's tourism industry, and central to national tourism success'" (Jenkins, 2018, p.3). International tourists who visit Queenstown as part of their itinerary are more likely to visit other parts of the South Island which is 'three times higher' than if the tourist had not visited this destination (Jenkins, 2018). This benefits the other regions of the South Island but does nothing to mitigate the impacts of tourists to Queenstown.

Action needs to be taken to protect Queenstown. The strain on many areas is causing detrimental and irreversible effects on the beautiful landscapes that attract tourists from overseas. The *Mood of the Nation* (2019) report documenting New Zealanders' changing perceptions of international visitors is causing discontent, this is an example

of one of many statements, "There's always lots of tourists around and too many of them end up destroying our scenic areas and the environment, overflowing camping grounds and freedom camping" (p.20).

While the 'value over volume' concept is worthy of consideration as part of the new coordinated strategies between the public and private sectors, it still falls short of reducing the number of tourists and their overall environmental impacts on the country. This is because the number of tourists is still growing in an uncontrolled fashion and "public infrastructure, already suffering from decades of under-investment, has struggled to cope when extra visitor numbers were added in some regions" (Roberts, 2019, p.3).

MANAGEMENT OF TOURISM DESTINATIONS

Other tourist destinations globally have experienced overcrowding, environmental impacts and damage to their reputation. Boracay Island in the Philippines, a tiny Island that was once considered one of the world's most idyllic destinations, was closed to the public in 2018 for a six month period for restoration. This happened after it was described as a "cesspool" (Morris, 2018, para.2) by the country's president. Mount Everest, the world's highest mountain in Nepal and a popular climbing destination has attracted some of the highest numbers of tourists ever to the mountain range. "This year Nepal issues a record 381 climbing permits, a number that does not include those climbers' accompanying guides" (Lange, 2019, para.4), resulting in long queues to the summit and the death of 11 people. These examples of the impacts tourist numbers have on popular destinations and the fragile environment in which they are situated, can be seen as the results of number increases driven by economic, social and political motivations within these countries.

So, is it time for radical change? While New Zealand and Bhutan are comparatively different countries in terms of geography, population, religion, infrastructure, tourist numbers and political environment, its model of 'high value, low volume' tourism is worth investigation.

BACKGROUND TO BHUTAN

"The Kingdom of Bhutan is a small landlocked country located in the southern foothills of the Himalayan mountain range, sandwiched between the People's Republic of China in the north and the Republic of India in the south. It is a sovereign nation, with a total land area of 38,394 km² and a total population of 826,229" (Tourism Council of Bhutan, 2018). As of October 2018 tourism revenue contributed 17 million USD to the Bhutan economy with an influx of 274,097 visitor arrivals in 2018, which is an increase of 7.61% from 2017. (Tourism Council of Bhutan, 2018). McIntyre (2011) asserts that by only allowing another quarter of the percentage of tourists to population into the country helps to protect the natural environment and culture as part of the Bhutanese value system. This also helps to protect the traditional way of life in Bhutan, its tourism policy also reflects these values. In contrast, international tourists to NZ spent 16.2 billion NZD and the numbers entering the country were 3.82 million (Statistics NZ, 2019), almost as many as the current population of NZ (Tourism New Zealand, 2018).

According to Khamrang (2013), the modernisation of Bhutan began in the 1950s; prior to that it was a non-monetised economy that was isolated from the rest of the world. In 1974 the first tourists were allowed into the country and now contribute significant revenue to the economy, as mentioned above. Tourism numbers are controlled by the unique Bhutanese development model of 'high value/low volume' tourism. This religious-based sustainable tourism development model is distinctively different from the many contemporary development

strategies of other countries and particularly New Zealand which has a diverse mix of cultures. Khamrang (2013) asserts the main reasons that this model has been introduced in Bhutan is to “contain the process of acculturation and to protect the country’s fragile natural environment” (p.7).

Tourism in Bhutan is controlled by restricting entry into the country. According to Smith (1981) the original mission of this strategy was to attract only the educated, affluent clientele willing to spend more time and money on an unusual experience. Similarly, Garung and Seeland (2008) argue that visitors to Bhutan are better educated about their social and environmental responsibilities within the country. Their visits are controlled by the Tourism Council of Bhutan (TCB) and all visas, travel permits, itineraries, bookings, tours, guides and transport must be organised through recognised Bhutanese tour operators.

The Government of Bhutan sets a tariff for visitors in a group of three or more at 200USD per person per night during the months of January, February, June, July, August and December, and includes daily accommodation, all meals, transportation, a licensed Bhutanese tour guide, camping equipment and transport for trekking tours. During the months of March, April, May, September, October and November the tariff is set at \$250USD per night (Tourism Council Bhutan, 2019). This daily tariff includes taxes and a royalty fee of \$65. This tariff goes towards free education, free healthcare, poverty alleviation, and building infrastructure provisions. As Teoh (2012) states, “Therefore, Bhutan’s controlled tourism model provides direct transparent benefits as a ‘common good’ to its citizens” (As cited in Khamrang, 2013, p. 8). The daily average spend for tourists to NZ is currently 130USD (Statistics NZ, 2019).

An overriding feature of the Bhutanese way of life is their religious beliefs, in particular, their Buddhist spiritual values and their model of Gross National Happiness (GNH). Bhutan measures progress not by Gross Domestic Product but by the happiness of its citizens or Gross National Happiness (Tourism Council Bhutan, 2019). According to Gupta and Agrawal (2016) “the concept of happiness includes not only the subjective well-being, but also the concern for others as an internalised responsibility and harmony with nature as its important elements” (p.4). This philosophy, value system and the four main pillars of GNH help to ensure the sustainability of the culture, the people, the traditional way of life and the fragile environment in which they live.

Four Main Pillars of Gross National Happiness are:

1. Equitable and equal socio-economic development
2. Preservation and promotion of cultural and spiritual heritage
3. Conservation of environment and
4. Good governance which are interwoven, complementary and consistent (Tourism Council of Bhutan, 2019).

Change is proposed for the tourism industry in New Zealand in order to preserve and conserve the very environment that tourists come to experience as Manning and Dougherty (1995) asserted “unless responsible management practices are in place, the tourism industry can end up degrading the features on which its prosperity is based” (p.30). Since then the management practices have done little to preserve these features. By reducing visitor numbers, charging a daily fee and ensuring the income from tourists is utilised to maintain and improve infrastructure, this may help in alleviating the numerous impacts on popular destinations in New Zealand, thus sustaining them into the future. “Damage to New Zealand’s international tourist image could potentially have even more serious and long-lasting impact on the national economy than the lost jobs and GDP” (Jenkins, 2018, p.36).

The New Zealand government has announced a new tourist tax of \$35 per international visitor to be introduced in July of this year. “The \$57-80 million that this will generate will be split between conservation and infrastructure

development” (Bramwell, 2019, para.4). This paper proposes that New Zealand goes further than just collecting revenue to support the infrastructure to try to sustain these numbers but that it adopts a destination management plan that limits the numbers and attracts high value visitors that will spend more.

This paper identifies the negative social and environmental impacts that international tourist numbers are having on the infrastructure and subsequent sustainability of the NZ tourism product. Policy makers need to consider change strategies in order to implement a model of high value over high volume as a way of restricting numbers but maintaining sustainable revenue channels and ensuring maintenance of a sustainable tourism product for the future of tourism in NZ. The change strategies suggested aim to drastically limit tourist numbers coming into the country and charge a daily levy to help support the infrastructure. Globally, countries have to balance the short term financial gain against the long term sustainable future of the places people want to visit and New Zealand’s public and private sectors would benefit from looking at other tourism models to ensure a sustainable future.

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