

Socio-economic effects of concession-based tourism in New Zealand's national parks

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Mariska Wouters

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ABSTRACT

The socio-economic effects of concession-based tourism on local and regional communities and economies were assessed to better inform the New Zealand Department of Conservation's (DOC's) concession management activity. A tourism inventory, in-depth interviews with concessionaires and visitor surveys were undertaken in 2004–2005 to measure concession tourism activity in Tongariro National Park (TNP), Abel Tasman National Park (ATNP) and Fiordland National Park (FNP). The net economic impact of tourism concessions was four and two times the direct impacts of the concessions themselves for TNP and ATNP, respectively. In contrast, net economic impacts were only 90% of the direct impacts for FNP. TNP contributed \$30 million of direct turnover, ATNP contributed \$4.6 million and FNP contributed \$51 million. For every dollar of turnover generated by the concessions, a further 40 cents, 60 cents and 30 cents circulated in the economy in TNP, ATNP and FNP, respectively. Concessioned tourism was also important to employment. Tongariro concessions generated 450 FTEs (full-time equivalent jobs), each of which created another 0.3 jobs, Abel Tasman's 53 FTEs had the flow-on effect of creating an additional 0.4 jobs per FTE, and Fiordland's concessions produced 320 FTEs, leading to the generation of a further 0.2 jobs per FTE. Factors that influenced the magnitude of the effect of the concessioned product on the visitor itinerary included the composition of the gateway community, features of the region's tourism sector, park management, characteristics of the concession visitor and features of the concessioned product. It is recommended that DOC, local authorities, regional tourism organisations and the tourism industry collaborate to gather data about the role of national parks in the development of gateway communities and the regional tourism sector, and that future research includes data collection on both concession and non-concession visitor use of parks.

Keywords: tourism concession, gateway community, regional economy, socio-economic impact assessment, national park, Tongariro, Abel Tasman, Fiordland

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1. Introduction

1.1 CONCESSION-BASED TOURISM

A concession is an official authorisation to operate a commercial activity in an area managed by the Department of Conservation (DOC). It is primarily an environmental protection mechanism authorising operators (subject to conditions and charges) to conduct private and commercial activity on conservation lands (Cessford & Thompson 2002). Under the Conservation Act 1987 (s13B), concessions are required for commercial activities on conservation land, and range from permits for grazing, baches and telecommunications facilities to permits for accommodation facilities, transport services, guiding, ski fields, attractions and services. Concession-holders pay concession fees to DOC, usually based on a percentage of gross revenue or a per person fee. These fees recognise the private benefit obtained from the use of a public resource.

Recreation concessions are a fast-growing part of the DOC concession management system. They incorporate a range of activities and include accommodation, aircraft, attractions, boating, education, events, filming, guiding, photography, skiing, structures and transport. In 2004/05, DOC managed 960 recreation concessions (DOC 2005). For the purposes of this research investigation, only the concessions that were clearly commercial tourism activities were included; private use of baches, club ski lodges, education, events, filming and photography were excluded. Throughout the document, the included activities will simply be referred to as 'tourism concessions'.

Apart from the general provision of services and facilities by DOC for the public, tourism concessions are the most direct means by which tourism services are provided in protected natural areas. These concessions contribute to the achievement of DOC's own recreation management objectives, as expressed in the Conservation Act 1987, which requires DOC to foster recreation and allow for tourism in protected areas, as long as this is consistent with resource conservation. The management of tourism concessions is, therefore, an extension of DOC's wider recreation planning and visitor management processes (Cessford & Thompson 2002).

Nature-based tourism is increasingly important because of its potential to contribute to local and regional economic development. Commercial tourism opportunities are often cited as ways by which rural communities—which are often deprived of former extractive business opportunities through the allocation of protected area status to nearby lands—can develop and grow in new directions. The opportunities have the potential to provide two main sets of benefits: the economic and social benefits of the additional business activity generated through concessions, and public support for the conservation, maintenance and enhancement of the protected areas as a result of the former set (Machlis & Field 2000). Successful conservation relies on the involvement of the local community, and public support is more likely to occur if the attraction of visitors from outside the area provides additional income that otherwise would

not be generated. The by-product from such additional business may even be a new awareness of, and interest in, the conservation of the areas on which such tourism relies. Applying an economic valuation to protected area tourism can be helpful in demonstrating the true economic value of park tourism to community leaders and the tourism industry, and can improve their understanding of the value of the natural area (Phillips 2002; Stynes & Sun 2003).

Knowledge of such dynamics may enable DOC to better consider environmental protection objectives with community objectives for social and economic development, and foster partnerships to benefit conservation. It may also enable DOC to focus on providing 'benefits' (economic, social and environmental) rather than maintaining its current supply-related focus. Furthermore, a better understanding of the tourism concessions sector and its effects may assist community planners to generate improved linkages between tourism operators in the region and the tourism product available within the conservation area. Lastly, this research may also contribute to a better understanding of the role of conservation lands in New Zealand's tourism industry.

1.2 OBJECTIVES OF THE STUDY

DOC is concerned about the many direct and indirect conservation-related outcomes that result from its concessions management activity. However, little is known about the real effects of concession-managed tourism opportunities in protected areas on surrounding communities and regional economies. In fact, the socio-economic structure and dynamics of the conservation-tourism interface have not been directly researched before in New Zealand. The research described herein was funded by the Cross Departmental Research Pool (CDRP), which aims to support priority research across a number of government agencies in research disciplines currently beyond their respective capacities.

This research aimed to assist DOC and community planners to understand the socio-economic effects of concession-based tourism in protected natural areas. This includes understanding how the conservation management actions of DOC, as a major public sector agency, can affect the development of private sector enterprises and related business opportunities in surrounding communities. The research was exploratory and provides a 'snap shot' of the concessioned tourism sector.

The objective of this report is to summarise the results of the assessment of the direct and secondary socio-economic effects¹ of concession-based tourism in national parks on adjacent communities and regional economies in three selected New Zealand case-study areas: Tongariro National Park, National Park Village, Taupo-Ruapehu region; Abel Tasman National Park, Marahau, Nelson-Tasman region; and Fiordland National Park, Te Anau, Southland District.

¹ The word 'effects' is used rather than 'impacts' (which are used interchangeably in the literature) when referring to the broader socio-economic changes caused by the concessioned tourism activity because of its more neutral tone; the term 'impact' is often laden with negative connotations. When 'impact' is used in this document, it refers to the economic changes generated and is generally linked to the associated methodology.

The research questions were:

- What is the social (community) context of concession-based tourism in the three case-study communities?
- What are the features of tourism concessioned businesses and their products and services?
- Are the socio-economic effects of concessioned tourism activity measurable?
- If, so what are those effects on the economic activities in the local community and region?
- What factors influence the importance of concession-based tourism on the community?

1.3 REPORT OUTLINE

The report begins with a review of the available literature and an outline of methodological approaches to assessing the effects of concession-based tourism (section 2). The case-study approach and research methods used in this study are then described (section 3), and a brief contextual analysis of the features of concessioned tourism in the three case-study national parks, the regional tourism sector and gateway communities are presented (section 4). The key features of tourism concessioned businesses and their activities are summarised in section 5. Sections 6 and 7 examine the direct and total economic impact generated by concession-based employment and turnover, concession visitor expenditure, and how the length of stay was influenced by the availability of the concessioned product; a net impact is then estimated by relating the visitor expenditure to the change in length of stay. The report concludes with a discussion of the effects generated by concession-based tourism, followed by a brief Recommendations section. A glossary of the economic terms used in this report precedes the three appendices, two of which are examples of the surveys used to collect data and the third of which presents suggested indicators for socio-economic effects.

2. Background

National parks and other protected areas contribute to economic activity in a number of ways, including through park management, capital works and visitor expenditure. The literature concerned with economic impact assessments of recreation and tourism in protected areas can be grouped into two categories: studies that deal with the broader value of national parks (or other protected areas) to surrounding communities in general; and studies that assess only the direct-use impact of a commercial activity such as tourism. Commonly, such economic impact studies have not separated out the effects of concession-based tourism. Parallels are, therefore, drawn from the research on effects of rural and nature-based tourism. Relevant literature on the relationship between gateway communities and protected natural areas is also considered. The literature section is, perhaps, somewhat lengthier than is required, but it serves as a repository of relevant literature for those wanting to further explore the relationship between protected areas and the tourism economy.

2.1 EFFECTS OF TOURISM

Tourism has a variety of economic effects, which have been explained by a number of authors (Butcher 1985; Frechtling 1994a,b,c; Stynes 1997; Butcher et al. 1998, 2000; Snowdon et al. 2000). The total economic impact of tourism is the sum of direct, indirect and induced effects within a region (Stynes 1997). Tourists usually purchase goods and services, and cause direct effects in the form of local businesses spending their increased income on wages, salaries and profits, and on rent payments to local residents. Because tourism industries are labour and income intensive, a high proportion of sales are turned into business income and corresponding jobs. In addition, businesses purchase goods and services from other local businesses, causing flow-on effects, generally termed 'indirect' effects. For example, a tourism business such as a hotel might purchase locally supplied goods and services, which in turn leads to increased income and employment for the businesses providing them. Any further effects are 'induced effects'. These derive from a tourism worker's increased household expenditure that resulted from increased household income due to his/her employer purchasing his/her labour. The extent of induced effects depends on the proportion of household spending in the regional economy.

In general, the magnitude of the economic effects of tourism in any location is usually a direct function of a number of factors (Minerbi 1992), including the:

- Number and type of tourists
- Level of local ownership and control of tourism infrastructure
- Size and scale of the tourism destination
- Concentration, as opposed to dispersal, of tourism activity
- Nature of land ownership

Another influence on the economic effects of tourism is explained by Kerr (1998). Some tourism-related spending can leak out of a local economy at various stages. This leakage can occur in the form of the costs of imported goods and services; payments made abroad, including those for promotion and marketing; overseas training of staff; and altered local consumption patterns. The extent and degree to which this leakage occurs varies considerably, depending on the structure and diversity of the economy in question, whether or not supply can keep pace with demand, the remoteness of the area and the type of visitor. The economic value added by tourism to an economy is greater if the economy's resources are used in the process and if value is added locally.

Multipliers give an indication of how much money turns over in the economy and the extent of leakage that occurs.² The more that money 'leaks' outside the local economy, the smaller the flow-on impacts and the smaller the multiplier (Eagles & McCool 2002). Eadington & Redman (1991) estimated, for example, that income multipliers for large, complex, regional economies in developed countries are usually between 2 and 3, whereas they tend to be less than 1.5 for cities or small regions. Understanding the relationship between leakage and the size of the multiplier is particularly important for most smaller communities near conservation areas, as these generally have simple-structure local economies, with few if any flow-on effects taking place (Eagles & McCool 2002). The indirect and induced effects in individual regions are far lower in magnitude than for the national economy as a whole (Archer et al. 1998).

The economic impact of tourism on a number of New Zealand communities (using GRIT³ analysis) is summarised in Table 1 (Butcher et al. 1998, 2000, 2001 and Taylor et al. 2004). This table shows the tourism dependency of Akaroa, Christchurch, Kaikoura, Rotorua and Westland, and the direct and flow-on effects of the tourism sector.

Kaikoura is a small community with nearly one-third of its economy dependent on tourism (Butcher et al. 1998). Total direct spending (output) by visitors was estimated at \$28 million per year, with an additional \$8 million in flow-on effects from this (based on multiplier analysis). Value added⁴ arising directly from tourist spending was estimated at \$12 million, with an additional \$4 million in flow-on effects. Every job in tourism (327 FTEs⁵ in total) led, on average, to a further 0.21 jobs elsewhere in Kaikoura's economy, although many of the tourism-related jobs were filled by outsiders (this was due, in part, to the rapid development of Kaikoura and the need to hire additional labour quickly).

² Specifically, in this study, multipliers estimate the direct, indirect and induced effects per dollar of tourist spending and tourism-related employment. For a further explanation, refer to section 3.3.

³ The GRIT (generation of regional input-output tables) method estimates the source of inputs into regional industries and their outputs.

⁴ 'Value added' refers to the total of returns on land, labour and capital. It includes wages and salaries, income of the self-employed, rents on land profits, and depreciation of capital (see Butcher et al. 1998, 2000, 2001).

⁵ An FTE (full-time equivalent) job is one person working more than 30 hours per week for a year. In many of the kayak concessions, one FTE is actually two people working for 6 months, or three people working for 4 months.

TABLE 1. COMPARISON OF DIRECT TOURISM IMPACTS AND TOURISM MULTIPLIERS IN FIVE NEW ZEALAND COMMUNITIES.

Adapted from Butcher et al. (1998, 2000, 2001) and Taylor et al. (2004: 144).

	KAIKOURA	ROTORUA	WESTLAND	CHRISTCHURCH	AKAROA
Direct impacts					
Employment (FTE)	327	3500	810	10970	160
Output (\$ million)	28	310	82	1103	17
Value added (\$ million)	12	126	44	376	6
Household income (\$ million)	7	83	24	244	4
Type II multiplier					
Employment	1.21	1.39	1.11	1.46	1.08
Output	1.30	1.49	1.19	1.75	1.11
Value added	1.38	1.59	1.19	1.98	1.15
Household income	1.32	1.51	1.17	1.81	1.10

Rotorua is a much larger centre, with a much more diversified industry base (only one-fifth of the economy depends on tourism) and higher levels of visitor arrivals (Butcher et al. 2000). Total direct spending (output) by visitors was estimated at \$310 million a year, with an additional \$153 million in flow-on effects. Value added was estimated at \$126 million, with an additional \$74 million in flow-on effects. Every job in tourism in Rotorua's economy (3500 jobs in total) generated 0.39 additional non-tourism jobs. Many tourism jobs were also filled by local people, who had held jobs in other parts of the economy. Tourism, therefore, was much more linked into the economy here than in Kaikoura, although these links were limited by the lack of manufacturing activity in the district and the subsequent need to import goods and services (Butcher et al. 2000).

Tourism in Westland generated a total output of \$82 million, with a further \$16 million in flow-on effects (Butcher et al. 2001). Value added was estimated at \$44 million, with a further \$8 million in flow-on effects. Flow-on effects were very small, reflecting the limited manufacturing base and business support services in the district. Every tourism job in Westland's economy (810 in total) generated 0.11 additional non-tourism jobs. Despite these low flow-on effects, tourism was responsible for almost 30% of all employment in the district. Like Kaikoura, therefore, Westland was very vulnerable to tourism volatility (Butcher et al. 2001).

Horn et al. (1998) showed that the effects of tourism development in Kaikoura were closely related to the effects of the economic restructuring that New Zealand as a whole went through in the 1980s (which had a large impact on rural areas right across New Zealand). This restructuring focused attention on the need for employment, which positively affected perceptions of tourism's effects. Local Māori, in particular, who were most vulnerable to the loss of employment, moved from a position of relative powerlessness and low socio-economic status to becoming a major employer (through Whale Watch Kaikoura). Overall, residents in Kaikoura were positive about tourism, with the majority of businesses being locally owned and of small scale, and with the benefits spread relatively well throughout the community. The seasonality of work was a problem for many people, in terms of the amount and regularity of work. The authors suggested

that Kaikoura was at a crossroads in its development, as further development would likely involve large-scale investment from outside, with a consequent loss of local control.

In Rotorua, outside investment was already a regular feature of this much more diversified economy. Horn et al. (2000) showed that, overall, Rotorua people were positive about tourism and felt that the industry had had little effect on them. In addition to the diversity of the Rotorua economy, other factors contributing to this perception of tourism included the low density of tourist numbers relative to the host population, the lesser visibility of tourists (compared to, for example, in Kaikoura), the geographic spread of the many attractions, the lack of crowding in areas where residents went about their everyday business and the long history of tourism in the town. These factors meant that change had been gradual, giving people time to adapt to tourism, and there was a sense of community control of the tourism industry. By far, the greatest concern about negative effects of tourism was related to increased crime.

In Westland, Moran et al. (2001) found that although pressures on infrastructure featured high in tourism's socio-economic impacts, Westlanders generally felt that the region could sustain increased levels of tourism—although this opinion varied slightly depending on the location: for example, Hokitika was seen to have ample capacity to cope with more tourism, whilst current levels of accommodation, services and activities in places like Harihari could not easily cope with higher visitation levels. The main benefits identified were in business, financial and employment, followed by those associated with improved community facilities. The authors also found that the ways in which communities benefited influenced attitudes towards tourism, and that perceived community benefits in Westland required close examination to establish which sectors of the community benefited and what the exact nature of these benefits was. For example, new businesses were often operated by new residents who had migrated from outside the district, causing a level of resentment by long-time local residents. In addition, business and financial benefits were often at least partially localised in larger tourism centres.

In New Zealand, there have been several surveys on the acceptance of tourism (Garland 1984; Evans 1993; Lawson et al. 1998; Mason & Cheyne 2000; Williams & Lawson 2001; Horn & Simmons 2002). All these studies found that the effects of tourism are determined by the level of personal and communal benefit. For example, Lawson et al. (1998) found that economic benefits were generally perceived to be positive at the level of the community, but less so at the personal level. Williams & Lawson (2001) found that one of the strongest determinants of positive perceptions of tourism was perceived personal benefit: people who derive personal financial benefit from tourism tend to be more positive about tourism's impacts on a local community. Personal values may be much more influential in determining attitudes towards tourism than demographic factors. For example, people who rate community issues highly may be more negative about tourism's impact on communities. Therefore, a focus on community benefits might be more relevant: if people perceive tourism to be bringing benefits for the community as a whole, they may be more tolerant of any problems that tourism might present to them as individuals.

Lawson et al. (1998) found that many other factors influenced perceptions of tourism's impacts. These include:

- Seasonality—a concentration of tourists at particular times of the year is associated with more social impacts
- Guest-to-host ratio—the more visitors per host population, the more social impacts emerge
- Perceived cultural distance—the greater the cultural distance, the larger the social impacts
- Economic dependence on tourism—the more a community depends on tourism, the larger the social impacts
- Host control over decision-making—support for tourism diminishes as local control is eroded
- Stage of lifecycle—higher levels of development at a later stage in Butler's (1980) tourism life cycle lead to more social impacts
- Type of tourism—the effect of type of tourist (e.g. free independent travellers or clients on package tours) on the host community is quite complex

2.2 TOURISM AND RURAL DEVELOPMENT

Tourism is often regarded as a tool in rural development (Warren & Taylor 1999). Rural tourism includes not only farm tourism, but also a broad range of leisure and tourism activities from eco- and adventure tourism to heritage- and art-based activities (Lane 1994; Page & Getz 1997; Butler et al. 1998). In general, rural tourism builds upon the rural area features of small-scale enterprise, open space, and contact with nature and heritage. Rural areas often face particular challenges around resource dependency and a lack of diversity in their economic structure. As for tourism associated with protected natural areas, rural tourism is often based in sparsely populated areas with geographically dispersed settlement patterns. Concessioned tourism is likely to share many of the features of a typical rural tourism business.

The introduction of tourism into rural areas, including areas bordering parks, can have a proportionally much greater effect on the welfare of resident communities than the same amount of tourism might have on urban parts of the same country (Hall & Jenkins 1997; Archer et al. 1998). The OECD (1994) found that rural tourism's contribution to rural development came in the form of a number of benefits, including job retention and creation, job diversity, service retention, landscape and nature conservation, and support for rural arts and crafts. In many cases, services provided for the tourism industry become available for local people. Thus, in many countries, the roads and airports, constructed primarily to cater for tourism, provide access to wider markets for many locally produced goods (Archer et al. 1998).

Rural tourism faces a number of challenges. Some of the already-mentioned influences—income leakages, seasonality and low pay—are of concern, and there are also often problems with accessibility and spatial factors (e.g. the location being 'off the beaten track'); the limited number of entrepreneurs in rural areas (leading to in-migration of business founders); the prevalence

of very small-scale operations, often developed from family-run businesses (e.g. supplementing farming income); labour supply (e.g. labour being locally unavailable, so there is in-migration); and the proposition that tourism should be a supplement to, rather than the mainstay of, rural economies (Hall & Jenkins 1997; Page & Getz 1997). Some operators' business practices are of concern, as well as an ambivalent community response to tourism development, infrastructure and technology needs, and uneven support by the wider tourism industry (Page & Getz 1997; Warren & Taylor 1999). In addition, conflicts based on competing land uses exist between agricultural or other resource-based activities and those of leisure and tourism, including the recreational needs of local residents. There are also concerns about the privatisation of an increasing proportion of the rural landscape (Butler et al. 1998), and rural tourism contributing to traffic congestion and pressures on infrastructure (OECD 1994).

Drawing on a rural tourism database (total of 3023 businesses) and using population density measures commonly used by Statistics New Zealand, Warren & Taylor (1999) identified that at least one in five tourism enterprises in New Zealand was rurally based. The geographical distribution of these rural tourism businesses reflected a number of factors, including visitor demand and travel patterns, transport networks, and regional characteristics. It appears that areas adjacent to national parks (e.g. Westland National Park / Tai Poutini National Park, Rakiura National Park) had higher concentrations of activity-based products and particular accommodation characteristics. The authors also conducted a survey of 1000 rural tourism businesses in 1997 and found that these businesses generally tended to be small and young, and often operated in conjunction with other businesses or employment (e.g. off-farm employment). Most were run by the owners, sometimes with a few staff (with more females than males employed, and about one in three employees, particularly in the busy season, drawn from outside the area), and reliant on existing assets. Median gross turnover for the surveyed businesses was only \$25,000 (with only one in four having gross annual turnovers greater than \$100,000), with limited or non-existent personal or household incomes being drawn from these businesses. The authors pointed out, however, that these modest levels of income should not be underestimated, as they represented significant additional income for many rural people.

2.3 GATEWAY COMMUNITIES: THE PARK-COMMUNITY INTERFACE

Social science research regarding national parks, especially in industrialised countries, has tended to concentrate on issues relating to on-site recreational or tourism use—for example, activity preferences, participation levels, carrying capacity and user conflicts (Machlis & Field 2000). Impacts of national parks on adjacent communities have not received such attention (but see section 2.4), and Tolisano (2000) suggested that developed countries can learn from attempts in less-developed countries to integrate the needs of rural communities outside parks with the conservation needs within parks.

Gateway communities are cities and towns that border large public land holdings such as national and state parks, forests or wildlife refuges (Howe et al. 1997). One of the fundamental reasons to consider concession-based tourism in the context of national parks and protected areas is the link between communities and the either adjacent or surrounding park (Eagles & McCool 2002). Gateway communities play an important role in the protection and management of natural areas in several ways, through providing services for visitors and, therefore, keeping commercial development and visitor infrastructure outside park boundaries (although some gateway communities are located within protected areas), and through providing economic and political support for the protection and management of park and protected area resources (e.g. communities with financial ties to a resource have an inherent interest in protecting the resource, because the quality of the park is the primary tourism product).

Through providing needed visitor services, gateway communities can manage development; for example, by locating developments just outside the park. This is the case with many national parks in the USA and New Zealand. For example, visitors wanting to tour Zion National Park in the USA must leave their vehicles outside the park, in the community of Springdale, and ride shuttle buses into and through the park. This approach, however, can lead to heavy development on the very border between the park and the community. Gateway communities may also be located a considerable distance from a protected area. For example, Yulara in Australia is the service city for Uluru National Park but is about 20 km from the park boundary. Alternatively, gateway communities may be located within the parks' boundaries, as is the case for Banff and Jasper National Parks in Canada (Eagles & McCool 2002).

To provide both economic and political support for the protection and management of these areas, communities must be well integrated in the management of those areas. The ability to capitalise on the designation of parks and protected areas may provide economic incentives for locals to protect the resources in these parks. In the USA, tourism based on parks provides the only economic opportunity for many small communities near parks (with predominantly poorer, natural resource-based or subsistence-based economies) and is often a community's leading employer (Moisey 2002). In other situations, tourism is seen as providing economic diversification, reducing reliance on a single sector. In addition, it brings with it growth in newer, service-based employment. Where there are skills and re-training issues, however, it may lead to in-migration by non-locals, resulting in rapid social change within these communities (Moisey 2002).

Gateway communities also face rapid tourism- and lifestyle-related growth, and they must rise to the challenges this presents to the natural surroundings or community character (Howe et al. 1997), including the often low-paid and seasonal nature of the jobs in the industry; the requirements for large-scale infrastructure and services investment in communities with often small rating bases; and the long-term effects of increased property prices and reduced affordability for local residents.

2.4 CONTRIBUTION OF TOURISM CONCESSIONS IN NEW ZEALAND

The development of concession-based tourism and its effects has not received much research attention in New Zealand or internationally. This section draws on a number of New Zealand studies that provide useful guidance for assessing the socio-economic effects of the concession-based tourism sector.

In 2002, Cosslett et al. (2004) undertook a review of New Zealand and international research on the socio-economic impacts of conservation initiatives on neighbouring communities, including the role of conservation lands in regional economies. Along with carrying out the review, the authors generated a framework for assessing the effects of conservation management decisions on the communities. The framework had not been tested by the authors but was based on an analysis of existing case studies. It considered all aspects of decision-making in DOC, and included consideration of effects from and on commercial tourism use. This review provides a valuable guide to the broad application of the social impact assessment process.

Booth & Leppens' (2002) benchmark study of tourism and the Stewart Island/Rakiura community prior to the creation of the Rakiura National Park provides baseline data on, and a replicable methodology to assess, tourism impacts relating to protected natural areas. The research was undertaken to facilitate future monitoring and assessment of the long-term effects of the national park on tourism on the island, and the effect of tourism on the island's residents. Data collection methods included resident surveys to gauge personal and community benefits, a tourism and community inventory, and an on-site visitor survey. In total, there were 86 businesses operating on Stewart Island/Rakiura, including 27 concessionaires, four of which were based on the island. Tourism represented nearly one-quarter of the economic activity generated by the island, but no monetary values were included in this study. Of particular relevance is the identification of a number of socio-economic indicators for:

- Tourism and community amenities and services
- Economic parameters of consumer prices, employment and income
- Residents' lifestyles and perceptions of tourists
- Tourists' behaviour, perceptions and expenditure

The authors commented on the dearth of socio-economic assessment studies associated with the establishment of new national parks: 'missing from the New Zealand park/community literature is longitudinal research investigating community change resulting from protected natural areas designation and management' (Booth & Leppens 2002: 6). These comments can also be applied to the need for research into the development and management of concession-based tourism.

One study that has a direct correlation with concession-based tourism activity is a report by the Ski Areas Association of New Zealand (TRI 2002), which estimated the economic impact of the Mt Ruapehu ski areas on the Ohakune and National Park Village communities. These ski fields are located in Tongariro National Park (TNP) and are a concessioned activity. Research took place during the 2001 winter season and consisted of a visitor survey on the mountain, a

survey of visitors in Ohakune, a survey of employees of Ruapehu Alpine Lifts, visitor expenditure diaries and a local business survey. The study estimated that every dollar spent by a visitor to the mountain generated an additional 42 cents of income for the local economy. The average visitor daily spend multiplied by the number of skier days (382 000) generated a total expenditure of \$45.58 million. The total expenditure multiplied by the local income multiplier (0.42) yielded the total local income generated (\$19.14 million). The total expenditure multiplied by the local employment multiplier (0.47) equalled the total number of jobs generated (2142). Data obtained from visitor expenditure diaries indicated that 49% of expenditure occurred pre- and post-visit, and the researchers suggested that visitors to Mt Ruapehu also have an important downstream impact on the regional and national economy (not estimated).

The Tourism Research Institute also estimated the economic impacts of the Mt Hutt ski area on the economy of Methven and the surrounding area (TRI 2000). For every dollar spent by visitors, 32 cents of income were generated for the local economy. Every \$10,000 spent by visitors created 0.41 jobs (seasonal and full time). Methven business owners commented that they felt strongly that the ski area played a vital role in the local economy and welcomed the business that Mt Hutt brought to the town (TRI 2000).

There have been several New Zealand studies that describe efforts to measure the economic contribution of parks to local regions (Stephens & Wells 1983; Kerr et al. 1986; Clough & Meiser 1989; Taylor et al. 1991; Cocklin & Flood 1992; Eijgelaar & van Poelgeest 2001).

Clough & Meister (1989) used the travel cost method and multiplier analysis for the Whakapapa area in TNP. Based on a large-scale visitor survey in the summer and winter of 1985/86, the authors undertook a travel cost evaluation and an impact analysis of visitor spending. Research limitations of the travel cost analysis arose from high variability of data, due to large numbers of international visitors in the summer sample; much higher estimated consumer surplus per head than that found in comparable studies; and no mechanism through which to account for multiple-stop trips. The impact analysis was affected by a high proportion of respondents who did not answer or had misinterpreted the relevant expenditure question; the non-inclusion of payments to local staff; and the fact that extrapolation beyond the survey periods was not possible owing to a lack of data. Despite these difficulties, the authors argued that the values obtained from the travel cost analysis were useful indicators of the relative values of resources and that such surveys can at least give management agencies an indication of where, in the presence of limited resources, resource allocation should lie (if economic benefits are sought).

Kerr et al. (1986) attempted to measure the use value of Aoraki/Mount Cook National Park. In 1984, the authors set out to estimate expenditure in the Mackenzie Basin by visitors to the park, to derive economic and labour-related multipliers for the regional economy and, using the travel cost method, to estimate the use value ascribed to the park by its users. They found that the travel cost method allowed for estimates of aggregate use value for New Zealand visitors only. For international visitors, the method was unsuccessful because of a lack of information about total trip costs and factors affecting desire to visit. The authors also estimated regional economic multipliers using the GRIT method (see section

3 for an explanation of how this method is used). The estimated consumer surplus for New Zealanders' visits to Aoraki/Mount Cook National Park in 1984 was \$2.2 million. Subtracting the opportunity costs of \$0.98 million (land rental) from this sum, the authors concluded that—at a \$1.22 million use value per year—the use of the resource was superior to the next best alternative use (this sum would, of course, have been larger if non-use benefits had been included). The authors described difficulties attached to using both GRIT and travel cost analyses at the sub-regional level. For GRIT analysis, they proposed that a business survey (of total sales for each industry) may be necessary, but may be feasible only in small regions because of the costs involved (and the likely difficulties with compliance in view of the confidential nature of some of this information). For the analysis of international travel costs, the authors concluded that it may be necessary to collect a set of variables describing the socio-economic, cultural and political factors influencing visitation, in order to understand the relative importance of cost of travel in travel decision-making. Estimating the value of travel time is also difficult, owing to an absence (or incomparability) of hourly wage data for many countries. In addition, the authors concluded that the length of the survey and the level of detail required remained problems.

Eijgelaar & van Poelgeest (2001) researched the socio-economic impacts of the designation of Te Wāhipounamu - South West New Zealand World Heritage Area on neighbouring communities. They used census information from before and after designation to analyse quantitative economic and demographic changes in the communities, as well as participatory observation and semi-structured interviews in Haast and Tuatapere. They focused on the quantitative and qualitative changes in local economic bases as well as social changes, with a particular emphasis on to what extent such changes could be attributed to the designation of the world heritage area. Economic impacts were mainly expressed in terms of comparisons of employment change data, visitor numbers and business statistics with those of other communities or larger areas. The authors acknowledged that, owing to data limitations, no monetary values could be attached to economic change. The main economic effect tourism had on the communities neighbouring the world heritage area were increased employment (although there were concerns that much of the additional income that this generated leaked out of the region and, therefore, provided only a small contribution to the local economy); increased visitor numbers and associated spending; increased local facilities; increased property values; and increased tourism and recreation concessions on conservation lands. However, communities also experienced skills shortages, and there was a perceived lock-up of natural resources and increased difficulty with concession and lease applications. Social effects included population growth, a closer-to-equal gender distribution, an increased number of transient people in the community, the gradual loss of a traditional lifestyle, and a perceived higher demand for, and pressure on, services.

As mentioned in section 2.2, tourism effects that are relatively minor in urban areas may have a larger effect in remote areas, in which protected areas are often located. Kerr (1998), for example, argued that greater social impacts occurred in the remote areas of Haast and Collingwood owing to the communities' small size and subsequent higher ratio of visitors to locals. In addition, the very limited tourism infrastructure and resources there compared with larger destinations also influenced economic, environmental and social impacts of tourism.

Gough & Ball (1995) estimated the contribution of conservation lands to the West Coast regional economy. The purpose of the study was to identify areas in which DOC contributed to the economic welfare of the West Coast region, including the direct contribution made to the region through input of nationally collected revenue for the management of regional resources; the indirect benefits of tourism resulting from the presence of conservation lands; and the management of some extractive uses of conservation lands. One finding of this research was that tourism made a major contribution to the West Coast economy and that the size of the contribution was closely linked to the presence of conservation lands, although the authors were unable to determine what exact proportion of tourism expenditure was attributable to the presence of conservation lands because of the diversity of the area and the variety of the visitor experience. Total visitor spending on the West Coast during 1993 was about \$124 million. International visitors spent about \$60 million, and approximately 97% of international visitors on the West Coast visited a national park. The researchers, therefore, proposed that a significant proportion of the \$60 million spent by international visitors was directly related to the presence of conservation lands. Using regional multipliers based on the 1986/87 census data, a tourism output multiplier for the year ending March 1992 was calculated to be 1.7. Although tourism created jobs, these did not necessarily go to locals; for example, a number of concessionaire holders for hunting lived outside the region and travelled to the West Coast only when guiding groups.

2.5 METHODOLOGICAL APPROACHES IN THE LITERATURE

As seen from the above literature reviews, the two main methods used to gather data to estimate tourism's regional economic impacts are direct surveys of visitor numbers and spending, and direct surveys of business employment and financial ratios. Both the visitor and the business surveys need to be combined with estimates of employment-to-output ratios and value added-to-output ratios to provide the whole range of direct impacts (output, employment and value added). Information on these ratios is generated from input-output models, such as in the aforementioned GRIT method. In New Zealand, these models are based on the national Statistics New Zealand model, while regional input-output models are available from only a few economists. Both the visitor survey method and the business survey method have strengths and weaknesses (TRREC 2004: 16).

The economic impact of park tourism nationally or at the national park or regional level is difficult to quantify from existing national surveys such as the International Visitor Survey (IVS) and the Domestic Tourism Survey (DTS) conducted by the New Zealand Ministry of Tourism. The studies described in the previous sections each provided a 'snap shot' of the situation under investigation, and used a range of techniques to assess the socio-economic effects of tourism at the local and regional scale, making comparisons difficult. Systematic approaches are essential. For examples of systematic measurement of visitor related impacts, two approaches are referred to: the first from Australia, the second from the USA.

Australia

Australia has assessed the impacts of specific national parks or nature reserves on rural development and regional economic development on a park-by park basis, using a consistent approach (NPWS 1998, 1999a,b, 2000, 2001, 2002; CREA 2000). Input-output models were used to develop measures of regional economic structure and performance, and these were combined with multiplier analysis to assess the regional output, value added, household income and employment. The key finding was that national parks do (or have the potential to) make a significant contribution to the economic and social development of regions.

As an example, the total visitor expenditure associated with visitors to Warrumbungle National Park was estimated at A\$2.65 million (53% from campers, 40% from visitors in paid accommodation and 7% from day visitors). Sixty percent of this, or A\$1.58 million, stayed in the local area, once imports for raw materials and taxes had been deducted. Multiplier analysis then identified a total flow-on effect of A\$3.694 million in gross regional output (2% of the local economy), A\$2.085 million in gross regional product, A\$1.379 million in household income and 66 additional jobs (2.8% of local employment).

The studies also noted that such economic benefits were dependent on continuing visitor expenditure, although visitation growth needs to be balanced against the loss of economic use and of non-use values associated with excess tourism. An additional finding was that if local and regional economies were to take advantage of the opportunities afforded by economic development through tourism, then local public and private organisations would need to provide the goods and services that visitors seek (e.g. accommodation and supporting attractions) (NPWS 1999a).

USA

The National Parks Service (NPS) in the USA uses a national system to estimate the economic impact of park-based tourism called the Money Generation Model 2 (MGM2) (Stynes 2005). This model might be relevant to New Zealand, as it requires a consistent approach to data gathering, incorporates all national parks and is part of a national statistical system. The MGM2 allows for a systematic and consistent economic impact assessment across the NPS, and estimates the economic impacts of visitor spending on gateway communities in 74 national park units managed by the NPS (Stynes & Sun 2003). The model combines estimates of park visits, spending patterns of distinct NPS visitor segments, and economic ratios and multipliers for regions surrounding NPS units. Park visit estimates are taken from the NPS Statistical Abstract and multipliers are adapted from input-output models of the economy of regions around selected NPS units, using the IMPLAN system.⁶

In 2001, the NPS system hosted 280 million recreation visits across 348 separate NPS units reporting visits. The visitors spent an estimated US\$10.6 billion in local regions around parks.⁷ The direct effects of this spending supported

⁶ IMPLAN is a microcomputer-based input-output modelling system originally developed by the USDA Forest Service and now managed by MIG, Inc.

⁷ A 'local region' covered a radius of 30-100 miles (48-160km) around each park, usually within about an hour's drive, capturing where most overnight park visitors might spend the night and where most spending directly associated with the park visit would occur.

212000 jobs in local tourism-related businesses and generated US\$3.1 billion in personal income to the regions and US\$4.6 billion in value added. The total impact of visitor spending on the economies of gateway regions (including local multiplier effects) was 267 000 jobs, US\$4.5 billion in personal income and US\$7 billion in value added (Stynes & Sun 2003). The NPS visitor spending represented about 3.1% of all travel spending in 1999. Surveys of national park visitors showed that average spending varied across parks and regions, based on local prices and spending opportunities. Generally, visitors staying overnight in area hotels, motels, cabins, B&Bs or park lodges had the greatest economic impacts. While representing only 18% of the park visitor, the motel segment accounted for 27% of the local overnight stays by park visitors and 55% of the spending. Visitors on day trips from outside the local area accounted for 31% of all spending and local visitors accounted for 7% (Stynes & Sun 2003).

3. Research methods

This study used a case-study approach to enable comparison and in-depth analysis of particular features of the data collected. The particular value of this approach lies in its ability to be based on quantitative and qualitative evidence (Yin 1994). Limitations of this method include researchers being unable to generalise broadly from the data or rely on randomised statistical survey design.

The case-study approach was considered appropriate for this study of concession-based tourism in three chosen locations owing to the:

- Small number of national parks in New Zealand
- Limited study size
- Pilot nature of this research
- Need for greater depth, rather than breadth, of understanding
- Inconsistent/incomplete availability of concession-specific data held by DOC at the time

The study aimed to incorporate both quantitative data (for detecting broad numeric trends) and qualitative data (to provide detailed views and allow use of existing studies). Being able to incorporate both quantitative and qualitative data is typical of socio-economic assessment work (Cosslett et al. 2004; Taylor et al. 2004). Qualitative methods are embedded within quantitative methods as the two types of data are collected simultaneously. Weaknesses of this approach include having to transform data so that they can be integrated, needing to resolve discrepancies between the types of data and the study ending up with unequal evidence (Creswell 2003). Data sources included:

- Community and sector profiling
- Economic impact estimates
- Concession operator interviews
- Visitor expenditure survey

3.1 COMMUNITY AND TOURISM SECTOR PROFILING

Concessioned tourism activity was examined using a social assessment in three national parks: Tongariro National Park (TNP), Abel Tasman National Park (ATNP) and Fiordland National Park (FNP). Social assessment utilises profiling to describe baseline conditions and can also be used to try to establish the extent of social change (Taylor et al. 2004). For each national park, one gateway community and its surrounding economic district(s) were selected for the assessment of the social and economic effects of concession-based activities on the community and its region. The gateway communities and districts were National Park Village and the combined Taupo-Ruapehu Districts; Marahau and the combined Nelson-Tasman Districts; and Te Anau and the Southland District.

These three case-study locations were selected on the basis of the following gateway community characteristics:

- The gateway community was a major entry point into the national park
- The national park provided an important basis for the local economy and the particular gateway community selected had the greatest dependence on national park values
- Tourism was an important sector of the local economy
- The community was located in a rural landscape with a natural character and local tradition unique to the region
- The community was both a gateway and a destination in its own right
- The gateway community was mainly a rural centre (i.e. population: 300-999) or a minor urban centre (1000-9999) (Statistics New Zealand 2004)

In addition, the following tourism sector characteristics were considered when selecting the gateway communities:

- The proportion of concession operators based inside and outside the community and economic region
- How much concessioned activity was taking place in the national park beyond the gateway community
- The range of tourism concessioned activity and business size
- Features of the tourism sector, such as maturity and level of overall tourism development
- Key features of park management
- The ability to separate concession effects from overall tourism effects

Profiles of the gateway communities and surrounding districts were created using secondary data, especially 2001 census data and local authority documentation. Profiles of the regions' tourism sectors were also prepared using secondary data sources, from Tourism Research Council data and DOC concessions data.

3.2 ECONOMIC IMPACT ESTIMATES

This section is brief and assumes the reader has some prior understanding of economic impact estimates. There are various texts available for those who wish to know more (e.g. Butcher 1985; Styne & Sun 2003; Styne 2005).

In this study, economic impact analysis was used to trace the flow of economic activity associated with concessioned businesses within the local economy in order to estimate their contribution to sales, income and jobs in the area. Multipliers estimate the ratio of change generated by an extra dollar of spending, or an extra job created. Type I multipliers measure the direct and indirect change, while Type II multipliers also include the induced changes, including the flow-on effect of business activity. This study provides multipliers reflecting the collective concessioned activity rather than multipliers for each type of concessioned activity, owing to issues of commercial sensitivity.

Data on employment and output were obtained through investigation of DOC-held concession information and semi-structured interviews with tourism concessionaires (see section 3.3). Specifically, the operator interviews yielded data on the operator's number of employees, his/her wages and salary bill, and

his/her level of turnover. In each park, actual employment, wages and turnover figures for operators representing more than three-quarters of total turnover was obtained (not all businesses were prepared to make financial data available). Where necessary, estimates of typical relationships between the number of employees and the value of turnover were applied to obtain turnover figures. These data were then used to determine direct economic impact. Estimating the impacts of further business spending was possible but prohibitively expensive; instead, the probable pattern of expenditure was estimated using existing information about national average expenditure patterns of businesses by type and the regional location of businesses that supply those inputs.

Note that there is limited information currently available on regional output by industry, the starting point for the GRIT method. This is especially so for small districts such as Ruapehu, Tasman and the Fiordland area, which is why two of the economic regions were modelled using data from more than one district (i.e. Taupo-Ruapehu and Nelson-Tasman).

All this information (including assumptions) was incorporated into a separately estimated, regional input-output model, held by Butcher Partners Ltd. This model was generated using an existing national, inter-industry input-output model for 2000/01; information about the regional distribution of employment; and output and the GRIT method. The resulting regional model was then enhanced by incorporating the survey data collected in 2004/05 that were gathered about the input structure of actual tourism businesses. The input-output model can be used to calculate the total effects an increase in output of any single sector has on all sectors. These total effects included the original effect and all the consequential rounds of indirect and induced effects. It does not include any downstream effects.

While a regional input-output model is a reasonable approximation of the economic structure of the average business of a particular industry, it can be significantly different from the economic structure of a specific business, particularly where that business has very different characteristics from the New Zealand average. For that reason, the concessions multipliers derived from the regional models may be quite inaccurate. Attempts were made to improve these by incorporating financial data for some of the major concessions into the models.

Kayaking is not represented as a distinct sector in the standard input-output model. Therefore, kayaking was modelled explicitly using financial data from the kayaking operators. For other concessions, multipliers were used from industries that appeared to be similar to the concessions. Unfortunately, it was not possible to explicitly model one or two of the major Fiordland concessions as the necessary data were unavailable from the operators.

While some multipliers for some concessioned businesses had quite high error margins, the overall impacts of these errors on the results for total household income and employment were estimated generally to be less than 20%. This was because there were additional data available on some of the major concessions, which enabled the calculation of specific multipliers for those businesses, and also because the multiplier effects were quite small compared to the direct effects. Error margins for the estimates of value added, both direct and total, were higher, particularly for Fiordland. This was because direct value added-to-output ratios for some of the major concessionaires were not available.

3.2.1 Impact of concessions on visitor spending and stay, and net economic impacts

When the study was being developed, a further aim, exploratory in nature, was added: to estimate the impacts of the concessioned product on other spending by visitors. Data from visitor surveys (see section 3.4) were used to obtain both visitors' average daily spending and the effects of concessions on the duration of their visits to the region (expressed in days). These two figures were multiplied together and the result was then multiplied by the number of concession visitors.⁸ This provided the total annual change in visitor spending associated with changes in visitor stays due to the existence of concessions, creating a figure for net impact.

Calculating net visitor impact involved assumptions about relative costs of substitute activities for those visitors whose stay in the region was unchanged in the absence of concessions, and judgements about the effects of Fiordland accommodation concessions and Ruapehu Alpine Lifts on client stays. These latter judgements were based on operator and researcher judgments rather than on surveys of the clients of these concessions. For these reasons, the error margins for the net effects of concessions were much larger than the error margins for the gross effects of concessions. In spite of this, net effects are of great interest and relevance from a public policy perspective. It needs to be reiterated, however, that this area of research was exploratory.

3.3 CONCESSION OPERATOR INTERVIEWS

Data on small businesses are usually not available through secondary sources such as standard statistical databases or public company reports. Furthermore, surveys of local businesses for social impact assessments usually do not elicit sufficient responses for a detailed statistical analysis (results are mostly limited to descriptive statistics and simple cross tabulations, i.e. they are quantitative). The survey of business operators undertaken during this study did, however, provide some qualitative data to add to the picture of the local economy, and provided a 'voice' for the operators on the role of their product in community and tourism development.

The semi-structured face-to-face interview (refer to Appendix 1 for interview questions) was designed to address the study objectives and contained the following sections: business characteristics; employment; business turnover and expenditure; visitor numbers; and operator perception of effects. The methodology was based on previous work by Warren & Taylor (1999), Butcher et al. (2000), Booth & Leppens (2002) and Cosslett et al. (2004), and interviews were undertaken between November 2004 and February 2005.

⁸ The figures were supplied to the researchers directly by operators. Where possible (the researchers had considerable difficulty getting access to the DOC returns), those figures were compared with figures supplied to DOC by the operators.

A member of the interview case-study group was defined as a concession-holder with an 'active'⁹ current DOC tourism concession, who carried out his/her activities within the relevant national park and whose business was located within the case-study region. The final pool of operators interviewed represents a range of concessioned products and business sizes that collectively contributed over three-quarters of the turnover and visitor numbers for the concessioned product in the respective national park.

As for the commercial and tourism sector profiling (section 3.1), the 'region' was the District Council (local authority) district for each case study except where two districts were combined for purposes of analysis (Nelson-Tasman Districts and Ruapehu-Taupo Districts).

Forty-two interviews were completed: 18 interviews were held in Southland; 10 in Nelson-Tasman; and 14 in Taupo-Ruapehu.

Each of the three regions represented a different setting and market segmentation. In TNP, the main concessioned activities were guided walking, transport, accommodation inside the national park and skiing/snowboarding. In ATNP, the two activities were guided walking and guided kayaking (water taxi services do not require a concession, only a council consent). In FNP, there was a wide variety of guided activities (walking, kayaking, climbing, hunting, fishing), accommodation, a range of transport services and an attraction.

3.4 VISITOR EXPENDITURE SURVEY

Estimates of direct visitor expenditure based on International Visitor Survey (IVS) data present only a broad, average per-day expenditure across the country, and they are not particularly accurate at the regional level. Therefore, a visitor expenditure survey (refer to Appendix 2 for questions) was undertaken with clients of concession operators in the three national parks to estimate average daily visitor expenditure and the change in length of stay if the concessioned activity was not available at the time.

The visitor survey's aims were to understand:

- How much visitors spent in the region as a result of their visit to the national park with a concession holder
- How the visitors' itineraries in the region would have altered had visitors not been able to use concessioned products and services

The survey was designed to address the study objectives and included questions on visitor and visit characteristics; visitor expenditure in the region; the influence of the concessioned product and service on a visit to the region; and operator features.

⁹ 'Active' was a category within the DOC Permissions Database denoting the current status of the concession as being fully permitted and operational. Accuracy of the actual numbers of concessions, therefore, relied on the accuracy of the database. This required considerable testing with staff.

At each location, interviewers selected a person on a 'next to pass' basis. Where respondents were part of a group, an individual respondent was randomly selected using the 'birthday rule' (the person in the group with the next birthday was interviewed) to minimise interviewer bias. For groups, questions on expenditure were asked of the group as a whole and were then converted to a per-person basis (this meant that sample size was large enough to reflect the expenditure and itinerary patterns of each group). All respondents were surveyed at the end of their concessioned experience.

The sampling unit was the recreational person visit. Participation was voluntary. In the TNP survey location, those participants who had completed the Tongariro Alpine Crossing Track were given a small soft drink on completing the survey. Only people 15 years and older were interviewed. People visiting the national park independently (without a concession holder) were excluded from the survey.

The survey was administered from 13 to 19 January 2005 and 31 January to 5 February 2005 inclusive in TNP, 7 to 19 February 2005 inclusive in ATNP, and 20 January to 6 February 2005 inclusive in FNP. These periods included part of the New Zealand summer school holidays and were chosen to coincide with peak visitor periods and the availability of the surveyors. The target was to complete 250 questionnaires at each location (the locations having been chosen to coincide with high visitor flows for the various concessioned activities). The target was achieved in TNP (454 questionnaires) but was difficult to achieve at the other two settings. At the three guided-kayaking bases in ATNP, 248 surveys were completed, which, when group-based responses were included, yielded 515 respondents. At FNP, 224 surveys were completed, which, when group-based responses were included, also yielded 515 respondents. The refusal rate was negligible in each location. A total of 854 questionnaires were completed.

Note that representative samples of the full range of concession user groups were not obtained for this study. As stated in section 3.3, concessioned products and services included a range of activities, which were often undertaken in small groups, not necessarily on a regular basis, over a large territory. With more surveyor resources, a wider range of visitors to different concession types could be surveyed. This study, therefore, concentrated on 'concession visitors' as a whole, not by activity—only where it was possible were the concession visitor data grouped into different activity groups.

Each survey population was defined as all visitors to one of the three national parks using a concessioned product or service during the summer season. Populations were chosen on the basis of accessibility, activity type, size of the visitor group and willingness of the operator to have his/her clients interviewed. Owing to the pilot-study nature and timing of this part of the research, winter ski-field use by concession visitors to TNP was not included, as there were other data available (TRI 2002). The summer ski-field facility use (primarily the chair lift) was excluded, as this was a minimal component of use by the park's concession visitors. Day visitors were the main type of user of FNP concessions. Multi-day trip visitors and users of the aircraft concession service were not surveyed, mainly owing to limited access to these user groups and low numbers.

Visitor expenditure data (question 8 in the survey) were collected for different categories of expenditure, as these have different economic impact multipliers. Presenting respondents with expenditure categories also helped them to recall what they had spent and how. Estimating future expenditure is unreliable; therefore, the expenditure questions were directed at spending in the 24 hours prior to the visitor starting the activity. The expenditure questions were based on the region/district (as above) and excluded what was purchased outside the particular district.

The individual daily expenditure figures were calculated for the total number of tourists covered by the data; that is, for survey respondents plus their companions.

The survey form for ATNP had a few additional questions, which were inserted on behalf of an economist for another study. The resulting data have not been analysed in this study.

4. Tourism sector and community profiles

This section presents profiles of the three case-study locations in terms of the characteristics of tourism concessions in the park, and the features of the regional tourism sector and gateway community. These features are considered to be key determinants of the socio-economic effect of the concessioned activity on the gateway community and regional economy.

4.1 TONGARIRO NATIONAL PARK

Information sources used to develop the following profile were Taumaranui County Council (1985), Dixon (1999), RDC (2001, 2003), DOC (2003), TRCNZ (2003), Davies (2004), NPPA (2004), Ruapehu Bulletin (2004) and Statistics New Zealand (2004a).

4.1.1 Tourism concession characteristics

Tongariro National Park (TNP) was New Zealand's first national park and has been accorded dual World Heritage status by the International Union for the Conservation of Nature (IUCN) for its landscape and cultural qualities. The nucleus of the park was gifted to the people of New Zealand by Te Heu Heu Tukino IV in 1898 and it is the fourth-oldest national park in the world.

The park received an estimated 1 million visitors in 2003. The main visitor seasons are from July to late October (ski season) and mid-December to mid-February (summer vacation period), with the peak periods being August, December, January and the Easter holidays. In winter, the park is predominantly used by domestic visitors for skiing. Annually, skiers account for over half of all visitors to the park, with visitor numbers depending mainly on the nature of the ski season. Summer visitor use is mainly international, principally by visitors walking the Tongariro Alpine Crossing Track.

Of the 123 tourism concessions managed by DOC's former Tongariro/Taupo Conservancy¹⁰, 98 took place in TNP according to the data. The main concessioned activities were guided walking, transport, accommodation and management of ski fields (skiing is a significant concessioned activity). Aircraft use for recreational skiing and related recreational activities within the park is prohibited, as is the use of over-the-snow vehicles for skiing activities.

High-investment, intensive, commercial activity was focused at Whakapapa and Iwikau Villages, and Whakapapa and Turoa ski fields in TNP, which were the main locations of concessioned activity. Elsewhere, commercial activities tended to be small in scale, of low impact, sometimes infrequent and spread over wide areas.

¹⁰ Tongariro/Taupo Conservancy has now been joined to Whanganui Conservancy to form Tongariro Whanganui Taranaki Conservancy.

Whakapapa Village was a focal point for visitors, receiving almost 300 000 visitors each year. Public services provided in the village to meet the needs of park visitors include restaurants, fast food outlets, bars, sales of souvenirs and provisions, recreational facilities, and accommodation. The village is also the base for DOC's management of the Ruapehu area and the location of the DOC visitor centre. Commercial accommodation available in Whakapapa was in demand year round. The function of the village changes from the winter to summer. In winter, the village is a visitor service centre; in summer, it is a destination for day visitors, especially those from Taupo.

In winter, most visitors used the ski-field facilities on Mt Ruapehu. However, both ski areas are heavily developed sites and they accounted for over half of park visitors (about 500 000 people per year). In summer, a large proportion of the use of concessioned products and services was by clients of transport operators (who all require a concession to offer transport services to and from the Tongariro Alpine Crossing Track). Transport concessions were principally linked to taking people to/from the Crossing in the summer and the ski fields in the winter. Growing visitor numbers on the Crossing increased the demand for public transport in the late 1990s. In the summer of 2003/04, there were 20 transport operators with a concession to transport walkers to the Crossing. DOC had not issued guiding concessions for the Crossing since 1995, out of concern for the cultural values held by tangata whenua and mountain users, but this position changed in 2008.

Table 2 shows the number of businesses in the five main concession categories and their location. Most guiding concessionaires were based outside TNP. The park's existing ski-club huts and lodges were sanctioned by a 60-year licence issued in the 1990s. They are considered to be not commercial and not-for-profit organisations, and so were excluded from this study.

TABLE 2. BUSINESSES IN TONGARIRO NATIONAL PARK (TNP) IN 2004, BY BASE LOCATION AND CONCESSION TYPE.

ACTIVITY TYPE	NUMBER OF BUSINESSES ^a				TOTAL
	TNP	NPV ^b	RUAPEHU DISTRICT	ELSEWHERE	
Guiding		1	2	17	20
Transport	1	3	2	6	12
Accommodation ^c	1				1
Ski fields	2				2
Club lodges	59 ^d				59

^a Some businesses held more than one concession.

^b National Park Village.

^c Accommodation at Whakapapa Village also included cafés, restaurants, bars and a store, as these were part of the accommodation concessions.

^d Club lodges are located in the park, but their owners are located throughout the country.

4.1.2 Regional tourism context

The Ruapehu District is one of New Zealand's largest districts by land area but has a relatively small population base (resident population of 14 200 in June 2003). Taumaranui is the district's largest urban area and functions as a rural service centre, while Ohakune and National Park Village (see below) are the focus of tourism activity and support most of the accommodation activity in the area. The district itself acts as the gateway to the outdoor activities offered on the Central Plateau, namely the ski fields of Whakapapa and Turoa in TNP.

The Taupo District's resident population of 33 300 (as at June 2003) is concentrated in the Taupo urban area, as is most tourist activity. The district is an established destination for domestic and international visitors. Both Taupo and Turangi are used as convenient accommodation sites for visitors to the Central Plateau, especially the ski fields of Mt Ruapehu—in fact, they are the focus of much of the central North Island's tourist activity. Taupo's attraction for visitors is year round, with activities tied to Lake Taupo (Taupomoana), the rivers and snow, all of which smooth out seasonal trends experienced in other parts of the country, including in the neighbouring Ruapehu District. There is a high-quality tourism infrastructure, and the region is very popular with free and independent international visitors and single-activity visitors (e.g. skiers, anglers).

The visitor industry is one of three critical drivers of economic growth in the Ruapehu District. In 2003, Ruapehu's tourism was heavily focused on the winter season (Table 3). The district's infrastructure has developed around the primarily domestic visitor base. Table 3 shows two distinct seasons of domestic/winter and international/summer visitors, which show a reversal in the proportion of international and domestic visitors for the two high seasons.

In 2003, the Ruapehu District attracted 89 000 international visitors to the district, staying a total of 194 000 visitor nights and spending \$23 million. There were 478 000 domestic visitors, staying 740 000 visitor nights and spending \$117 million.

The Taupo District, the North Island's prime outdoor recreation area, attracted 2.4 million visitors in 2003. Domestic visitor numbers totalled 2.1 million compared with 343 300 international visitors, and they spent \$302 million compared with \$94 million for international visitors. In total, the Taupo District attracted 1.3 million overnight visitors, 1.1 million day visitors, 3.6 million visitor nights and \$396 million in tourism expenditure.

TABLE 3. RUAPEHU GUEST NIGHTS BY VISITOR TYPE IN THE WINTER (SEPTEMBER) AND SUMMER (DECEMBER) OF 2003.
Source: TRCNZ (2003).

VISITOR TYPE	TOTAL GUEST NIGHTS		% OF TOTAL GUEST NIGHTS	
	SEPTEMBER	DECEMBER	SEPTEMBER	DECEMBER
International	9860	13 410	22%	59%
Domestic	34810	9 250	78%	41%
Total	44 670	22 660	100%	100%

As shown in Table 4, the tourism sector provided 687 FTE jobs or 13.75% of the Ruapehu District's workforce (4995 FTEs) in 2003. There is a seasonal trend, with winter being the high season. The tourism sector in the Taupo District employs 2456 FTEs, about 21% of the total district workforce (11 538 FTEs).

National Park Village is located near the base of Mt Ruapehu and is the gateway to the Whakapapa area of TNP. It has a small resident population of 234 (2001 census), which increases to at least 1000 people at the height of the ski season. During the study, there were just over 20 local businesses, many of which were visitor related. In winter, visitors tend to stay in the park itself, as there are over 50 club lodges, as well as commercial accommodation, available in Whakapapa and Iwikau Villages. In summer, National Park Village accommodation has high occupancy and is primarily used by people walking the Tongariro Alpine Crossing Track.

Following the years of poor snowfall and the volcanic eruptions in the 1990s, National Park Village has been transforming itself from a 'winter' place with a transient population, to a year-round tourism destination with a stable population. The village adopted the 'alpine adventure' theme, which is being used to develop the character of the village and provide a guide for elements of a marketing plan. It is establishing itself as an adventure base in both summer and winter. A phrase frequently used to promote National Park Village is 'discovering the secrets of the volcanic wilderness and experiencing where adventure happens, staying in National Park Village is what Destination Ruapehu is about'. Inhibitors to National Park Village growth include the high level of facilities within TNP (especially in Whakapapa Village), limited housing for staff and land tenure.

TABLE 4. ECONOMIC PROFILES FOR THE RUAPEHU AND LAKE TAUPO REGIONAL TOURISM ORGANISATIONS (RTOS) IN 2003.

Source: TRCNZ (2003).

KEY MEASURE	RTO		RTO SHARE	
	RUAPEHU	LAKE TAUPO	RUAPEHU	LAKE TAUPO
Total economy				
Resident population	14 200	33 300	0.4%	0.8%
Employment (FTE)	4 995	11 538	0.3%	0.8%
Business units	1 077	2 952	0.3%	0.9%
Tourism sector employment (FTE)	687	2 456	0.4%	1.6%
Accommodation services	263	936	1.1%	3.9%
Food- & beverage-serving services	204	784	0.3%	1.2%
Transport & travel services	50	245	0.2%	0.7%
Museums & other cultural services	65	61	1.2%	1.1%
Other sport & recreation services	70	340	0.4%	2.2%
Souvenirs, duty-free & other retailing	35	90	0.3%	0.9%

Features of tourism in Taupo–Ruapehu region, TNP and National Park Village (2004/05)

- TNP has two distinct seasons.
- Winter use is dominated by New Zealanders visiting the park to ski.
- Summer use is dominated by international visitors, who are there to walk the Tongariro Alpine Crossing Track.
- The park is a dual World Heritage Area.
- The park is a central product in the region's tourism marketing.
- National Park Village as a gateway is affected by the high level of facilities in the park.
- Concessioned tourism is dominated by a large ski-field and accommodation infrastructure.

4.2 ABEL TASMAN NATIONAL PARK

The following profile was generated from a number of sources, namely Parr (2000), TDC (2001) Latitude Nelson (2003, 2004a,b,c), TRCNZ (2003) and NCC (2004).

4.2.1 Tourism concession characteristics

Abel Tasman National Park (ATNP) is one of three national parks in DOC's Nelson/Marlborough Conservancy and is New Zealand's smallest national park. It was gazetted in 1942. It contains the only coastal track of its kind in the country, and is acclaimed internationally for its stunning landscape of golden sand beaches and turquoise waters.

The majority of visitors enter the park at the southern end via Marahau or Kaiteriteri, by motorboat, water taxi, kayak or on foot. A major feature of ATNP is that it can be accessed by kayak or by commercial water transport. The park is well serviced year round by launches and water taxis. Commercial boat operators offer day excursions, and drop-off and pick-up services for walkers at various points throughout the park.

From the mid 1990s there has been a steady increase in commercial and independent kayakers, and private and commercial motorboat users, and jet ski use has begun. Tourism New Zealand, the national government body that is responsible for marketing and promoting New Zealand in other countries, has in the past actively marketed ATNP as a 'must do' experience in its '100% Pure New Zealand' campaign.

ATNP has significant areas of private land with holiday homes, which are interspersed within the park's area. Several large-scale lodges offering commercial accommodation also exist.

In 2003, Nelson/Marlborough Conservancy's recreation planner estimated that there were around 190 000 visitors to the ATNP coast each year (D. Parr, DOC, pers. comm.). When visitor numbers to inland sites were included, the total figure rose to an estimated 200 000. The majority of the park visitors were day visitors to the coast, who accessed the park from the sea. It is estimated that 50% of visitors

were domestic and 50% were international visitors. There is increasingly less seasonality in visitation to the park. Visitor peaks still occur at Christmas, New Year and Easter, but the high season has extended from late December and January to include February and March, and visitor services continue throughout the year.

At the time of writing, 38 of the 97 concessions (not including marine mammal viewing permits) managed by the conservancy involve activities that take place in the park. There is little high-investment, intensive commercial activity, and commercial activities tend to be small in scale and of low impact. Of the businesses identified as operating in ATNP, 25 are located in the Nelson–Tasman region, including five in Marahau, and there is one on private land adjacent to the park; 11 are based elsewhere.

The data revealed that the majority of concession clients took part in guided kayaking (one-day and multiple-day trips). Most of the guided-kayaking companies also offered guided walking (concession), water transport (non-concession) and independent kayak rentals (non-concession). Boats and kayaks that do not drop people off who are going into the national park do not require a concession.

A study conducted in 2000 (Parr 2000: 12) found that 4% of day and 8% of overnight visitors to the park were concession clients; in total, 5% of visitors to ATNP were concession based. The concessions numbered 26 day activities and 7 overnight activities. Two concessions operated both day and overnight activities. There were 33 concessionaires taking about 8500 visitors to the park.

Until 2003, the number of kayaking companies was relatively stable. Since then, there have been significant changes in ownership. For example, Wakatu Incorporation's purchase of two kayak companies (Abel Tasman Kayaks and Ocean River, both based in Marahau) in 2003 gave Wakatu a strategic holding in a major tourism activity. In 2004, Shotover made a major move into the Nelson–Tasman region through its buy-out of Abel Tasman Aqua Taxis and its subsequent majority shareholding in Kaiteriteri Kayaks.

4.2.2 Regional tourism context

The Nelson–Tasman region is made up of two separate districts (Nelson City and Tasman District) and, in June 2003, had a resident population of 89 200 people, with the population approximately equally shared between Tasman and Nelson. The Nelson–Tasman economy is resource based with a strong export orientation. The domestic market is small and, therefore, trade in national and international markets is important. Tourism is the region's third-largest industry, after seafood and horticulture.

The region's natural attractions such as sea kayaking, beaches, tramping and swimming are key for international visitors, particularly those to ATNP. Nelson–Tasman's tourism infrastructure is supported by a comprehensive accommodation sector. The airport and seaport provide important transport infrastructure. The region is not generally on the tour bus route.

In 2003, the tourism industry contributed about \$312 million to Nelson–Tasman's economy each year, about 7% of the gross regional product. About 12% of the workforce is employed in the tourism sector (Table 5), and there is the traditional pattern of summer peaks and winter lows, although the high season tends to start in December and finish in April.

In total, the region attracted 829 000 overnight visitors, 766 000 day visitors, 3.9 million visitor nights and \$412 million in tourism expenditure in 2003.

TABLE 5. ECONOMIC PROFILE OF NELSON-TASMAN REGIONAL TOURISM ORGANISATIONS (RTOS) IN 2003.

Source: TRCNZ (2003).

KEY MEASURE	RTO	RTO SHARE
Total economy		
Resident population	89 200	2.2%
Employment (FTE)	32 527	2.1%
Business units	7 600	2.3%
Gross regional product (\$billion) 2000/01	2.4	2.1%
Tourism sector employment (FTE)	4119	2.6%
Accommodation services	787	3.3%
Food- & beverage-serving services	1584	2.3%
Transport & travel services	986	3.0%
Museums & other cultural services	170	3.1%
Other sport & recreation services	362	2.3%
Souvenirs, duty-free & other retailing	230	2.2%

Marahau is one of four gateways to ATNP and, as stated earlier, is located at the southern entrance to the park, as is Kaiteriteri. Totaranui and Wainui are the two northern entrances. These communities are not only gateway communities but have also been holiday spots in their own right for New Zealanders for many years. Marahau is a small coastal community (population 510 in 2003), which has been undergoing rapid change from agriculture-based industries to 'an expanding tourism destination selling a place-related experience' (Hasse 2001: 14). Tourism has been one of the new opportunities for Marahau and has mostly replaced the agricultural sector, with the major attraction being the park.

The seasonality of the type of product on

offer means that the community experiences an influx of seasonal workers (as a transition community) who reside in Marahau during the summer season.

The first kayaking companies started in 1984/85 in Marahau and offered kayaking tours along the coastline of ATNP. Parallel to the establishment of tourism businesses in Marahau, DOC improved the visitor facilities in the park and at Marahau. In 1991, it created a car park, and the construction of the boardwalk opened up the park 24 hours a day (before that, there was access only around low tide). In the last 10 years, tourism development has accelerated, with tourism also being based at Marahau (it was previously only at Kaiteriteri). A water taxi service commenced about 1995 and since then there has been major expansion of commercial water transport. This was paralleled by an escalation in competition between the kayak companies.

Features of tourism in Nelson–Tasman region, ATNP and Marahau (2004/05)

- There is a high proportion of self-drive visitors to the region.
- The vast majority of the region's tourism businesses are small, highly seasonal and locally owned.
- The largest 'tourism operator' is DOC.
- There are few, large accommodation developments.
- Nelson city contains most of the accommodation and is a gateway to the rest of the region.
- The surrounding region's main strengths are its national parks, and the adventure experiences, arts/culture and lifestyle that it offers.
- There has been significant new investment in the park's tourism businesses from outside the region since 2002.
- There is a large number of kayaking companies.
- There is high seasonality in terms of demand.
- Tourism has become an important sector in Marahau.
- Marahau is a gateway and ATNP is the attraction.

4.3 FIORDLAND NATIONAL PARK

The following profiles were developed from DOC (2002), TRCNZ (2003) APR Consultants (2005), SGL Consulting Group (2005), Stuart et al. (2005), Tourism Resource Consultants (2005), and Venture Southland (2005).

4.3.1 Tourism concession characteristics

Fiordland National Park (FNP) is New Zealand's largest national park (over 1.2 million hectares) and was gazetted in 1952. It is also part of the Te Wāhipounamu – South West New Zealand World Heritage Area. The Fiordland area has been used for tourism from almost the time at which the first Europeans arrived in New Zealand. By the 1860s, Milford Sound was world famous, and by the 1900s the Milford Track was well established. The Tourist and Health Resort's Department (one of the world's first national tourism offices), established in 1901, saw the provision of subsidies for steamers on Lakes Manapouri and Te Anau, and on Milford Sound. The country's top resorts could be found at Milford Sound and Lake Te Anau by 1914.

The park, especially Milford Sound and the Milford Road corridor, was still a significant tourist attraction for international and domestic tourists in 2003, with a conservative estimate of half a million visitors to Milford Sound per year. The park is an integral component of the Queenstown-dominated Southern Lakes tourism 'product'. It is one of New Zealand's premier locations for outdoor and nature-based recreation and tourism activities. The park offers high-standard one-day and multi-day walking tracks, mountain wilderness, and the southwest fiords with their natural and historic interest. The lakes and rivers of the park provide numerous opportunities for power boating, water skiing, sailing, kayaking and fishing. There are many less heavily used tracks, routes and huts in the park that provide remote tramping opportunities for those with more backcountry experience and skills. Downhill skiing, off-road driving and mountain biking are not catered for in the park.

Activities in FNP are largely dictated by the constraints of nature, particularly the park's climate, rugged terrain, remoteness and inaccessibility—all of which place limits on levels and types of use. About 1.2 million visitors visit FNP per year. The main visitor season occurs from mid-October until the end of April, but the length of the season depends a great deal on the weather. The park's distance from large urban centres supports the perception of wilderness and remoteness that is a distinct drawcard for those who visit the park, and it has increasingly been identified by visitors as one of FNP's main attributes. The park does not have the same pattern of use as other protected natural areas with more accessible population catchments.

The park management plan recognises that any development of the township of Te Anau could significantly influence use patterns in FNP (DOC 2007). Any expansion of Te Anau's tourist accommodation might affect the degree of park use by visitors from Queenstown and might modify the visitation patterns to the park. Likewise, marketing initiatives such as the Southern Scenic Route might place increased pressure on existing recreation resources. Interest in the south of the park will also be accelerated with the development of the Hump Ridge Track and the recently completed South Coast Track upgrade.

Eighty-nine businesses were identified as undertaking concessioned activity in FNP (some businesses hold several concessions and offer a range of services). Products and services included a wide variety of guided activities (walking, kayaking, climbing, hunting, fishing); accommodation, including that associated with guided walking on two of the Great Walks; water, air and land transport; and attractions.

The most numerous type of concessioned activity was guiding. The majority of these concessions were held by businesses outside Southland (Table 6). Transport concessions were also numerous, reflecting the challenging topography and inaccessibility of the park. In particular, transport by boat was a distinct feature of recreation/tourism opportunities in FNP, and these services were frequently linked with other concessioned activities, such as transporting guided walking groups or visitors to the glow-worm caves.

Air transport is used by fishermen, hunters and divers, and for various other recreation or tourist activities. Milford Sound airport is by far the busiest place in the park for aircraft services, with about 7000 aircraft landings per year. Most of the landings were associated with scenic flights from Queenstown, which also involved a relatively high level of over-flight in the north of the park. The rest of the park received a generally low level of aircraft landings.

A range of commercial accommodation exists in the park. Great Walk guided-walk operators have built their own lodges on the Milford and Routeburn Great Walks. A motel/backpackers is available at Milford Sound and at Te Anau Downs, and there are cabins at Hollyford Camp.

Commercial activity in Fiordland (and increasingly the lower half of the South Island) is characterised by the products and services offered by Real Journeys, which began in the early 1950s. It has remained a privately-owned family business led by a chief executive. The company offers a range of services, including day and overnight cruises in the sounds, Te Anau Glowworm Caves, land transport, flight-seeing and other activities.

TABLE 6. BUSINESSES IN FIORDLAND NATIONAL PARK BY LOCATION OF BASE AND CONCESSION TYPE IN 2004.

Source: DOC Permissions Database (2004).

ACTIVITY TYPE	NUMBER OF BUSINESSES*					TOTAL
	TE ANAU	MANAPOURI	SOUTHLAND	NEW ZEALAND	OTHER COUNTRY	
Accommodation	3		1	3		7
Aircraft	6		2	5		13
Attractions	1					1
Boating	2	2	3	4		11
Guiding	13	5	4	32	3	57
Total	89	7	10	44	3	25

* Some businesses hold more than one concession.

The park's concessioned commercial activity is closely connected to commercial activity that is not concessioned. Its tourism industry is largely based around cruise boat activities occurring in Milford and Doubtful Sounds (at the time of writing, cruise ships did not require a DOC concession, only a council consent). Commercial transport services do not require a concession to use the Milford Road.

4.3.2 Regional tourism context

Nationally, Southland (resident population of 93 800, as at June 2003) is a secondary tourism destination and attracts small shares of New Zealand's visitor nights from both international and domestic visitors. Conservation areas are very important to Southland's tourism industry, with nearly 60% of the Southland region managed for conservation.¹¹ Almost all of Southland's iconic natural attractions and associated products are based in or around FNP, Rakiura National Park, the subantarctic islands and the Catlins.

The Southland region has a reasonable tourism infrastructure, with activity in the accommodation sector concentrated in hotels and motels, mostly in Invercargill and Te Anau. According to the data, most of the transport, recreation and cultural services were focused on servicing the resident population. Tourism was one of the main contributors to Southland's economy, providing employment for about 10% of the work force in 2003.

Tourism in the Southland region falls under two regional tourism organisations (RTOs): Fiordland RTO and Southland RTO.¹² The Fiordland RTO includes the Te Anau Ward of the Southland District territorial authority. In 2004, Fiordland had a resident population of 4690 persons, with Te Anau being the main urban area. Tourism and related activities dominated economic activity at that time, accounting for about 60% of the 1703 total workforce (Table 7). Te Anau is located at the edge of Lake Te Anau and, in 2001, had a usually resident population of 1854. Employment in tourism is the main driver for Te Anau.

In 2003, visitors spent \$369 million in the Southland region (this includes Fiordland). That same year, the Fiordland RTO reported 297 000 total international visits, with visitors spending \$57 million, and it received 157 000 domestic visits, generating a further \$35 million of expenditure. FNP is a mature group-tour destination and group travel is stronger in Fiordland than the rest of Southland, although free independent travel and semi-independent travel is picking up in Fiordland and the rest of Southland.

Tourism in Fiordland had a number of characteristics not found elsewhere. Visitor nights were dominated by holiday travellers (73% of all Fiordland visitor nights in 2003). Domestic visitors stayed on average more nights than international travellers did, international visitors made more day visits than domestic visitors did, but domestic visitor spending was higher than international visitor spending. The Fiordland region attracted more international visitors (65%) than domestic

¹¹ The West Coast is the only other region in the country with more conservation land, at 84%.

¹² Consequently, if a visitor came to both Fiordland RTO and Southland RTO, he/she would have made two RTO visits but only one visit to the Southland Regional Council. This means that the total number of visits to the RTO regions will usually be greater than the number of visits counted to the Southland region.