

Copyright is owned by the Author of the thesis. Permission is given for a copy to be downloaded by an individual for the purpose of research and private study only. The thesis may not be reproduced elsewhere without the permission of the Author.

START

MASTER MICROFICHE PRODUCED BY
MANAWATU MICROFILM SERVICES LTD
P.O. BOX 9094
PALMERSTON NORTH
NEW ZEALAND
PHONE (063)85 501

MASSEY UNIVERSITY

1. (a) I give permission for my thesis, entitled
An evaluation of the Role and Effects of Tourism
Policies on the Development and growth of the
tourist industry in New Zealand and in Fiji -
A comparative study,
to be made available to readers in the Library under the conditions
determined by the Librarian.
- (b) I agree to my thesis, if asked for by another institution, being sent
away on temporary loan under conditions determined by the Librarian.
- (c) I also agree that my thesis may be copied for Library use.

~~I do not wish my thesis to be available~~

to be made available to readers or to be sent to other institutions
without my written consent within the next two years

Signed

R. C. Seal

Date

17/5/87

Taal

* Strike out the sentence or phrase which does not apply.

The Library
Massey University
Palmerston North, N.Z.

The copyright of this thesis belongs to the author. Readers must sign their name in
the space below to show that they recognise this. They are asked to add their
permanent address.

Name and Address

Date

AN EVALUATION OF THE ROLE AND EFFECTS
OF TOURISM POLICIES ON THE DEVELOPMENT AND GROWTH
OF THE TOURIST INDUSTRY IN NEW ZEALAND AND IN FIJI
- A COMPARATIVE STUDY

A Thesis Presented in Partial Fulfilment
of the Requirements for the Degree
of Doctor of Philosophy in
Business Studies
at Massey University

ALIEU BADARA SAJA TAAL

1982

CONTENTS

	<u>Page</u>
<i>CERTIFICATION</i>	viii
<i>ACKNOWLEDGEMENTS</i>	ix
<i>LIST OF FIGURES</i>	x
<i>LIST OF TABLES</i>	xi-xv
<i>ABBREVIATIONS</i>	xvi
<i>ABSTRACT</i>	xvii-xxi

PART 1

CHAPTER 1 INTRODUCTION: TOURISM POLICY

RESEARCH, DESIGN AND STRATEGY

A	Introduction	1
B	Research Hypothesis	2
C	Method of Analysis	3- 7
D	Method of Research	8-13
	1) Observational Method	8- 9
	2) Interviews	9-10
	3) Official Documents and Statistical Records	10-13
E	Definition of Concepts	13-27
	1) Structure	13-14
	2) Function	14
	3) System	14
	4) Policy	14-15
	5) Development	15
	6) Tourism	15-18
	7) Tourism Policy	18
	8) Tourism Development	18
	9) Tourist	18-26
	10) Tourist Industry	26-27

PART II: New Zealand

CHAPTER 2 A HISTORICAL BACKGROUND TO GOVERNMENT

INVOLVEMENT IN TOURISM DEVELOPMENT IN

	<u>NEW ZEALAND</u>	28-53
--	--------------------	-------

A	Introduction	28
---	--------------	----

B	The Beginnings and Early Stages of Government in Tourist Industry Development: Pre World War II	28- 33
C	The Post World War II Period: Changes in Government Attitude - 1945 Onward	33- 50
	Conclusion	51- 53

<u>CHAPTER 3</u>	<u>THE EFFECTS OF GOVERNMENT POLICIES ON THE GROWTH AND DEVELOPMENT OF TOURIST ACCOMMODATION</u>	54- 79
	Conclusion	78- 79

<u>CHAPTER 4</u>	<u>THE "TOURIST PRODUCT": OF NEW ZEALAND - THE METHODS OF PROMOTION AND MARKETING</u>	80-108
A	Introduction	80- 81
B	The Major New Zealand Overseas Tourist Markets	82- 86
C	The Tourist Product of New Zealand and Visitor Activities	86- 89
D	Promotion and Marketing of New Zealand Tourism	90-107
	Conclusion	107-108

<u>CHAPTER 5</u>	<u>THE ROLE AND POLICY REQUIREMENTS OF THE TRANSPORT SECTOR OF THE NEW ZEALAND TOURIST INDUSTRY</u>	109-140
A	Introduction	109-110
B	International Air Passenger Arrivals	110-120
C	Air New Zealand	120-127
D	Domestic Air Transport	128-129
E	Road Transport	129-132
	1) The Rental Vehicle Service	130-131
	2) Coach Tour Service	131-132
F	Tourism Policies for the Transport Sector	133-137
	Conclusion	137-140

CHAPTER 6 NATIONAL PARKS AND RESERVES

MANAGEMENT POLICIES AND TOURISM

DEVELOPMENT IN NEW ZEALAND

	141-192
A Introduction	147-142
B Concept of National Parks	142-150
C The Evolution of National Parks in New Zealand	151-161
D Reserves and Domains	161-165
E Environmental Land Use for Tourism Development	166-181
F The Economic Importance of National Parks and Scenic Environmental Areas	181-191
Conclusion	191-192

CHAPTER 7 THE PERSONNEL AND TRAINING REQUIRE-

MENTS AND TRAINING ORGANISATIONS

AND POLICIES OF THE NEW ZEALAND

TOURIST INDUSTRY

	193-219
A Introduction	193-194
B The Employment Content and the Training Organisation of the Hotel and Catering Sector	195-199
C Training and Recruitment Problems of Personnel in the Hotel and Catering Sector	199-205
D The Employment Content of the Tourist and Travel Service Sector	205-212
E Training Problems for Personnel in the Tourist Industry	212-214
F The Types of Policies Governing Personnel Recruitment and Training for the Industry	214-218
Conclusion	218-219

PART III: Fiji

INTRODUCTION

220-221

CHAPTER 8 A HISTORICAL BACKGROUND TO THE
DEVELOPMENT OF THE TOURIST INDUSTRY
IN FIJI

222-244

- A Introduction 222
- B Historical Background of Tourism
Development in Fiji 223-227
- C Growth Trends of the Tourist
Industry 227-234
- D Tourism and the Economy 234-243
- Conclusion 243-244

CHAPTER 9 TOURIST ACCOMMODATION DEVELOPMENT
IN FIJI: POLICIES AND STRATEGIES

245-262

- A Introduction 245-246
- B The Hotel Aid Ordinance 246-250
- C The Pattern of Growth of the
Tourist Accommodation Sector 250-256
- Conclusion 257-262

CHAPTER 10 THE ROLE OF THE FIJI GOVERNMENT IN
TOURISM PROMOTION

263-278

- A Introduction 263-264
- B The Fiji Tourist Commission
and the Fiji Visitors' Bureau 264-272
- C Problems and Prospects 272-276
- Conclusion 276-278

CHAPTER 11 THE SIGNIFICANCE OF INTERNATIONAL
AIR TRAFFIC ARRIVALS TO THE
DEVELOPMENT OF THE TOURIST INDUSTRY
IN FIJI

279-299

- A Introduction 279-282
- B International Air Traffic Flow
and Tourist Development in Fiji 282-286
- C Civil Aviation Policies 287-289

D	The Effect of International Promotional Air Fares on the Tourist Industry in Fiji	289-290
E	The Role and Problems of Air Pacific	290-296
	Conclusion	297-299

CHAPTER 12	<u>THE EMPLOYMENT CONTENT AND TRAINING NEEDS OF THE PERSONNEL IN THE FIJI TOURIST INDUSTRY</u>	300-312
A	Introduction	300-301
B	Tourism Employment in Fiji	301-310
	Conclusion	310-312

PART IV

CHAPTER 13	<u>COMPARATIVE ANALYSIS OF TOURISM DEVELOPMENT IN NEW ZEALAND AND FIJI</u>	313-332
A	Framework for Comparative Analysis	313-315
B	Tourist Accommodation	316-319
C	Tourism Promotion and Marketing	319-324
D	Air Transportation	325-328
E	Tourism Employment and Personnel Training	328-332
	Conclusion	332

CHAPTER 14	<u>CONCLUSION: THE EVALUATION OF TOURISM POLICY IMPACT: A STRUCTURAL AND FUNCTIONAL APPROACH</u>	333-368
A	Tourism Policy Evaluation Process	333-335
B	Tourist Accommodation Development Policies	336-343
C	Evaluation of Tourism Promotion Policies	343-352
D	Evaluation of Tourist Industry Personnel Training Policies	352-359
E	Evaluation of Tourist Transport	

Policies	359-364
1) International Air Transport Policies	359-363
2) Other Tourist Transport Policies	363-364
F Tourism and National Park Policies in New Zealand	365
Conclusion	366-368

APPENDIX 369-393

BIBLIOGRAPHY 394-409

CERTIFICATION

I certify that this is my own original work.
It has not been submitted for any degree at
any other university. The conclusions arrived
at in the thesis represent my own judgement.

ACKNOWLEDGEMENTS

A work of this nature is not due to the efforts of the author alone. Many people have assisted me in various ways. I am grateful to my supervisors Professor Ralph Ngatata Love and Professor George Hines of the Business Studies Faculty, Massey University.

I am also grateful to Dr J A Bennett for her contributions towards the final draft of this thesis.

I also wish to thank Mrs Jan Gopperth of Woodville for typing the final draft of this thesis.

LIST OF FIGURES

<u>Figure</u>		<u>Page</u>
1	A Macro-Model for Functional and Structural Analysis of Government Policies.....	5
2	A Diagram Illustrating the Interplay Between Tourism Policies and Tourism Organisations and Tourism Development Areas Using a Structural-Functional Framework.....	7
3	Graph Showing Percentage Change of Hotels and Hotel Rooms over Previous Years, 1969-1980.....	68
4	Graph Showing Percentage Change of Motels and Motel Units over Previous Years, 1969-1980.....	69
5a	Development of Facilities Area, Home Bay, Lake Waikaremoana, Urewera National Park.....	147
5b	Development of Facilities Area, Home Bay, Lake Waikaremoana, Urewera National Park.....	148
6	An Indicative Diagram for Environmental Land Use Development and Management and Tourism Development.....	167
7	Major South Pacific Tourist Destinations and Air Routes.....	285

LIST OF TABLES

<u>Table</u>	<u>Page</u>
(i) Maximum Hotel Tariffs During the Period of Price Control, 1949-1960, New Zealand.....	38
(ii) Revenue Accounts and Accommodation Returns Average Gross Income from Sales (Pounds) New Zealand, 1956.....	39
(iii) Estimated Expenditure on Food and Accommodation by Overseas Visitors, Year Ended 31 March 1977.....	56
(iv) Total Employment in the Tourist Accommodation Sector in New Zealand, October 1977.....	57
(v) Area and Capital Cost Requirement for Hotels in New Zealand, 1978.....	71
(vi) A Selective Regional Indicator of Monthly Hotel Room Occupancy, 1980-1981, New Zealand.....	73
(vii) Major Market Areas in Terms of Visitor Arrivals and Annual Percentage Changes in New Zealand, 1977-1981.....	83
(viii) Number and Percentage Distribution of Visitor Type to New Zealand, Year Ended February 1980 and 1981.....	85
(ix) A Sample of the Market View of the Tourism Facilities in New Zealand.....	88
(x) Promotional Expenditure for New Zealand Travel in the Five Major Market Areas, 1977-1978 (\$NZ).....	90

List of Tables (Cont'd)

<u>Table</u>	<u>Page</u>
(vi) Tourist and Publicity Department Vote Summary (\$NZ000).....	97
(xii) A Sample of Promotion and Advertising Cost in North America.....	101
(xiii) Visitor Arrivals by Mode of Travel, Year Ended 1970-1981.....	111
(xiv) Trans-Tasman Fares, January 1981 and June 1982, Return (\$AUS).....	116
(xv) Air Fares from Sydney-San Francisco, August 1979 and June 1982 (\$AUS).....	117
(xvi) Some Promotional Air Fares in the Trans- Pacific, Trans-Tasman and Trans-Atlantic Routes, June 1981 and June 1982.....	118
(xvii) Financial Results of Some Major Airlines Servicing the Pacific, 1980.....	123
(xviii) Domestic Services Including Taxi, Charter and Scenic Flights - Passengers Carried from 1976-1980 (Excludes Scheduled Passenger Services).....	129
(xix) Rental Vehicles Capital Investment and Revenue for the Year Ended 31 March 1970- 1982.....	130
(xx) Privately and Company Operated Coach Services in New Zealand for the Year Ended 31 March 1970-1982.....	132

List of Tables (Cont'd)

<u>Table</u>	<u>Page</u>
(xxi) Land Acquired Under the Scenic Preservation Act in 1939.....	162
(xxii) Number and Area of National Parks, Reserves and Domains in New Zealand, 1980.....	165
(xxiii) Employment Structure of Queenstown Borough, 1960-1977.....	183
(xxiv) Income Derived from Government Grants, Donations and from Certain Park Activities, 1977-1978, Year Ended 31 March 1978.....	185
(xxv) Visitors to New Zealand National Parks, 1970-1977.....	188
(xxvi) National Parks of New Zealand, Size Area - 1977, Number of Visitors - 1975-1976, and Hectares per Visitor.....	190
(xxvii) Employment Data on Restaurants and Hotels in New Zealand, 1974-1979, Year Ended April.....	195
(xxviii) New Zealand Tourist Accommodation and Catering Sector Employment Level and Percentage Projections, 1978-1982.....	203
(xxix) Employment Levels and Projections, 1978-1988, Travel and Tourist Services.....	207
(xxx) Visitor Arrivals in Fiji, 1965-1969, Excluding Cruise Liner and Through Passengers.....	229

List of Tables (Cont'd)

<u>Table</u>	<u>Page</u>
(xxxi) Visitor Arrivals in Selected Pacific Destinations, 1970-1975.....	220
(xxxii) Gross Domestic Product by Activity at Constant Prices of 1977 (At Factor Cost) (\$F000).....	235
(xxxiii) Fiji Foreign Exchange Earnings from Tourism and Major Export Earnings, 1971-1979 (\$F million).....	237
(xxxiv) Value of Imports of Tourist Goods in Fiji 1971-1979 (\$F000 c.i.f.).....	239
(xxxv) Wage and Salary Earners in the Wholesale and Retail Trades and Restaurants and Hotels - Numbers and Percentage Changes: 1971-72 to 1979-80.....	242
(xxxvi) Fiji Visitors' Bureau Income and Expenditure Account for the Year Ended 31 December 1976 and 1977.....	268
(xxxvii) Visitor Arrivals to Fiji by Mode of Travel, 1973-1980.....	283
(xxxviii) Shareholders and Percentage Distribution of Shares in Air Pacific Limited, 1978.....	291
(xxxix) Air Pacific Visitor Comparative Statistics on Operations.....	293
(xxxx) A Comparative Breakdown of Expense Items 1977 and 1978, Air Pacific Limited.....	295

List of Tables (Cont'd)

<u>Table</u>	<u>Page</u>
(xxxxi) Number of Persons Employed, Trained, Undergoing Training and Number Required to be Trained - Fiji Hotel and Catering Industry, 1978.....	305
(xxxzii) Number of Students Enrolled in 1978 - School of Food and Fashion.....	309
(xxxziii) Percentage Change in Number of Visitor Arrivals in Selected Destinations, 1981.....	323

ABBREVIATIONS

ABC	.....	American Broadcasting Corporation
CBS	.....	Columbia Broadcasting Service
FNTC	.....	Fiji National Training Council
GDP	.....	Gross Domestic Product
IATA	.....	International Air Transport Association
ICAO	.....	International Civil Aviation Organisation
NBC	.....	National Broadcasting Corporation
NZ	.....	New Zealand
NZCC	.....	New Zealand Certificate of Commerce
OECD	.....	Organisation for Economic Co-operation and Development
TITC	.....	Travel Industry Training Council
UK	.....	United Kingdom
UFTAA	.....	Universal Federation of Travel Agents Association
VTC	.....	Vocational Training Council

ABSTRACT

This thesis is an examination of the proposition that tourism development is to a great extent dependent upon the effectiveness of government tourism policies and government tourism organisations. Put another way, the greater the degree of effectiveness of tourism policies and organisations, the greater the degree of tourist industry development. Tourism policies and organisations are seen here as playing functional roles towards the development of the tourist industry.

There are two basic hypotheses to be tested in the thesis, namely:

- (a) There are causal relations between tourism organisations and policies, and tourist industry development.
- (b) There are evaluable functions that tourism policies and organisations play in the development of the tourist industry.

To test the validity of the above propositions, government tourism policies and organisations in New Zealand and Fiji are researched, analysed and evaluated.

A Method of Analysis

The method of analysis used in the thesis is based on structural functionalism. This method of analysis is a derivative of systems analysis. This approach is suited to the study of the function of tourism policies and organisations because it enables one to identify the activities of the tourist industry as a system with structures and functions. It also enables one to identify and isolate the relevant tourism policies and the "activity areas" for which policies are formulated and to evaluate the role or functions which they play in the development of the sectors or activities of the tourist industry. The model also allows for the identification of interest groups or pressure groups and the effects these have on politicians who make governments that create policies.

The starting point in this method of analysis is to view the tourist industry as an on-going system generated by structures, activities and processes, including tourism policies which perform functions for the maintenance and development of the whole tourist industry system.

The method of analysis also allows for the study and evaluation of factors and interests that influence policies, such as political forces, pressure group forces, economic considerations and other human factors.

B Research Method

To evaluate the role and effectiveness of tourism policies and organisations, their application and effects in the following sections have been examined, both for New Zealand and Fiji:

- Tourist Accommodation
- Tourist Transportation
- Promotion and Marketing
- Personnel Training and Recruitment

In the New Zealand study, national park policies and organisations have also been examined as a special area study to highlight the problem between tourism development and public policies that are designed for national park land use.

C Findings

The case studies show that tourism policies and organisations can be isolated and evaluated in terms of the effects they have on the sectors and activities they are designed for. In the research and analysis of the tourism policies concerned with the growth and development of the tourist accommodation sector in New Zealand and Fiji, it was found that growth in the sector had occurred in the period after the government had provided policies to aid

the growth of tourist accommodation. In the New Zealand study, it was found that the 1962 government budget was regarded as a turning point in the history of the development of the tourist industry. The effects of the budget are discussed in Chapter 3. The budget provided a \$4,000,000 loan guarantee scheme for hotel development and relaxed the restrictions on the repatriation of foreign capital. From the scheme, a total of 1,420 beds were provided in the vital tourist centres of Auckland, Rotorua and Wellington.

The New Zealand government loan and guarantee scheme was continued until 1973 when it was abandoned. Between 1972 and 1974, the hotel accommodation sector in New Zealand experienced a decline in both the number of hotels built and the number of hotel rooms. The details of this decline are illustrated in graph 3 of Chapter 3. But when the loan and guarantee scheme was reintroduced by the New Zealand government in 1976, which provided for \$14,775,000 in the form of guarantees and \$13,918,000 in the form of loans, a growth in the number of hotels and hotel rooms followed. These sums helped finance twenty tourist accommodation projects that provided 3,493 beds. The detailed effects of these policies are discussed in Chapter 3 of the New Zealand case study. It would suffice here to mention that not all tourism policies have had such dramatic effects of stimulating the growth of a particular sector of the industry. The analysis on the growth and development of the tourist accommodation sector

in Fiji shows that although at the initial stages when the Hotel Aid Ordinance was passed, it stimulated a growth in hotel investment and growth in the number of rooms and beds. There also have been periods of decline in the rate of growth of hotel rooms and beds while the hotel aid policy was in operation. The decline in the rate of growth of hotel rooms and beds in Fiji was, however, due more to the effects of decline in the rate of growth of visitor arrivals than to the ineffectiveness of the hotel aid policy. The details of the effectiveness of the hotel aid policy in Fiji are discussed in Part III, Chapter 9 of the Fiji case study.

The conclusion is that in both New Zealand and Fiji tourism policies and organisations are designed to play functional roles in the growth and development of the tourist industry in the respective countries. These policies can be evaluated by examining the direct and indirect effects they have on the respective sectors and activities of the industry they are designed for. These effects are evaluated as the outputs of policies or the functional effects of tourism policies and organisations.

The case studies show that tourism policies and organisations are basically instrumental to the development of the tourist industry. It is the extent of instrumentality or functionality that this thesis seeks to establish through the evaluation of some tourism policies and organisations in New Zealand and in Fiji.