Research Paper

Destination management in New Zealand: Structures and functions

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A B S T R A C T

This article seeks to explain why structural differences occur with destination management in New Zealand and to examine the benefits and disadvantages of particular structures. Drawing on the analysis of a wide range of documents and in-depth interviews with practitioners, these issues are analyzed by taking a functional approach, one which views functions as the building blocks of destination management, takes into account a range of associated functions and considers the various organizational structures through which these are delivered. No one model of destination management exists. Rather, the country’s administrative regime permits a mix of statutory and discretionary functions to be carried out under a range of different structures which have been adopted by local governments and the tourism sector in each destination depending on local or regional circumstances. Different views prevail as to which functions are important, whether they should be carried out by specialized organizations or units or brought together in multi-functional bodies.

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1. Introduction

Considerable variation occurs throughout New Zealand in the organizational and inter-organizational framework for destination management and the ways and extent to which aspects of destination management are undertaken. In some instances all or most destination management functions are carried out by territorial local authorities (city and district councils); in others, a more complex set of structural arrangements are found in which the role of councils is complemented by the work of regional tourist organizations (RTOs), economic development agencies and macro-regional marketing alliances. The destination management landscape is dynamic: from time to time the respective functions of councils and RTOs may be expanded or pared back; RTOs periodically move inside and outside of council structures; occasionally they disappear altogether. This variation and state of flux suggests there is an ongoing tension regarding destination management as each destination seeks to find the most appropriate structure. This article seeks to explain why these structural differences arise and to examine the benefits and disadvantages of particular structures. These issues are analyzed by taking a functional approach, one which views functions as the building blocks of destination management, takes into account a range of associated functions and considers the various organizational structures through which these are delivered. In doing so, it moves beyond the New Zealand case to address broader issues about the nature of destination management and how this is organized.

2. Literature review

2.1. Structures and functions

Longjit and Pearce (2013) present a conceptual framework of destination management based on three inter-related features of management: purpose or goals, activities or functions and structures or organization. Activities or functions are undertaken to achieve a particular purpose or set of goals. Where multiple functions are needed to achieve this they are generally differentiated by specialization tasks and then integrated horizontally or vertically in some organizational structure (Hodge, Anthony, & Gales, 2003) or inter-organizational framework (Pearce, 1992). Organizations may be mono-functional and specialize in a particular function (e.g. marketing, planning, development, visitor servicing) or multi-functional and carry out several (Pearce, 1992; ROS Development and Planning, 2008). Functions can be classified in other ways. Twyoniak (1998), (cited by Marsat, Guerra, & Lepinay, 2010), proposes a threefold typology of the competences of an organization:

- elementary or operational competences;
- intermediate level or functional competences (R & D, production, marketing…); and
- upper level: interfunctional (e.g. quality control) or general competences (coordination, decision-making, incitement…).
Functions might also be distinguished in terms of whether they are statutory or discretionary, that is, whether organizations are mandated, or not, to perform a particular function or are free to do so if they choose (D’Angella, De Carlo & Sainaghi, 2010; Dredge, Ford, & Whitford, 2011; Gerbaux & Marcelpooi, 2006; Pearce, 1992). Further distinction might be made between enabling and regulatory functions, between those which encourage some activity or development and those which control or restrict it (Ruhanen, 2013; Simmons & Shone, 2002). The relationships between the units or organizations responsible for particular functions may be formal and tightly structured or informal and loose (Ruekert & Walker, 1987). These relationships may be dyadic, networked or take some other form (Longjit & Pearce, 2013).

Approaches to destination management, whether in terms of research or practice, also depend on one’s concept of a destination. This study follows Pearce (2014a, p. 149) who conceptualized a destination as ‘a dynamic, geographically based mode of production which provides interdependent and complementary products to tourists and transforms the spaces and places in which this production occurs’. In particular, attention is given to the interdependent and complementary nature of destination management functions and to the geographical or territorial context in which destinations are embedded, two key features which influence destination management structures.

What functions then does destination management involve? This depends in large part on the particular stream of literature considered: core destination management studies, more specific papers relating to DMOs (destination marketing or management organizations) and the related literature on the role of local government in tourism. Each of these streams includes multiple functions, with differing weight given to them.

2.2. Core destination management functions

Table 1 summarizes the key functions of destination management drawn from core studies in this field, that is those which focus specifically on destination management. The table should be regarded as indicative as some variation in terminology occurs from one study to another. Moreover, a specific function such as destination marketing can incorporate a range of activities. The functions are listed in the order in which they recur. Recurrence is an ordering device; it provides an indication of the frequency with which the different functions are cited but does not necessarily imply the relative importance of these. Multiple listings of particular studies indicate the different functions mentioned in the more comprehensive definitions or concepts.

In this core literature, destination management is generally portrayed as an over-arching process or approach which addresses the need to manage the diverse facets of a destination. It is most commonly expressed in terms of the upper level process of coordinating and integrating the management of supply and demand, functions and resources or a process which involves the collaboration, cooperation and interrelationships of relevant agencies or stakeholders. As Table 1 shows, there is general agreement that destination management involves multiple functions. The number and type of these vary from study to study but most frequently relate to destination marketing, positioning and branding; destination planning, monitoring and evaluation; product development; resource stewardship and environmental management; research, information management and knowledge-building; and various aspects of visitor management. Other functions are listed by only one or two studies, for example, lobbying (Laesser & Beritelli, 2013) or information provision (Pearce & Schänzel, 2013). There is relatively little debate in these studies over which functions are relevant or not. The studies cited here are primarily normative; they generally indicate what functions should be undertaken rather than those which are actually being carried out in a particular destination.

2.3. DMO functions

A second stream of literature relates to the functions of DMOs. The issues here mainly revolve around whether the term DMO refers to destination marketing organizations (the initial application), to more recent usage as destination management organizations, to destination marketing and management organizations or to some other related organization (e.g. ente turistico, ROS Development and...
This is not simply a question of semantics but also a question of the extent to which the title reflects the basic functions undertaken by the organization. Table 2 depicts the functions of DMOs (variously described) using the same procedure as for Table 1 but focusing on more specific reference to these organizations. Destination marketing is the most frequently cited function of DMOs, followed by relationship building and coordination, where DMOs are seen to play a key role, and product development. However, fewer studies see destination planning and resource stewardship as a function of DMOs. Destination management now appears as a separate category but not a frequently cited nor over-arching one.

Again, many of these studies are normative in nature, expressing what DMOs should or might do. The comprehensive set of external destination marketing and internal destination development activities put forward by Presenza, Sheehan, and Ritchie (2005), for example, constitutes a list of “possible” activities developed in their attempt to model the roles of destination management organizations. Empirical studies from North America have drawn attention to the difficulties faced by destination marketing organizations attempting to expand their role to include various destination management functions (Getz, Anderson, & Sheehan, 1998; Gretzel, Fesenmaier, Formica, & O’Leary, 2006). Getz et al. (1998) identified a planning policy gap between destination marketing and destination development in Canada due to the constraints faced by CVBs, such as lack of direct control over products or issues of competition should they develop their own products and the more political nature of involvement in the supply side compared to marketing. The functions of Spanish DMOs have evolved over time: an initial focus on providing information was complemented in the 1960s and 1970s with marketing and organizing small events, and in the 1980s with planning (ROS Development and Planning, 2008). That report also notes a more recent trend in large cities towards specialization. Pike and Page (2014, p. 205) go so far as to argue:

‘using the term Destination Management Organization as a generic descriptor is unhelpful in adding clarity and purpose to the discussion of the DMOs’ role because it confuses the perceived need for management with the largely marketing function they actually undertake...a DMO is an organization responsible for marketing of an identifiable tourism destination with an explicit geographical boundary.’ (emphasis added)

In other words, for Pike and Page destination marketing is a completely separate phenomenon from destination management, rather than one of the components of the latter as the core destination management literature proposes.

### 2.4. Tourism and local government

The broader question which arises when comparing the differences between Table 1 and Table 2 is who, if anyone, is carrying out functions deemed to be necessary for destination management if they are not undertaken by a destination marketing/management organization? Some of the answers to this question are found in a third stream of literature, that on tourism and local government. This stream is rather diverse but raises a range of critical points. Foremost amongst these is that it widens the debate away from a narrow sectoral view of destination management to a broader consideration of how destinations are managed in terms of the territories in which they are embedded (Barrado Timón, 2004; Marsart et al., 2010; Gerbaux & Marcelpoli, 2006). That is, tourism is generally but one activity which occurs in any place and as a consequence destination management must be considered alongside that of other sectors (e.g. residential, commerce, transport, other services, manufacturing…) and the place as a whole. Such a perspective gives prominence to other functions. In particular, the emphasis shifts to spatial planning, policy making, provision of infrastructure and utilities and management of public good assets such as parks, museums and galleries. Statutory responsibility for these functions vary by jurisdiction but generally belongs to some form of local government (Dredge et al., 2011; Jenkins, Dredge, & Taplin, 2011). Local government (communes) in France also has statutory responsibility for the

### Table 2
ADM functions.

<table>
<thead>
<tr>
<th>Functions</th>
<th>Authors</th>
</tr>
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<tbody>
<tr>
<td>Relationship building/coordination/facilitation</td>
<td>Bornhorst et al. (2010), Crouch and Ritchie (1999), Elbe et al. (2009), Heath and Wall (1992), Presenza et al. (2005), Prideaux and Cooper (2002), Sheehan et al. (2007), and WTO (2007)</td>
</tr>
<tr>
<td>Product development/development activities</td>
<td>Baggio (2008), Bieger et al. (2009), Bornhorst et al. (2010), Osmankovic et al. (2010), Pechlaner et al. (2012), Socher (2000) and WTO (2007)</td>
</tr>
<tr>
<td>Destination planning, strategy formulation</td>
<td>Baggio (2008), Bornhorst et al. (2010), Heath and Wall (1992), Pechlaner et al. (2012), Jenkins et al. (2011) and WTO (2007)</td>
</tr>
<tr>
<td>Resource stewardship, environmental management</td>
<td>Bornhorst et al. (2010), Presenza et al. (2005) and ROS Development and Planning (2008)</td>
</tr>
<tr>
<td>Human resource development, training</td>
<td>Presenza et al. (2005), ROS Development and Planning (2008) and WTO (2007)</td>
</tr>
<tr>
<td>Destination management</td>
<td>Bornhorst et al. (2010), Crouch and Ritchie (1999) and Gretzel et al. (2006)</td>
</tr>
<tr>
<td>Quality assurance</td>
<td>Osmankovic et al. (2010) and ROS Development and Planning (2008)</td>
</tr>
<tr>
<td>Information provision and reservations</td>
<td>Bieger et al. (2009), ROS Development and Planning (2008) and WTO (2007)</td>
</tr>
<tr>
<td>Research, information management and knowledge-building</td>
<td>Osmankovic et al. (2010) and Presenza et al. (2005)</td>
</tr>
<tr>
<td>Visitor management, managing the visitor experience</td>
<td>Bornhorst et al. (2010) and Presenza et al. (2005)</td>
</tr>
<tr>
<td>Business support</td>
<td>Baggio (2008) and Bornhorst et al. (2010)</td>
</tr>
<tr>
<td>Policy making or enforcement</td>
<td>WTO (2007)</td>
</tr>
<tr>
<td>Destination and site operations</td>
<td>Presenza et al. (2005)</td>
</tr>
<tr>
<td>Crisis management</td>
<td>Presenza et al. (2005)</td>
</tr>
<tr>
<td>Assistance with accessing finance</td>
<td>Bornhorst et al. (2010)</td>
</tr>
<tr>
<td>Enhance well-being of destination residents</td>
<td>ROS Development and Planning (2008)</td>
</tr>
</tbody>
</table>
offices de tourisme (information provision) and for management of ski lifts, though the latter is frequently delegated to a concessionnaire (Escadafal, 2007; Gerbaux & Marcelpoil, 2006; Marsat et al., 2010). Other organizations such as regional planning agencies or departments responsible for managing coastal or protected natural areas may also be involved alongside local authorities in aspects of destination management (Longiet, & Pearce, 2013).

Studies in urban tourism in particular have drawn attention to the way in which and extent to which planning and policy making for tourism is integrated, or not, with broader urban plans, policies and management (Evans, 2000; Hinch, 1996). Other research on tourism and local government has examined the linkages between functions. Bramwell and Rawding (1994, p. 431) suggested that a trend in industrial cities in Britain towards the creation of corporate city marketing organizations might integrate tourism promotion with other city marketing policies and objectives but make it harder to ‘coordinate marketing with the policies and practice in the economic, social, development and planning spheres’. Conversely, Palmer (1996) found a greater degree of inter-functional co-ordination within local authorities where public-private tourism development companies had been established.

Rather than being framed as studies of destination management, much of this stream of research focuses on particular functions such as marketing and planning or on an issue such as sustainability. Dredge et al. (2011), for example, portray destination management as one of the three pillars of sustainable tourism management alongside destination development and destination marketing. Marsat et al. (2010) is one of the few studies which takes a comprehensive, multi-functional view of destination management (management stratégique de destination touristique) and considers the links between local government functions and territorial management.

2.5. Destination management structures

As Sections 2.2–2.4 have shown, the core destination management literature identifies a range of destination management functions (Table 1) whereas the research streams dealing with DMOs (Table 2) and local government each focus on a smaller set of functions which they commonly undertake. However, both the core destination management studies and the organizational literature emphasize the need for multiple functions to be coordinated and integrated for ‘the better management of the destination’ (WTO, 2007) and to achieve an organization’s goals (Hodge, Anthony, & Gales, 2003). The relative lack of integration between the three research streams outlined in Sections 2.2–2.4 is paralleled by the paucity of research which examines the organizational structures needed to deliver multiple functions when a broad view of destination management is taken. Studies which deal with organizational or inter-organizational structures and relationships often do not address the functions being carried out (Bodega, Cioccarelli, & Denicolai, 2004) or focus on particular functions such as destination marketing (Beritelli, Bieger, & Laesser, 2014; Elbe, Hallén, & Axelsson, 2009; Prideaux & Cooper, 2002).

Pike and Page (2014) note that the perceived need for the management of destinations might be met by linkages between destination marketing organizations and territorial local authorities before concentrating on the former. Some studies though do go further in linking structure and function. Functions vary with scale from local organizations through to national and international ones (Bieger, Beritelli, & Laesser, 2009; Pearce, 1992; Spyridis, Fletcher, & Fyall, 2013; Spyridis et al., 2013, p. 82) observe that: ‘At a regional level, dual structures are also present, where regional or local government departments constitute the senior policy-making element with subsidiary bodies to take charge of operations, which in the majority of cases is external marketing’. Socher (2000) argues that because marketing and product development exhibit different forms of market failure, different forms of organization with different funding mechanisms are needed to deliver these functions.

The ROS Development and Planning (2008) study of the Spanish situation assesses the advantages and disadvantages of various organizational models for destination management. The comprehensive model (modelo integral) enables all functions to be brought together in one organization and may be especially suitable for small and medium destinations. However, difficulties may be experienced carrying out the functions, staff may lack sufficient specialized knowledge and the risk of political interference increases as functions associated with public goods are included. On the other hand, organizations specializing in one or more specific functions may be more efficient, they can focus on particular goals with suitably qualified staff and budgetary control may be easier but such specialization may also make it difficult to obtain an overall vision for the destination and new opportunities may be neglected as being unprofitable. Opportunities to include the private sector vary across the two models.

2.6. Overview of functions and structures

In summary, comprehensive destination management requires multiple functions to be undertaken in a coordinated and integrated manner. However, analysis of such coordination and integration is complicated by the various inter-related ways in which functions can be conceptualized and structured. Functions can be viewed in terms of the actual nature of the activity (Tables 1 and 2) and whether they constitute elementary, intermediate or upper level competences (Twyoniak, 1998), are statutory or discretionary, and enabling or regulating. In addition, these functions may be carried out by mono-functional organizations which specialize in performing a particular task or by multi-functional ones which undertake several. Organizations may focus on tourism alone, such as DMOs, or have much broader responsibilities, as is the case with local government. Coordination and integration can thus refer to bringing different tourism functions together (e.g. tourism planning and destination marketing) and/or linking tourism functions with those of other sectors (e.g. incorporating planning for tourism in territorial planning or combining destination marketing with place marketing).

Structurally, these considerations raise a set of inter-related questions:

- What different functional structures exist, what are the functions performed and what factors influence these?
- What are the perceived advantages and disadvantages of different functional structures?
- Are particular functions best carried out together by some multi-functional organization or distributed amongst a set of different organizations or organizational units?
- How is functional coordination and integration achieved?

These questions are addressed in the New Zealand context.

3. Method

As the literature review has shown, different functions of destination management are likely to be undertaken by different organizations. In particular, studies of DMOs and local government tend to report and emphasize different functions and structures (Sections 2.3 and 2.4). A major challenge therefore in attempting to take a more comprehensive approach to destination management is to select examples that cover a range of situations and to
collect information that enables a good understanding of both organizational structures and functions performed by the relevant organizations or agencies to be understood. In New Zealand there are 30 RTOs (regional tourism organizations, the New Zealand form of destination marketing organizations) and 67 territorial local authorities (TLAs): 11 city councils, 50 district councils and 6 unitary councils. Other studies on related topics have focused on case studies of particular regions (Simmons & Shone; 2002; Zahra, 2011) or are based on a nation-wide survey of TLAs on a specific theme (Connell, Page, & Bentley, 2009). The former provide some depth but through their limited focus do not allow any commonalities or differences to be identified; the latter reports national patterns but does not flesh these out or illustrate them with particular examples. This study adopts an intermediate course; it examines local government and RTO participation in destination management in 14 selected destinations based on the compilation and analysis of documentation and interviews.

As the RTOs are the most visible tourism body at the regional or local destination level the selection of destinations began with an analysis of their websites to identify those which had prepared some form of tourism strategy or plan or indicated some other destination management related activity. Discussions with the national RTO body (RTONZ) also assisted with this selection by suggesting RTO managers who might be particularly knowledgeable about the theme. With this initial selection made, the websites of the relevant councils were then scanned to identify any documents potentially relating to destination management. The final selection included a range of destinations: large urban

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**Fig. 1.** Main destination management structures in New Zealand.
centres (Auckland and Wellington), middle order cities (Dunedin and Hamilton); major destinations (Rotorua and Queenstown) and more rural districts (e.g. Central Otago, Coromandel Thames).

The RTO documents compiled from their websites or during field visits consisted of tourism plans, strategies, annual reports and statements of intent while those from the council included statutory and non-statutory plans and economic development strategies. Analysis of these documents enabled an assessment of:

- the structure and functions of the RTOs and their formal links with local government;
- the extent to which there is explicit recognition of destination management in these documents and the form this takes;
- the alignment of any tourism/destination specific policies, plans or practices with broader ones of local government; and
- the way in which tourism/destination issues are incorporated in the broader policies, plans and practices of local government when no tourism/destination specific ones were found.

The compilation and analysis of documents were complemented by twenty-five in-depth semi-structured interviews conducted in late 2013 with CEOs, managers, planners and business leaders from the key tourism/destination organisations.
development advisors from RTOs, councils and economic development agencies (EDAs – some of which are responsible for RTOs). These interviews provided additional information and insights from those directly involved. The interviews were guided by a series of open questions relating to their concept of destination management, how their organizations were structured, what functions they undertook and how they considered these, what links they had with other organizations and how these were viewed. The interviews lasted on average an hour, were audio-recorded and transcribed. The transcribed responses were compiled into a single file, read and re-read to identify and code key themes which were then sorted using NVivo and systematically reviewed. For reasons of space, the respondents’ views on destination management per se and a more detailed analysis of functional matters will be reported elsewhere.

This focus on a diverse selection of destinations using these two sources of information has enabled a balanced approach to destination management to be taken in which information obtained from formal documents is complemented by insights from those involved. The interviews, for example, were particularly useful for providing insights into the way in which the formal structural linkages outlined in the various documents are complemented by more informal working relationships. This approach has required some trade-off between depth and breadth – not all RTOs and TLAs were included, nor were the roles of regional councils and of the Department of Conservation, the national agency responsible for protected areas, examined. While the sample is varied, the selection process will have included destinations with more active destination management functions and may therefore overstate the amount of destination management being undertaken throughout the country as a whole.

4. Results: destination management in New Zealand

Taking ‘a lead role in destination management by forming partnerships with key stakeholders’ was one of four strategic aims put forward in the 2003 Local Government Tourism Strategy (Local Government New Zealand, 2003, p. 11). In elaborating on this aim the strategy identified multiple functions of destination management, the central role of territorial local authorities (TLAs) and the involvement of other agencies:

In association with the Department of Conservation, local government is the cornerstone of destination management in New Zealand. Destination management is essentially about cross agency co-operation in areas of planning, provision and functioning of information centres, management of infrastructure, Regional Tourism Organisation[RTO]/private sector marketing activities and site management.

These functions need to be seen in the context of the broader purpose and role of local authorities in New Zealand. Local government is subject to national legislation which has been frequently amended with an emphasis this century on greater consultation, accountability and efficiency. Under the Local Government Act 2002, TLAs were ‘to play a broad role in promoting the social, economic, environmental, and cultural well-being of their communities...through the prudent use and stewardship of community resources’. Amendments to the act in 2012 encouraged councils to focus on their core services, with their purpose being restated as ‘to meet the current and future needs for good quality local infrastructure, local public services, and performance of regulatory functions’ in a cost-effective way. The 2002 Act required local authorities to publish and update a 10-year Long-Term Council Community Plan (LTCCP), subsequently amended to Long-term Plan (LTP). Douglas (2007, p. 13) concluded that: ‘Through the LTCCP process there is at last acceptance that Local Government strategic planning...is the most senior function of local government’. Winfield (2007), however, was more circumspect in his assessment, noting a range of challenges to strategic planning by councils, including consistency with district plans. Under the Resource Management Act (1991) local authorities must prepare a district plan which sets out how ‘the effect of using, developing and protecting the district’s natural and physical resources will be managed in the future’. These statutory documents may be guided by other non-statutory strategies and policies.

4.1. RTOs, marketing alliances and i-SITES

Considerable variation occurs throughout New Zealand in the organizational and inter-organizational framework for destination management (Figs. 1 and 2) and the ways and extent to which different functions are undertaken. RTOs vary in size and structure but their prime function is destination marketing. RTOs may exist within the TLA (Fig. 1a), being located within such units or departments as Economics and Regulatory (Rotorua) or Community Services (Central Otago). In other instances RTOs may be established at arm’s length as Council Controlled Organizations (CCO) (e.g. Positively Wellington Tourism, Tourism Dunedin, Destination Great Lakes Taupo) or some form of not for profit entity such as a trust (e.g. Tourism Bay of Plenty) which are governed by independently appointed directors (Fig. 1b). These RTOs are funded primarily, if not exclusively, by councils to undertake functions specified in a statement of intent. For example, the role of Destination Great Lakes Taupo (DGLT), is:

… to ensure that the greater Taupo region is marketed as a visitor destination so as to maximize the long-term benefits of the Taupo regional economy. Its specific functions are to develop, implement and promote strategies for tourism as a wider Taupo region. (DGLT, 2013, p. 1)

The objectives for the DGLT are spelled out mainly in terms of marketing: the main ‘destination management’ focus is to ‘build a mandate to be in the long term infra-structure planning and deliberations for the region’. The DGLT sits physically within ‘The Hub’, alongside other agencies ‘working for the Taupo District’ (the EDA, an event organizing agency, an arts trust and a towncentre group). The scope of Tourism Bay of Plenty’s activities covers destination marketing, management, leadership and development. The ‘destination management’ focus is on advocacy for infrastructure and facilitating the provision of readily accessible tourism information (Tourism Bay of Plenty, 2013).

In other destinations the RTO may form an integral part of an economic development agency (EDA) which has a wider brief than just promoting tourism and which itself might be located inside or outside a TLA (Fig. 1c and d). EDAs take different forms. In the southern part of the country, Venture Southland was established in 2001 as a joint initiative of Invercargill City, Southland District and Gore District Councils to promote an integrated region-wide approach to economic development, community development and destination marketing. Its mission is ‘To actively work with groups and organizations to identify opportunities and to facilitate the development of projects and initiatives that will enhance the prosperity and quality of life of Southland communities’ (Venture Southland, 2014). Tourism, events and community development come under a group manager. Venture Southland’s budget has a tourism/destination marketing section where the emphasis is on destination marketing but provision is also made for other activities including industry management and attractions development. The Southland RTO is complemented by Destination Fiordland.

Auckland Tourism, Events and Economic Development (ATEED) was formed in 2010 as a CCO following amalgamation of the
metropolitan area’s local authorities into a new ‘super city’. ATEED’s vision is to ‘improve New Zealand’s economic prosperity by leading the successful transformation of Auckland’s economy’ (ATEED, 2013, p. 5). Tourism falls under Destination and Marketing, one of ATEED’s eight business units. The unit is charged with ‘growing the visitor economy’ by delivering on the Auckland Visitor Plan December 2011 (ATEED, 2011). The plan’s emphasis is on destination marketing but other activities focus on enhancing the city’s visitor proposition through a range of supply side actions. In the 2014/15 Statement of Intent (ATEED, 2014) these include measures to increase the capacity for growth and attraction development and support. In 2013/14 ATEED had an overall budget of NZ$51 million compared with Venture Southland’s total budget of $5 million (of which NZ$1.37 million for tourism). The creation and competitive impact of ATEED appears to have stimulated interest in the EDA model. Early in 2014 Enterprise Dunedin was established as the single marketing agency for Dunedin by bringing together the RTO (Tourism Dunedin), the i-SITE and the council’s Economic Development Unit. Later in the year proposals were put forward to create a similar EDA in the capital, the Wellington Regional Economic Development Agency. 

RTOs may also take other forms. The two RTOs in the Queenstown Lakes District – Destination Queenstown and Lake Wanaka Tourism – are incorporated societies. They are funded primarily from a tourism levy collected on their behalf by the district council on the basis that tourism is the ‘primary industry providing benefits to all local businesses’ (Destination Queenstown, 2013, p. 6). Membership consists mainly of local businesses. There is a council representative on the boards. Hamilton & Waikato Tourism is a subsidiary of the regional airport company which in turn is owned by five councils. This structure follows closure of an earlier RTO serving the Waikato region (Zahra, 2011) and was prompted by the need for a lead tourism marketing organization for the airport and Tourism New Zealand to work with in promoting the region. 

For reasons of geography, local politics and the size and nature of the destination, a TLA may have more than one RTO (e.g. Queenstown Lakes District Council) and an EDA or RTO may serve more than one TLA (Fig. 2). Destination Coromandel, for example, was established to provide the Hauraki and Thames Coromandel District Councils ‘with a vehicle to lead, manage and market tourism for the two districts under an umbrella brand, The Coromandel’ (Destination Coromandel Trust Inc., 2012, p. 3). Tourism Bay of Plenty covers Tauranga and the Western Bay of Plenty. Hamilton & Waikato Tourism acts as the RTO for seven TLAs in the region. In the case of Southland, Venture Southland serves three TLAs and there are two RTOs. 

RTOs may also come together with others to form regional marketing alliances (Fig. 1) to more effectively fund and carry out international marketing campaigns in association with Tourism New Zealand. These are based either on a macro region or a touring route. For example, in addition to joint initiatives between Southland RTO and Destination Fiordland, Southland is represented in:

- Waitakí/Dunedin/Clutha/Southland IMA (International Marketing Alliance); 
- Southern Lakes IMA ( Wanaka, Queenstown, Fiordland RTOs); 
- Southern Scenic Route (Dunedin, Clutha, Southland, Fiordland and Queenstown RTOs); and 
- SOUTH– collective marketing of the South Island targeted at the Chinese and Australian markets led by Christchurch International Airport with the South Island RTOs. 

Similar alliances exist in the North Island, such as Explore Central North Island and the Classic New Zealand Wine Trail. Additional structural and functional complexity arises from the various ways i-SITES are operated. Over 80 i-SITES form part of a nation-wide network of accredited visitor information centres which provide independent destination information and book and sell travel products. In New Zealand they remain an important means of distribution to domestic and independent international visitors who make many ‘at destination’ decisions (Pearce & Tan, 2004). Fourteen of the RTOs, within or outside council, operate one or more i-SITES. Others are run by councils or operate independently. Where an RTO serves multiple TLAs, councils usually run i-SITES separately.

4.2. Local government 

Although some of these structural arrangements are complex, RTOs, marketing alliances and i-SITES are the more visible agents of aspects of destination management, being responsible primarily for destination marketing and information provision. In contrast, other functions carried out by TLAs are often less evident, but not necessarily less important, as they are frequently undertaken as part of the broader functions of local government and not framed specifically in terms of destination management. Although all the councils have similar responsibilities under the Local Government Act 2002 and the RMA, they vary widely in the ways and extent to which they engage directly or indirectly with tourism and destination management. The neighboring districts of Central Otago and Queenstown Lakes provide two contrasting approaches to destination management. The former is a largely rural district in which significant tourism development is a relatively recent development whereas the latter is made up primarily of the long-established destinations of Queenstown and Wanaka.

The Central Otago tourism strategy (CODC, 2007, p. 5) is one of the few to have destination management – defined as being ‘essentially about communities and cross-agency co-operation in all areas to both capitalize on and maintain what is special in this place’ as its central thrust and for this to be embedded widely and explicitly in the district council’s plans and activities (CODC, 2012a, 2012b, 2013a, 2013b, 2013c). These also have a strong community focus. The linkages between tourism and community interests is reinforced by the structure of the council in which the RTO, the i-SITES and responsibility for regional identity sit within the Community Services department. Amongst the outcomes set out in the 2012–2022 Long Term Plan (CODC, 2012a, p. 12) reference is made to ‘A tourism industry that is well managed, which focuses on our natural environment and heritage with marketing plans that reflect this...’ Challenges as well as opportunities were identified in the district’s heritage strategy (CODC, 2012b):

The challenge of managing tourism so that it does not under-mine heritage values is real, but it is somewhat alleviated by the destination management approach taken in Central Otago. In community plans, communities identify their opportunities and aspirations and weigh them against the values they want to retain in relation to lifestyle to determine goals and an action plan for the future. Promoting tourism takes coordination, a level of expertise and requires funding.

The regional brand – ‘A World of Difference’– offers scope for tourism to be marketed jointly with the region’s wines and horticultural products.

In contrast, destination management is not mentioned explicitly in the Queenstown Lakes District plans and strategies that were examined, even though, or perhaps because, tourism dominates the district’s economy and the council’s planning and service delivery is in effect directed at managing the two major destinations of Queenstown and Wanaka and the smaller
settlement of Arrowtown. The town centre strategies for Queens-
town and Wanaka emphasize the need to provide for residents as 
well as tourists (QLDC, 2009a,b). More generally, there is an 
implicit understanding that the district depends on tourism and 
that this must be managed. The District Plan (QLDC, 2013, sec. 4, p. 
6), for instance, states:

The District relies in large part for its social and economic 
wellbeing on the quality of the landscape image and environ-
ment and has included provisions in the District Plan to avoid 
development which would detract from the general landscape 
image and values.

Various documents clearly signal that the district is in growth 
2) was:

prepared on the basis that the Council will not (and cannot) 
stop growth from occurring in the District. However the 
Council will act with determination to manage the quality, 
location and type of growth to help ensure that new activities 
add to the economic, social, cultural and environmental well-
being of the District …

In her introduction to the 2014/15 Annual Plan (QLDC, 2014, p. 
1) the mayor observed:

We live in one of the fastest growing districts in the country 
with a huge visiting population. Our challenge is to deliver 
better service at less cost. This plan sets out our activities for 
2014/15. Many of them are routine – maintaining safe roads;
delivering good quality drinking water; collecting rubbish and 
recycling; treating wastewater; providing parks, pools and 
libraries.

Provision of such services, while routine, is nonetheless crucial 
for the destinations to function successfully. At the same time, 
the plan also records the council’s decision to approve the develop-
ment of a major new convention centre for Queenstown which 
would necessitate a NZ$32.5 million council contribution.

Elsewhere tourism is accorded varying levels of importance in 
economic development plans (e.g. Dunedin City Council, 2013; 
Rotorua District Council, 2011; TCDC, 2014; Waipa District Council, 
2012) but is generally treated in a rather fragmented fashion in the 
various statutory and non-statutory plans and strategies which 
guide council activities. Reference may be made to tourism and to 
the needs of visitors as well as residents in terms of service or 
infrastructural needs but the measures outlined and steps taken 
tend not to be drawn together in a concerted fashion which 
suggests the councils have a comprehensive, coherent approach 
to destination management. This is not altogether surprising as 
the councils’ responsibilities go beyond tourism to managing their 
cities and districts as a whole. These issues are examined in more 
detail for the three cities of Dunedin, Rotorua and Hamilton in a 
related paper (Pearce, in press).

Variation also occurs in the extent to which explicit reference is 
made to the RTOs and i-SITES in these wider plans and activities. 
The 2013/14 Annual Plan (CODC, 2013a) for Central Otago, for 
example, comments on the critical role that the council’s i-SITES 
play in connecting visitors with tourism operators. The economic 
development action plan for the Thames Coromandel District 
(TCDC, 2014, p. 12) draws attention to the restructuring of their 
RTO “to focus on delivering more effective and successful visitor 
marketing” (explicit reference to destination management was 
dropped), increased funding for the RTO and i-SITES and closer 
partnerships with them (e.g. joint promotions aimed at encoura-
ging holiday home owners to spend more time in the region). 
ATEED’s most recent statement of intent (ATEED, 2014) underlines 
the need for its priorities to be aligned with the strategic direction 
of the higher level Auckland Plan and Economic Development 
Strategy.

Other practical, operational aspects of destination management 
are less visible in these documents and may seem routine but they 
emerge from the interviews as important for the successful 
functioning of the destinations. These include such basic matters 
as provision of signage, public toilets and parking; dealing with 
road closures and sale of liquor bans during major sporting events; 
and assisting operators and developers in terms of compliance and 
planning regulations. The recent upsurge in freedom camping has 
generated a variety of problems which have been addressed 
through attempts to limit overnight camping on public land 
through by-laws or by re-directing this demand to more appro-
priate sites through information provision, targeted promotion or 
the development of new facilities.

4.3. Structures and functions

These variations in how destination management is structured 
and undertaken in New Zealand show that the national adminis-
trative regime permits such variation and that different structures 
are perceived to have advantages and disadvantages in different 
destinations. In terms of the first point, under the Local Govern-
ment Act 2002, the RMA and other legislation, local government 
has statutory responsibility to carry out a range of general 
functions that include those relating to aspects of destination 
management, notably provision of local infrastructure and ser-
dices, spatial planning and environmental protection. Although 
some of these supply-side functions may be contracted out, they 
remain the responsibility of local government. Despite the changes 
in 2012 to the Local Government Act (2002), local government 
is still able to engage in a wide range of economic and community 
activities. Councils continue to have a considerable amount of 
discretion in terms of the manner and extent to which they engage 
in destination management, whether in terms of making explicit 
provision for tourism in their statutory functions or in the 
discretionary ones with regard to economic development, destina-
tion marketing and information provision (QLDC, 2014; TCDC, 
2014). It is this mix of statutory and discretionary functions which 
permits variation in functional structures.

The resulting variation in turn reflects differing circumstances 
and differing views on the advantages and disadvantages of 
bringing different functions together or having them in separate 
organizations or organizational units specializing in particular 
functions. As the relevant statutory functions are performed by 
divisions of council, the key structural issue which arises is which 
discretionary functions are best carried out within council and 
which are best performed through a CCO or some other arm’s 
length organization or independent entity having one or more 
specialized functions. In practice this relates to where, structurally, 
the RTOs and, to a lesser extent, the i-SITES are located, what form 
they take, what functions they perform and how these are linked 
to the statutory functions of council? The RTO, council and EDA 
interviewees advanced a range of advantages and disadvantages 
associated with different structures with cases being made both 
for specialized or multi-functional organizations and for locating 
RTOs within and outside of council. These two issues — specializa-
tion/multi-functionality and location inside/outside of council — 
are inter-related.

Proponents of specialization, particularly of having RTOs 
concentrate on destination marketing, emphasized the benefits of 
clearly of purpose and a tighter focus which enabled them to get 
on with the job of drawing more tourists to the destination and 
having them stay longer. Some also expressed the view that 
destination marketing should not be limited to just attracting
tourists but should also incorporate the broader aspects of place marketing.

Those who favoured multi-functional organizations or units acknowledged the inter-dependence of functions and stressed the benefits of enhanced functional interaction; that is, having two or more functions carried out by the same body increases the synergy between them and results in more effective destination management. Various forms and levels of inter-functionality were identified: marketing/information provision; marketing and product development; enabling and regulating. Opposing views were occasionally presented.

Some RTO respondents saw a close association between marketing the destination externally and providing information at the destination: ‘[The i-SITES are] a really important component to our team for understanding what’s going on at the ground level with our visitors’. Others underlined a clear separation between the two functions: ‘Our [the RTO’s] job is to get people to … [the destination] and their job [the i-SITES is] to keep them there’. Another manager saw pros and cons with his RTO running the destination’s i-SITES: ‘It can largely be quite a big distraction for our business. However, I think it’s a necessary link … We attract them to the region and we also want to make sure they’re looked after well when they get to the region’. Resourcing is also often an important consideration in this debate; the cost of staffing i-SITES can be high and reduce the budget available for marketing. Opportunities for product development to be strengthened by marketing may be enhanced when both functions are undertaken within the same organization, such as an EDA with a broader economic development brief.

One of the strongest advocates for a multi-functional structure and approach came from Rotorua where the RTO is located within the Economics and Regulatory division of the district council. Such a structure, it was argued, brought greater problem solving ability to destination management issues:

[being in this group] really forces a fusion between destination marketing and management because… in my team are the people that are responsible for growing the economy… but in that same team… are the people responsible for regulating the environment through central government legislation, by-laws… all the things that could constrict development. So by putting both into the same group, we’re really making each other… fight to find solutions…. We’re having a lot more discussion where maybe in silos people wouldn’t have really had that perspective.

The Rotorua interviewee also acknowledged that clarity of purpose across other units of council, such as those responsible for convention, events and management of council owned venues, although complementary, could become blurred and complicated due to each unit having different goals. The relationships between regulation and economic development were illustrated by a manager in another TLA in a similar way:

… the district plan is a key enabler and we’ve worked to rezone a whole lot of land and make events easier to happen and change all those rules around events, so it does have a big economic development consideration because that is actually the block or enabler.

Earlier, with regard to the West Coast, Simmons and Shone (2002) raised the issue of conflicts of interest which might arise between a council’s economic and regulatory functions and suggested that separation of these may be needed to maintain a system of checks and balances.

As these latter examples show, the question of specialization and multiple functions is closely related to which destination management functions are performed inside or outside of council. Again, views vary. Where the RTO is located within the council structure, benefits are seen to lie in being able to form closer connections with the broader functions of councils, to have greater access to decision-makers and thereby have a greater ability to effect change. In the case of Rotorua this was raised in terms of tourism, regulation and economic development; in Central Otago it has enabled close links between tourism and community development. Proponents for having the RTO, and thus destination marketing, as a separate entity outside of council stress the advantage of having a skill’s based board and being at arm’s length from the ‘meddling’ of local politicians; of being more agile and better able to respond to changing market conditions; and of having staff with more flair and different skills and mind-sets than other council staff. Others would contest these latter points. Having the RTO outside of council may also facilitate operating a RTO at a larger regional scale, as in the Waikato, the Coromandel and the Bay of Plenty. However, whether inside or outside, RTOs do come together in a range of macro-regional marketing alliances.

In Twyoniak’s (1998) terms the functions discussed here are largely operational or intermediate level ones. It is less clear what upper level interfunctional destination management actually takes place, at least formally. Destination management is a designated responsibility of one of the advisors in Dunedin City Council’s Economic Development Unit, a role which involves coordination and communication between council units and with external stakeholders. The recent establishment of Enterprise Dunedin has also meant that tourism marketing in the city is now more closely linked with other aspects of place marketing there. In small TLAs oversight of destination management may result from an individual having several responsibilities. The explicit and embedded destination management policies and practices in Central Otago are undoubtedly due to the manager of community services also being the deputy CEO, the general manager of the RTO and a person with strong views on the need for such an approach. The business development facilitator of another small TLA claimed ‘it really depends on the expertise and the drive of the bloke who sits in this seat’.

Elsewhere, much interfunctional interaction appears to be occurring informally between individuals in different organizations or units in the manner of open social systems discussed by Ruekert and Walker (1987, p. 2) whereby:

- ‘Behavior among members of the social system is motivated by both individual and collective interests.
- Interdependent processes emerge because of the specialization and division of labor.’

Interviewees reported frequent contact between council and RTO managers and staff. CEOs of RTOs are regularly invited to comment on destination management issues. One asserted that ‘The two things [destination marketing & management] are distinct but it is essential they don’t operate separately. You don’t have to be in each other’s camp but must be connected.’ Physical co-location, such as in Taupo’s Hub, facilitates such interaction. In stressing the advantages of bringing functions together, one EDA manager argued ‘when you separate out roles, then people become very protective and they spend most of their time protecting their patch rather than actually aligning and working with others’. Tension was evident in some destinations but how much of this was due to functional differences, especially between destination marketing and other activities, or the personalities of the individuals involved was less clear, especially with small entities such as many RTOs. Several interviewees expressed the view that structure was less important than interpersonal relationships between those carrying out different tasks and
that most structures could be made to work if those involved had a mind to do so. Others made the point that funding was a fundamental issue, that even if appropriate structures were in place and there was a meeting of minds without adequate resources to carry out the various functions then any destination management would be limited.

5. Conclusions

This study of destination management in New Zealand has clearly shown that no single model exists. Rather, the country’s administrative regime permits a mix of statutory and discretionary functions to be carried out under a range of different structures which have been adopted by local governments and the tourism sector in each destination depending on local or regional circumstances. As the variety of structural arrangements for RTOs, i-SITEs and macro-regional alliances shows, this flexibility is particularly evident in dealing with demand-side functions of marketing and information provision where administrative boundaries have not proven to be insuperable barriers in many places to increasing the scale of activity or having multiple local entities when this is thought to be appropriate. Likewise, the growing move towards EDAs is breaking down internal barriers and leading to greater integration of tourism in city marketing. The extent to which statutory functions incorporate other aspects of destination management, either explicitly or implicitly, varies considerably, however, depending on the significance of tourism in the region and the degree to which local government chooses to engage with the sector. Different views prevail as to which functions are important, whether they should be carried out by specialized organizations or units or brought together in multi-functional bodies. In these respects the situation in New Zealand is not dissimilar to that in Spain (ROS Development and Planning, 2008). There is not a lot of evidence to show that that destination management is being carried out as an explicit higher level function with a concerted effort to integrate all relevant functions in the coordinated fashion encouraged by the WTO (2007). However, in many destinations there appears to be a fair amount of informal, practical interaction between individuals responsible for different functions.

Issues of specialization and multi-functionality also apply to research on destination management functions and structures. Although the largely, normative core management literature emphasizes multiple functions and views destination management as an over-arching activity, much empirical research in this field has focused either on particular functions, such as destination marketing or planning, or on specific organizations such as DMOs (Table 2) and local government (Section 2.3). Such specialized research is useful but if functions are regarded as interdependent and a broad approach to destination management is to be taken (Table 1), then such work needs to be complemented by studies such as this which span across functions and associated structures to provide a more holistic view.

In particular, future research might focus on the inter-related questions of functional interdependence and structural effective-ness at a destination level. How, for example, are marketing and information provision inter-connected at the scale of the destination, how does spatial planning affect product development and what are the synergies produced when these are all brought together? This applies not only to the interdependence of functions across the tourism sector but also to the way in which these functions mesh with broader territorial management functions, for example by incorporating tourism explicitly in district plans and economic development strategies rather than by treating it separately. Assessing the effectiveness of these different functions and how they are performed under different structures is critical but challenging. At present, many RTO KPIs in New Zealand are commonly expressed in terms of increased visitor numbers, expenditure or length of stay but taking a broader view of destination management will also require more explicit measures of the quality of the visitor experience as well as taking into account the impact of destination management on other stakeholders such as local residents, tourism providers and other businesses. In terms of relationships and coordination (Table 2), consideration must be given to the roles of formal structures and informal relationships in bringing about effective interfunctionality, that is, is it the intra- or inter-organizational structure which is the most important factor here, the informal inter-personal interactions between groups or individuals, or some blend of both? How do structures influence interaction and thus inter-functionality? Much remains to be done. Many opportunities and challenges clearly exist for extending research on destination management and for managing destinations.

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