Auditor's Summary

Audit of the Hawai'i Tourism Authority

Report No. 25-07



IN 2020, as it entered its third decade, the Hawai'i Tourism Authority (HTA or the Authority) concluded that a continuous drive to increase visitor numbers had taken a toll on Hawai'i's natural environment and people. What was needed was a "re-balancing" of priorities, and for that reason, "destination management" would be the Authority's main focus and at the heart of the new strategic plan.

In its 2020 – 2025 Strategic Plan (its current plan), HTA defined destination management as: "attracting and educating responsible visitors; advocating for solutions to overcrowded attractions, overtaxed infrastructure, and other tourism-related problems; and working with other responsible agencies to improve natural and cultural assets valued by both Hawai'i residents and visitors." The plan also explained that destination concerns, such as attention to community benefits, Native Hawaiian culture, and workforce training, had always been a part of the Authority's strategic plans; however, this time, HTA would be putting a greater emphasis on and devoting additional resources to that effort.

As part of its "greater emphasis" on destination management, and with a goal of rebuilding, redefining, and resetting the direction of tourism over a three-year period, HTA developed three-year Destination Management Action Plans (DMAPs) for six islands, all of which terminated in 2024. Actions and sub-actions vary in the individual

Since 2009, Hawai'i has seen increases in visitor arrivals with corresponding decreases in resident support for tourism.

DMAPs, such as protecting and preserving culturally significant places and tourist "hotspots"; increasing communication, engagement and outreach efforts with the community, visitor industry, and other sectors; increasing enforcement and active management of sites and trails; advocating/ creating more funding sources to improve infrastructure; and developing regenerative tourism initiatives.

What We Found

In Report No. 25-07, *Audit of the Hawai'i Tourism Authority*, we assessed HTA's achievement of its 2016 and 2020 – 2025 strategic plans' destination management goals. We also evaluated the effectiveness of the agency's DMAPs. We found that HTA's new emphasis on destination management is not materially different from its prior efforts. Although not referred to as "destination management," a large part of HTA's previous strategic plan had outlined – and highlighted – the same goals as its current strategic plan. We concluded that HTA's destination management effort is largely a reshuffling of past and continuing programs, done without changes in policies and procedures or proposed organizational adjustments. In addition, HTA's self-described refocusing doesn't seem to have involved any increased financial commitment; overall spending on destination management efforts remained generally level.

What didn't change from previous audit findings was HTA's inability or disinterest in reporting on its own performance against its strategic plan goals. HTA's last three annual reports to the Legislature lacked analysis or reporting of the Authority's own Key Performance Indicators and its progress toward achieving its destination management goals. In our review, we found that performance against two of these Key Performance Indicators, when adjusted for inflation, has not improved since 2019, calling into question whether the Authority's destination management efforts were effective.

We also found that HTA's DMAP effort was largely ineffective. Most of the plans' actions and sub-actions did not address hotspots, were underway or already completed, or were impractical. HTA funded many actions and sub-actions that seem unrelated to destination management, which HTA defines, generally, to mean attracting and educating responsible visitors and advocating for solutions to overcrowded attractions, overtaxed infrastructure, and other tourism-related problems. Moreover, we found that HTA's tracking of the progress towards advancement of the hotspot-related sub-actions involved little more than filling out a to-do list. And, in the last year of the DMAPs, the Authority stopped tracking all DMAP actions and sub-actions altogether.

Why Did These Problems Occur?

HTA rushed its DMAP effort without a clear idea of what they were intended to achieve and how their actions would be prioritized. The Authority had no process or criteria for choosing who was on each steering committee. Similarly, HTA did not systematically choose how the DMAP

actions and sub-actions would be implemented. There was also no criteria or process for choosing which projects would be funded to advance the DMAP goals. And, the Authority delegated much of the creation, management, and assessment of the DMAPs to third-party contractors, the community, and the island steering committees. Instead of leading this important aspect of tourism planning, HTA deferred to others. In the end, all proposed projects were accepted.

More generally, HTA management is not held accountable by its board to meaningfully achieve the goals and objectives of HTA's strategic plan. HTA lacks meaningful milestones and measures to track its progress against its strategic initiatives. HTA's Key Performance Indicators, which it uses to track performance, are the same broad metrics that HTA used to measure its success *before* it adopted the current strategic plan with its "emphasis" on destination management. Those indicators are not meaningful in measuring, for instance, the impacts of tourism on infrastructure and natural resources. And, none of the Key Performance Indicators seem designed to gauge progress in addressing resident concerns about visitor impacts, generally, and about hot spots, specifically.

Why Do These Problems Matter?

Without adequate HTA leadership and oversight, the DMAP actions and sub-actions were efforts that were dubious or impractical, little more than elaborate tourism to-do lists and rosters of various, unconnected actions. For instance, "hotspots," determined by the various island steering committees, are locations where visitors and residents compete for access, and where mitigating congestion and overcrowding could increase resident support for tourism. HTA did not adequately identify or vet hot spots or the community concerns about them. As a result, relatively few of the resultant actions and sub-actions addressed hot spots and their perceived issues.

However, HTA's most persistent issue may be its most concerning. The Authority's continued inability or reluctance to demonstrate its overall effectiveness for meeting its tourism goals undermines its credibility with the public and policymakers, as well as its ability to effectively make evidence-driven decisions and allocate resources to its destination management efforts.



Link to the complete report:

Audit of the Hawai'i Tourism Authority https://files.hawaii.gov/auditor/Reports/2025/25-07.pdf