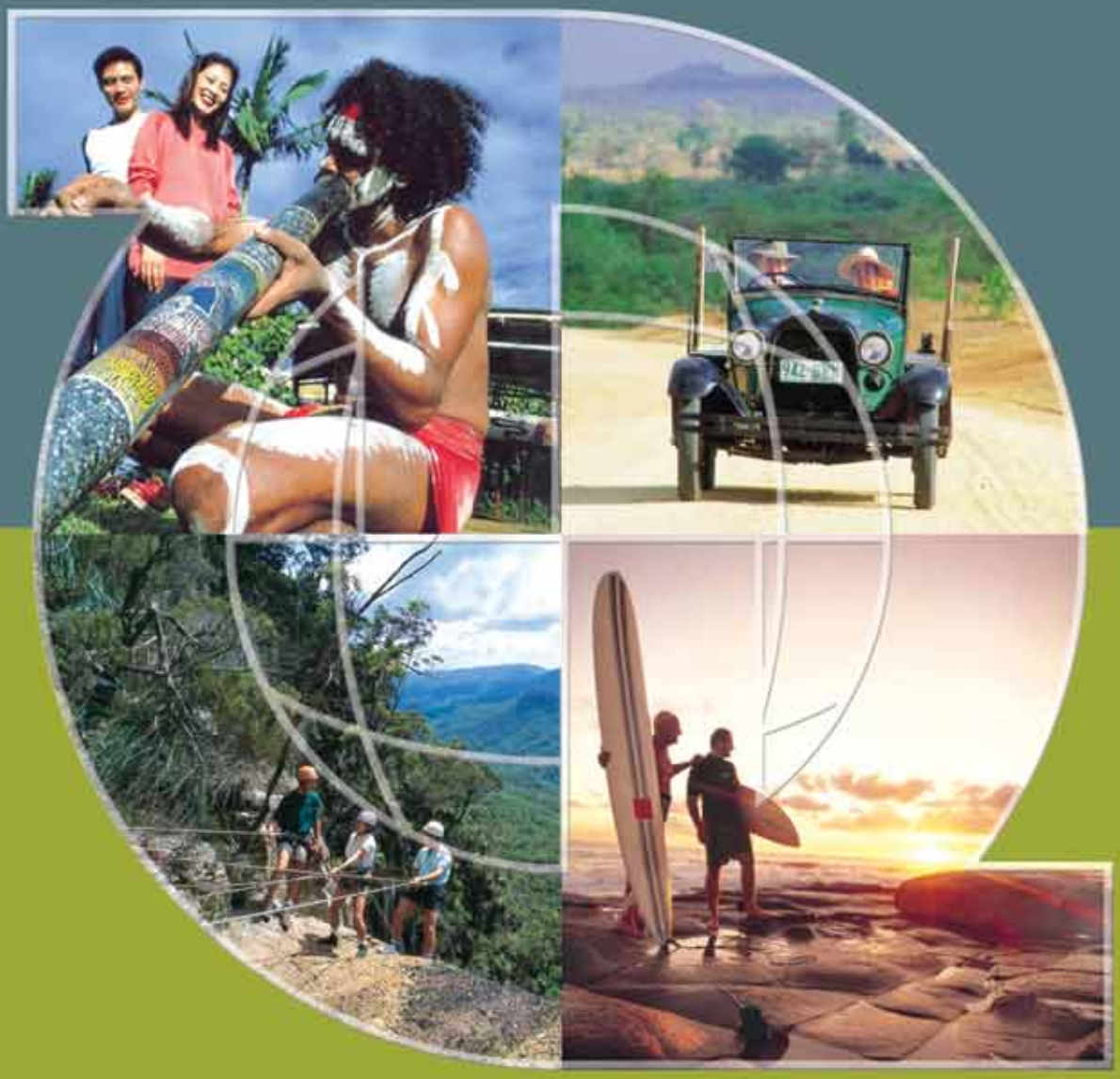
regional tourism cases

INNOVATION IN REGIONAL TOURISM



Editors: Dean Carson and Jim Macbeth

SUSTAINABLE TOURISM CRC

Regional Tourism Cases

Innovation in Regional Tourism

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COMMON GROUND

SUSTAINABLE TOURISM CRC

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Jim Macbeth 'arrived' in tourism as an 'immigrant' from sociology, especially social change, deviance and social movements and the sociology of leisure. As with all migrants, he brought along a lot of 'baggage', some of which found its way into Prosper. His work in Prosper has been informed by a long-term interest in environmental ethics and sustainable development, especially in the context of regional community re-vitalisation. While Jim's recent research has been dominated by regional tourism development, other projects in local government politics and planning, 'triple bottom line' tourism yield and the social impacts of tourism development will inform future work. But, when all is said and done, he'd rather be sailing, as the bumper sticker says. Email: J.Macbeth@murdoch.edu.au

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Preface

The Sustainable Tourism Cooperative Research Centre (STCRC), an Australian government initiative, funded this research. This Prosper project, managed by the Centre for Regional Tourism Research (CRTR) at Southern Cross University and the Tourism Program at Murdoch University, has included a meta-analysis of previous regional tourism research in Australia. The analysis revealed a range of case studies which demonstrated approaches to innovation in regional tourism, but which had either not been previously published, or had not been published with this perspective in mind. These case studies have informed the direction of the Prosper research and the research leaders (and editors of this volume) acknowledge the contribution of our colleagues.

Additional acknowledgements are due to the Prosper research staff – Damien Jacobsen, Jo Mackellar and Simon Rose at the CRTR, with Michael Hughes and Jeremy Northcote at Murdoch University. The editors also wish to acknowledge that Prosper builds on significant foundation research led by the late Professor Bill Faulkner (Gold Coast Tourism Visioning Study) and by Professor Trevor Sofield and Dr Diane Lee (South-West Tapestry Futures Study).

Summary

The purpose of this book is to bring together a range of research cases focusing on regional tourism destinations in Australia and New Zealand. The key objective is to explore the structures and processes used by regional destinations to foster innovation. The eleven case studies represent many different types of destinations and many different forms of tourism. Innovation is employed for different purposes including initiation of organised tourism activity, rejuvenation of tired destinations and, significantly, the linking of tourism with other spheres of economic and community development. The editors and authors propose three frameworks which assist the reader in interpreting the case studies and ultimately applying the lessons learnt.

The first of the frameworks suggests that 'history matters' and that, for regional destinations to embrace change, an understanding of what has gone before is required. Destinations do not automatically progress through pre-determined stages of development. They are faced with choices and chance events which effect what development options are available. The case studies illustrate that innovation stems from reaction to the history of destinations. The second framework suggests that 'the system matters' and that regional tourism builds on the connections between organisations and individuals who not only have an interest in tourism, but in the social, economic, or environmental future of the region. Significantly, the cases support the argument that regional tourism systems are closely linked to organisations outside the region, including those in tourism markets and transit regions and those with responsibilities for regulation, legislation, education and facilitation. The third framework suggests that 'knowledge matters' and that building capacity for innovation in regional tourism systems requires an understanding of at least ten elements relating to the workings of the system. The cases demonstrate that these ten elements are interdependent and good management strategies consider them all.

Each of the case studies is concerned with the methods employed in regional destinations in an attempt to enhance the value (be it economic, social, or environmental) of tourism. A variety of techniques were used to measure the value of tourism, but it is clear from the case studies that the capacity to propose, assess and implement new ideas is critical to value enhancement. The eleven case studies are representative of a broad range of regional tourism destinations. There are case studies from north-east New South Wales, the south-west of Western Australia, north-west and south-east Queensland, the Northern Territory, the central coast of New South Wales, Tasmania and the South Island of New Zealand. The destinations described in the case studies display variation in population, location, industrial base and the extent and type of tourism amenities. Some destinations are based on administrative boundaries and tourism management regions while others reflect historical community ties. Some case studies are smaller than a single local government area, while others span the boundaries of up to seven local government areas.

The differences between regional destinations are shown in the case studies to contribute significantly to the availability of resources and development opportunities. However, the case studies also demonstrate similarities in the structures that are shown to influence how well destinations can take advantage of those resources and development opportunities. The differences in destinations, therefore, appear to be in terms of scale rather than in terms of fundamental organisation and management of the destinations.

While the case studies shed light on the processes and structures that may enable regional destinations to enhance the value of tourism through innovation, substantial research remains to be done. This book demonstrates the capacity for innovation includes mechanisms to assess the feasibility of new ideas, as well as the competencies required to implement ideas. Our understanding of what specific innovations work in which destinations to enhance the value of tourism, however, is poor. The conclusion suggests that there is no single suite of initiatives

that can be applied in all regional destinations. Instead, tourism interests at local, regional, state and national level should work to increase the capacity for local interests to develop their own solutions in a sustainable manner. The Prosper research continues to examine methods that regional destinations can use to develop solutions and assess their impacts on the value of tourism.

PART 1

INTRODUCTION

Chapter 1

History Matters: Setting the Scene

Dean Carson and Jim Macbeth

Introduction

The purpose of this book is to examine the ways in which regional tourism destinations use change and innovation to access the economic, social and environmental benefits of tourism while minimising the potential negative impacts. The case studies that feature in this book provide research into the nature of change in regional tourism destinations and the structures and processes that may be employed to help destinations manage change. The book is structured in three parts:

1. The introductory section describes the theoretical and conceptual frameworks that have been applied to the case study research. The frameworks include the concept of evolutionary and complexity processes governing destination development (described in this chapter), the idea of regional tourism destinations as systems (Chapter Two) and a framework for assessing the innovation potential of regional tourism destinations as systems (Chapter Three);
2. The middle section reports on eleven regional tourism case studies conducted in Australia and New Zealand over the past ten years and describes the findings of these pieces of research in light of the frameworks in the introductory section; and
3. The concluding section suggests how the frameworks and analysis described in the book may be used to guide future regional tourism case studies so that a more cohesive body of knowledge regarding destination development and change management may be constructed.

The book has emerged from the two and a half year 'Prosper' research project funded by the STCRC and managed by researchers at the CRTR at Southern Cross University in New South Wales, Australia and the School of Social Sciences and Humanities at Murdoch University in Western Australia. The aim of Prosper has been to develop context specific and holistic models for evaluating the capacity of regional communities to use innovation as a means of harnessing tourism's economic, social and environmental value. The first stage of the research involved a meta-analysis of existing research into the value of tourism in regional destinations to identify what models had been used, what the outcomes of the research had been and whether the models were transferable across the diversity of regional destinations in Australia. During this stage of the research, it became apparent that models which simply (or,

more commonly, elaborately) measured the value of tourism at a single point in time were not particularly useful in assisting destination managers and tourism enterprises in taking advantage of tourism's potential and enhancing the value of tourism.

Where models for value assessment did exist, they were difficult to implement and expensive to maintain. They relied on assumptions of industrial behaviour which were difficult to support in regional destinations. They produced values which were difficult to interpret and difficult to act upon. The Prosper researchers quickly decided to focus on simple metrics which could be maintained within regional destinations with minimal expert assistance (and its associated cost) and to work on modelling the structures and processes which could be used to enhance the value of tourism over time. These structures and processes would need to build capacity for regional destinations to recognise and evaluate tourism opportunities, harness the human, financial and political resources required to implement opportunities and to recognise and avoid or mitigate potential tourism 'disasters' (Faulkner and Russell 1997).

Assessing the Value of Tourism in Small Regional Destinations

It is important for tourism managers at local and regional levels to understand and communicate the value of tourism in order to access resources and develop strategies that will enhance management (Carson, Richards and Rose 2004). While most focus is on the economic value of tourism, techniques which assess social, cultural and environmental value are also important. In the economic sphere, a range of techniques including multiplier analysis, input-output modelling and computable general equilibrium modelling have been proposed and tested (Jacobsen and Carson 2004). It is clear that these techniques, while providing rich output and capable of addressing some of the key issues associated with complex industrial activity, are difficult or impractical to implement in small destinations. They rely on a variety and quality of data that is difficult to collect and manage over time. They deal poorly with extremely open systems of industrial activity. They are expensive to implement and maintain and the output is difficult to compare across regions.

In assessing the economic value of tourism in small regional destinations, it is important to understand the proportional value of tourism in relation to overall business activity, employment and business income. It is also important to understand how the contribution of tourism has changed over time. Data sources must therefore be inexpensive enough to maintain over time and comprehensive enough to include both tourism and general economic activity. For regional destinations generally, the identification of relatively simple indicator variables which meet these criteria is a higher priority than implementation of complex economic modelling (Carson, Richards and Rose 2004). At present, there is no standard approach to local level data collection and poor understanding of the secondary data sources that may be available. We can suggest here some data sources which may assist regional destinations to undertake some fundamental tourism economic value assessments.

When assessing the contribution of tourism to overall business activity, it may be possible to undertake a business survey such as that reported in the case study of Woodburn, New South Wales (see Chapter Fourteen). Alternatively, or additionally, data in Australia is available from the Sensis databases (Sensis is a fully owned subsidiary of Telstra and provides the database services for Australia's telephone directories). This data shows the number of businesses which identify themselves as operating in tourism related sectors (including various types of accommodation, tour operators, travel services, attractions and hospitality businesses) and can compare these businesses with the total number of listed businesses in a region. Importantly, this data is available over a relatively long period of time, with coverage and quality improving. Consequently, the relative proportion of businesses which operate in tourism related sectors can be tracked over time.

There is no readily available source of business income data which can distinguish income from tourism and which is available for small areas. Again, in the absence of a business survey

(which may be expensive and from which income data may be difficult to derive), levels of tourism employment may serve as a useful indicator. Employment data for very small areas is available in Australia every five years from the Census of Population and Housing conducted by the Australian Bureau of Statistics. Tourism and Transport Forum (TTF) Australia conducted substantial analysis of the 1996 Census data to construct a Tourism Employment Atlas for small areas across Australia (TTF Australia 2002). The quality of this data for the purpose of tracking tourism employment within destinations may be higher in regional destinations than urban ones, as regional populations are more likely to live in the same geographic area in which they work. Census data, while it is available only every five years, is comprehensive in coverage and allows a comparison between employment in tourism related sectors and total employment.

It is much more difficult to identify common data sets which may contribute information about the social or environmental value of tourism. The concepts which need to be measured are also poorly defined (unlike employment and income as concepts for understanding economic value). Where environmental value of tourism has been considered in case studies in this book, data collection has been detailed, expensive and would be difficult to replicate (see the Tapestry Tourism Futures Simulator in Chapter 5). It may be possible to achieve some understanding of the environmental value of tourism (narrowly defined) by examining the spatial relationship between business activity (derived from data sets such as the Sensis databases described above) and environmentally sensitive areas (represented by protected areas such as National Parks and State Forests) and how this relationship has changed over time. In particular, it may be important to understand whether tourism business activity represents new pressure on protected areas, or displaces other forms of pressure (such as forestry, mining, or agriculture).

Understanding the social value of tourism is even more difficult. It is unlikely that common data sets exist. The case studies in Tapestry, Western Australia (Chapter Five), Gold Coast, Queensland (Chapter Thirteen) and Woodburn, New South Wales (Chapter Fourteen) involved relatively expensive community surveys to build a picture of the social and cultural value of tourism. It may be of some value to document the significant cultural sites in a region (as can be done through the various Heritage and Cultural registers common in Australia and elsewhere) and whether tourism employs these sites using a similar methodology to that identified for tourism and protected areas.

While there are some strategies that can be implemented to assess the value of tourism in small regional destinations, there is a need for better analysis techniques and better data collection and management methods, particularly relating to environmental and social value. The case studies in this book include some suggestions for how this may be done and provide a platform for further research.

Guide to Reading the Case Studies

An evaluation of a range of recent research into regional tourism destinations and their development over time revealed underlying patterns in the processes that had been employed (successfully or otherwise) to manage change and the Prosper research has distilled those patterns into the three conceptual frameworks described in this and the following two chapters. The implication of the frameworks is that, while the nature of change is difficult to predict, the value of tourism can be enhanced through destination management processes which recognise that history matters, the system matters and knowledge matters. The emerging models allow destinations to set up processes which will monitor the value of tourism over time, evaluate their capacity to manage change so as to positively influence the value of tourism over time and implement strategies which will engage the human, financial and political capital required to develop successful regional tourism destinations.

The case studies focus on the contribution of tourism to the economic, social and environmental development of regional destinations in Australia and New Zealand. In many of the case studies, tourism is viewed as its total mix of activities and infrastructure, while other cases deal with specific initiatives such as a themed touring route in Tasmania, or festivals and events in north-east New South Wales. All case studies recognise that tourism and the other spheres of economic, social and environmental activity in regional destinations are interdependent and so they position tourism as a catalyst for regional development more generally and/or as a beneficiary of development in other spheres. Each case study has an historical element, tracing the emergence of tourism as an actor in the broader regional systems over time. They each describe the institutional arrangements and human activities that typify the management of systems. The actual tourism products are not the main concern in this book.

The eleven case studies are representative of a broad range of regional tourism destinations. While there is a bias towards north-east New South Wales (two case studies) and the south-west of Western Australia (three case studies), there are additional case studies from north-west Queensland, the Northern Territory, the central coast of New South Wales, Tasmania, south-east Queensland and the South Island of New Zealand. The destinations described in the case studies display variation in population (from 600 to 60 000), location (densely populated to isolated and remote), industrial base (long term tourism destinations to destinations adjusting from agricultural, manufacturing, or mining bases) and the extent and type of tourism amenities. Some destinations are based on administrative boundaries and tourism management regions while others reflect historical community ties. Some case studies are smaller than a single local government area, while others span the boundaries of up to seven local government areas.

The differences between regional destinations are shown in the case studies to contribute significantly to the availability of resources and development opportunities. However, the case studies also demonstrate similarities in the structures that are shown to influence how well destinations can take advantage of those resources and development opportunities. The differences in destinations, therefore, appear to be in terms of scale rather than in terms of fundamental organisation and management of the destinations.

Importantly, while each case study contributes to the overall understanding of regional tourism destinations as systems of innovation (see Chapter Three), each case study also has its own interesting story to tell which can provide insights into the consequences of decisions in specific circumstances. This book is therefore of use for those attempting to understand the principles of destination management, as well as for those with an interest in addressing the specific situations canvassed in each case study. Those situations are summarised in Table 1.1.

Table 1.1: Summary of Situations Canvassed in Regional Tourism Cases

CASE STUDY	SUMMARY
Bedourie and Richmond, Queensland	These two small towns in north and west Queensland have experienced strong economic growth that contrasts with the circumstances in similar towns in the region. Tourism development has contributed to this growth through the opening up of new attractions and the ability of local government and entrepreneurs to attract investment. The case study demonstrates that relatively small initiatives may have substantial implications for tourism development in towns like these.
South-West Tapestry, Western Australia	*Tapestry* is the brand name for a group of 6 local councils, including the City of Bunbury in the southwest of WA. The project developed a systemic view of the interaction between economic, environmental and social factors affecting tourism in the region. The case study highlights the process of harnessing social, cultural and political capital in order to create and disseminate knowledge in the region. This chapter also illustrates the way in which key regional stakeholders and outside agencies cooperated in the creation of this new knowledge.

CASE STUDY	SUMMARY
Darwin and region, Northern Territory	The Top End region of the Northern Territory is characterised by its isolation from the major population centres and international visitor gateways and a need to create tourism experiences featuring diverse products and services to attract visitors through the tyranny of distance. This brings about a substantial issue of how to manage such diversity with a small resident and economic base. This case study shows how intra and inter sectoral collaboration can be used to create economies of scale and manage issues of isolation.
Lake Macquarie, New South Wales	Lake Macquarie, a typical seaside destination, is located on the coast 200 km north of Sydney and is part of the Hunter tourism region. This chapter illustrates the way in which networks and infrastructure can be ineffectual with particular reference to the local council and associated tourism non-government organisations (NGOs).
Akaroa, New Zealand	The Akaroa District is situated on Banks Peninsula on the east coast of the South Island of New Zealand, approximately ninety minutes drive from the city of Christchurch. This chapter illustrates the way in which this destination's attempts to rebrand itself have relied on social and political capital. The politics of tourism and place image are documented.
Narrogin, Western Australia	This case study illustrates how endangered marsupials can be 'harnessed' for tourism innovation. *Dryandra Country* is the newly created brand for a region of local councils centred on Narrogin in the Central Southern Wheatbelt region, about 200 km SE of Perth. One of the key issues here is the difficulty of creating a tourism industry with limited potential tourism product.
Central West, Tasmania	The central-west area had a well-established themed touring route whose management had not kept pace with changes in the nature of the tourism industry and tourism activity in the region. The case study examines how the destination was able to let go of the touring route as an established attraction and experiment with new initiatives for managing visitor flows and dispersal.
Great Southern Region, Western Australia	This case study illustrates the way in which tourism and non-tourism interests can cooperate, along with state and federal government agencies, to create new knowledge and innovative solutions to a non-tourism problem. The solution targeted is a tourism solution: attracting international backpackers as itinerant labour to meet a shortfall in labour for primary production.
Northern Rivers, New South Wales	The Northern Rivers is home to a range of industries, both mature and new. It has been able to use community-based festivals and events as a mechanism for educating residents and visitors about the value of mature industries and for facilitating development of new ones. This chapter shows how tourism and other industries can interact through festivals and events and how the value of these activities may be assessed.
Gold Coast, Queensland	The Gold Coast had become recognised as a 'tired' tourism destination and a process of rejuvenation was commenced in the mid 1990s. The case study demonstrates that interventions could be made to influence how a destination is perceived by the resident community and that this can provide a launch pad for changing the perceptions of key tourism markets.
Woodburn, New South Wales	Woodburn experiences very high levels of tourism visitation due to its location and the public amenities that encourage self-drive visitors to break their journey in the town. However, Woodburn has been relatively unsuccessful in developing a viable tourism industry based on this high level of visitation. The key barriers have included those that stifle entrepreneurship and difficult relationship with external agencies (such as the Road Traffic Authority), some of which exert greater influence over visitor behaviour than initiatives arising from within the community.

History Matters: Assessing the Value of Tourism over Time

The research presented in this book clearly shows that destination development is not pre-determined or expressive of a 'life-cycle' as has been proposed by Richard Butler (1980). Rather, the development of tourism destinations incorporates evolutionary and complexity principles. These suggest that history matters and that similar destinations may develop in different ways as a result of management choices that are made and the legacies of past choices. In describing a complex process of destination development, the following terms are key:

- ***Choice sets*** – are the range of possible actions that the destination may take in response to any given problem at any time (Niosi, Saviotti, Bellon & Crow 1993);
- ***Path dependency*** – which suggests that choices (or selections) 'made' by the destination in the past (be they conscious choices or changes resulting from unpredictable or unpredicted

events) act on the possible choice sets that can appear in the future. Consequently, even destinations with similar base parameters (such as might be experienced in two tourism regions in similar parts of Australia) will develop in different ways (Cooke and Morgan 1998);

- ***Irreversibility*** – suggests that, once selections have been made, they impact on future choice sets in such a way that the destination cannot revert to a previous state (Edquist and McKelvey 2000);
- ***Bifurcation points*** – are the points on the development path where selections are made from choice sets (including the selection of 'no change'). They are seen as points at which the nature of the destination is susceptible to change (Niosi et al. 1993);
- ***Multi-stability*** – between bifurcation points, destinations implement changes arising from previous selections and consolidate new forms of organisation. The evolutionary approach recognises a tension between the desire to innovate (which may imply instability) and the maintenance of the system (which may imply stability). Destinations therefore have phases of relative stability or incremental change interspersed with phases of radical change (Niosi et al. 1993).

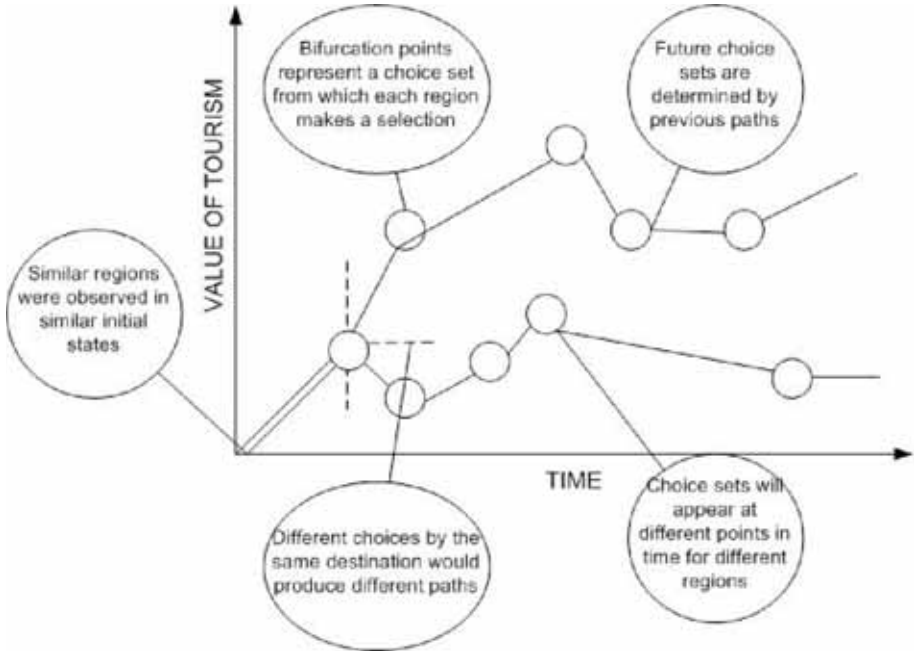
These complex processes of change have outcomes which may be difficult to measure over time due to a lack of quality local data sets describing the value of tourism and a lack of standards, at least at local and regional level, as to what may be appropriate measures of tourism's value (Prosser & Hunt 2000). Butler's tourism life cycle (1980) described destination development according to the number of visitors to a region. This information is both very difficult to obtain and of little direct relevance to tourism's value in economic, social, or environmental dimensions. More appropriate measures of economic value may relate to the yield from tourism (Department of Industry, Tourism and Resources 2003) in terms of income-expenditure differentials, employment, or business activity. The Centre for Regional Tourism Research (2003) concluded that poor data quality (and the expense of improving data quality) and unsupportable assumptions underlying measures of income-expenditure differentials (including input-output models, computable general equilibrium models, tourism satellite accounts and various multiplier calculation techniques) make these measures inappropriate for all but the largest of regional tourism destinations. For most regions, relatively simple economic indicators relating to labour force employed in tourism related industries and registered businesses classified in tourism related sectors and including actual volume of activity as well as proportionate estimates (eg. the proportion of all employed persons who are employed in tourism related industries) provide the best opportunity to monitor the economic value of tourism over time. The application of some of these variables is demonstrated in the various case studies in this book.

Assessing the non-economic value of tourism over time is even more problematic as there are few reliable measures capable of linking tourism activity to social, cultural, environmental, or political well-being (Macbeth, Carson, Northcote, in press). The measures that do exist rely either on tenuous or assumed links between tourism and (usually environmental) outcomes, or on perceptions of links between tourism and social, cultural and political outcomes. The research presented in this book provides a base from which to further explore these issues of value assessment.

Conceptually, the evolution of regional tourism destinations may be represented as in Figure 1.1. Figure 1.1 describes the evolution of two regional tourism destinations that were assessed at the start of the process as receiving similar economic, social and/or environmental value from tourism. This figure shows that the paths of the two destinations diverge very quickly as different development choices become available in each destination and different decisions are made in response to those choices. The Y axis represents the nature or value of tourism, however conceptualised and, possibly, measured. The principle caveat is that the conceptual framework and measurement instrument must be consistent over time for any single destination and standardised for comparison between destinations. The X axis represents units

of time. The features of choice sets, path dependency, irreversibility, bifurcation and multi-stability are represented.

Figure 1.1: An Evolutionary/ Complexity Description of Destination Development



The first step in developing models which will build capacity to harness tourism is to recognise that history matters and that destination management choices (and other critical events) influence the manner in which destinations will develop over time. There is no predetermined path of tourism growth as implied by Butler's Destination Life Cycle. High value tourism management will be that which is able to recognise bifurcation points and the associated choice sets and that which will have the capacity to act to select and implement options from those sets. The following two chapters explore how this high value tourism management may be brought about through understanding regional tourism destinations as systems and through building capacity for those systems to act as systems of innovation.

Chapter 2

The System Matters: Systems Thinking and the Study of Regional Tourism Destinations

Meredith Lawrence

Editors' Box

The purpose of this chapter is to identify what types of organisations and institutions may feature in the case studies that form the heart of this book. These organisations and institutions are instrumental in the evolution of regional tourism destinations.

However, systems thinking may be of more broad advantage to describing and understanding regional tourism. In this chapter, Lawrence proposes a systems model that can be applied to regional destinations and provides us with insight to the application of the model both to the specific cases discussed in this book and to future research.

As this book proceeds, the reader will encounter a variety of what Lawrence describes as tourism management sub-systems and a focus on social interactions within those sub-systems that reinforces Lawrence's concern with Human Activity Systems. Significantly, a regional destination may feature in many versions of tourism systems, depending on the issue or activity at the centre of the research.

Overview of General Systems Theory

This chapter examines the appropriateness of using a systems approach to study the functions and management of tourism activities to and within particular tourism destinations. The chapter argues that this approach can facilitate an holistic examination of the various elements within a tourism destination and the way in which these elements (tourists, places and organisations) interact with one another. Within this systemic framework, the various environments, social, cultural, economic and physical of tourism can also be examined. This chapter begins by briefly reviewing general systems theory and then discusses how a systems approach has been applied to the study of tourism. From this, ways by which a systems approach can be applied to the study of tourism destination management systems are proposed.

Systems theory originated in the 1930s and 1940s as an attempt to formalise and develop systems thinking. Ludwig von Bertalanffy is acknowledged as the leading contributor to the development of systems theory. He pioneered theories of general systems by going beyond the biological sciences where systems theory originated and integrating ideas from other disciplines to understand more about living organisms. Von Bertalanffy (1972) describes the distinctive features of systems theory as a conscious aim to clarify anything that is complicated beginning with identification of the system to be considered, then identification of its elements and discovering how these are arranged and inter-related.

Systems theories can be described as explanatory structures that provide the framework for a specific systems methodology (Skyttner 2001). During the late 1970s and 1980s, a range of 'soft-systems thinking' theories and methodologies emerged which could be applied to the study of human and social systems as well as socio-technical and socio-economic systems (Banathy 2003). In the management sciences, a number of systems theories have been developed which focus on the organisation as a system and a number of problem-solving systems methodologies have emerged to assist decision-making (for example: Churchman 1979; Beer 1979; Checkland 1981; Waelchli 1989; Flood & Jackson 1991).

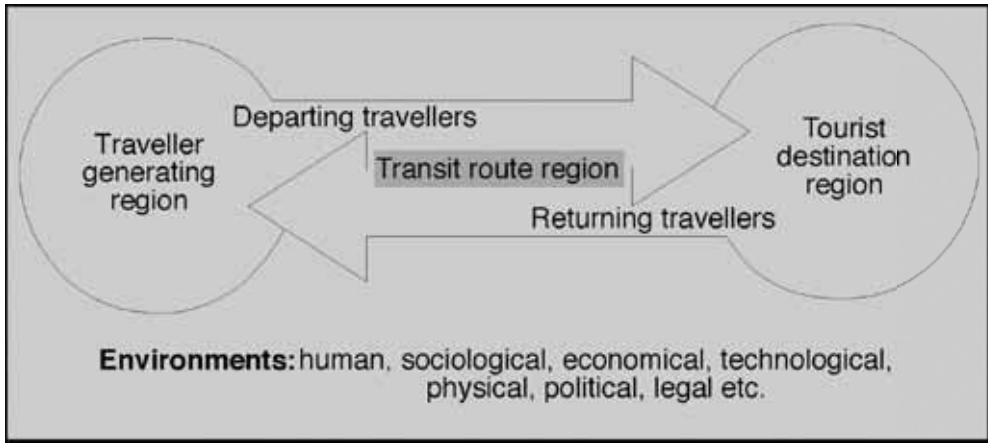
In systems thinking, a 'system' is considered to be an 'interlinked network of parts exhibiting synergistic properties where the whole is greater than the sum of its parts' (Flood & Jackson 1991:iv). Rather than just studying the features of particular elements within a system, a systems perspective recognises multifarious interactions between the elements that make up a complex situation. It also recognises the influences of environments on the system under examination. Defined simply, a system is 'a set of elements standing in interrelation among themselves and their environments' (von Bertalanffy 1972:29). Taking the process of systems analysis a step further, a number of overlapping systems can be isolated and then arranged in a hierarchy so that each system has its sub-systems and superior systems (Leiper 2003). Complex systems can be studied from many points of view which are seen as complementary rather than competitive and the choice of a theoretical approach depends on the type of insight which is sought (Skyttner 2001). The overall goal of general systems theory is summarised by Skyttner as: (1) formulating generalised systems theories including theories of systems dynamics, goal-orientated behaviour, historical development, hierarchic structure and control process; (2) to work out a methodological way of describing the functioning and behaviour of systems objects; and (3) to elaborate generalised models of systems.

Application of Systems Theory to the Study of Tourism

Support for the use of a systems approach to the study of tourism has been advocated by a number of tourism academics. For example, McIntosh and Goeldner (1986) propose that, in order to study the broad complexities associated with tourism, a systems approach is needed. Jafari (1990 cited in Laws 2003) argued the need for researchers to view tourism as a system in order to contribute to the body of tourism knowledge. A systems approach has been applied by Getz (1987) as a concept in tourism planning. Laws (1995, 2003) used a systems framework to explain complex tourism service systems. Others, such as Mill, Christie and Morrison (1992), have used a systems approach to study tourism and its effects and claim it is important to see tourism as consisting of interrelated parts. Their model of a tourism system consists of four parts – market, travel, destination and marketing. In describing the various parts of the system and their interactions, Mill, Christie and Morrison (1992) propose that the usefulness of a systems approach is that those who operate within the system see whom they and their businesses or destinations affect and how they are affected by other participants in the system.

In contrast to Mill, Christie and Morrison's model of a tourism system (1992), Leiper (1990a/b, 2003) defined a 'whole tourism system' as comprised of five elements: (1) tourists, (2) generating regions, (3) transit routes, (4) destination regions and (5) tourism industries, which combine to enable tourism to occur in practice. This model could be classified as belonging to the humanist approach (Churchman 1979), given the inclusion of people, that is, tourists within the system. As Leiper (2003) argues, without tourists, a tourism system would not exist at all. Whole tourism systems are further described by Leiper (2003) as open systems where environments interact with elements within the system. These environments may be social, cultural, political, economic, legal, technical and physical and shape tourism systems and in turn tourism has an effect on them (Leiper 2003). This is in contrast to closed systems that do not interact with environments. In addition to interaction amongst the elements proposed by Mill, Christie and Morrison (1992), knowledge of how the elements interact with their environments is also required to understand the dynamics of tourism (Leiper 2003). Of significance to the study of tourism is that the whole tourism system approach helps to organise our knowledge about tourism. Leiper's model of 'A Simple Whole Tourism System' is shown in Figure 2.1.

Figure 2.1: A Simple Whole Tourism System



Source: Leiper (2003) [sic]

The whole tourism system model has been applied by Hensall and Roberts (1985) in their study of New Zealand, in Leiper's research on the Japan-Australia tourism system, in Leiper's research on tourism in Cambodia, in Hing and Dimmocks' (2000) research on the political crises in Fiji and by Cooper and Boniface (1994) in a textbook on the geography of tourism.

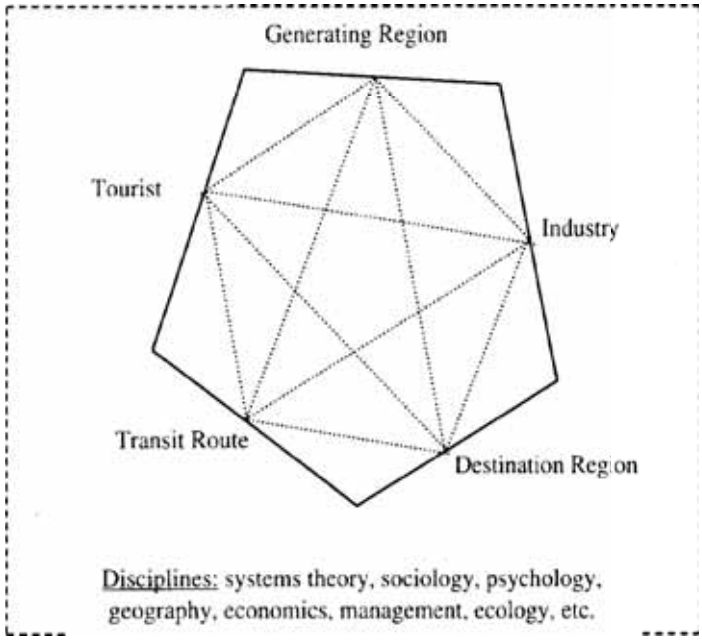
How Systems Theory can be Applied to the Study of Tourism Destinations

> Destinations are highly varied and each faces a unique set of problems and opportunities… It is precisely the differences between places and the individuality of visitors, residents and the natural environment and ecology of each destination which makes tourism both an exciting human activity and a fascinating field of study. (Laws 1995:x).

When applied to specific tourism destination contexts, systems thinking can help the analyst to systematically organise phenomena of the real world. A systems approach, applied to particular tourism destination regions, can help explain the complexities of tourism industries, interactions with the economy, the environment and local communities and can help to simplify and clarify problems associated with the industry while providing a mechanism to probe potential solutions (Walker, Greiner, McDonald and Lyne 1999). A systems approach therefore provides the means or process to explain and understand the complexities of tourism activity and its management in particular tourism destinations.

Tourism Destination Regions (TDRs) can be considered simply as a category of traveller destinations, where a person chooses to stay in a destination to experience some feature or characteristic (Leiper 2003). From a geographic perspective, boundaries of TDRs can be defined as being a feasible day-tripping range around a tourist's accommodation. Going further than that range requires shifting to a new accommodation, so the itinerary moves to another TDR. The centres of towns and the middle of cities can be regarded as the centres of TDRs (Leiper 2003). Studying a whole tourism destination system, however, involves consideration of the destination region in relation to the other four system elements and the system environments (Leiper 1995). Figure 2.2 shows Leiper's (2003) 'systemic model for interdisciplinary tourism studies'. The model shows that any five elements can be considered in relation to the other four elements, studying places as destinations therefore involves considering the tourist destination region in relation to the other four elements of the 'whole tourism system' (Leiper 2003).

Figure 2.2: A Systemic Model for Interdisciplinary Study



Source: Leiper (2003)

In discussing the application of systems models to the analysis of tourism destination systems, Laws (1995) supports the use of soft, open systems models, such as those developed by Mill, Christie and Morrison (1992) and Leiper (1990a/b), as analytical frameworks to view the interdependency of the elements which together make up tourist destinations and the balance of the effects of tourism on various interest groups. He suggests that the 'soft' feature of the model is concerned with the interactions of tourists, staff and residents in tourist destination areas and a model is 'open' if it recognises the legislative, cultural and technological contexts for tourism processes. In addition, he claims that systems theory can provide a way of focusing the insights from many social sciences on destination processes and the development of a specific systems model for each destination can clarify the relative importance of each element in a particular locality. For effective destination management he recommends that three aspects of the system need to be understood:

1. The effects of outputs on any change to inputs.
2. The ways in which its internal subsystems and processes are linked.
3. How the subsystems and processes are controlled (Laws 1995).

Total systems can however be so large and so complex that they may not be possible to describe completely. As Churchman (1979:x) states:

> the larger the system becomes, the more the parts interact, the more difficult it is to understand environmental constraints, the more obscure becomes the problem of what resources should be made available and deepest of all, the more difficult becomes the problem of the legitimate values of the system.

Within a particular whole tourism destination system, there may be a great number of sub-systems functioning. For example patterns of tourism activity and how that activity is managed can be analysed by examining key inbound tourist itinerary routes, as every itinerary route used by one or more tourists represents a tourism system (Leiper 2003). Applying Leiper's systems model to the destination of Byron Bay (a popular international and domestic tourism destination located on the far north coast of New South Wales, Australia), for example, there are at least four key inbound tourism activity systems:

1. Backpacker tourism systems – where Byron Bay is a regional destination and transit point on a international backpacker itinerary;
2. Domestic South East Queensland systems – where tourists originate from travel generating regions in South East Queensland such as Brisbane and the Gold Coast.
3. Domestic New South Wales systems – where tourists originate from travel generating regions in Sydney and other New South Wales regional areas and Byron Bay is a regional destination or transit point.
4. Day-trip visitor systems – where visitors are day-trippers within a few hours drive of Byron Bay, but do not stay overnight. These visitors may be from regional New South Wales and South East Queensland.

A whole tourism destination system can also be analysed by examining certain industry sectors that function within a particular system. Leiper (2003) identifies seven sectors that could be used to analyse tourism industrial activity within a destination – the marketing specialist sector, the carrier sector, accommodation sector, the attractions sector, the tour operator sector, the coordinating sector and a miscellaneous sector. To this, we would add an eighth system that encompasses the resident and non-tourism business sector, local government and other government and non-government institutions and infrastructure. These systems are also discussed later in relation to human activity systems.

In order to study particular tourism destination systems, the analyst therefore needs to first determine the purpose of the systems analysis under consideration and choose an appropriate methodology for tackling the problem as it is perceived, but always to recognise that other possible perceptions of that problem are possible (Flood & Jackson 1991).

Using a Human Activity Systems Approach to Study Tourism Destination Systems

Tourism destination systems can be classified as human activity systems (Wilson 1984). A Human Activity System (HAS) is described by Wilson (1984) as an interacting set of subsystems or an interacting set of activities. Banathy defines a human activity system as:

> An assembly of people and other resources organised into a whole in order to accomplish a purpose. The people in the system are affected by being in the system. And by their participation in the system they affect the system. People in the system select and carry out activities – individually and collectively – that will enable them to attain a collectively identified purpose (2003: online).

Wilson (1984) proposes that analysis of a HAS is most relevant to investigating problems of management. He explains that, as activities are undertaken by people, human activity systems analysis involves examining the 'systems of activities', as well as the 'social system' whose boundary is coincident with the HAS boundary. He explains that, if a human activity system is mappable, the system of activities can show 'what' to change but it is the social system that defines 'how' that change may be implemented or whether or not the change is acceptable. Wilson (1984) empathises that what the analyst is doing in developing a HAS model is not trying to describe what exists but is modelling a view of what exists.

A conceptual model helps the analyst clarify thinking about a situation. The development of a model is recognised as the first stage of developing a systems view (Banathy 2003). Taking Leiper's whole tourism systems' model (1995) as a starting point, it is possible to broadly conceptualise the elements, activities, environments and people functioning within a tourist destination system. That is, the key stakeholders who exist within the system can be identified and the general linkages between the elements can be shown to explain how that system is structured. As Boulding (1987) explains 'what we are doing is starting with a description of the system at a given point in time with the aim of describing a system in its totality in a way that can be transmitted from one human mind to another'.

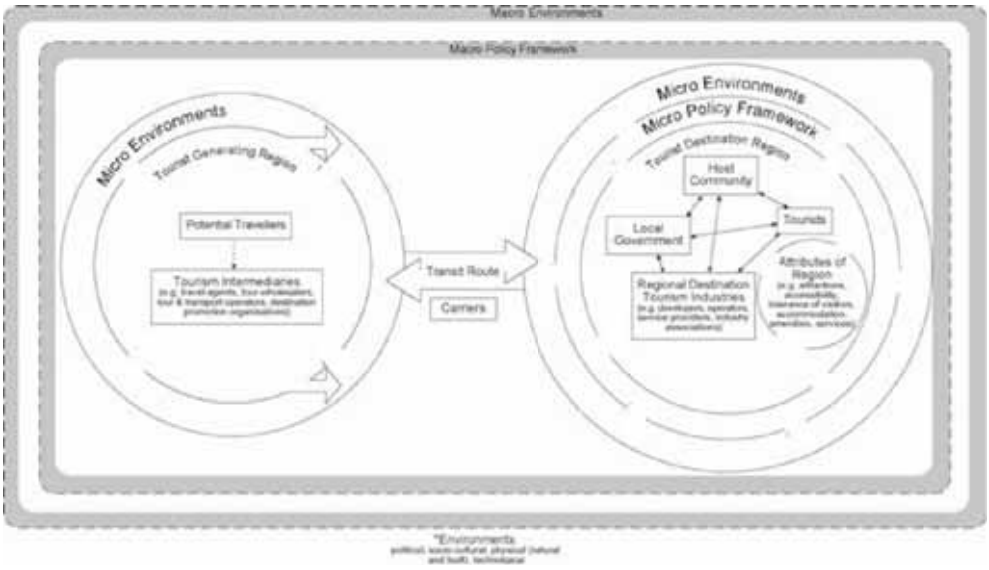
In examining the application of the whole tourism systems model (Leiper 1995) to particular tourism destination systems, Carlsen (1999) points to the need for the nature and extent of influence within the broader human, socio-cultural, economic, technological, physical and legal settings or environments to be further described. He explains that, in some destinations, it may be the case that tourism assumes such a prominent position in the economy that it influences politics and socio-economic development, so that the system (or elements of the system) influence the environments in which it exists (Carlsen 1999). As Carlsen states,

> There remains a lack of understanding about the interrelatedness of the impacts of tourism and the many conflicts and clashes that can emerge as an area develops into a tourist destination…The complex interrelationships that exist between the demand for tourism and the ability of the host population and environment to meet those needs in the future are not well understood (1999:321).

To understand how tourism can best be controlled and managed at the level of the individual destination, Davidson and Maitland (1997) recommend that consideration be given to: (1) looking vertically from policy frameworks at international and national levels, as policies and programmes enacted at these levels can affect tourism at the level of the destination with each geographical layer influencing and defining the parameters for the layer below; and (2) looking horizontally within each geographical level at a number of programmes and policies devised for tourism and those which impact on the wider context within which the tourism industry operates, including: policies for the economy, the environment and transport.

To study management issues within a tourism destination system, the following model (Figure 2.3) takes Leiper's (1995) 'whole tourism systems' and makes the TDR as the focal point for the study. Key actors who participate in tourism activities within the destination are identified along with key actors within the tourist generating region (TGR) who have a role in generating tourism activity to a particular TDR. It also shows the overlaying environments (political, social/cultural, economic and technological) as well as the policy frameworks at micro and macro levels that influence tourism activities and operations of actors within the system.

Figure 2.3: Whole Tourism Destination Management System



Source: Adapted from Leiper (2003)

This conceptual model could be described as a linear-programming approach (Churchman 1979) that identifies the players and stakeholders within the system and shows the general linkages between the various elements and environments. The model is similar to the work by Stear (2003) who proposed the 'Model of a Highly Industrialised (International Travel) Tourism System'. Both models identify the broad elements or activities within the system and show the general linkages between these elements and thus are an important step in clarifying and expressing the structure and logic of a particular system. However, they neglect to determine the strength of the interconnectedness between the elements and fail to explain more about complexities of the system and its interactions with environments and a region's host community. In examining a particular whole tourism system, the analyst should be looking for 'an explanation beyond description, into prediction or at least projection' (Boulding 1987).

Following the conceptual model building stage, a sound empirical framework, in which the system dynamics can be analysed, is needed. As Hoos (1981) suggests, what is missing within the model-building step in systems analysis is the empirical validity of the assumptions, as 'without assessment and verification … the whole performance takes on the appearance of a vainglorious game'. This is supported by Flood and Jackson (1991) who claim that social situations, such as those involving business, government and international relations, are too complex to capture using systems models and believe it is better to use systems models as abstract structures for organising thoughts about problem situations. The analyst then needs to take the broad whole tourism system depiction a step further by selecting appropriate methodologies that can be applied to the system under consideration. According to the International Society for the Systems Sciences (ISSS), systems methodology involves:

1. Identifying, characterising and classifying the system of interest, the system of issues embedded in that system, other systems that interact with the system and the larger system (the environment) that embeds the system;
2. Selecting, identifying and characterising specific strategies, methods and tools appropriate to work with the system (ISSS 2003).

A human activity systems approach (Wilson 1984) can be used as a framework to help explain the nature of tourism activity and its management to and within a particular tourism destination. The first step in the analysis is to identify tourism related activities that occur within the destination, for example, the nature of visitor activity and tourism industrial activity to and within a destination and the nature of tourism policy and planning that applies to a destination. The next step is to identify the actors involved in key tourism management sub-systems, or networks that have been selected for analysis. Three readily identifiable sub-systems of regional destination management systems could be:

1. The governmental policies system – those actors and agencies involved in developing, implementing and influencing policy regarding tourism activity for a regional destination.
2. The tourism development system – developers or investors who have developed or are developing tourism product within the destination, representatives from community groups with an active interest in tourism development projects within a destination
3. The regional tourism industries system – those actors involved in tourism business activities within a regional destination system.

Description of the roles, activities and interactions of these actors can be achieved by examining available secondary data sources and through in-depth interviews with key actors within a relevant temporal framework. Sub-systems of tourism related activity can be considered from an organisational perspective, for example, how inter-organisational business networks function and from a policy network perspective, where networks are seen as an important conduit for managing public-private relationships and understanding structures of

governance. Table 2.1 outlines examples of organisations that may be actively involved in tourism destination system networks.

Table 2.1: Examples of Organisations Functioning in Elements of Tourism Destination System Networks

TYPE OF ORGANISATION	INSTITUTIONAL ENGAGEMENT
Tourist Generating Regions (TGRs) Retail travel agencies Outbound tour operations Transport operations National Tourism Organisations (NTOs) State Tourism Organisations (STOs) Other tourism service providers (e.g. insurance co.)	Business plans Strategic plans Marketing plans Policy and legislation Licenses and accreditation Commercial agreements and contracts Financial contracts
Tourist Destination Regions and Transit Routes Tourist attraction operations Accommodation providers Retail and hospitality businesses Entertainment venues Event management organisations Tour and transport operations Local Tourism Associations (LTAs) Regional Tourism Organisations (RTOs) State and National Tourism Organisations Visitor Information Centres and services (VICs)	Business plans Strategic plans Marketing plans Policy and legislation Licenses and accreditation Commercial agreements and contracts Financial contracts

Within a HAS, sets of relations are maintained among those who are in the system. The process by which these relationships are maintained is considered to be the system's regulation, or the rules of the game (Banathy 2003). The limits by which these relationships can be sustained are the conditions of the systems stability through time and it is here where commitment (to shared purpose) and motivation (to carry out activities) play such an important role (Banathy 2003). The nature of the systems relationship with the environment is thought to be that of mutual interdependence and this interdependence imposes constraints and expectations on both the system and its environment respectively. The environment provides the resources and support that are required by the system.

In systems thinking, the task is not to find direct relations between members, but to find the super-ordinate system in which they are connected or to define the positional value of members relative to the super-ordinate system (Angyal 1969). Jordan (1981:vi) further explains that:

> We call a thing a system when we wish to express the fact that the thing is perceived and conceived as consisting of a set of elements, of parts, that are connected to one another by at least one distinguishing principle.

Elements within the systems are therefore considered from a holistic viewpoint and are not significantly connected with one another except with reference to the whole system. The integration of the web of relationships is said to create emergent properties that cannot be found in an analysis of the elements alone (Minati 2002).

The Study of Tourism Destination Management Systems

If, as Leiper (2003:39) suggests, evidence about tourism can come from looking at the elements (tourists, places and organisations) and their interaction with one another and with environments, then a whole tourism systems approach can further our knowledge about how particular tourism destination systems function and how they are managed. As other writers explain:

> If we view tourism as a complex system, it seems more likely that a large range of activities and factors have to be managed simultaneously for regional tourism to be successful and sustainable in the long-term… Systems thinking is therefore a powerful

> tool to help explore the complexities of the tourism industry and its interactions with the economy, the environment and local communities and helps to simplify and clarify problems associated with the industry and provides a mechanism to probe potential solutions (Walker et al. 1999:60)

By applying a human activity systems approach that examines both the activities and the set of social relations functioning within a whole tourism destination system, the analyst is ultimately seeking to find the emergent properties (Checkland 1981) of the system under examination. That is, by examining the whole system certain behaviours and interactions of system actors may give rise to a new form of reality, or emergent system properties (Minati 2002). Emergent properties of a system only exist when a system is viewed as a complex set of hierarchical levels of organisation operating as a whole (Checkland 1981). Discovery of the emergent properties of a system can lead to a better understanding of a system. As Checkland suggests:

> The special nature of human activity systems means that systems studies concerned with them are always multi-valued, with many relevant and often conflicting values to be explored. The outcome is never an optimal solution to a problem, it is rather a learning which leads to a decision to take certain actions, in the knowledge that this will in general lead not to the 'problem' being now 'solved' but to a new situation in which the whole process can begin again' (1981:ix).

Conclusions

This chapter has focused on the relevance of a systems approach to help explain the complexities of tourism activity and its management in tourism destinations. It has been argued that a 'whole tourism systems' approach (Leiper 1990a/b, 2003) can facilitate a holistic examination of the various elements within a particular destination system and the ways in which these elements interact with one another and with the various environments to the system.

A destination system can be further considered as a human activity system given that there are a number of interacting sub-systems or interacting sets of activities within the whole system. As the activities are undertaken by people within the system, a human activity systems approach means that the 'system of activities' are examined as well as the 'social system' of interactions of people carrying out activities within the system (Wilson 1984). Viewing a destination system from a whole tourism systems perspective means that the system is viewed as a set of hierarchical levels of organisation that operate as a whole in interaction with the system environments.

It has been argued that by applying a human activity systems approach that examined both the activities and the set of social relations functioning within a whole destination system, the analyst is ultimately seeking to find the emergent properties of the system under examination. The discovery of the emergent properties of a destination system may lead to a better understanding and increased knowledge of the system under consideration and may have implications for future planning, development and management of the destination and other destinations exhibiting similar system characteristics. It is within this context that we consider 'systems of innovation' (Chapter 3) and how innovation emerges in regional tourism systems.

Chapter 3

Knowledge Matters: Harnessing Innovation for Regional Tourism Development

Dean Carson and Damien Jacobsen

Why Innovation?

Innovation involves taking an original approach and finding new ways of using existing resources while looking to develop additional resources. For regional Australia this often involves problem solving by mobilising the existing economic, social, cultural and political capital to move forward. Being able to innovate allows regions, companies and industries to adapt to changing circumstances, take advantage of new opportunities and optimise 'returns' from product or process delivery. Innovation in regional tourism involves organisations and institutions working in competition and collaboration to stimulate sustainable tourism development. Regional communities are often disadvantaged in their attempts to harness tourism for its economic, social and environmental value. Regional communities tend to be isolated from sources of learning, investment and markets. Innovation is required to increase the competitiveness of regional destinations and to ensure long-term sustainability of tourism development.

The study of innovation as a mechanism for regional economic prosperity emerged from the work of Schumpeter (1975) in the early and mid twentieth century, who argued that firms which remain competitive and sustain growth enter into dynamic patterns of innovation. Researchers such as Edquist (1997), Nelson (1992) and Lundvall (1992) extended the concept from individual firms to groups of firms and to whole economic systems at regional and national levels.

According to Cooke and Morgan (1998:9):

> Successful innovation is becoming ever more dependent on the *associational* capacity of the firm – that is the capacity for forging cooperation between managers and workers within the firm, for securing cooperation between firms in the supply chain and for crafting interfaces between firms and the wider institutional milieu, be it local, regional, or national.

Systems of innovation literature reinforce the notion that firms rarely innovate in isolation and that innovation involves complex feedback loops and iterative learning processes with a collection of agencies (Edquist 1997).

As discussed by Lawrence in the previous chapter, systems may exist at any geographic level and may have a variety of core activities. Some elements of technological systems are consciously designed, while others appear as 'accidents of history' or association. System boundaries are usually very difficult to specify while even systems with similar purpose and geographic scope will incorporate different elements within them (Edquist 1997). However systems are defined, they may be to a greater or lesser extent, closed or open. Relatively closed systems are subject to fewer externalities, while relatively open systems tend to be more dynamic in their make-up and to have membership across geographic and even sectoral boundaries (Freeman 1995). It is not only the membership of systems which is important, but the way in which elements in the system interact (Edquist 1997).

There is a high level of agreement in the systems of innovation literature as to what sort of elements make up a system (see, for example: Cooke and Morgan 1998; Edquist 1997; Freeman 1995; Lundvall 1992; Niosi et al. 1993; Malmberg and Maskell 1997). Elements may be organisations – physical entities such as firms or government departments, or institutions – the laws, health and other regulations, cultural norms, social rules, technical standards and conventions that influence the behaviour of the system.

In terms of organisations, consider the following examples:

- Large enterprises acting as suppliers, producers and users;
- Small enterprises acting as suppliers, producers and users;
- Financial institutions, including banks and superannuation funds and venture capitalists;
- Vocational and training organisations;
- Universities and basic research agencies;
- Technology transfer (communication) agencies;
- Government departments, including local government, corporate entities and agencies;
- Intermediary associations (industry associations and other NGOs);
- Consumer, resident and other groups.

Technology systems focus on private-for-profit firms (Niosi et al. 1993). There has been discussion over the relative roles of small versus large firms (Patel and Pavitt 1994; Edquist and McKelvey 2000). Large firms are seen as important because they often have the resources to invest in in-house research and development and tend to produce more readily transferable innovations as evidenced by obtaining patents. Small firms are seen as important because they may have smaller 'turning circles' and be able to implement change and experiment more freely with different selections. Systems of innovation research has identified that firms exist as competitors and collaborators with each other (Edquist 1997). The contact between producer firms and consumer agencies is also critical to innovative systems, as is the role of intermediary associations. Intermediary associations in particular may be able to invest in research and development, communication and diffusion in a more 'public good' manner than private firms which may be subject to commercial in confidence considerations (Cooke and Morgan 1998). Intermediary agencies, along with many of the other non-firm organisations, may also be able to invest in more long term solution-seeking behaviours than firms (particularly small enterprises).

Freeman (1995) identified that elements within a technological system may be linked in many ways. These include:

- through financial flows;
- through research partnerships;
- through linkages established via legal and policy environments;
- through information and communication flows;
- through social flows (including mobile workforces);

According to Cooke and Morgan (1998), effective systems rely on trust and commitment. All participating organisations need to understand the interdependencies and the boundaries of interdependencies to be able to function effectively. In the same way, the system needs to be able to provide incentives for building trust relationships if innovative collaboration and competition is to be fostered. The policy environment is often used to provide such incentives.

There is no one single generic model of an innovative system that can be applied across jurisdictions (Malmberg and Maskell 1997). Opportunities for systems to innovate differ according to their membership, linkages and history. Opportunities may also be determined by access to knowledge about the system and its technologies. Effective policy recognises that the system matters and demonstrates an understanding of the organisations and institutions that comprise the system/s the policy attempts to influence.

It has proven difficult to assess which systems demonstrate innovative behaviour. In the literature, a number of indicators of innovation have been developed, including indicators relating to the size of the sector (against local, national, or global benchmarks), the knowledge base of the sector and the economic performance of the sector (Niosi et al. 1993). Despite the frequent call on these indicators as representing evidence of systems of innovation, Edquist and McKelvey (2000:xi) noted that:

> while it is almost universally accepted that technological change and other kinds of innovations have tremendously important effects on economic variables such as productivity growth, firm competitiveness and employment, the exact relationships between innovations and these other variables are the subject of continuing scrutiny and debate.

Systems of innovation which have been identified as successful in the literature have been shown to possess a number of elements (for a complete review, see Edquist 2001):

- Economic competence;
- Clustering of resources;
- The existence of networks;
- The presence of productive development blocks;
- Entrepreneurial activity;
- An effective critical mass of resources;
- Institutional infrastructure;
- A leading role of local government;
- The production and distribution of knowledge; and
- The quality of social capital.

Economic Competence

The concept of economic competence was employed by Carlsson and Stankiewicz (1991) to cover the range of skills required for effective management, corporate governance and the capacity to access and effectively use the monetary resources required in the innovation process. Economic competence underpins "the ability to develop and exploit new business opportunities" (Carlsson & Stankiewicz 1991:94). Specifically in relating to systems of innovation, economic competence involves the ability to access investment capital and to support enterprises (especially small enterprises) that seek to be lead innovators (Saxenian 1996). Economic competence provides the opportunity conditions, appropriability conditions and knowledge management skills required for successful innovation (Breschi and Malerba 1997).

Clustering of Resources

In discussing the spatial element of systems of innovation, the concept of clustering or physical closeness (Malmberg and Maskell 1997) has been prominent. Closeness in a geographic sense is important because it can reduce time and dollar costs in production and diffusion; allow the development of and access to a skilled workforce; help retain knowledge; focus research and development by keeping the problem 'close at hand'; focus policy and the implementation of public programs; and heighten the efficiency of iterative learning (Malmberg and Maskell 1997).

Porter (1998:78) defined clusters as "geographic concentrations of interconnected companies and institutions in a particular field." Clusters may be formally constituted through specific economic development programs, or they may emerge from more local and industry driven incentive. Clusters rarely conform to standard industrial classifications and so may not be immediately obvious in analysis of economic data. Likewise, clusters (especially those resulting from regionalism as opposed to regionalisation) may not sit neatly within administrative boundaries.

In summarising the features of clusters, Cooke and Morgan (1998) stated that:

> an innovative regional cluster is likely to have firms with: access to other firms in their sector as customers, suppliers or partners, perhaps operating in formal or informal networks; knowledge-centres such as universities, research institutes, contract research organisations and technology-transfer agencies of consequence to the sectors in question; and a governance structure of private business associations, chambers of commerce and public economic development, training and promotion agencies and government departments.

Networks

Clustering is about the physical proximity of organisations within a system of innovation. According to Cooke and Morgan (1998) physical proximity is not sufficient on its own to foster systems of innovation. The links (networks) between organisations in the cluster, as well as the cluster and its external stakeholders (including parent companies, user groups, national systems of innovation etc.) are also important. If knowledge is global and codified and can consequently be readily transmitted across space, proximity becomes less important than networks (Breschi and Malerba 1997).

Nelson (1992) reinforced the view that linkages, or networks, may be more important than clusters, however, physical proximity usually contributes to the effectiveness of communication and hence to network efficiency. Networks are the social and professional interactions between organisations in a system of innovation (Malmberg and Maskell 1997). Saxenian's (1996) empirical studies of information technology clusters in the United States demonstrated that firms derive benefit from sharing the costs of common resources such as infrastructure, labour force development and knowledge base development. Well functioning networks (Silicon Valley was a cited example) tend to have high learning competencies. Poorly functioning networks tend to have little trust and tend to hoard knowledge and minimise collaboration. In analysing the effectiveness of networks, it is important to reiterate that, while private-for-profit firms are at the heart of networks and systems of innovation, the engagement of the full range of organisations is necessary to maximise innovative potential.

Development Blocks

A development block takes shape when the presence of a fundamental attribute of a region is employed by a variety of businesses and other stakeholders to build or manage industrial activity. Fundamental regional tourism attributes for example, can relate to any number of possibilities including natural assets, industry excellence, cultural assets, outstanding service; or specific tourist attractions. Innovation potential arises from the dynamic influence of disequilibrium within development blocks. Disequilibrium within the block creates a tension, or dissatisfaction, that drives a desire for tension release (for example, if natural assets comprise a vital component of regional identity a source of tension for businesses and other organisations within this development block may be a lack of infrastructure to manage visitor behaviour). When the desire for tension release within the development block turns into activity it usually equates to innovative behaviour (i.e. using creativity to overcome perceived challenges, such as implementing action to overcome visitor management in natural areas).

Entrepreneurial Activity

Given the existence of either clusters and/or networks, Carlsson and Stankiewicz (1991) recognised that the innovation process requires a leader who can provide the vision and take the risks necessary for change. The leader or entrepreneur can be an individual or an organisation. While entrepreneurship usually rests with the private sector, there are examples of public agencies, such as a public telecommunications agency acting as a lead agency in innovation by commissioning new technology. The role of the entrepreneur in innovative regional tourism is to drive the activity required for developing successful development blocks. Entrepreneurs may come from any of the organisations involved in regional tourism systems. Essential is the ability to build on core competencies and translate tourism opportunities into action. Clearly the entrepreneur plays a key role in the dynamic force of development blocks (disequilibrium), as well as providing the region with a level of economic competence. The psychological, socio-cultural, economic and management factors attributed to fertile entrepreneurial activity are varied, however the entrepreneurial activity of many regions has benefited from the presence of role models. Moreover, entrepreneurial activity is more likely

with the advantage of convenient market access and local knowledge of both the regional product and market characteristics. Therefore, the presence and intensity of entrepreneurial activity can increase the potential for innovative regional tourism development.

Critical Mass

Carlsson and Stankiewicz (1991) also identified that sufficient amounts or resources (including organisations and their economic competence) are required to allow some enterprises to fail in attempting innovation and to allow for experimentation. Critical mass also allows innovations to be brought to market more effectively. The notion of critical mass as an important context for innovative activity is closely related to the contexts of clustering and development blocks. Where clustering may refer to proximity of regional tourism resources, critical mass refers to the density of resources assembled around development blocks. If development blocks are supported by significant expertise and infrastructure (which creates a critical mass within the block) then the capacity for innovative regional tourism development and activity increases dramatically. A critical mass ensures that the full potential of each regional tourism development block can be harnessed in order to maximise the potential for innovative regional tourism activity.

Institutional Infrastructure

The institutional infrastructure consists of the laws, health and other regulations, cultural norms, social rules, technical standards, policies, strategies, conventions etc. which influence the behaviour of the system and in particular, the relationships between organisations in the system (Cooke & Morgan 1998; Edquist 1997; Freeman 1995; Lundvall 1992; Niosi et al. 1993; Malmberg & Maskell 1997). The institutional infrastructure determines the nature and extent of linkages between organisations in the system.

In the regional tourism context, institutional infrastructure may include tourism plans and strategies, articles of association for regional and local tourism organisations, funding arrangements for Visitor Information Centres and other tourism amenities, cooperative marketing agreements and commission arrangements for organised tours and the like.

Local Government

The various levels of government are usually key players in systems of innovation (Cooke & Morgan 1998). They not only determine key aspects of the system environment through policy, regulations and legislation, but they actively engage the system as users of many technologies and occasionally as producers (Carlsson & Stankiewicz 1991). The producer role is very important in Australian regional tourism, with Local Government in particular (but also government agencies such as national parks services, forestry departments, fisheries departments etc.) having a hands on role in establishing and maintaining tourism product (Kelly 2002). All levels of government also serve tourism and many other sectors, as intermediary agencies performing marketing, data collection and distribution negotiation services. In these ways, the levels of government compete and collaborate with enterprises in the system. More research is required into how effective this process has been in regional tourism in fostering private enterprise activity (Sharma & Carson 2002).

Government is a significant provider of financial investment and incentive. Government develops policies and programs to support enterprises in targeted sectors. It is significant for the innovative potential of systems that private enterprises have the capacity to access these public resources (Carlsson & Stankiewicz 1991).

According to the Preamble of the Australian Local Government Association (2002:iii), local governments in Australia provide two fundamental services to the community. Local government plays a leading role by providing:

- a democratic forum for local decision-making accountable to communities; and

- a firmly based network of public administration capable of adjustment or expansion to undertake necessary roles and responsibilities.

To carry out these duties, the local government portfolio must cover a diverse range of issues, including economic, social, environment, infrastructure, administration and regional development. Ultimately, the significance attached to local government means that for geographically dispersed areas, local government is a central and a pivotal institution driving community needs. This centrality has more recently led communities all over Australia to rely on local government to perform a key role in regional tourism development.

Production and Distribution of Knowledge

Systems with better access to knowledge tend to be more sustainable and better innovators (Freeman 1995). Learning is the principle mechanism through which choice sets are recognised and selections made (Edquist 1997). Systems need not only to capture relevant information from within and without, but to produce new knowledge to enhance capacity for cumulative innovation (Breschi & Malerba 1997). In all systems of innovation, the role of Information and Communications Technologies (ICT) will be central to forming and maintaining networks.

Neoclassical economics assumes that agents have perfect information available which allows for identifying optimum solutions to problems. However, it is clear that each agent in the system has access to different types of data and consequently different levels of information, knowledge, expertise and capability (Cooke and Morgan 1998). As a result, different access to knowledge is a critical source of diversity among systems.

Imperfect access to data is one issue in evolutionary economics. Another is the differences in processes which agents in systems apply to analysing data and applying knowledge. The process is broadly defined as 'learning'. Cooke and Morgan (1998) identified two orders of learning. In the first order, systems learn to do existing tasks more efficiently. In the second order, systems learn to do better things. The second order is akin to what Edquist (1997) described as 'tutoring' and implies the creativity and application in capability rather than simply expertise (Beckman 1999). Capability in a systems sense also involves the distribution of knowledge (Edquist 1997) which ties systems of innovation approaches to concepts of knowledge management.

The World Bank in 1991 (Freeman 1995) recognised that access to knowledge was a more significant driver of economic growth than access to physical resources. With increased efficiencies in global supply chains for primary materials and production technologies, the capturing of intangible assets (principally knowledge and workforce skills) has become the key to technological innovation. Edquist and McKelvey (2000) extended this analysis to suggest that it is not just the capturing of existing knowledge which is important, but the ability to create and store new knowledge.

Existing and new knowledge may be accessed from all of the organisations in the system and from experiences of similar systems (similar in sectoral activities, operating environments etc.). Knowledge may be highly codified (usually making it relatively easy to distribute) or tacit. It may be globally relevant to the operation of sectors or focused on local circumstances. It may apply to general processes of innovation or be specific to a single aspect of production or diffusion. It may be developed in a cumulative way or new knowledge may appear 'out of the blue' (Niosi et al. 1993). In all these circumstances, systems are challenged to identify what knowledge may be relevant to problems (even poorly understood problems), make that knowledge available throughout the system to increase expertise and develop processes to creatively apply expertise through innovation.

Social, Political and Cultural Capital

Social capital refers to the bank of resources or institutions built up through interpersonal networks and associations upon which individual members of a community can draw. It also

includes concepts of interactions and reciprocity and encompasses social trust, norms and networks that support cooperation and coordination of aims and objectives for mutual benefit. We all have networks of family, in-laws, friends, workmates, politicians, business owners, Shire presidents, footy coaches, publicans and so on that not only provide us with information but with a sense of belonging, of connectedness. These networks are part of social capital and are both the glue that holds people together and the lubrication that assists our 'business', while sometimes being the 'fence' that excludes. The 'old boys network' is part of social capital and illustrates how social capital is not a simple 'good' but how it may represent exclusive rather than inclusive networks and behaviour.

Political capital for our purposes may be seen as a subset of social capital and refers to the way in which individuals and organisations use, control and share information and the power that goes with the controlling of that information. However, in terms of concepts of sustainable development, the reciprocal nature of social capital requires the wide access to information throughout the community, including participation in the networks and institutional infrastructure. Strong political capital will imply effective engagement with both the formal and the informal political dynamics.

Another subset of social capital is *cultural capital*, the cultural interactions and variety available to a community. The *cultural*, for our purposes, includes, *inter alia*, ethnic, historical, sporting, arts, music, craft, artefacts, events and lifestyle, including so-called 'high' culture. Participation may be active or passive, as a performer or a spectator.

A regional approach to innovative tourism development requires the cooperation of diverse industry, public and community groups. The ability to work together bolsters the capacity for integrating opportunities, ideas and resources that leads to, more importantly, the reduction of uncertainty in innovation processes. Networks are usually characterised by informality. The number of network configurations is defined by an individual region, but usually include production-based linkages, value adding relations, buyer-seller relations and knowledge-based associations. The extent of network possibilities in innovative regional tourism highlights the need for some form of intermediary to steer the broader process. Ultimately networks need to be designed to make innovative regional tourism development more achievable (Macbeth, Carson and Northcote, in press).

Cooke and Morgan (1998) stated that social capital provides capacity for trust relationships, but only within the constraints and opportunities offered by the systems institutional environment. Macbeth (1997) recognised that new initiatives require social 'will' and energy to be developed and implemented. Stone and Hughes (2002:11) preface their extensive discussion of measuring and conceptualising social capital by suggesting the concept "can be understood as networks of social relations which are characterised by norms of trust and reciprocity and which lead to outcomes of mutual benefit. The essence of social capital is quality of social relations" (p. 11).

Social capital is in many ways more difficult to harness than economic capital. It is intangible and the responsibility for its maintenance does not rest with any single individual or organisation (Putnam 2000). However, social capital is extremely important in fostering networks and reciprocal relationships within systems of innovation.

Systems of Innovation and Regional Tourism

There is a large body of literature about 'National Systems of Innovation' (NSI) and a growing focus on 'Regional Innovation Systems' (RIS). Many of these studies focus on one, or a small number, of economic/technological activities (such as automobile manufacture, textile manufacture, semi-conductors and so on) and therefore are concerned with sectoral systems of innovation within geographic boundaries (Edquist and McKelvey 2000; Breschi and Malerba 1997). Research has demonstrated that different systemic relationships are likely to exist for different types of activities, even within the same geographic area. Breschi and Malerba (1997)

described these sectoral innovation systems as existing where firms cooperate and interact to innovate, while competing to bring the product of successful innovation to market. Breschi and Malerba also argued that cooperation and collaboration may be assisted by the physical proximity of organisations in the system.

While lack of proximity may be addressed through the use of information and communications technology (ICT) and organisations may cooperate across national and international spaces, there is still considered to be a role for regions in innovation systems. Storper (1995), for example noted a 'resurgence of regional economies' and detailed the increased significance of the 'region' as a planning and policy entity throughout the late 1980s and early 1990s. *Regionalisation* (that is, the specification of regional boundaries by political or administrative structures) has become a focus of economic development due to the structure of government programs and the capacity to mobilise resources (including knowledge resources) more effectively at regional levels. Cooke and Morgan (1998) noted that regions continue to be important because their economies tend to be 'sticky' - they can retain knowledge (tacit and codified) over time through specialisation of the local workforce, locally based industry associations and so on.

A region may be defined as "a territory less than its state(s) possessing significant supralocal administrative, cultural, political, or economic power and cohesiveness differentiating it from its state and other regions." (Cooke and Morgan 1998:64). While Freeman (1995) recognised the significance of trans-national corporations and the increasing 'globalisation' of technology, these trends have not necessarily diminished the importance of nations (Nelson 1992) and regions. While legal and political structures are a key factor in this, "local infrastructure, externalities, especially in skills and local labour markets, specialised services and, not least, mutual trust and personal relationships" distinguish regions from one another (Freeman 1995:21). These are often characteristics of *regionalism* where regional boundaries are defined from within rather than imposed through the political process. Balancing regionalism and regionalisation has proven to be one of the key challenges for economic development agencies. In the Australian tourism context, there is no widely accepted definition of 'regional' (Kelly 2001). The Centre for Regional Tourism Research has adopted a working definition of regional destinations as being those whose boundaries do not include major urban areas (defined by the Australian Bureau of Statistics as centres with populations greater than 100,000 people).

The openness or closedness of systems may differ across geographic scales. Systemic organisation may be studied at any scale (even multi-national or global scales), with the degrees and nature of openness and closedness changing as geographic scale changes. So, for example, while national systems of innovation tend to be more closed than regional ones in terms of monetary policy, labour relations and so on, regional systems may be more closed in terms of relations between firms and access to specific forms of knowledge. In other words, it is argued here that, so long as there is some reasonable structural boundary corresponding to a geographic boundary for an activity, the region defined by that geographic boundary may sensibly be studied using an innovation approach (Edquist 1997). In Australian regional tourism, for example, structural/geographic boundaries include local government areas or tourism regions (boundaries defined by 'regionalisation') and local tourism associations or similar industry and community delimited areas (boundaries defined by 'regionalism'). A system at a smaller geographic scale will exist as a sub-system of systems at larger scales (Cooke & Morgan 1998). Firms may operate in many systems which vary according to geographic and, in many cases, sectoral boundaries.

While much of the research into systems of innovation has focused on manufacturing and technology sectors, it has been recognised that primarily service oriented sectors also benefit from innovative capacity. Freeman (1995) notes that service sectors face added barriers to innovation given the intangible nature of their products, the dominance of small and micro

enterprises in product development and delivery and a poor history of knowledge acquisition through research and development initiatives.

Like all industrial activities, tourism calls upon inputs from a variety of sectors. Discussion of tourism as an industry has persisted for many years. Some authors have suggested that tourism is not an industry, but a collection of industries (Bull 1991), while others have argued that tourism is a set of markets, rather than an industry (Sinclair and Stabler 1991). There is no doubt that the industrial aspects of tourism are difficult to define and then measure. This is because tourism as an industrial activity needs to be bound by the distribution and consumption of goods and services which have the intention of supporting or causing tourism (Leiper 1995). A number of sectors are involved in these activities (Australian Bureau of Statistics 1997), including package travel, accommodation, food and drink, transport, attractions, recreation and cultural activities and duty free shopping.

A range of enterprises are responsible for providing tourism products and services. In addition, suppliers interact with intermediary associations, regulators and public and private sector tourism marketers. The ways in which these suppliers and other organisations and the institutional context in which they operate, may be seen as constituting a tourism system. The imposition of regional political and administrative structures and the pervasive concept of tourism 'destinations' (see Chapter Two) suggests the existence of regional tourism systems.

In the previous chapter, Lawrence identified organisations and institutions which may be involved in regional tourism. The organisations involved in regional tourism systems include enterprises from various industry sectors, volunteer and community based activities (events, visitor services etc.), marketing and management agents (representing Local Government and State Government), collaborative agents (including Regional Tourism Organisations, Chambers of Commerce etc.) and an emerging R&D sector (including the Cooperative Research Centres, CSIRO, TAFEs and Universities). Many of these organisations are physically located within the region, while some are located across regions (such as transport companies) and others are located physically outside the region (for example, the Outback Queensland Tourism Authority is physically located in Brisbane, rather than in the Outback Region). Likewise, organisations responsible for attracting visitors to regions are often located in the market regions rather than the tourism regions.

The formal institutions involved in regional tourism systems include procedures for accessing Government marketing funds, rights and responsibilities of participants in industry associations and the gamut of regulations and legislation defining the parameters within which organisations can act. There are also informal institutions that emerge from the collaborative and competitive alignment of organisations. By nature, these are difficult to identify and describe, but may be especially important in maintaining the system (see for example, Hudman and Hawkins 1989). Residents of communities, along with enterprises, form part of regional tourism systems. This is generally truer of systems producing primarily services (such as tourism, health etc.) as opposed to those producing primarily goods. Regional tourism systems are also affected by economic conditions in generating, transit and destination regions, the availability of facilitating services and all the other environmental circumstances that act on economic systems generally (Leiper 1995).

Conclusions

A key challenge facing tourism development in regional Australia is the lack of critical mass – of users and of suppliers. There is little scope for experimentation, as the local consumer base tends to be too small to support a diversity of businesses. Consequently, it is difficult to develop a range of tourism product and many regional destinations become tourism 'monocultures' with a small number of product types. In a major urban area, there is usually the scope to both experiment with new products which can call upon a solid local, as well as visitor, market. There is also less impact overall if a business fails in a major urban area.

As a result of the critical mass issue, tourism businesses in regional areas tend to build a greater reliance on tourism markets than those in major urban areas. There is no local market to fall back on. This in turn increases the pressure on tourism infrastructure – particularly transport and destination marketing. It also increases the need for tourism businesses to collaborate within and across regions, as it will require a number of destinations to build an experience that will justify a visitor making the trip. This is particularly the case for self-drive tourism, which is 80% of the market in regional Australia (Carson & Waller 2002) and which can be built on corridors of product stretching over many hundreds of kilometres rather than highly localised urban tourism precincts.

Connections between regional destinations and their urban neighbours (even if they are distant neighbours) are also extremely important. Regional destinations are easy to marginalise, as visitors, entrepreneurs and staff can be intercepted at many points between their origin and the destination. Businesses in most regional destinations not only need to have strategies to attract visitors already in the region, but they need to participate in growing visitation to the region as a whole.

These challenges are not insignificant however, they also provide opportunity for regional destinations and we have seen these opportunities grasped in many of the cases reported in this volume. Regional destinations are often able to mobilise a range of stakeholders within the destination towards common goals simply because those stakeholders are relatively easy to identify and tend to have a history of engagement with each other. Engaging external stakeholders is somewhat more difficult and facilitating this external engagement may be an area where policy can make a positive contribution. Many state tourism policies mandate engagement with regions and there have been very successful outcomes from these policies, particularly in Queensland and Western Australia.

Regional destinations often provide more fertile environments for the entrepreneurs who challenge established thinking and produce and pursue the big ideas. There are more opportunities for these entrepreneurs and champions to be heard in regional communities than in major urban centres. What regional destinations often lack is the capacity to evaluate the big ideas and implement feasibility assessment. On the one hand, this can lead to inertia and subsequent community unwillingness to change. On the other hand, it can lead to unrealistic expectations and unwise investments. Effective tourism policy can make a difference here through basing regional development strategies around the ambitions of the destinations. In many jurisdictions, state tourism policy imposes development objectives on destinations as it tries to meet statewide performance indicators. Policy then becomes at odds with community approaches to development.

Beyond tourism policy, regional development policy generally can contribute to the innovation capacity of destinations. The cases in this volume identify at least four areas where the use of tourism as a development tool in regional communities can be more effectively facilitated through regional development policy.

1. Departments of regional and economic development need to recognise that departments of tourism have traditionally been charged with promotion rather than development and management. It is only recently that many tourism departments have attempted to broaden their remit, however, they have relatively little experience in dealing with communities and fostering industry development;
2. The external stakeholders critical to building capacity in regional destinations represent transport, education, health and emergency services as well as tourism and economic interests. Many regional communities are not well connected with the people and organisations who represent these interests at state and national level and facilitation is required to forge connections;
3. Public sector funding programs, particularly those requiring matching community contributions, have generally proven successful in generating innovative ideas and

developing critical infrastructure. However, they could be expanded to help build capacity to assess feasibility (beyond simple economic benefit-cost assessment); and

4. Recent trends in regional development programs have been toward very specific developments with immediate impact on particular communities. There has been relatively little attention paid to deriving broader lessons from these ventures and the sharing of experiences and initiatives across regional Australia. Prosper research has attempted to do some of the required collation and meta-analysis, but policies which support these community based developments need also to consider how the experiences of individual communities can be used to benefit regional development approaches more broadly.

With those four points in mind it is worth reiterating that our research and development work aims to foster regional capacity to assess readiness for tourism planning and development. But, it also aims fundamentally to contribute to regional capacity to use knowledge and innovate for community development.

PART 2

REGIONAL TOURISM CASES

Chapter 4

Economic Development and Tourism in Remote Queensland – Richmond and Bedourie

Stewart Moore

Editors' Box

The cases in this chapter were concerned with the mechanisms through which tourism could be integrated with overall economic development in the remote communities of Richmond and Bedourie in outback Queensland.

The communities described in this chapter have experienced economic development issues common in remote Australia, including adjustment from traditional industries and population decline. They have faced the need to identify reliable visitor markets and to differentiate themselves through a local identity. They have also needed to engage the local community as supporters of development through demonstrating the value of tourism.

The cases identify a range of innovations which, although small scale, have proven appropriate for the contexts into which they have been introduced. Innovations have included expansion and development of accommodation stock, development of museums and cultural centres and strategies to benefit from positioning on drive tourism trails.

The innovation capacity of the destination systems in Richmond and Bedourie was seen to hinge on the role of local government, economic competence and entrepreneurship.

Introduction

This chapter examines the relationship between infrastructure, economic development and tourism in rural and remote communities. The role of local government in fostering economic growth is reviewed together with the linkages between tourism and economic activity. The chapter focuses on two small rural and remote Queensland communities, Richmond in Queensland's North West region (population 750) and Bedourie in the Central West region (part of the Diamantina Shire with a population of 120). Both communities were chosen because of recent strong economic development and their relative success in attracting and

servicing the drive market through various product and marketing initiatives. Both Richmond Shire and Diamantina Shire fall into the Accessibility/ Remoteness Index of Australia (ARIA) category of 'very remote communities' (very poor access to goods and services and limited opportunities for social interaction).

Work undertaken by National Centre for Studies in Travel and Tourism and Higginson, suggested that while there is a great deal of diversity between rural areas there are certain characteristics shared by rural and remote towns. These include:

- General isolation from major service centres (distance/travel time).
- Accessibility constraints including unsealed roads and a lack of transport infrastructure.
- Small settlements which offer limited community services and facilities.
- Limited employment and enterprise opportunities.
- Low population levels which are often in decline or change.
- Limited Government and business support services.
- High cost of basic community infrastructure (housing, water, power, energy).
- Heavy reliance on mining or agricultural activities.
- Heavy reliance on Government grant schemes.
- Limited access by Local Government to professional and technical staff.
- Greater community input into local issues and high levels of interaction with Council.
- Higher living costs (secondary education, groceries, petrol, clothes etc.).
- High degree of seasonality (visitor flows, temperature, rainfall).
- A low level of tourism services / facilities including available accommodation, tours, transport options.
- Limited funding available for research or data collection on economic development, community, tourism or local authority needs.
- Residents who generally treasure and are proud of their outback lifestyle.

Tourism and economic development in Richmond and Bedourie have taken place in an environment which has been heavily influenced by the above factors. Any rural policy response or initiative intended to foster economic or social growth will need to be designed to respond to the special set of conditions that face rural and remote communities.

Although both Shires can be regarded as remote communities they are located in different areas of the outback and face considerably different challenges from an economic development and tourism viewpoint. Table 4.1 outlines some of the different characteristics of each town.

Four core economic development themes were selected from a National and International literature review as representing factors leading to successful growth in rural communities. These themes were used as a base platform to review each case study region. They include:

- Organisational structures/processes;
- Economic innovation;
- Infrastructure foundations; and
- Quality of life considerations.

Table 4.1: Case Study Regions (Richmond and Bedourie)

Characteristics	Richmond	Bedourie	Policy Implication
Population Size (Town / Shire)	750 / 1150	120 / 336	- Small / declining populations - Low rate base
Transport Corridor	Located on the Flinders Highway (sealed) A State Strategic Road Corridor Great Northern Railway Line	Located on Eyre Development Road Parts of road network unsealed - isolated road linkages	- Linear corridor access versus loop / link initiatives to foster trade and travel in the region - A focus on the drive and/or fly-drive market

Characteristics	Richmond	Bedourie	Policy Implication
Major Tourist Attraction	Kronosaurus Korner Marine Fossil Museum	No built attraction Natural attractions Birdsville Races	- Product development opportunities based on competitive advantage - Events strategy opportunities
Commercial Roomstock	22 Hotel rooms 49 Motel rooms	4 motel rooms (Simpson Desert Oasis) 16 Cabin style accommodation (Simpson Desert Oasis) 2 hotel / motel rooms (Bedourie Hotel)	- Low commercial room stock - Using commercial accommodation to leverage greater financial return to local community
Commercial Retailers	20	4	- Lack of critical mass of visitor services - Low economies of agglomeration
Major tourism Promotion or Product Development Initiatives	Overlander's Way Themed Highway promotion Accredited Visitor Information Centre Kronosaurus Korner Marine Fossil Museum Dinosaur Triangle	Diamantina Shire Brochure Warrari Visitor Information Centre Birdsville Birdsville Races (Desert racing carnival)	- Regional destination Marketing initiatives versus sub regional packaging of attractions services and events - Themed road corridors
Major employment by industry sector	Agriculture 43% Transport & Storage 12% Government 11%	Agriculture 45% Construction 16% Accommodation Café Restaurants 12% Government 6%	- A higher dependence on primary industries and local government development initiatives
Estimated regional visitation	60,000-65,000 (to Shire)	30,000-35,000 (to Shire)	- A growing drive market passing through region - Potential for economic gain with the right drive initiatives
Distance from nearest capital city and/or major population centre	Townsville 500 Brisbane 1600 Darwin 2000 Alice Springs 1600	Adelaide 1400 Brisbane 1200 Melbourne 2100	

Richmond

Richmond is the town centre of the Richmond Shire and is located in Queensland's mid north-west, on the bank of Queensland's longest river, the Flinders and is approximately 500 km west of Townsville and 400 km east of Mount Isa. The Shire has a total area covering 26,936 square kilometres, with boundaries to the Shires of Flinders, Croydon, Etheridge, Winton and McKinlay. As a service centre for the Shire, Richmond contains a range of facilities including a hospital, primary school, Council offices and banks. Key industries have been the public sector (State and Local Government), agriculture (sheep and wool) and transport services. Since 1998, factors hindering economic development have included a downturn in the wool industry and restrictive legislation relating to native title and water management. Despite these factors, significant economic growth has occurred and is indicated by development of new accommodation stock, extension of Kronosaurus Korner and upgrades to air transport, sewerage and mobile phone coverage.

In the past, the pastoral industry, beef cattle and wool production were the predominant industries in the Shire. However with the wool and beef industries fluctuating in value, other industries have started to emerge. The Shire has been active in supporting a wide number of economic development opportunities including:

- The development of the dam on the Flinders River and the O'Connell Creek Storage to help address water shortage issues;
- Field crops grown in the Richmond Shire including, cotton, sorghum and lucerne with centre point pivot and flood irrigation, corn and cattle fodder, an interest to trial

growing sugar cane in the area and horticulture which currently consists of a small crop of mangoes;

- The Richmond Shire Council has obtained funding from the Commonwealth Regional Assistance Program (RAP) to fund an overseer for 3 years to establish the Richmond Aquaculture Research and Development Farm Project;
- Value adding which is set to occur from a local sheep grazier introducing a new species of sheep to his flock, a local cattle grazier introducing a camel herd to assist with the control of the noxious weed Prickly Acacia, several local graziers adding goat herds to their property and from new field crops including seed and trash from cotton and cattle feed and the possibility of cubing for cattle feed;
- Two companies (Primergy and DMS) showing an interest in the vast infestations of the noxious weed Prickly Acacia as fuel for a Biomass Energy Plant;
- The completion of the O'Connell Creek Dam offering opportunity for industrial activity to service the needs of agricultural and recreational users. These include machinery, equipment sales and service, fertiliser outlets, marine sales and service, sporting and recreational stores etc.;
- Strategic Minerals have gold leases in the north of the Shire and recently added extra leases to their mine rights; and
- Richmond has a Santalum Sandalwood Mill in the township. The operators have recently installed a powdering plant valued at a cost of $200,000, opening up completely new markets and opportunities for value adding of sandalwood.

The Role of Local Government

In 1989 grazier, Ian Ievers while working on Marathon Station noticed an unusual protrusion in the bank of a dry creek bed. Ian and his brother Rob dug back into the creek bed and found a jaw with a row of teeth. They sent the specimen to Queensland Museum who sent a team to Marathon Station and excavated what is now known today as the 'Richmond Pliosaur'. The 96% complete fossilised Richmond Pliosaur is one of the world's best relics of the 100 million year old marine reptile that swam in the Ancient Inland Sea. Soon after this discovery, Ian found a second fossil an Ankylosaur named 'Minmi', a land Dinosaur. The find uncovered one of Australia's best preserved dinosaur skeletons and one of two of the most complete of its type ever found in the world, with much of its fossilised skin and armour intact.

In 1993 Rob Ievers formed a committee with the intention of collecting and displaying the fossil material that had been collected over the years. The Richmond Shire Council granted the committee use of the Council owned old Strand Theatre, donating the theatre free of charge and covering rates, electricity and maintenance of the building. Rob and his committee set about displaying the fossils that had been donated from properties around the Richmond Shire. The Shire assisted the committee throughout the initial period of the formation of the museum and the Richmond Marine Fossil Museum officially opened in September 1995. The committee and volunteers ran this tourist attraction until the council completed the first stage of extensions to the museum in 1999. In 1998, during a visit by the then Premier the Hon. Rob Borbidge, the Richmond Shire Council was granted $200,000 to upgrade the facilities at the museum.

An information centre, café and new entrance to the fossil display were installed, as well as a fibreglass replica of Kronosaurus Queenslandicus made to the dimensions of the Kronosaurus fossil discovered in Richmond in 1932 by a team of scientists from Harvard University, USA. The scientists took the rock containing the fossils back to Harvard where it took 25 years to remove the fossil from the rock. The building was constructed incorporating rock from the fossil fields and a walk designed around the outside of the building with fossils in the rock walls. The completed Kronosaurus was set in a lake with its large mouth open so that people

can sit in its mouth and have photographs taken. The Richmond Shire Council funded the remainder of the construction costs which were in excess of $500,000.

The Council, on the completion of Stage 1, took over the management and control of the fossil museum and renamed the complex Kronosaurus Korner Fossil Centre. Two full-time staff were employed to run the Centre with the assistance of volunteers. The café was leased out to private enterprise. The completion of the centre highlighted the potential long term benefits of a tourist industry for Richmond, to assist in the ongoing drive for economic diversification.

The expansion of Kronosaurus Korner encouraged visitors to stay overnight, so Council felt it necessary to upgrade the caravan park. A new brick amenity block was constructed, the park upgraded with drive-through sites and a new residence erected in the caravan park for park managers. The builders of the caravan park amenity block showed interest in purchasing a block of land and building a new motel. They purchased several blocks on the Flinders Highway and built a 26 unit brick motel including a conference centre, licensed restaurant and bar, which opened in 2001. Since the opening of the new motel, the corporate and government sector have used the facilities extensively for conferences and meetings, as Richmond is situated in a central position in the north west region of the Outback.

Subsequent to the completion of Stage 1 of Kronosaurus Korner, it was decided to apply for Queensland Heritage Trails Network funding to further extend the centre. The application was successful and $1 million was made available for Stage 2 extensions to Kronosaurus Korner. The extensions included a themed theatrette, preparation room, children's interactive room, extra display space and a new kitchen for the cafe. The opening of Stage 2 was held in June 2001 and incorporated the Centenary of Federation celebrations held over the Queen's Birthday weekend.

Following the upgrading and the inclusion of the preparation room, the Richmond Shire Council formed stronger ties with Queensland Museum and a Memorandum of Understanding was signed. Council, with Queensland Museum's assistance applied to the Commonwealth Regional Assistance Programme (RAP) for funding to employ a full-time qualified curator for the Centre. The application was successful and a curator was appointed who works at Kronosaurus Korner, conducts field trips to Richmond properties and is available to inspect new finds in the area.

Funding from the Centenary of Federation and the Gaming Machine Fund enabled Council to build two replica 3D 'Minmi'. One is permanently outside Kronosaurus Korner and the other is normally displayed inside and used for promotional shows.

The Richmond Shire Council has opened several designated fossicking sites in the Shire for the public to fossick. Any finds can be brought back to the resident curator at Kronosaurus Korner for identification. Maps and information on fossicking can be obtained at the Centre. The Richmond Youth Club gained funding to build signs for a Heritage Walk around town. The Aquaculture Research and Development Farm is also open to visitors during set hours. The Richmond Festival & Events Committee organise and run a Biennial Fossil Festival concentrating on the area's fossils. The Festival is held during the May long weekend every second year.

What has been observed in Richmond, then, is a flurry of general economic development activity in which tourism has played a key role. Activity has been inspired by entrepreneurs and the support of community and local government for new ideas.

Bedourie

Bedourie is located in Diamantina Shire, which shares borders with the Northern Territory and South Australia and lies within the region known as the Channel Country. This area of Western Queensland rivers varies greatly in dry seasons. Hundreds of square kilometres can be flooded after rain. There are 1,684 km of roads, the majority of these are dirt or gravel with only 27 km

of bitumen road in the whole Shire. There are 14 properties within the Shire, the average being 6,857 km^2. Bedourie, the Shire's administrative centre boasts many amenities including a hotel, road house, caravan park, a desert golf course, an artesian spa/pool and a new Community Centre which features Outback Queensland's only indoor tennis court.

In 1986, the population of Bedourie was about 60 people. The town had been in decline for some time and the grocery store closed in 1987. In the late 1980s and early 1990s, a number of events combined to set the framework for an economic turn-around in Bedourie:

- an outback drive tourism route (Matilda Highway) was developed in Queensland;
- private interests saw potential for future growth and re-opened the grocery store;
- a new Council CEO was appointed;
- a series of planning processes were established. These planning processes included local economic development plans and an Outback Queensland Tourism Strategy;
- further private sector interest in the town resulted in construction of a roadhouse (including 4 accommodation units and restaurant); and
- the Council began to have success in applying for State and Federal funding to improve basic services.

The accommodation stock continued to grow in the mid and late 1990s through extensions to the roadhouse. Building and infrastructure development activity peaked and this resulted in an influx of tradespeople into the region. Local awareness of the potential contribution of tourism was fostered through an overall higher emphasis on outback tourism linked to the 2002 'Year of the Outback'. Tourism development extended from accommodation to include a cultural centre, plans for a Visitor Information Centre and an Artesian Spa development.

Bedourie and its neighbouring town of Birdsville, have become significant drive tourism nodes along the Matilda Highway while the Shire has increased participation in collaborative marketing campaigns through Tourism Queensland and the Outback Queensland Tourism Authority.

The Link Between Local Economic Activity and Tourism in Rural and Remote Communities

This study has shown that economic development can be a driver for investment in tourism facilities if it underwrites demand for commercial accommodation and associated facilities such as bars, restaurants, fast food and retailing. Economic activity attracts a variety of non-holiday recreation travellers, including contractors, company clients and consultants, merchandisers and meeting and conference delegates.

Generally, there is a positive correlation between this form of travel and economic activity. It may also be less seasonal in which case it will partially smooth out peaks and troughs in holiday-recreation trade. The nexus between economic activity and tourism development is reinforced further when local governments become actively involved in community and economic development.

In most remote rural areas, commercial accommodation is an essential 'anchor' for tourism. It provides a base to build other services including tours and attractions. The strongest nexus with local economic development is with the hotel-motel sector, as commercial business generated by the local economy can represent 30-60% of visitor nights sold in this sector. Also, when the economy is growing, prospective investors take this trade into account when formulating business plans. There is also a nexus with caravan parks. Caravan parks tend to be more dependent on attracting business from road travellers passing through the region and less dependent on local business activity. The link appears to be strongest in areas where there is continuing demand by contractors for short to medium term accommodation as in shires where mining projects are being developed or expanded.

Figure 4.1 traces the linkages in a rural regional economy. Rural economic development is generally underpinned by agriculture and mining base industries. Most western rural areas are primarily dependent on the pastoral industry. Some have access to irrigation water supplies and

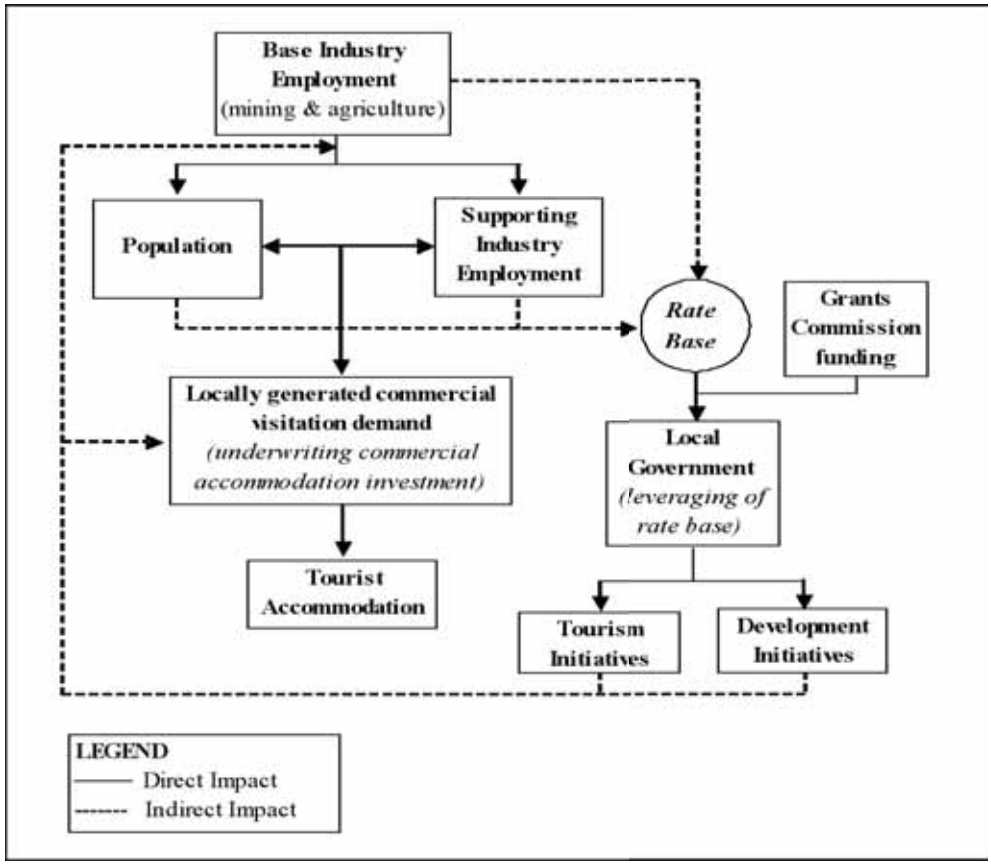
schemes. There are also local government areas with major mining projects and industries (e.g. Cloncurry, Mount Isa, Burke and McKinlay).

The establishment and growth of base industry activity creates a core of employment and population, which attracts various supporting industries depending on the size of the population centre including retailing, personal and business services and some light manufacturing. The supporting industries and the local population interact and create two-way linkages in the local economy.

The local economy and households generate a rate revenue base for local government which is used primarily to fund its staffing component and basic services. A key factor is external funding from the State and Commonwealth governments, which can be considerably more important for development than the rates base per se. Households and businesses receive some direct assistance from government, but local government is a primary 'vehicle' for recycling funds drawn out of the local economy by State and Federal taxation. Although a high proportion of external grants are formula based, some local governments are more successful than others at attracting external funding. This is partly tied to their ability to construct and carry through a development vision for their economy.

The diagram illustrates the linkages between economic development and tourism. The population, supporting industries and the development initiatives of local government generate demand for commercial accommodation. This underwrites to varying degrees investment in the sector. The demand for commercial accommodation is the main nexus between economic development and tourism.

Figure 4.1: The nexus between economic development and tourism



Policy Implications

Local government provides a fundamental plank in providing the social and economic climate necessary to foster and support economic development at a regional and local level. Local Government Areas (LGAs) are in a position to influence a wide range of competitiveness levers in rural and remote communities including:

- social capital built around community amenity, sense of place and general welfare e.g. community centres, swimming pools, sports and recreation etc.;
- rural subdivision and housing initiatives which can provide a stimulus for retention of skilled workers and residents;
- supervision and involvement in rural roads infrastructure schemes which can improve accessibility, safety and importantly utilise Council plant equipment and skills;
- the establishment and upgrade of essential community services such as water reticulation, sewerage and drainage. These services can be taken for granted in coastal settlements but can make or break the competitiveness of small communities;
- actively fostering local and regional business networks which can include rural task forces; and
- underpinning the growth and servicing of tourism (e.g. visitor information centres, rest areas, parks, caravan parks, marketing etc.).

There are a number of factors which may determine why some LGAs are more successful than others in fostering local business development:

- stable leadership, vision, policy and direction from the elected Council and Mayor;
- institutional infrastructure including a clear Corporate Plan backed by professional Council staff who have the trust of Council and are given the opportunity to make decisions and take action in a competitive market place;
- the strategic application of State and Federal grant funds to leverage the maximum level of resource stretch, which can deliver on the ground employment and economic benefits;
- a clear understanding of the potential benefits of tourism, the nature of how the tourism system works at a local and regional level and Councils role in leveraging buy-in and involvement from the private sector, the local community and the regional/state tourism organisations;
- the ability to promote sub-regional and regional outcomes, linkages and partnerships, which can grow the economic pie at a local and regional level. This includes knowing who to contact at a state and regional level and establishing strategic networks of business and funding contacts;
- local product champions who can recognise market opportunity and have the resources to invest; and
- a volatile mixture of good timing, good luck, measured risk and tenacity.

Lessons for the Development of Tourism in Remote Areas

There are a number of factors which may contribute to the capacity for remote communities to develop viable tourism industries. The key observations from the research in Richmond and Bedourie are:

- local authorities must recognise tourism as a apart of a wider economic system if it is to value add to economic growth;
- the supply and demand dynamics of tourism at a local and regional level need to be monitored and tracked;
- local Government provides a critical role in providing the right investment climate for tourism growth;

- successful tourism destinations are underpinned by partnerships between the local community, industry and government;
- backward and forward linkages between tourism and the local/regional economy need to be fostered;
- if tourism is treated in isolation from other aspects of community and economic development its benefits will not be maximised; and
- tourism plans need to have strategic intent and a business focus.

Chapter 5

Developing a Tourism System: A Tapestry of Knowledge

Diane Lee and Stephanie Chok

Editors' Box
This case study highlights issues of the production and distribution of knowledge and the harnessing of social, political and cultural capital (SPCC). The project relied on underlying SPCC to develop over its three years but more importantly, it had to contribute to SPCC in order to 'hand-over' the project and the knowledge developed throughout to the Tapestry region on completion. A clustering of resources is also obvious in the way in which a variety of 'champions' came together to carry out the project and economic competence is demonstrated by the ability to seek a variety of funding sources for the project and, again, for the continuation of the work. The innovations included new ways of understanding the dynamics of tourism in the region and mechanisms for undertaking planning.

Introduction

Regional tourism is characterised by sparse population and infrastructure and often by gaps in knowledge, including data specific to tourism. The Sustainable Tourism Cooperative Research Centre (STCRC) Tapestry project in the south-west of Western Australia sought to address some of these issues. The project was conducted within the 6 local government areas of Bunbury, Harvey, Collie, Capel, Dardanup and Donnybrook-Balingup, a relatively under-developed region in tourism terms known as the *Tapestry* region. It is midway between Perth, Western Australia and the popular Margaret River wine growing region and is under 2 hours travelling south of Perth. The Tapestry region has a population of 75,000, incorporates 3,800 businesses and about 220 tourism businesses. Business travel, especially connected to the Port of Bunbury, rural and mining industries, makes up a significant part of the region's visitation. Coastal attractions such as dolphins, fishing and beaches are complemented by forested and rural attractions, the region abounding in natural produce with a developing wine industry. Table 5.1 provides a summary of the regional trends and demographic information relating to the shires of the Tapestry.

Table 5.1: Summary of Regional Trends & Demographics - Tapestry

Tapestry Region Shire of:	Population 2000	Population growth (%)	Employment growth 2000 (%)	Average tax income 1997/98	Growth in agric. production 1999 (%)	Tourism projects planned/under construction ($m)
Donnybrook-Balingup	4,510	0.6	4.1	28,974	33.7	Dec '99 0.4
Bunbury	28,779	0.9	3.6	31,718	44.0	Dec '99 50.5
Harvey	18,845	5.1	3.8	31,845	9.0	Dec '99 11.0
Dardanup	9,242	7.8	3.6	31,479	-32.1	June '99 12.0
Capel	6,685	2.5	2.9	31,397	-22.6	June '99 1.0
Collie	8,627	-1.7	4.2	35,969	42.9	Dec '99 19.0

Source: Department of Commerce and Trade 2001

The Tapestry research project brought together the academic and technical expertise of Murdoch University [the coordinating body], the CSIRO, Edith Cowan University and the local industry to investigate future opportunities for sustainable tourism in the Tapestry Region. A three year STCRC research grant was matched and exceeded by extensive cash and in-kind contributions from the Universities and CSIRO/CRC partnership, local government, key government and private sector agencies and businesses within the tourism system of the region. Twelve months project funding from the Department of Employment, Workplace Relations and Small Business [DEWRSB] enabled the addition of a tourism training and employment focus early in the study.

The project developed a systemic view of the interaction between economic, environmental and social factors affecting the region and has developed a computerised Simulator Model known as the Tapestry Tourism Futures Model [TTFM] (Walker, Lee, Goddard, Kelly & Pedersen 2005) which has the potential to be applied as a major planning tool for the region, benefiting all stakeholders. The key explicit and overt outcomes of this project were the Tapestry Tourism Futures model developed by the simulator and an extensive data set on regional tourism related activity. As important, but much more ephemeral, is a more committed and active tourism community.

Regional tourism modelling and innovation within the context of sustainable development are the foci of this book. Using the Tapestry Tourism Futures Project (TTFP) as a case study, this chapter aims to showcase an innovative regional modelling process that was conceptualised as a cooperative research project and is currently operationalised, housed and supported through regional capacity within the south west of Western Australia.

The value of traditional outputs lie in providing incentives for stakeholders to continue support for longer term Sustainable Tourism Development (STD) objectives. That is, through provision of a continuous series of measurable outputs that are of immediate use to stakeholders, there is greater likelihood of sustained input from those stakeholders. It is suggested that the innovative approach of the TTFP in delivering timely, reliable and regionally specific knowledge outputs provides the incentive and support for the longer term objectives of STD. Data were collected from focus workshops, documentary research, visitor surveys, employment surveys and specialised questionnaires, all of which helped identify the key drivers of change in the region. The key outcomes are a Tapestry Tourism Futures [Simulator] Model and a comprehensive regional data set:

1. *The Tapestry Tourism Futures Model*: This computer model, similar to a "flight simulator," enables stakeholders to examine quantitative comparison of the impacts of tourism strategies by asking "What if…" questions. The simulator is modelled on a systematic understanding of the skills, concepts, barriers or obstacles that might need to be addressed in order to effect change. Through manipulation of model variables, diagrams provide scenarios reflecting accommodation supply views, employment potential, tourism training requirements and high/low growth outcomes. Using the model, stakeholders can develop and test tourism growth strategies, explore future implications and the flow on effects of decisions or activities.
2. *A regional data set*: Stakeholders have a greater appreciation of visitors to the region and to their own operations through participation in the design and implementation of visitor surveys. Baseline data previously unavailable in this and other regions allows stakeholders to evaluate the impacts of growth rates in visitors of different market segments including business markets, intrastate, interstate and international visitation, expenditure patterns, expectations, satisfaction and activity preferences.

Through evaluation of data, information can now be generated linking activities to spending by different market segments, identifying expenditure on such items as accommodation, restaurants, shopping, fuel, local entertainment, vehicle hire and fresh local produce. Of particular relevance for Shire Councils, developers, investors and tourism

operators, the model will also identify how spending in different sectors is linked to tourism related investment.

Sustainability and Tourism Development

As the concept of sustainability (or sustainable development) gains global currency among policymakers, the tourism community, as a whole, faces increasing pressure to embrace sustainability principles (Pigram & Wahab 1997). The difficulty, however, lies in the fact that sustainability – which aims to achieve global economic and social development that enhances rather than harms the environment (Newman & Kenworthy 1998:1) – is itself a fiercely contested concept (Beder 1996; Jacobs 1999; Kirkby, O'Keefe & Timberlake 1995). Compounded by the nature of tourism development – fragmented, profit-oriented, borderless and volatile (Sharpley 2000; Hunter 1997), tourism seems inherently inconsistent with sustainability principles that demand an integrated, precautionary and long-term global approach to management and problem-solving. It is thus imperative that sustainable tourism, as a concept, embodies more than a reflection of sustainability principles uncritically transposed on the tourism community.

While tourism remains a global phenomenon, Hall and Lew (1998:201) point out that "most of us behave within the confines of our local communities" – a central contradiction that can hamper the practical application of sustainable tourism development principles at a local level. In examining the effects of tourism on indigenous communities, Zeppel (1998:74) concludes that achieving sustainable tourism "depends on geographical location, indigenous control of land and resources and developing effective links with the wider tourism industry". This notion of local control relates not only to traditional indigenous communities but the local community of any tourist destination – as primary stakeholders, it is important they play a fundamental role in establishing priorities for the area. Facilitating this process of community involvement and hence control is therefore a critical concern of any sustainable tourism initiative.

Like sustainable development, sustainable tourism demands adopting a holistic – or systems – approach to management and problem-solving, recognising the interconnected nature of complex systems. (see Chapter 2) This requires an informed consideration of economic, environmental, social, cultural and political factors and how these variables both affect and are affected by tourism growth and development, in the short *and* long-term. These interrelated factors need to be considered in tandem, not isolation, in order to identify negative trade-offs in applying solutions. It is mistaken, however, to assume that sustainable tourism provides 'magic bullet' solutions. Disillusionment with sustainable tourism initiatives often stem from the lack of consensus regarding a 'perfect' solution to the problems identified – the hard reality is that "there is no single right answer" (Webster 1998:183). In generating dialogue and awareness, sustainable tourism strategies often create new conflicts but this should be seen as "a sign that partnership is working, that real issues are being put on the table" (Taylor 1998:174). The focus should be on how these conflicts are acknowledged, understood and managed in the process of tourism development; these conflicts also provide opportunities for new synergies.

'Community' – A Shared Aspiration

While the term 'community' invariably conjures up positive images of solidarity, kinship and a shared sense of place, it is important to acknowledge the difficulties involved in negotiating community-based projects. The "heterogeneity and complexity of community structures" (Milne 1998:41) means there will inevitably be a diversity of interests which may lead to conflict. Community values intersect across a tangled web of associations ranging from class to ethnicity and communities cannot be assumed to share a commonality by virtue of their physical proximity.

In many ways, community can almost be regarded as "a myth – with different meanings in different contexts and to different people" (Warburton 1998:18). Recognising diversity, however, does not mean a shared community vision cannot be reached – it is imperative to establish this community vision at the start of any sustainable tourism project. As outlined in *Our Community Our Future: A Guide to Local Agenda 21* (Colter & Hannan 1999:33), this vision is "a broad idealistic statement of general agreement for the future". With a focus on core values and long-term outcomes, this "vision-making process can help break through barriers between different interest groups or council departments".

Warburton (1998:18) recommends a new view of community, where it's seen as "an *aspiration*… not a thing [but] a dynamic process in which a shared commitment creates and recreates community through action by people who are aware of and committed to the principle of working together for a better life and world". This focus is important because it singles out the notion of commitment – community interest is never inherent but has to be instigated, motivated and sustained. It also highlights the fact that without commitment, any community-based project is doomed to failure. The European Commissions' Fifth Environmental Action Program, *Towards Sustainability*, further acknowledges that sustainable development initiatives can be really successful "only if the general public can be persuaded that there is no alternative to the action proposed. Therefore, the public must be informed… and, crucially, involved in the process" (CEC 1992:7).

Public Participation – A Double-Edged Sword?

The distinction between community 'participation' and 'consultation' is an important one – the former connotes a deeper level of involvement than consultation, which merely deems an opinion is sought (Macbeth 1997:28). The term 'participation' also requires further clarification, for it is not mere involvement that is required but a *meaningful* involvement that entails a mutual exchange of views and information as well as a firm commitment to common project objectives. Meaningful participation also means a representation of diverse views and values from a broad spectrum of society, including those of the traditionally under-represented. This relates not only to those marginalised within but also *between* communities – rural districts, which exist on the 'margins', often lack power and control within centralised political systems (Macbeth 1997:29-30).

Encouraging such a form and level of public participation requires adopting an interactive and collaborative approach, one that is proactive rather than reactive. Public participation initiatives should also be geared toward creating new networks within the community. In discussing resident involvement in urban regeneration projects in the UK, Taylor (1998:168) highlights Clegg's (1989) 'circuits of power' analogy and highlights that "in building the foundation for regeneration, the task is to activate dormant 'circuits' or networks within communities which can power local action and create a new momentum for change". TTFP did this for the Tapestry region of Western Australia.

It bears noting, however, that public participation can be a double-edged sword. As identified by Milne (1998:42), citizen participation programs can be costly to run, generate expectations that cannot be met and create new conflicts. The role of powerful local elites in jeopardising the democratic ideals of public participation is also an important variable to consider. Public participation is not an inherent 'good' and does not guarantee a sustainable or even positive outcome – a conclusion many find difficult to accept, particularly when funds are diverted to such programs. It is therefore important to lay down clear objectives – the shared community vision as mentioned earlier – to steer participation in a direction that is useful and effective and accepting of its inherent limitations. Milne (1998:42) thus suggests that "co-ordination from higher levels in the spatial hierarchy may be necessary to avoid the problems associate with unilateral actions".

Community Leaders

As much as community views are sought on a broad and indiscriminate level, key stakeholders who represent the diverse views of the community are equally important in the structuring process. As noted by Checkoway (1997:16), "community change can start with unplanned actions or random events, but it is only when people get organised that lasting change takes place". Both formal and informal community leaders have important roles to play in this 'organising' process of mobilising individuals to accomplish a common goal. Indigenous and accountable, these community representatives play a key role in maintaining a sense of cohesiveness, particularly in socially or spatially fragmented communities. It also bears noting that while participation programs should be accessible to all, not everyone in the community has the desire or ability to involve themselves, or they may wish to play a limited role in the project proper. Community leaders thus play a key role in identifying and managing such tendencies, as well as establishing and maintaining networks within and beyond the community.

"[E]ffective, team-oriented, far-sighted leadership" is an integral requirement for effective community development (Macbeth 1997:7) and central to this is the notion of a community champion. As noted by Long and Nockolls (1994, cited in Macbeth 1997:8):

> "To be successful in tourism development effort, there needs to emerge at least one individual, who, in addition to being somewhat knowledgeable about the tourism industry, is enthusiastic, energetic and able to motivate others. Eventually, a diverse group of individuals who are interested in tourism development and mirror the values of the community must be brought together to pool their ideas, interests, concerns and resources".

This champion, while sensitive to the community's needs and concerns, need not necessarily come from the community itself. As we suggest later, this 'champion' does not have to be one individual but can be represented by a cluster of key people and roles.

Essentially, community-based projects are people-focused projects. They relate primarily to human needs, desires, aspirations and concerns. Negotiating these needs and concerns – binding as much as they are conflicting – requires skill, tenacity and knowledge. The role of a champion is part facilitator, part motivator, an ambassador for any project's ultimate objective and an endless provider of that human resource often lacking today – optimism.

Capacity Building

For a community-based project to be successful in the long-term, it needs to remain a community-*driven* initiative, running on the support and expertise of a committed local base; it requires strong SPCC. Education, training and awareness raising are central to this process, for it empowers the local community with the skills and mechanisms necessary to continue the project – a community's internal dynamics need to be resilient and evolve in tandem with unpredictable external factors. This is especially pertinent in relation to tourism systems, which are complex and volatile. Managing tourism development requires a deeper understanding of the industry – anticipating the challenges ahead would aid in negotiating potential and existing conflicts both within the community and beyond.

It is important, however, to realise that the concept of capacity building "carries assumptions about what capacity is, who has it and who can build it" (Warburton 1998:24). A central danger is that implicit in capacity building programs is the assumption that a community is inadequate and lacking. Capacity building initiatives should not regard its recipients as passive or incompetent – rather, "to be effective, capacity building needs to be a two-way process" (Warburton 1998:26). Mutual respect should foster the relationship between capacity builders and recipients and it should be recognised as a reciprocal strategy to "encourage, reinforce and build social capital" (Warburton 1998:25) – a way to strengthen community ties as much as it is about managing tourism development to the community's broader benefit.

This emphasis on capacity building is closely linked to the notion of community control and autonomy, a need for a community to take charge of its destiny and carve its own vision. As Macbeth (1997:6) warns, "if the community doesn't develop its own plans, some other authority will fill the vacuum and the district will get what that authority wants, regardless of community preferences". This requires being equipped with the right skills to battle the future *collectively*, by encouraging the pooling of resources, knowledge and expertise amid an environment of trust and sharing. TTFP aims to develop and distribute knowledge for this purpose.

People relations are what shape any sustainable community project and the ability (or inability) to effectively manage such relations impacts greatly on its chances for success. As Macbeth (1997:7) concludes,

> no community, especially in a politically and economically marginalised district… can reach its potential without an internal cooperative spirit. There are and still may be, organisations and individuals who could foster this cooperation but instead fall in with the status quo and themselves become part of the problem.

TTFP has as one of its objectives the fostering of this cooperation.

The Tapestry Method – How It Was Done

A triangulation of methods was applied to obtain the specific regional data required to populate the Tapestry Tourism Futures Model (TTFM). The following section outlines these methods and their outcomes.

Desktop Documentary Research

Extensive desktop research, analysing content of existing documents specific to the region was undertaken to obtain relevant data. For example, in relation to the Port of Bunbury and its contribution to the tourism system, it was found that business visitors to the port are a function of the cargo volume, In order to provide input into the simulator, a documentary search was undertaken and the number of visitors per cargo tonne was calculated. This required a combination of methods which included interviews with the Port Authority to provide the estimated number of business visitors and existing Port data detailing the cargo tonne for the year.

Focus Groups and Workshops

Focus groups were held in each Shire in order to bring people together with specific areas of interest and expertise, under the leadership of the STCRC team. These stakeholder events involved:

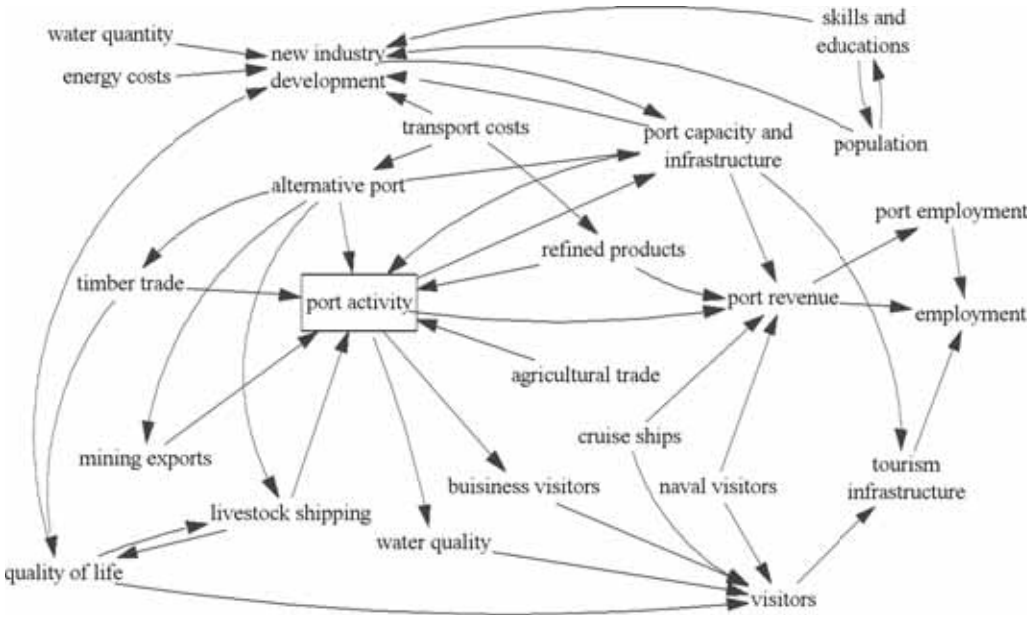
- defining the problem;
- understanding the drivers of change and potential leverage points;
- developing potential strategies for solving the problems;
- evaluating the consequences of the potential solutions and comparing the solution outcomes;
- reflecting on the potential short and long term implications of generated strategies; and
- refining the potential strategies to achieve a solution which is sustainable and does not lead to new problems in the system.

Information generated at every workshop and focus group was added to the computerised tourism futures simulator model – the TTFM.

Crucial to this project was and is an 'extended' view of tourism to encompass all stakeholders, not just those obviously in tourism. The Bunbury Port Authority, Regional Police, Regional Hospital services, emergency services and those with an interest in the environment, history and culture were among those who participated in these sessions. Figure 5.1 displays an example of a systemic diagram of the cause and effect of tourism on port

activity. Such diagrams (or horrendograms!) are applied by the TTFM to reflect linkages between variables in the model.

Figure 5.1: Focus group workshop – Bunbury Port



Source: generated in year one of the project (2000) and expanded since through stakeholder consultation.

Event Surveying

The Donnybrook Apple Festival in Easter 2001 was selected to pilot a regional events survey format. Together with the STCRC team, local representatives assisted in design of the survey instrument which provided data to enhance the TTFM base data. A technical report resulted from this work.

Tourism Employment Surveys

A face to face tourism employment survey amongst 209 targeted accommodation venues, cafes/restaurants, petrol stations, tourist attractions and tour operators and a selection of general stores, craft boutiques and other businesses known to benefit from tourism in the region sought to identify requirements for expanded tourism employment. Of those surveyed, 70% viewed tourism as very important to the local community and 72% viewed tourism as very important to their own business operation. The survey also assisted in identifying what changes or growth would be needed to provide additional employment amongst these sectors.

Visitor Surveying at Accommodation Venues

Following industry input to the design and content of visitor surveys in each of the six local government areas, exiting visitors have been surveyed over four seasons during two week periods, [one week during and one week either before or after school vacation periods] in order to capture visitor movements within the region.

A generic survey identifying expenditure patterns was distributed to all Shires. An alternate survey aimed at determining visitor travel patterns was designed on a Shire specific basis and also distributed. The result was a set of seven surveys, specifically designed to elicit regional information. During the period of the project, over 600 completed forms were processed from

visitors staying in local accommodation. This information provides base line data for the model and also for regional marketing purposes. Visitor surveying forms an integral part of the database and will continue into the future, enriching the local database and enhancing the TTFM planning tool.

Visitor Surveying at Staffed Attractions

Two survey periods, coinciding with the latter two of the four accommodation surveys were conducted with 42 of the region's attractions identified as distribution points. Surveying at staffed attractions 'captures' the day trippers, visiting friends and relatives and 'driving through' visitors; 375 surveys have been collected to date.

These two areas of surveying (accommodation and attraction) provided base data about the region and its visitors not previously available to small areas within the state and provided an insight into visitor profiles, movements, preferences and satisfaction with infrastructure and services.

Specific and Ongoing Outcomes

Following the handover of the three year research project in April 2003, local stakeholders assumed responsibility for the ongoing implementation of the project. They have continued financial support for a further three years committed by the six Local Government Authorities and the Regional Development Commission. Edith Cowan University agreed to be the host agency and oversee the project implementation, The Model will be accessible in key agencies throughout the six LGA's with trained Model operators throughout the region, It is intended that regular visitor surveying will continue, ensuring that regional data sets and the Model will be regularly updated, From this work, individual business reports, Shire specific and regional reports continue to be circulated throughout the region, Regular workshops will be scheduled in each local area to interpret gathered data to stakeholders and add to the data collection to maintain the validity of the Model, Financial sustainability of the project work will be examined and commercialisation of the Model and data will be investigated.

TTFM reports are provided to stakeholders in a number of formats and with quite specific objectives:

- confidential feedback is provided to each venue participating in surveying providing detailed patterns about their own visitors;
- Shire specific reports for each accommodation and attraction surveyed; and
- a region-wide report encapsulating accommodation patterns and attractions visited.

Reports based on visitor surveys provide data by Shire (except for the first three items that are region-wide):

- number of nights spent in the region;
- local places visited within the region;
- main activities undertaken in the region;
- visitor numbers;
- visitor's age profile;
- normal place of residence x shire and country for residence;
- who the visitor travelled with;
- number of adults and number of children travelling together;
- whether visitors have visited the area before;
- visitor satisfaction;
- local attractions visited in the region;
- market segment and spending patterns;
- expenditure patterns & $ spent per adult;
- reasons for choosing to stay in the region; and
- comments relating to the state of infrastructure in the region.

These specific data outcomes need to be seen in the general context of the region where the stakeholders now not only understand the role of the wider tourism system but also the benefit of having more comprehensive and relevant tourism data.

There are also a number of other tangible and intangible outcomes. In its first year, the project was awarded the Minister for Tourism's Encouragement Awards in the Western Australia Tourism Awards, in recognition of the potential to impact on future tourism planning and recognition as a major tourism research project. Importantly, as well, a wide cross-section of business operators have gained an understanding of tourism as a system, now aware of the wide ranging impacts and potential economic returns in the region. Through participation in workshops, focus groups and consultations, stakeholders have come to realise that any one decision relating to future tourism developments will have wide ranging impacts on a number of other elements within the region. It is already becoming apparent that there are different market segments, different expenditure patterns and seasonality affecting some Shire areas more than others. The movement of visitors between each of the six Shires is providing a clearer understanding of visitor preferences, patterns and overt promotion within the region. Businesses, which have gathered a substantial number of surveys, are starting to see the patterns emerging which will sharpen their target marketing and visitor servicing. All data gathered in workshops, focus groups, consultations and documentary research have been encapsulated in the TTFM. Stakeholders, since becoming aware of the capabilities of the TTFM, are eager to interrogate the Model to explore planning scenarios in response to specific "What if…" questions.

Stakeholders in each Local Government Area have access to the TTFM housed within their own Shire for planning and development purposes. Stakeholders are provided with interpretation of the workings of the TTFM and of the data gathered. Shire Planners and senior officers are able to explore planning scenarios to assist them in their decision making for future sustainable tourism developments and assessment of such decisions on wider development planning.

A further outcome involves ongoing feedback to stakeholders. Edith Cowan University, South West Bunbury Campus, will continue to interpret the visitor surveys and to issue confidential reports to each operator participating in visitor survey. Region and Shire specific reports will provide comprehensive reports from visitor feedback. Every opportunity will be taken to assist stakeholders to further understand the planning capabilities in applying the TTFM. Special reports requested by developers or planners will be generated by ECU on a stakeholder gains/user pays basis.

In Summary

The TTFP was handed over to the Tapestry community in April 2003 at which time the six shires involved indicated a further three year financial commitment to the ongoing processes established by the project. The notion of tourism planning for wider sustainable regional development was a focus of the 'hand over', with representatives from various sectors recognising the impact of tourism on their particular sphere of regional development (police, hospitals, SES, educational institutions, business enterprise, land development, mining companies amongst others).

The 'community' was represented by a wide, disparate and heterogeneous group, there was often dissention and challenging voices in the workshops and information sessions. In several instances it was the challenging voices who contributed most to the project. Operators who declaimed the usefulness of their input as being too costly in terms of time input and visitor discomfort grew to recognise the accumulative value of their input. Those who cried we need the information now (2001) are now receiving timely, individual and accumulative visitor satisfaction and demographic details. They are experiencing a wealth of information from a shared systems approach.

Conclusions

A project of this type and scope could not be undertaken without a 'champion', or, more accurately, a series of champions who initiated and then drove the project. These champions came together from two universities, a Commonwealth Government agency, a Cooperative Research Centre, a local tourism officer and, last but not least, six shire CEOs. That said, the enthusiastic support of the business and agency stakeholders played a vital role in the success of the TTFP project.

The research project has been working towards the development of a prototype for regional tourism planning, which may then be adapted by other tourism regions. In late 2002, the Western Australian Tourism Commission announced funding allocation through a competitive process to replicate the project in five [5] tourism regions within the state, commencing in 2003. The STCRC has under investigation replication of the project in other parts of Australia and overseas.

Over the three years of the research project, stakeholders have gained a greater understanding of the processes essential for strategic visioning and planning and have come to view 'tourism' in its broadest sense of 'visitation.' Through some 190 focus group workshops and consultations, stakeholders have been involved in identifying factors that impact on tourism in their geographical and interest areas and examined the inter-connectivity [or feedback loops] of these. They have come to realise that tourism is a complex system and needs to be viewed holistically, examining the interactions between the tourism sector and other sectors of the economy.

Once the TTFP was handed over to the Region, the research team stood back confident of the success of the project's capacity building element. A major success of the project is the ability of the research team to 'walk away'. The Tapestry had strong leadership and a number of champions, the TTFP left in place the opportunity for stakeholders to receive timely feedback, encouraging long term commitment. Intellectual Property (IP) issues are to be considered, the CSIRO and STCRC have undertaken IP agreements and an MOU has been signed in transfer of the TTFP to the Tapestry community.

The TTFP can be regarded as a successful transfer of the Tourism Futures Simulator, originally developed in Port Douglas Shire, to a wider tourism planning model (TFS plus regional data plus regional capacity building) involving six diverse shires. The Tapestry group provided a diverse setting of development opportunities with a strong recognition to the potential of the contribution of tourism. The process and the content require further research. The bottom up approach, with professional input, regarded as a key factor to the success of the TTFP, was dependant on the existing levels of cooperation between the heterogeneous interests of the six shires; Bunbury, Capel, Collie, Dardanup, Donnybrook and Balingup and Harvey provide a model for the future regional cooperation.

Acknowledgements

This pilot research project originated in response to the lack of credible tourism data available to tourism organisations, tourism operators, local governments and other agencies in this Western Australia non-metropolitan tourism region. The project was devised to provide an insight into the far reaching impacts of tourism and to provide local businesses and agencies with tools and information to enable short and longer term planning for sustainability.

The STCRC project provided the answer to an escalating dilemma of tourism planners in the region, bringing the technical expertise of educationalists, researchers and scientists to work hand in hand with 'grass-roots' local tourism operators and organisations:

Prof Trevor Sofield
Paul Walker, CSIRO Sustainable Ecosystems
Jan Pedersen, Murdoch University

Prof Elizabeth Hatton, Edith Cowan University
Mark Exeter, WATC

The project would not have been possible without the valuable contributions of the CEO's of each of the Tapestry Local Government Authorities and Visitor Information Centres in each Shire [or appointed Shires Officers where VIC's do not exist]. Others who have made significant contributions include the South West Development Commission, South West Area Consultative Committee [for DEWRSB], the Ministry for Planning and Infrastructure, Tourism Bunbury Inc. Board members and President Pauline Vukelic and staff member Leith Bailey. Numerous government agency Managers and staff, business operators and business organisations as well as special interest groups are also amongst those who have assisted in developing this project.

Finally, the project would not have been possible without the significant contributions and involvement of the many tourist accommodation and attraction providers within the Tapestry region who have helped develop a Tapestry specific, state-of-the-art planning tool for this region.

Chapter 6

Learning Networks and Tourism Innovation in the Top End

Pascal Tremblay

Editors' Box

This chapter recognises that, while the production and distribution of knowledge is central to the innovation capacity of regional tourism systems, networks within those systems face substantial challenges in becoming 'learning networks'. Analysis of tourism networks in the Top End of the Northern Territory highlights the diversity of interests and learning needs and focuses particular attention on the role the public sector may play in fostering innovation through learning.

The innovation capacity of the destination was seen to be enhanced through networks, the production and distribution of knowledge and institutional infrastructure.

Networks as Coordination Mechanisms - Balancing Coherence and Flexibility

While the notions of networks, cooperative alliances and other collaborative forms of organisation have become increasingly significant in the analysis of tourism governance, multiple interpretations of their rationale can be found in the literature (Garnham 1996; Tremblay 1998). The evolutionary perspective adopted here, whether applied to tourism or suggested as a generic theory of economic coordination, rests on a view of the economy in which various agents (consumer-tourists, business firms, stakeholder and interest groups, bureaucrats, destinations, communities...) are represented as facing huge uncertainty constraints and formidable decision problems which can not be (and are not expected to be) solved by conventional rational calculations nor modelled as simple information accumulation. These agents, including those vital for the development of regional tourism, are best described as facing situations of "partial ignorance" (in the sense of Loasby 1991) with respect to their natural, social, cultural, technological and market environments (Tremblay 1997, 1998, 2000). They face major challenges in having to develop strategies (and sometimes call for institutions) aimed at facilitating decision-making in a world where "knowledge" is not only fragmented and lacking, but where they face competition from agents involved in its development. In other words, businesses, communities and destinations involved in the tourism system realise that they can (or at least ought to) invest in governance structures which might allow them to create, develop, diffuse knowledge at various speeds and in different configurations for the sake of either sustaining their existence, or more simply, to maintain a competitive advantage. That is, stakeholders and various agents in the tourism system are in a quest to choose how to learn.

This is perfectly compatible with a view of tourism economies portraying novelty and diversity as fundamental driving forces of evolutionary systems (Tremblay 1993, 1997, 1999b). In such tourism economies, the ability to innovate (sometimes radically, sometimes incrementally and other times by simply following others), becomes a central determinant of competitive success both because place-destinations can influence tourism consumption and because tourism assets and know-how are embedded in the environments in which that consumption takes place (see Tremblay 1999b).

This is the context in which inter-organisational networks are best conceptualised as forms of learning capital which complement the internal capabilities of firms and other organisations having to manage scarce knowledge resources. It is increasingly recognised that networks (of various shapes and constitutions) constitute more than mere information diffusion platforms and that they also play a central role in exploring new ideas, learning about the environment or willingly generating new products or process concepts, generally referred to as "innovations".

What is critical for regions and perhaps insufficiently recognised, is that the rationale for learning networks lies in a basic economic quandary - the opportunity costs (in terms of both time and cognitive resources) associated with learning in general (Tremblay 1997). Any individual or organisation wanting to learn about an aspect or another of its environment faces problems of set-up costs (leading to scale economies) and must specialise to a certain extent to achieve the required proficiency in the relevant area of learning. It is not possible for individuals, teams, organisations or communities to learn about such things as products, markets, technology and cultural sustainability all at once. When recognising such limitations, the choice between learning strategies becomes critical as one might expect to experiment, discover, copy and adapt and most often learn from others, both through competitive and cooperative connections. Each of these alternative is worthwhile, costly and risky. Business organisations for instance will often decide to invest in multiple types of networks, some for the sake of learning about technological changes in their own industrial sectors, others for the purpose of gathering market intelligence and even alternative ones for the sake of learning-innovating through local or destination-based initiatives with the potential to increase regional competitiveness (Tremblay 1998).

In the evolutionary economics literature, learning networks offer a compromise between coherence and flexibility (Loasby 1991; Langlois and Robertson 1995). Coherence is needed for the sake of bringing agents on the same wavelength, a basic necessity for innovation when learning involves a great degree of inter-dependence between actors, such as in tourism. As with planning, coherence allows new ideas (say a new tour or an attraction) to be evaluated in the context of complex environments in which multiple services need to be bundled. In that context, networks support shared beliefs, world views, language and sometimes congruent objectives which serve as the platform to explore new opportunities in an incremental way.

Flexibility, as found in market or arm's length exchanges on the other hand, is also found in networks and is helpful for the sake of allowing divergence of opinion or beliefs to emerge, an essential requirement for radical innovations. Whether the focus is on technological change or the creation of new products, new ideas genuinely departing from old ways of doing thing will be allowed to flourish if agents are allowed to break away from established patterns without incurring excessive costs or penalty in the social and economic systems in which they operate. Evolutionary economists suggest eventually that the mix of coordination mechanisms (the types, quantity and configurations of networks) will vary according to the degree of environmental complexity and turbulence faced by business firms or other organisations. They do not suggest an optimal model or recipe for learning, as different systems are recognised as distinct. But it is critical to conceive of the forces which affect the mix of coordination mechanisms found in a system (at a given point in its development path) as a mix of experimental learning networks, allowing agents to both jointly make sense of their circumstances and develop or explore new ideas if old models seem outmoded.

It is important to attempt to analyse empirically tourism learning networks in the light of the knowledge gaps faced by various agents, groups or stakeholders attempting to deal with partial ignorance. While an increasing amount of empirical work about alliances or networks in tourism can be found scattered in the literature, they rarely take place in a framework which would allow for recognition of regional or destination interdependence nor allow to observe systemic connections. Most early descriptive studies focussed on big business corporate strategies (for instance Gilbert and Wilson 1991; Crotts & Buhalis 2000). More academic

exercises focussed on networking strategies within a type of function (for instance Bennet 1997), a given generic transaction (Watkins & Bell 2002; Go & Appelman 2001), a market dyad (March 1996) or a function-specific destination network (Palmer & Bejou 1995). These are all useful in understanding basic structural dimensions of networks when the environment is assumed to be stable. But for the sake of analysing the complexity of inter-related learning tourism networks, the analytical platform must be brought in line with the purpose of the investigation. Closer to the objectives enunciated above, some descriptive studies of destination-based attempts at implementing coordination can be found (Selin & Myers 1998; Timothy 1998; Scott & Parfitt 2001). But they rarely attempt to analyse simultaneously learning strategies which are connected with destination coordination or reflect the tradeoffs between destination, function-specific and market-specific knowledge which is of value to tourism businesses (Tremblay 1998).

A useful research approach developed in a previous quantitative study (Tremblay 1997 1999a) has interpreted networking strategies (for business organisations only) by examining the problems faced by agents and stakeholders in specific environments, speculate as to the learning capital they would be likely to want to invest in and their perceptions of where their competitive advantage lies. The survey attempted to include all businesses involved in a pre-defined geographical area, but across a number of functional roles. Within that spatially-defined system, the survey documented the structural attributes of existing inter-firm networks by developing indices documenting:

1. the strength of the links they incorporate (whether business links are formalised, involve ownership participation, their duration and the nature and extent of collaboration...) and;
2. the functional (intra- or inter- function) and the spatial (within region, intra-state, inter-state and international) nature of the partnership, alliance or collaborative agreements.

Regional Tourism Networks in the Top End

The Top End of the Northern Territory, specifically the Darwin region, was deemed particularly suitable for such a study because it possesses the characteristics of sufficient structural diversity and relatively small size making the analysis both useful and manageable. The fact that the Top End is relatively isolated geographically helps in determining meaningful, generally acceptable spatial system boundaries. Also it holds a sizeable and sufficiently stable community which controls a reasonably large amount of its tourism resources and develops local tourism products (in other words it is not simply a satellite of Southern tourism planning authorities and corporations, although some can hold significant property and agencies). Most importantly for the study, it comprises a good mix of domestic and international tourists and segments, many of which have been identified in a recent clustering exercise by the Northern Territory Tourism Commission. Yet, no category dominates the industry in such a way as to create a bias and make it necessary to include the analysis of this destination of origin.

On the supply side, the Top End of Australia incorporates a number of significant and well identified attractions increasingly accessible due to important infrastructures developments which have taken place over the past 15 years. This regional system includes side by side small scale local entrepreneurs and larger national firms interacting in their attempts to build the Top End as a destination and in trying to gain market share of these differentiated tourists attracted by a limited number of core attractions. While the forced interactions between these diverse interests have not always been harmonious, they surely have played a role in shaping existing strategic alliances between tourism firms.

The survey instrument developed for that empirical exercise was original and attempted to identify both relevant market- and firm-level characteristics which could have an influence on

the extent, nature and type of strategic alliances; and different ways of conceiving and measuring such relationships. The questionnaire was administered by remunerated, independent interviewers who contacted and met managers, owners and other decision-makers in the target population. The unusual features of the study included the fact that an attempt was made to include the total population of firms (in the pre-specified system defined below) and that these firms could show high levels of diversity with respect to various attributes such as their functions, size and structures. The instrument developed therefore needed to be sufficiently flexible in order to incorporate general and function-specific questions regarding relevant industrial characteristics. To keep the number of firms manageable and yet sufficiently rich, two criteria were applied for the selection of interviewed businesses: one regarding the generic function(s) (or sectors) to which these firms belonged and a second delimiting their territorial connections.

Firms belonging to the broad functions of *accommodation, attractions, transport, travel agents* and *tour operators* were included and identified as such. Also, businesses had to have an address or phone number in the Top End to be considered in the survey. For the purpose of going beyond the conventional mappings of a few important corporate connections, the general strategy employed is to link statistically firm and market characteristics to a variety of indicators of the propensity to link or cooperate. The strategy employed was, in the first part of the survey, to include a fairly extensive description of activities (process technology corresponding to amenities, services and activities undertaken by the firm) and markets (product technology corresponding to different measures of market segmentation) for each firm (reported by an adequate local decision-maker or owner). So each firm could be described in terms of its relative size, corporate history and market (in terms of the proportions of customers with local, intra-state, interstate and international origins and their quality expectations estimated by the type of accommodation level they would best fit in).

In the second part of the survey, questions regarding inter-firm linkages dominated. That section queried businesses about their engagement in corporate, contractual, informal linkages as well as repeated arm's length linkages for specific resource-sharing purposes. Questions concerning the nature of various forms of partnerships, their duration and the identity of partners were also asked. In the best case scenario, respondents provided the identity of business with which they engaged in all these types of collaboration, including the location of these businesses (again classified as local, intrastate, interstate and international) and the main function of these businesses. When respondents refused to reveal the identity of their partners, they were asked to at least identify the functional type to which their partners belonged (as above) and the location of their operations (as above as well), so that the data about types of linkages across functions and locations critical for this analysis could always be extracted. A total of 201 firms were listed in the target population fulfilling the two criteria. Of these, 41 could not be completed leaving the final sample of 160.

The next phase consisted in constructing suitable measures of cooperative linkages based on the information above. Indices of networking behaviour were created which reflected both linkage strength (combining the number of connections and the type of link to provide a proxy of the intensity of linking behaviour) and the latter were classified as horizontal, vertical or local to reflect same-function (with different location) connections, across function (with different location) connections or within-location linkages. These networking scores constitute an original approach to network measurement and are particularly useful when examining patterns across a population of differentiated actors.

The next step involved establishing statistical correlations between business attributes (including the business history and the market characteristics mentioned above) and the networking behaviour documented later (including the strength and nature of linkages) for groups of businesses. Detailed findings can be found in Tremblay (1997) and have been summarised in Tremblay (1999a). A number of patterns are strongly supported by statistical

analysis and are deemed meaningful for the exercise of examining the connections between market and industry positions of various businesses and their networking behaviour. Original insights were gained about the value of the learning approach to governance in a specific regional tourism context. As a first observation, the patterns identified suggest that networks (or cooperative partnerships) play an extensive role in the coordination of tourism in general, within and across tourism regions, their role including the strategic management of assets, marketing and product development. In fact, the overall results confirm the general proposition that ownership integration (through gradual diversification or by merger) is not the dominant corporate strategy.

The closely linked second conclusion is that across the groups (discussed below), much diversity exists regarding networking strategies with respect to the mode and purpose of cooperation, the choice of partners, the locations and the economic-contractual nature of the interaction and these reflect the type of learning deemed critical (different for instance when the knowledge assets are complementarity or similar to those already possessed by an organisation). Because such diversity was expected, data allowing for contrasts between function and location of partners played an important role in identifying networking patterns. Yet the ability to identify systematic connections between a number of market segments and networking strategies shows that this diversity does not imply random partnering behaviour. Instead, a categorisation of tourism actors could be suggested based on the networking patterns exhibited. This investigation supports overall the notion that specific inter-firm linkages patterns are connected to the servicing of particular customer groups. A list of main typical networking strategies reflecting dominant linkages patterns was identified in Tremblay (1999a) and are summarised below:

1. The survey demonstrated the central role of a number of major networks dealing mainly with business travel markets and evolving around relatively large, visible upmarket accommodation firms (but comprising some major transport firms). These include mainly interstate clients and a significant local component. The central mode of governance for these establishments is corporate linkages between units spread across the country and overseas (involving sometimes chain integration but more generally based on partial ownership linkages coupled with franchising, leases and management contracts). Their objective was often to share marketing and information technology assets while their main strategy corresponds to those of transnational firms whose main assets are reputation, branding and reliability regarding services standards. This type of coordination most closely corresponds to horizontal networks of firms sharing technology and quality standards or reputation.
2. It was also possible to identify a relatively important number of joint vertical-local networks servicing holiday customers from overseas which connected complementary local firms with overseas wholesalers or other booking intermediaries. These were clearly associated with the holiday market and were generally significantly correlated with higher than average proportions of overseas tourists and group-inclusive travel. Those networks usually were dominated by medium to high quality range of services. The dominant form of governance was long-term contractual connections sometimes supported by partial ownership participation. Typically, such networks would involve mid-size accommodation (hotel or resort) located in Darwin linked contractually with inbound operators (and some transport firms or peripheral resorts located near local attractions). Learning about market expectations and evolving trends outside the local operating environment can be hypothesised as having dominated the participants' strategic imperatives.
3. A relatively important network in the Top End deals with backpackers. Many overseas and Australian backpackers enter and exit Australia through Darwin when transiting to or from Southeast Asia. They constitute a specialised market centred around backpacker accommodation establishments, many of which have developed on-site booking services.

They sometimes even run their own inbound tours but in general customers are informally referred to preferred operators as running tours is considered more than a minor side activity. The backpacker market is highly competitive and cooperative alliances between hostels and tour operators seem to change relatively quickly, although the focus on that market seemed limited in the mid to late nineties (new, quite different players have since penetrated that market). It could be argued that network participants shared a broad "backpacker market technology" reflecting the need to keep track with the specific cost-time tradeoffs, socialised decision-making processes, marketing channels and consumers preferences characterising that market. While this market might be classified as low-technology from a marketing perspective, its corresponding operations seem to depend heavily on local knowledge, finely tuned ancillary and flexible services and good connections with travel guide books or associations of hostels directing sufficient numbers of travellers to their premises (often with the encouragement of dedicated airport transit services). Some evidence also emerged that independent operators did not cope as well with a turbulent environment and that strategic alliances with national associations could have constituted a critical determinant of competitiveness at the time.

4. Firms belonging to the category "attractions" play a distinct role in the Top End. They do not participate in specific networks nor collaborate with particular firms (so networking indices were low with respect to strength, variety and duration), perhaps because their main assets are "natural-cultural" and constitute common goods for which broad access should be maintained. Equally, many attractions found in Top End tourism belong to a system still in an early phase of development, in many cases partially controlled and subsidised by public sector agencies. Learning in that context is often perceived to be mainly connected with knowledge needs outside the realm of tourism organisations, often more related to land management (i.e. protected areas), social and cultural institutions (i.e. heritage or indigenous affairs) or scientific institutions. Firms in the "attractions" category are clearly involved in fewer linkages than other firms, except with respect to informal recommendations where they score very highly; as they are recommended by most other firms.
5. A much more loosely defined but extensive subsystem (overlapping with the previous ones) deals with independent domestic travellers who have their own transportation (the "self-drive" market), some of which stay with friends and relatives or utilise camping and caravanning parks. These tourists deal frequently with establishments less integrated in the tourism system, servicing locals as well as tourists and involving, in general, more self-coordination. In particular, these more marginal firms provide services to travellers who often have fewer time constraints regarding their itineraries. The firms associated with this loosely defined subsystem include many camping and caravanning parks as well as holiday apartments in Darwin itself. Learning in these networks focuses largely on local knowledge across all realms of life, including local business connections (outside tourism), ancillary services for the sake of capitalising both on rapid adjustments to market changes, word-of-mouth information diffusion and importantly on locational advantage. Many such businesses could be described as operating in the periphery of the core-industrial components of tourism (Leiper 1990a/b).
6. Specialised markets can become sources for less well documented networks. An important one for the Top End (for which some information has been gathered but insufficiently to draw definite conclusions) is that of servicing the 'fishing' sub-market. This mainly comprises local inbound fishing operators connecting with interstate agencies channelling clients to the Top End and some local lodges (sometimes owned by operators, sometimes accessed through long-term contracts). The rate of participation of these firms in the Darwin Region Tourism Association is lower than average and such membership levels is an indication of the reliance of individual operators on independent, vertical marketing channels to attract clients. A number of such networks are clearly focused on

tight market learning (driven from southern client groups), vertical packaging and network differentiation reflecting a number of fishing cultures.

Conclusions

In the context of the Top End of the Northern Territory, it has been possible to document empirically patterns in learning strategies involving various combinations of local, interstate and overseas connections between businesses. By characterising connections by their strength and geographical attributes, it is possible to establish categories corresponding to distinct learning needs. Horizontal connections (within functions) usually correspond to needs to learn about technology, brand management, or specific organisational knowledge providing competitive advantage. Vertical connections on the other hand usually link businesses belonging to different functions but holding similar and specific market knowledge and belonging to different regions. They can share knowledge about consumer preferences and trends established far away from destination, about impacts of political-economic crises and other global events difficult to predict but potentially holding great implications for small, distant regional economies. In contrast, local connections support a number of resources-saving cooperation and information-sharing motives. In particular, they seem to play roles in [a] developing distinct regional-local products and [b] managing sustainability with respect to cultural, social and environmental core assets within a region.

Diversity with respect to learning strategies is expected to reflect the diversity of positions and needs of businesses and stakeholders found inside a region. The balance required between coherence and flexibility in a specific region at a specific point in time should in turn reflect local perceptions of the challenges and environmental turbulence affecting regional tourism as well as the distribution of resources available locally at that time. Public sector policy networks ought to play, in different regional tourism contexts, greater or smaller, broader or narrower roles in affecting, fostering, steering or supporting existing stakeholders and businesses networks, depending on the maturity of existing collaborations in dealing with the specific challenges affecting regional tourism. These will prove valuable as long as they take into account the mix of coherence and flexibility required in region-specific tourism environments and complement other components of the regional tourism learning system.

Chapter 7

Networks and Innovation at Lake Macquarie

Dianne Dredge

Editors' Box

This case study highlights the interaction between organisations and institutions in a regional tourism system.

It shows that different structures may be employed to foster networks between organisations, but that these networks find it difficult to engage in successful activity if the institutional infrastructure is weak.

The case study demonstrates a need for innovation (product diversity, planning models) in a regional tourism destination and shows how difficult it can be to develop innovative behaviour in a regional tourism system. In particular, innovation was seen to require improved participation by local government.

Introduction

In the case study that follows, networks are used as a lens to understand the collective innovative capacity that developed over the period 1970 to 2000 in Lake Macquarie, New South Wales. The broad approach outlined in Figure 7.1 and the network dimensions outlined in Table 7.1 are investigated using a qualitative research approach that draws from a variety of sources including in-depth interviews with 24 network members and newspaper, local history and local government archival sources. The researcher also attended council, community and local tourism association meetings and workshops over an 18 month period to observe network relations and policy debates 'from the inside' (Browne 1999:68) as a form of ethnography. This approach sought to develop in-depth holistic explanations of dynamic and interactive relationships and actions as they occurred in time, connecting these with theoretical precepts in an iterative process (Majchrzak 1984). In this way, focus can be given to the language of politics which is inevitably embedded with multiple interpretations of problems, opportunities and constraints (Howlett and Ramesh 1998). From this research, detailed understandings of formal and informal rules of conduct, power relations and strategies adopted by various actors and agencies enabled the researcher to move beyond static descriptions of network structure and dynamics to develop in-depth explanatory and cultural understandings of networks (Burstein 1991; Howlett and Ramesh 1998).

Figure 7.1: Framework for Investigating Policy Networks

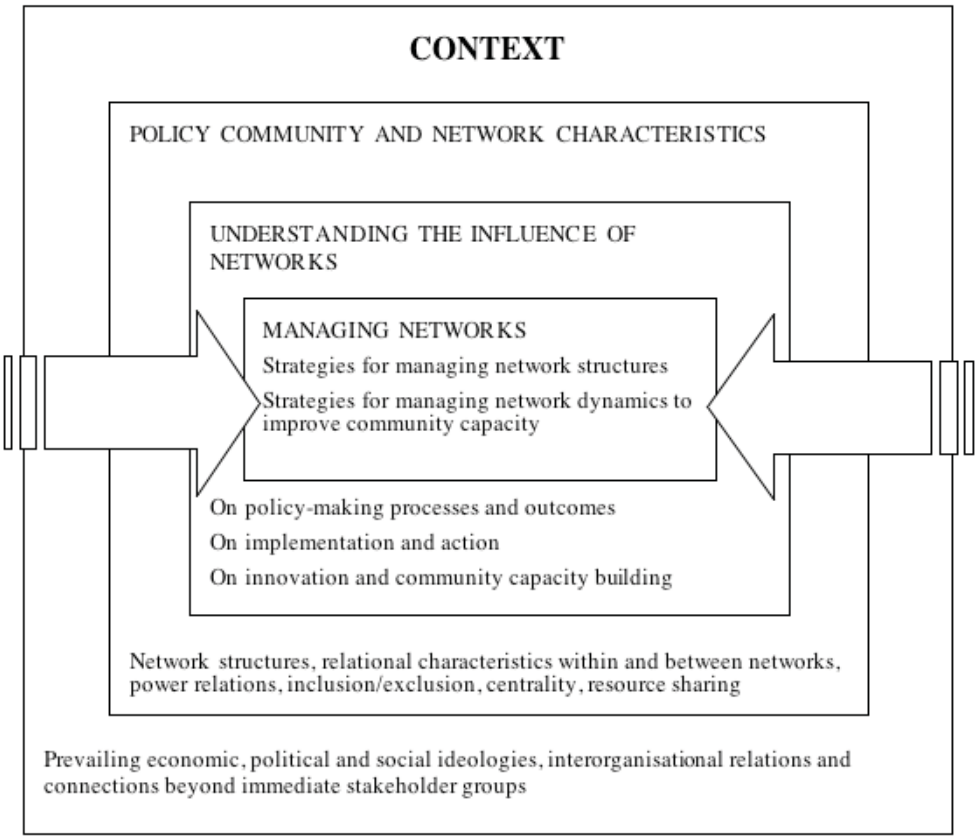


Table 7.1: Dimensions and Properties of Networks

Dimensions	Properties
Actors and agencies	The number and type of actors involved; needs and interests of actors; interdependencies between actors, structures, capacities and resources; degree of professionalisation; mandate; perceived role and attitudes of actors.
Functions of the network	Access to the decision-making process; consultation and exchange between participants; negotiation; co-ordination; co-operation in policy formulation.
Structure of the network	Size of the network; boundaries (open or closed); membership requirements; pattern of linkages; strength of relations; density/multiplexity; clustering; centrality of the network; reciprocity of interconnections.
Characteristics of Institutionalisation	Ad hoc, temporary or informal organisation to formal, stable, permanent coalition structures.
Rules of conduct	Negotiation and accommodation of conflicting interests; shared sense of public welfare; secrecy or openness; politicalisation or mutual understanding to depoliticise issues; rationalist pragmatism or ideological disputes.
Power relations	Capture of state agencies by business interests; autonomy of the state; capture by private interests; balance of power between state-interest groups, hegemony.
Actor strategies	To structure relations within the network; to influence the selection of actors in the network; to influence the function of the network; to create or nurture certain convention or interests.

Source: Adapted from Van Waarden (1992).

Case Study

Lake Macquarie is located on the coast 200 kilometres north of Sydney and is part of the Hunter tourism region. Lake Macquarie is a traditional seaside holiday destination, its popularity originally established during the late 1880s due to its scenic quality and the respite it offered for visitors from the industrialising centres of Newcastle and Sydney (Dredge 2001). During the 1950s and 1960s Lake Macquarie was a popular family holiday destination and the shores of the Lake were inundated with campers and other holidaymakers during peak holiday seasons.

In 1972 the first local tourism industry association was formally established as an initiative of a local chamber of commerce. It lasted less than a year. Lack of financial support and the refusal of Lake Macquarie City Council to officially recognise the association (whereby it was unable to secure a tax exemption according to Australian Taxation Office rules at the time) led to its demise. Evidence within Council's own files suggests that councillors did not want the association 'acting as an extension of Council' (LMCC File No. 3/570/204/068). Under the *Local Government Act 1919* (New South Wales), tourism was a Council responsibility and councillors were concerned that support for the association would usurp their authority. In effect, the Council failed to legitimise the emergent tourism network, deciding instead to set up a competing network, the Tourist Facilities Development Panel. This Panel was a Council committee characterised by closed membership (i.e. councillors and council staff only) and was charged with co-ordinating tourism signage around the Lake. Its narrow issue base meant that, with signage completed, the Committee was disbanded. In 1977, another very specific council network was formed - the Tourist Facilities Development Committee. This Committee was charged with 'the co-ordination of all matters relating to tourism' (Minutes, Finance, Works and Library Committee 12 October 1981, File No. 3/570/204/608). While this charge appears broad, Council's internal files reveal the main purpose of the Committee was to identify potential sites for tourism development. This task was done in a bureaucratic vacuum with no input from industry. Consequently, tourism industry and council networks existed in isolation of each other up until the end of the 1970s.

In 1981, the first formal Local Tourism Association (LTA), with industry and council membership, was established as a Committee of Council. While a number of industry representatives sat on the LTA Board, the LTA was almost entirely resourced by Council. There was no joint mobilisation of resources (which can extend beyond financial support to include social, intellectual and logistical support), a situation that tended to inhibit a shared sense of ownership and purpose. Consequently, the network was very exposed to the ebb and flow of political interest and financial support shown by Council. Council determined the structure of and representation on the Board, where elected representatives had considerable control over the organisation's agenda and business. The LTA lasted less than a year, folding due to lack of shared interest and financial membership. Put simply, industry failed to legitimise the council dominated formal organisation and questioned why it should contribute to a local government service (*pers. comm*. Economic Development Manager 26 September 1999). As a council dominated structure, the organisation remained marginal to the values and interests of industry.

In 1984, as a result of State government initiatives to develop regional tourism organisations and the flow of funding for the promotion and development of local tourism that was expected to result, the Lake Macquarie Tourist Association was established by the industry. This organisation was supported in part by the Council and was given a mandate to 'advise Council on tourism matters and in return, be advised of tourist issues' (*Newcastle Morning Herald* 1984). Conflict emerged after only six months as a result of negative comments made by the Association Chairman about a proposed bridge over the Swansea channel. A State Labor government had proposed the bridge (which the local Labor council supported), so the Association's comments were deemed by Council to be inappropriate

(LMCC Minutes 12 November 1984, File No. 3/570/204/608). In essence, the Council sought a high degree of control and centrality, assuming leadership of an industry association perceived to lack the social capital, knowledge and management skills necessary to define its own direction. This seizure of control was rejected by industry, which remained diffused and characterised by relatively weak ties.

By 1989 the LTA had 60 members. Membership was falling and industry interest was fragmenting and polarising around local, spatially organised issues. Smaller place-based 'sub-networks' emerged, fed by the geographic characteristics and settlement pattern around the Lake that made face-to-face communication difficult. The LTA was increasingly seen as irrelevant to local industry concerns and a handmaiden of local government (LMCC File No. 3/310/216/030). These localised communities of interest focused on issues of equity and representation within the formal LTA and the broader task of increasing Lake Macquarie market share was lost in the bitter and personal arguments that ensued. At a time when other LTAs in the Hunter region were focusing on building strong ties through innovative product development and packaging, producer networks in Lake Macquarie were embroiled in internal struggles of power and representation. These struggles between a few key actors had a devastating effect upon industry confidence in the LTA. The LTA sought to increase its perceived relevance by cutting its ties with Council, restructuring to become an incorporated association in late 1989. However, cutting the organisation away from the Council only served to reduce its financial capacity and to further expose internal problems. Not surprisingly, the broader industry did not legitimise the organisation as the central node within the network by taking out membership. Moreover, soon after, the Council created another competing Committee of Council to develop a tourism strategy, thereby de-legitimising the LTA and creating another node competing for centrality. The LTA was dissolved in 1990 (See File No. 3/310/216/030). As one operator observed, the network was plagued by rivalry, competition and lack of shared purpose:

> There was a long set of failures. The level of professionalism just wasn't there. There were some giant egos and some people who really shouldn't have been there at all. It all fell apart. It didn't happen.

Soon afterward, the Council decided to re-establish another LTA as a committee of Council using almost the same membership as the previous association. Council motivation was due, in part, to a restructuring of regional interests, changes to the flow of State funding leading to funding opportunities for local government. This had the effect of Council wanting to be seen, at a regional level at least, engaging in local tourism development to ensure a place around the regional table and a portion of the available funding. However, support from industry was limited.

In 1994 Council directed another restructuring of the network. An economic development manager was appointed, coinciding with a State push on strengthening local economic development. A massive Council restructure was also taking place as a result of new State legislation. The Tourism Committee was replaced with a combined Economic Development and Tourism Task Force. The 14-member committee comprised a mixture of business, academic and community leaders from within and outside the Council area, few of whom had direct experience or knowledge of tourism. The group gradually lost its focus on tourism, partly as a result of the lack of interest and expertise and relational ties with industry weakened even further. Previously committed network participants focused on their businesses. The economic downturn at that time was a significant factor in the refocusing of their attention, but low moral and lack of shared commitment and enthusiasm was also evident, with one operator observing 'I think it's sad that Lake Macquarie Tourism (the LTA) is degenerating into nothing', a sentiment that was reinforced by another retailer:

> I have been yelling and screaming – nicely - to try and get the committee to be more active. There are people on the committee who do want to be involved, who do want to be proactive

> and don't just want to turn up and do nothing. But others just want to turn up and do nothing. They don't even live here.

It was not until late 1999 that interest again flared in the formation of another tourism association. As a result of his role as Chairman of the Regional Organisation of Councils, the Lord Mayor became aware that Lake Macquarie did not have a LTA (unlike most other councils in the region) and that important links in communication between the regional organisation and the local industry were missing (*pers comm*. Mayor John Kilpatrick, 31 May 1999). He directed the General Manager to investigate the possibility of establishing a local tourism association and not surprisingly, eight months later a new association was launched.

Analysis

Over the period 1970-2000 the development of network capacity and the propensity for innovation within the Lake Macquarie destination was minimal. Shared commitment, collective action and productive dialogues between community, government and industry have been limited. Relations between industry-local government networks were characterised by high levels of conflict, competition and parochialism at times and disinterest and lack of commitment at other times. Hegemony over the formal organisation, the LTA, was highly contested between industry and local government. This meant that a level of centrality, manifested by a flexible and agreed leadership arrangement, could not be developed. Lack of clarity over this relationship between the LTA and local government led to divisive criticisms, lack of acknowledgement of 'the other' and, as a result, minimal development of social and institutional capacity. Each of the network dimensions outlined in Table 7.1 provides insights into the destination's inability to produce innovation. Each is considered in turn before Hjalager's (2002) five aspects of innovation are reconsidered.

Actors and agencies

The network has been relatively small in terms of the number of actors and agencies involved. The dominance of small tourism business within Lake Macquarie's tourism industry has meant that there are a relatively limited number of actors with the capacity (e.g. time, expertise and so on) to contribute to the network. As a result, over the last thirty years, it has largely been left to a small group of actors thus giving weight to problems of the network being 'captured' by industry elites. The competitive and parochial nature of many small operators has surfaced from time to time, undermining the limited industrial centrality that has developed and raising serious questions of the legitimacy of the council sponsored LTA. The network has also been affected by the geographically fragmented nature of the destination which is divided up into a number of settlements dotted around a very large lake. This has exacerbated attempts to develop communication channels and has fed the formation of local issue based sub-networks from which internal competition has emerged. This suggests that efforts to foster productive networks should acknowledge that issue-based networks co-exist with networks dominated by spatial concerns.

Institutionalisation

The level of institutionalisation of the network and the nature of the formal structures and linkages into broader policy-making processes, has varied and has been heavily influenced by the decisions and actions of Council. Council has, from time to time, created committees of council to deal with tourism and there has been a lack of clarity with respect to the structure of the LTA. This has created a confusing situation. On one hand, there is a perception that council's tourism policy-making was captured by a few industry elites. On the other hand, the LTA, as a committee of council, is highly institutionalised. Its membership and rules of conduct are bound by local government legislation and its relationship to the Council has resulted in weakened industry interest in supporting the LTA. That is, industry has not been

willing to pay membership for a local government service for which they already pay taxes. However, at other times, concerns over low industry membership resulted in contested leadership and the formation of competing organisations. As a consequence, the formal organisation, which should be the locus of leadership, was not the central node within the network structure and poor support and low levels of perceived legitimacy impeded policy entrepreneurialism, innovation and community capacity building.

The nature of the boundaries around the network determines the ability of actors and agencies to move in and out according to interest and resourcing capabilities and their willingness to contribute to innovation and capacity building. Ideally, boundaries should be fluid allowing actors to contribute their time and expertise when most useful. In the case of Lake Macquarie, the ability of people to move in and out of the network and to contribute where and when they were best able was restricted by the formal institutional structures associated with the committee of council and a set of perceived, or unwritten, rules of conduct. The committee structure was seen by the broader industry to be somewhat elitist and its boundaries closed. Accordingly, the evolving structures did little to encourage collaboration, information sharing or capacity building.

Structure

Pattern of linkages and relational ties are also an important aspect of the structure of destination networks, indicating the level to which the network is able to provide strong leadership, garner collective resources and provide forums of knowledge building and learning. As discussed above, the network was characterised by a relatively decentralised structure, contested centrality and relatively weak interrelations. The contested hegemony that developed between Council and the industry had a debilitating effect on the integration of the network, commitment to shared ideals and capacity building. Moreover, the emergence of geographical based clusters led to internal intra-destination competition, further weakening relational ties.

Actor strategies

The structure of the network had important implications upon network dynamics. Network theory suggests that participants are motivated by self-interest (Klijn 1996), but that the 'glue' that holds participants together in shared power networks is mutual benefit (O'Toole 1997). This case study reveals that the local tourism organisation is complex and fragmented and concepts of shared power, self-interest, mutual benefit and joint mobilisation of resources warrant closer examination. The local tourism network centres on partnership building between public and private interests using the LTA as the vehicle to maximise mutual benefit and formalise relationships. Moreover, Council's efforts in establishing a LTA were manifestations of their interest in establishing governance relationships with industry.

The existence of a Board limited decision-making power to a small group of participants, however this did not necessarily translate into policy action, innovation and entrepreneurialism. In the case of Lake Macquarie, the structure of the LTAs as Committees of Council meant that Council retained considerable control over the way resources were distributed and ultimately, how the Board's policy directions were interpreted and given effect. Council's intention was clearly to maintain control, with local bureaucrats consistently arguing that the industry did not yet have the skill or vision to be self-managing. In reply, many operators went about their own business and saw little reason to support the Council run industry association.

Power relations

The origins of these problems are founded in relationships between the LTA, the Council and the industry. The LTA is that formal part of the network through which private, predominantly profit-driven interests of operators are reconciled with the public interest, represented by the Council, in order to achieve mutual benefit. In the case of the local tourism network, this

mutual benefit is the growth and development of the tourism industry, which brings increased profit to private operators and public benefit in the form of, for example, employment, economic growth and increased recreation and entertainment opportunities to local residents. The mechanism through which these interests are reconciled is through the election of an LTA board, the task of which is to make decisions on how tourism should be developed and promoted. The breadth of the LTA's decision-areas and the power to implement these decisions is dependent upon the structure of the LTA and its relationship to Council.

Election of the board was supposedly a democratic process requiring the participation of all LTA members (i.e. those that purchased membership rights). However, this process dilutes the LTA's relationship with the industry, since paid-up voting members and not the broader industry, elect the Board. This situation obscures the relationship between the board, the industry and the community and raises questions over the representativeness of the LTA. In the case of Lake Macquarie, many operators, especially those that did not perceive a direct link with tourism, were not LTA members.

Rules of conduct

Despite the appearance of a democratically elected board, the process was not entirely democratic in the ideal sense. In the case of Lake Macquarie, the Council has at times manipulated the nomination process, with the view to securing Board members who are considered by the Mayor and Economic Development Manager to have appropriate personal and professional qualities (*pers. comm.* LMT Chairman 15 August 2000). In doing so, the Council exercised its 'expert' role, but simultaneously gave rise to questions concerning the integrity of its community engagement platform.

Accordingly, there are tensions between the representativeness of Board and the participation of the tourism industry. These tensions have been further exacerbated by the 'expertise' that Council has tried to impart to the process of developing the local tourism associations. Internal competition, turf sovereignty, sectoral ideas and interests within Council have led to a situation where this 'expert' assistance in developing and managing the local tourism network has not contributed to stable relations and policy advance. Calls for increased action are frequent and result from obscure relationships between the LTA Board, the industry and the Council. Each group of participants perceives that the 'others' hold more power. Council demands that the industry take a more proactive role. Industry demands that the Council get serious about supporting and funding and the LTA is disappointed with industry interest in its activities.

Discussion

Interagency relations and network dynamics have an important influence on community capacity building and therefore, the propensity for innovation (e.g. Sabatier 1987; Howlett & Ramesh 1995 1998). The above discussion of network structures, the strategies that policy actors and agencies adopt and their relational characteristics suggest that the organisation of tourism in Lake Macquarie is inherently unstable. As a result, preconditions for innovation, such as productive open dialogues, active interest by creative operators and policy entrepreneurs, adequate and well directed resourcing, strong but fluid leadership, information sharing and connections to the formal institutional structures and policy-making practices, were not evident. Different motivations, intents, funding priorities, mandates and turf sovereignties within and between actors and agencies have made network building difficult.

Lake Macquarie tourism networks performed poorly in relation to the five aspects of innovation identified by Hjalager (2002). Firstly, Lake Macquarie struggled to identify opportunities for *product innovation.* Intra-destination competition and poor industry relations stifled innovative packaging and product synergies. Secondly, *process innovations* both within the LTA and between the LTA and Council were not forthcoming. The lack of clarity with

respect to leadership, locus of control and responsibility meant that industry consultation processes, investment attraction initiatives and so on were not co-ordinated. Thirdly, *management innovations* to improve collaborative structures were frequently plagued with criticism from industry and lack of interest by the broader community. The few policy entrepreneurs that moved into the network quickly tired and withdrew so that policy learning and knowledge building, a precursor to innovation, was minimal. Fourthly, *logistics innovations*, such as new synergies and innovative packaging, were undermined by intra-destination competition and parochialism. Fifthly, short institutional memory and lack of experienced actors among other factors reduced capacity for *institutional innovation*.

Failure of the LTA and its restructuring or complete disbandment on occasions suggests that network management is a critical issue which affects innovation and community capacity building. In the network view, founded on notions of a shared power and interdependencies, the causes for failure are usually seen in blocked interaction between actors or failures in developing linkages (Klijn 1996). This chapter has shown that these blocks and a weakening of relational ties have developed as a result of competition, fragmentation of responsibilities, lack of awareness and understanding of tourism policy issues and differing ideologies within and between actors. Policy change and innovation are said to occur when innovative individuals respond to these conditions by introducing new ideas and solutions (Howlett and Ramesh 1998). In Lake Macquarie, there have been few policy entrepreneurs and policy solutions have been recycled.

Conclusions

This chapter has sought to critically discuss policy networks as a lens for understanding the capacity of local destinations to produce innovation, where innovation is defined as the capacity of a destination to identify and act upon existing and future issues in a timely manner to develop and maintain a lively, competitive and sustainable tourism industry. Hjalager's (2002) aspects of innovations provided the focus. This chapter has demonstrated that network theory holds much potential as an analytical lens to understand the cultural and discursive dimensions of the local politics that underpin the tourism industry. As a consequence, many useful insights can be built about the way in which networks operate to enhance or impede innovation. Strategies to manage networks and harness potential synergies and interrelations can be developed from these insights.

The second objective of the chapter was to demonstrate the application of network theory in understanding the propensity for innovation and community capacity building in Lake Macquarie. The case study imparts rich understandings about the way that networks operate within and outside formal arenas to craft the spaces in which local tourism policy is debated, created and implemented. In Lake Macquarie, the social and intellectual capital of the local destination was poorly developed, which impacted heavily upon the capacity of the destination for innovation and creative policy solution development. Moreover, the case study suggests that historical analysis of the structure and interrelational characteristics of networks provides important insights into the embeddedness of network social relations. Strategies to manage networks and harness co-operative synergies must necessarily recognised the implications of history. In sum, network theory holds considerable potential as an analytical tool for destination managers eager to develop strategies to foster synergetic relations and as a corollary, innovation and community capacity building.

Chapter 8

‘Charm Sells’: The Role of a Community Action Group in Preserving a Place Image in Akaroa, New Zealand

Joanna Fountain

Editors’ Box
This case study is concerned with the dynamics of tourism image and land use planning in Akaroa, a small township on South Island, New Zealand, not far from Christchurch. Akaroa is a rural regional setting with key issues of heritage preservation, both natural and built. However, this case study is primarily about conflict over development in the context of heritage value in the built environment. The history of place image and place marketing in Akaroa has revolved around contested heritage values and innovations that allow heritage to be preserved for continuity of the tourism product. For the purposes of this book, the political dynamics represented in the case study illustrate issues of social capital, networks, the production and distribution of knowledge and the clustering of resources.

Introduction

Akaroa District is situated on Banks Peninsula on the East Coast of the South Island of New Zealand, approximately ninety minutes drive from the city of Christchurch. In many ways Akaroa District is typical of other rural communities in New Zealand. Since the earliest days of European settlement, this district generated the majority of its wealth from primary industry and in particular from various forms of farming. For most of its history the central role of Akaroa township, the major township in the district, has been as a rural support centre for the agricultural community and a port for a fishing fleet operating off Banks Peninsula. The decline in the primary sector coupled with growing competitive pressure being placed on local businesses and industries from their Christchurch counterparts has seen the district struggle financially for the best part of half a century. In this context the district and particularly the township of Akaroa, has become increasingly reliant on the development and promotion of the tourism industry for its economic survival.

There are many qualities that appeal to visitors to Akaroa, but two aspects that have long attracted tourists are the atmosphere of the place – marked by a certain peaceful and tranquil quality – and the town’s historical appeal, based on its unique history of French settlement and the quaint colonial buildings that act as reminders of the town’s early colonial history. At two points in the past fifty years Akaroa has appeared on the verge of losing a significant proportion of these historic buildings. The first threat to this heritage was in the 1960s, while the second occasion was in the mid-1990s. The events and activities marking each of these periods represents a bifurcation point in the maintenance of Akaroa’s touristic reputation as an historic town and highlights the importance of past actions and choices in the characteristics, promotion and appeal of this tourist destination today. This chapter outlines the nature and context of these important moments in the town’s development, focusing in particular on the events surrounding threats to Akaroa’s built heritage in 1996 and the local response to these threats in the form of the emergence of a vocal community action group, the Akaroa National Treasure Network (ANTN). The following discussion examines the nexus of global forces and local contingencies that led to the emergence of the ANTN, the characteristics of the

organisation that determined its level of success and the influence of this organisation on the promotion of Akaroa District since this time.

The Politics of Tourism in Akaroa

While most rural communities in New Zealand and Australia have become actively involved in the tourist industry relatively recently, Akaroa's role as a destination for visitors dates back to the 1850s. Since the late nineteenth century Akaroa township has been a very popular daytrip and holiday destination for domestic visitors, particularly those from the neighbouring city of Christchurch. Over the past twenty years, Akaroa has becoming increasingly popular with international tourists, particularly European backpackers. The significance of the tourism industry to the district has grown since the 1960s, however, the task of estimating the exact size and impacts of the tourism industry in Akaroa District today is complicated by the lack of official statistics on visitor numbers; a situation affecting many local authorities in New Zealand (Page and Thorn 1998). It has been estimated that at peak times during the summer months, more than 10,000 people may be in Akaroa township on a fine day, vastly outnumbering the approximately 600 local residents (de Hamel 1998:1). Despite the lack of adequate data, there is little doubt that the number of visitors to Akaroa is increasing. While not a perfect measure by any means, an indication of this growth may be garnered the record of visitors to the Akaroa Information Centre, which increased by 150% between 1994 and 1999 (Wenmakers 2000:3).

There are many reasons why holidaymakers and tourists come to Akaroa District. Since the late 1980s, a growing number of visitors have been drawn by the district's natural attractions, including the opportunity to view the endangered Hectors dolphins and other marine life and to undertake one of the many walks in the district, including the four-day Banks Peninsula Track. For the gastronomically inclined, there is a growing range of fine cafés and restaurants in the township and a winery located at the nearby bay of French Farm. The most enduring source of appeal of the district, however, is the restful atmosphere of the place. The town has a certain 'charm', which guidebooks and visitors' accounts have alluded to for more than a century (Fountain 2002). The findings of the first marketing report prepared for the district in 1989 concluded that the 'tranquil and peaceful village atmosphere' remained the main motivating factor for visitors to Akaroa in the late twentieth century (Meldrum and Associates 1989). An important contributing factor to this 'peaceful village atmosphere' is the charm of Akaroa's many historic buildings, which attract many visitors in their own right.

The preservation of Akaroa's historic streetscape owes much to the efforts of an organisation known as the Akaroa Civic Trust (ACT), which emerged at the time of great change in the district. The 1960s had been a decade of social and economic upheaval in Akaroa, marked by the decline in traditional industries and the growing reliance on the tourist trade. The economic and social changes affecting the district were reflected in the built appearance of Akaroa township. The arrival of increasing numbers of holidaymakers and second homeowners to Akaroa resulted in new subdivisions appearing in the hills and valleys on the outskirts of Akaroa. In the town centre, many older buildings were demolished to make way for new commercial and private properties. Some of these buildings had fallen into a state of disrepair; however, many others were demolished despite being perfectly sound and significant Akaroa landmarks. Some people in the town felt these changes were a good thing. The editor of the local newspaper, the *Akaroa Mail*, viewed these visible alterations as a pleasing indication of Akaroa's progress, stating proudly 'Akaroa's changing face certainly does not indicate her age' (*Akaroa Mail* 23/2/1965:2); other residents felt this attitude was short-sighted. For example, a coffee shop owner argued (*Akaroa Mail* 31/8/1965:1) that these new developments failed to recognise the touristic appeal of Akaroa's old buildings:

By 1969 members of the Akaroa County Council (ACC) were also expressing disquiet over new building developments in Akaroa and discussing ways in which Akaroa's distinctive built

heritage might be preserved. The issue that faced the Council was how to maintain the fine balance between progress and preservation, or 'how to preserve as much as possible of the fabric of the old town whilst still pressing ahead with new work' (*Akaroa Mail* 7/3/1969:2). At this time the ACC was in the process of preparing a District Planning Scheme, which was required under the 1953 Town and County Planning Act. As they discussed their Scheme for Akaroa, Councillors contemplated how they might ensure appropriate growth in the future, particularly in light of Akaroa's growing popularity as a tourist destination. Publicity regarding the Akaroa County Council's concerns resulted in an offer of help from the Christchurch Civic Trust (CCT) to develop an Environmental Plan for Akaroa which would heavily inform the new District Scheme; an offer which the ACC accepted. It was hoped that under this new Scheme, Akaroa's unique architectural and geographical characteristics could be acknowledged and protected in planning decisions. The groundswell of local support for the development of such a plan resulted in the formation of the Akaroa Civic Trust (ACT) early in 1970.

Akaroa's reputation as 'An Historic Town' was reinforced in 1993 when the New Zealand Government awarded a $100,000 Tourist Facility Development Grant to the Banks Peninsula District Council, enabling it to purchase the historic Post Office building. The availability of this government grant for Akaroa, the first in almost a century of appeals by local residents for funding, was due largely to the growing appeal of the town's built heritage to tourists, at a time when a number of towns and cities around New Zealand were looking to promote their built heritage (McGregor 1996; Page 1996; Fountain & Thorns 1998). In announcing the grant, the Minister of Tourism acknowledged (*Akaroa Mail* 12/3/1993:1) the increasing connection between heritage preservation and tourist promotion.

In releasing the first Marketing Plan for Akaroa in 1989, Meldrum and Associates highlighted the fragile character of much of the district's appeal. They warned that almost all of Akaroa's strengths '*can be altered by future development and consequently cease to be a strength*' (Meldrum and Associates 1989:14, emphasis in original). By 1996, it appeared that Akaroa's built heritage was being threatened by new, 'inappropriate' development proposals and projects to an extent that had not been witnessed since the 1960s. That these developments were able to proceed was due largely to the apparent inability, or some residents felt unwillingness, of the Banks Peninsula District Council to turn down building applications; a situation that was exacerbated by the increasingly outdated and ineffectual District Scheme and building advisory committee. This situation was not helped by the fact that while the Akaroa Civic Trust still had 120 members, only sixteen members were described as 'middle-aged'; the remainder were elderly (ANTN 1996). These new development proposals came as a shock to many local residents. In light of Akaroa's increasing reliance on tourism and national and international interest in heritage tourism, these developments seemed to threaten the economic survival of the township.

The question should be asked how this tourist town found itself on the brink of undermining the integrity of an historic streetscape that was such an important factor in its continuing appeal to visitors. A partial answer to this question may be found in the fact that despite the importance of tourism to Akaroa's economy, the town lacked a strong coordinated tourism lobby group or substantial local government support for the tourism industry at this time. Prior to 1980, the elected representatives of the Akaroa County Council (ACC), supported by an Akaroa Town Committee, were highly visible in discussions over Akaroa's promotional place image and actively involved in the development of some tourist attractions, such as the Akaroa Museum. As mentioned above, the ACC had a central role in the implementation of a District Scheme and building advisory committee which aimed to preserve the unique built heritage of the district. However, as with many local authorities in rural New Zealand, the ACC was dogged by its small population base and continual fiscal strains. In 1989, Akaroa County Council merged with the other local authorities on Banks Peninsula to

form the Banks Peninsula District Council (BPDC). With this amalgamation, most council services shifted to the urban port town of Lyttelton. In this new local authority, Akaroa ratepayers and Councillors were outnumbered by their Lyttelton counterparts at a ratio of almost three to one. While the BPDC maintained a service centre in Akaroa, the centralisation of their operations in Lyttelton, more than ninety minutes drive away, meant that the majority of staff and Banks Peninsula District Councillors had little contact with what was happening on a day-to-day basis in Akaroa.

When the BPDC was first formed in 1989, it had appeared that the new authority would play a significant role in the development and promotion of tourism in Akaroa District. The importance of tourism to the long-term well-being of Banks Peninsula was one of the key issues highlighted in a draft planning document prepared for the BPDC in 1992 (*Akaroa Mail*, 6/3/1992:7). However, while Lyttelton had a role as a tourist destination, its more significant function as a working port meant that the tourism focus of the BPDC was soon eclipsed.

In light of the limited involvement of the BPDC in tourism marketing or promotion of Akaroa, the task of fostering and supporting the tourism industry in Akaroa District rested largely with Akaroa District Promotions (ADP) in the mid-1990s. The ADP was established in 1991, at a time when the general impression was that the district was drifting as a tourist destination. While the ADP established an information centre, produced promotional material and organised trade displays, festivals and events for the town, as in many small towns the resources of the organisation – both financial and human – were relatively limited. The organisation gained most of its funding through membership subscriptions and most of the ADP's work was carried out by volunteers and committees formed on an ad-hoc basis. There was little time or money to undertake any substantial marketing or planning for tourism in the town.

Given the above observations, it is not surprising that the source of opposition to the changes being wrought on Akaroa's built heritage and by implication, the town's continuing appeal as a tourist destination, came not from the existing tourism organisation or the local Council, but from a network of residents, 'weekenders' and visitors to Akaroa in an action group formed specifically to fight these development proposals. The remainder of this chapter explores the emergence, organisation and success of this organisation.

The Akaroa Treasure Network

In May 1996 a 'Save our Town' meeting was organised as a response to the concerns raised by unsympathetic development proposals for Akaroa. This meeting, attended by sixty people, resulted in the formation of a new organisation known the Akaroa National Treasure Network (ANTN). The 'Treasure Network', as it was widely known, pledged to use a two pronged attack to achieve their goals of preserving the built appearance of Akaroa. In light of trends both overseas and nationally towards the preservation of historic towns, the ANTN decided to work towards obtaining a protection order for Akaroa that would see the town recognised as a National Treasure, similar to ones which existed for other historic towns in New Zealand such as Arrowtown and Napier. At the same time, the organisation agreed to mobilise the local community to take advantage of the submission process to oppose specific development proposals and make suggestions regarding alterations to the District Scheme, which was under review at the time (ANTN 1996).

At the first formal meeting of the Akaroa National Treasure Network it was agreed that the organisation should be an Emergency Action network; a short-term organisation formed to deal with immediate problems (ANTN minutes 21/5/1996). By the middle of June 1996 there were an increasing number of 'immediate problems' to deal with. Members of the ANTN spent most of their time during the first months of operation 'fire fighting' new development proposals. By this time it was increasingly apparent that developers were taking advantage of loopholes in the operating District Scheme before a new one could be implemented (Cunliffe 1996:1).

Further plans had been notified for five, three-storeyed townhouses to be sited opposite the Gaiety Theatre – to be known as the 'La Place' development – and more townhouses were being proposed for a site further along the same street. Plans submitted for a new motel development at the other end of town revealed that the quaint, if somewhat dilapidated, 'Mon Desir' apartments would need to be demolished to complete the project.

Members of the ANTN responded to these development proposals through submissions to the Council. In these submissions they opposed the plans on the basis that they breached the requirements of District Scheme, placed additional pressure on an already stretched water supply and would threaten Akaroa's distinctive built heritage (ANTN minutes 21/5/1996). The ANTN's first victory came when the proposal for townhouses on the site of the gemstone shop 'Fire and Ice' was turned down by the Council's Planning Committee. In announcing the decision, the spokesperson for the Committee stated that the 'reasons for the refusal had little to do with the case made out by objectors to the plan' (*Akaroa Mail* 28/6/1996:1). Despite this, the Treasure Network saw the decision as a triumph. Buoyed by this success, members of the ANTN intensified their efforts to halt other unsympathetic development proposals through submissions to the Council and worked to get as many local residents involved in the planning process as possible by publicising their cause (ANTN minutes 21/5/1996; Farrell 1997).

The ANTN found plenty of support for their work amongst both permanent residents and holidaymakers in Akaroa. By the end of May 1996, membership of the organisation stood at one hundred – a highly significant number for a town with a permanent population of approximately 600 – and the organisation was said to represent more than twenty percent of the adult population of Akaroa (*Akaroa Mail*, 31/5/1996:3). The Treasure Network's submission opposing the 'La Place' town house proposal attracted 201 signatories and at its height it was estimated that three hundred people were in some way involved in the ANTN (*Akaroa Mail* 28/6/1996:2; Farrell 1997:12). The Treasure Network stayed true to its commitment to be a short-term organisation and amalgamated with the ACT at the latter's AGM in November 1996 (ANTN minutes 29/10/1996). Many of the spokespeople of the ANTN were elected to the committee of the Akaroa Civic Trust and various new subcommittees were formed to address different issues in Akaroa, giving the organisation a much-needed lease on life in light of its aging membership.

From this time, the invigorated Akaroa Civic Trust continued to act as a watchdog on development issues. While the organisation had some setbacks – a number of the opposed townhouse proposals were approved in an altered form – there were significant victories also and a renewed recognition amongst developers of the importance of considering Akaroa's unique streetscape when submitting development proposals (*Akaroa Mail* 27/12/1996:2).

The influence of the revitalised ACT was apparent again in 1999 when with the support of the building advisory committee, they were successful in getting the design for townhouses to be sited on a prominent position in the 'French' end of town substantially altered to reflect a more colonial style (Suky Thompson, *pers. com*. 14/11/1998). Since this time, the organisation has extended the list of historic buildings in Akaroa and raised funds for their preservation. Arguably the greatest success for the ACT came early in 1999 when their efforts resulted in the registration of the centre of Akaroa as a Historic Area by the New Zealand Historic Places Trust. Akaroa joined approximately fifty other areas in New Zealand with this designation and thus had its national profile as 'An Historic Town' raised. The precinct includes the entire length of the main street and most of the town as it existed prior to the 1960s. The new designation means greater protection for not only individual heritage buildings but also the general 'streetscape' of Akaroa. It ensures also that the Historic Places Trust becomes an 'affected party' under the Resource Management Act for any resource consent application in the area, which gives it the legal opportunity to comment or make suggestions regarding all future development in the district (*Akaroa Mail* 12/2/1999:1).

It is important in this context to examine why this group emerged at this time and how it was so successful in achieving its objectives in the face of developers, a removed local authority and an under-resourced tourism organisation. Firstly, the emergence of the ANTN can be attributed largely to the efforts of the growing number of newcomer residents in the district. Examining the makeup of the Akaroa National Treasure Network, the six most outspoken members were all recent arrivals to the district, five of who had lived in the district for less than five years. Since the 1960s, the declining trend in the permanent population of Akaroa District has been stemmed significantly by the arrival of new residents such as these who have been attracted to Akaroa by lifestyle rather than employment opportunities. Akaroa is a popular place for retirement and retirees today make up over a third of the population. 'Alternative lifestylers', including artists, craftspeople and authors, have moved to the district in significant numbers during this period also, joined more recently by some new categories of lifestyle migrants, including a group referred to elsewhere as the 'stressed professionals' (Fountain and Hall 2002). This latter group of newcomers are mostly individuals or couples in their late forties who have reassessed their lives once their children have left home and have sought early retirement or a complete change of occupation in Akaroa. The significance of this trend is reflected in the fact that the 45–49 and 65–69 age groups are the only ones to experience significant growth in the district during the early 1990s (Safer Banks Peninsula Council 1998:8). Before the ANTN formed, many of the Network's leading figures had been involved already in the activities of another new local organisation in the district, the influential environmental lobby group Friends of Banks Peninsula, which had emerged in the early 1990s. In establishing the ANTN, they were continuing their efforts in their adopted role as guardians and defenders of their new home against changes that threatened the qualities which attracted them to the district in the first place. This observation supports research conducted elsewhere and reflects a phenomenon which Urry has referred as the colonising of the tourist gaze (1995:191; see also Peck and Lepie 1989; Fees 1996; Page and Getz 1997; Reed 1997).

An important factor in the success of the Treasure Network's campaign was the way in which the spokespeople of the ANTN were able to ensure that their message was disseminated to the local community and nationally interested parties. As stated above, the active involvement of ANTN members in the Friends of Banks Peninsula and in a number of other local groups such as the Akaroa Community Arts Council, meant that many of the people who became involved in the Akaroa National Treasure Network knew each other socially and this aided in the dissemination of information regarding the work of the ANTN. The ANTN also ran a well organised letter writing campaign, which ensured that every issue of the *Akaroa Mail* during the height of their efforts in the winter of 1996 contained articulate and lengthy letters outlining the Treasure Network's position. In the main, the organisation attempted to ensure that the ANTN presented a united front, with letter contributions avoiding personal attacks and each letter being clearly attributable to a spokesperson for the Treasure Network (Suky Thomspon, *pers.com*. 1999). This constant presence in a well-read local publication ensured that the issues remained at the forefront of the public consciousness. At the national level, the Akaroa National Treasure Network was able to ensure that their campaign received broader coverage through the involvement in their cause by nationally-renowned author Fiona Farrell. Farrell, a Banks Peninsula resident, brought a degree of celebrity to the debate and was responsible for an extensive article published in *Historic Place*s, the publication of the Historic Places Trust (Farrell 1997).

Another important factor in the success of the organisation was the ability of members to make use of the tools of local governance to get their opposition heard. Members of the ANTN spent a great deal of time acquainting themselves with the existing requirements of the District Scheme and the submissions process. They ran workshops for interested local people to ensure that the submissions they made followed appropriate guidelines. In doing this, they ensured

that the couple of ANTN members most familiar with the District Scheme were able to draft submissions and draw up petitions for less knowledgeable members to sign.

The level of success of the ANTN/ACT belies the degree of opposition to their campaign amongst many residents of Akaroa. It is beyond the scope of this chapter to explore this opposition, which has been explored extensively elsewhere (Fountain 2002; Fountain & Hall 2002), suffice to say that malicious gossip, strained friendships and a bitter and accusatory undercurrent ran through Akaroa in the winter of 1996, largely as a result of the ANTN's activities (Cunliffe 1996). However viewpoints opposing the ANTN were rarely heard in the public debate over this issue. The ability of the ANTN/ACT to succeed in the face of opposition reflects the fact that the cultural capital of their spokespeople equipped them admirably for the task at hand. Throughout this campaign, the spokespeople of these organisations demonstrated 'linguistic confidence' in their ability to express their opinions in both spoken and written form to the wider public, thereby garnering support and publicity. In this way, their linguistic confidence acted an important source of power in a cultural economy in which groups struggle to have their view of place prioritised over competing cultural understandings. The role of culture as a source of power has been most clearly developed by Bourdieu (1984), whose concept of 'habitus', 'taste', or 'class culture', refers to the means by which members of social classes distinguish themselves from one another on the basis of education, occupation, lifestyle choices, tastes and values. Furthermore, Bourdieu argues that those people who have the cultural capital acquired through a middle class education are equipped with the knowledge and skills to express their tastes and values more effectively than those without this form of education (1984:53–54).

Conclusions

While the organisations' central aims were not tourism-related, the activities and efforts of the Akaroa National Treasure Network and the revitalised Akaroa Civic Trust have ensured that Akaroa's built charm maintains a prominent position in the promotion of Akaroa as a tourist resort. An examination of the promotional material and images used to publicise Akaroa today draws heavily on the appeal of the built heritage of the district. This emphasis on the historic element in Akaroa's promotional strategy is apparent on the centralised web site for Akaroa, which the ADP established early in 2000. The welcome page on this website invites visitors to 'Explore the village with its colonial architecture, craft stores and cafés' (ADP 2003a). This site utilises three themes to provide hyperlinks to the district's tourist facilities and attractions: 'Wild Akaroa', 'Romantic Akaroa' and 'Historic Akaroa'. The 'Historic' page invites the visitor to 'guide yourself along the Historic Walk' which takes in the 'narrow-gauge roads … lined with colonial cottages and the historic buildings of the main street … still occupied by local businesses' (ADP 2003b). A company offering holiday homes invites potential tourists to 'Come explore Akaroa's historic precinct and step back into Maori, French and British settlement history within Canterbury's first township' (N.H. McCrostie & Co 2003). Best Western Tours (2003) alludes to the appeal of the streetscape, rather than just individual buildings: "Marvel at the beauty of the historic churches, buildings and cemeteries. Smell the lavenders and heritage roses and watch for walnuts and oaks planted by the early settlers'. The Akaroa Civic Trust has a website presence also in the form of an online version of the Akaroa Historic Area Database. This website includes a history of the Akaroa Civic Trust and the township and contains a searchable database of all historic buildings in Akaroa's Historic Area (ACT 2003).

In the case of the ANTN, the cultural capital and linguistic ability of the organisation's key spokespeople played a crucial role in the success of their campaign. It has highlighted also, however, the importance of the use of the rhetoric of tourism by the ANTN to ensure that their goals could be achieved, at a time when the district's long term well-being was increasingly reliant on the visitor industry. While the motivation of the Akaroa National Treasure Network

to see the built heritage of Akaroa preserved was not primarily tourist related, their activities and efforts have ensured that Akaroa's built charm maintains a prominent position in the promotion of Akaroa as a tourist resort into the twenty-first century.

Chapter 9

The Woodland and the Wheatbelt: Tourism Partners in Dryandra Country

Michael Hughes and Jim Macbeth

Editors Box
This case study illustrates some of the difficulties and potentials involved in tourism planning and development in rural areas lacking obviously major tourism assets. The dynamics of cooperation between local government, state agencies and businesses are all too obvious. Things are never simple in 'the bush' and here we see the difficulties of dealing with conflicting agendas along with limited human and financial resources. Some aspects of social capital are strong while others are not. Six of the elements of innovation are especially relevant. The material in this chapter developed from application of the innovation assessment models developed through the Sustainable Tourism CRC Prosper project.

Introduction

The key 'players' in this case study are seven rural local government areas, the Department of Conservation and Land Management (CALM) of Western Australia, a significant area of remnant vegetation (Dryandra Woodland) and up to 18 endangered marsupial species. The marsupials are not directly involved in the political dynamics of Dryandra Country but the viewing enclosure within which they reside is. Barna Mia, constructed in 2002, is arguably the icon within an icon that forms the back drop to the seven shires and CALM cooperating to develop a sustainable tourism product and plan for the region. Put another way, CALM and the shires have identified the Dryandra Woodland and Barna Mia as the keystone to development of a wildlife tourism icon that itself can then be the centre of tourism planning and development in Dryandra Country.

Dryandra Country is the name adopted in 2004 to represent the area bounded by the Town of Narrogin and the Shires of Narrogin, Cuballing, Pingelly and Wickepin. This is the latest cooperative network of shires and, as will be discussed later, it has taken some time to develop this particular approach to tourism in the region.

It is, of course, not this straightforward but the process is instructive and encouraging. The following discussion is based on selected aspects of the history of this planning process and will illustrate a number of the indicators of innovation set out earlier in this book. In particular, it will illustrate six indicators.

1. *Institutional infrastructure:* three government agencies of relevance to tourism are active in this case study, CALM, the Wheatbelt Development Commission (WDC) and the West Australian Tourism Commission (WATC).
2. *Entrepreneurial activity:* One particular officer of CALM has been instrumental in this process, especially in the late 1990s.
3. *The role of local government:* Up to seven local government areas have been involved.
4. *Economic competence:* there has been successful and significant application for outside funds to support innovation but so far little ability to generate new investment, employment or new enterprises in tourism or tourism related areas.
5. *Critical mass of resources:* There is a lack here and this is thus one of the weaknesses in terms of innovation.

6. *Clustering of resources:* this region has few obvious tourism resources, including that it is not on a main tourist route out of Perth.

A word on how this chapter was developed is appropriate at this point. CALM initiated a three year study in cooperation with the STCRC and Murdoch University in 2000 with a primary purpose of linking the wildlife tourism product of the then proposed Barna Mia viewing enclosure with community tourism support for and development of tourism. The project was funded but delays to Barna Mia opening saw the project undertaken in 2003. Surveying of visitors was undertaken at Barna Mia but the results in this chapter arise primarily from work done with stakeholders (interviews) and documentary research.

It is important to point out that this case study illustrates some of the problems facing innovation as well as factors facilitating it. Of particular concern for this region is a combination of two factors. First, other than the Dryandra Woodland, the region does not possess an obvious tourism product upon which to base an industry – unless the open agricultural landscape itself is tapped as a basis for rural tourism. Second, the potential for tourism development is further stifled by lack of interest from existing businesses that see no need or potential for innovation in tourism.

Geographical and Political Location

The Central Southern Wheatbelt is a subregion of the Western Australian Wheatbelt, an elongated band of agricultural landscape that separates the temperate, relatively populous southwest corner of the state from the more isolated and arid southern central and south-eastern regions. The Central Southern Wheatbelt is comprised of a total of 15 local government areas south-east of Perth, the state's capital. It is an area of about 45,000 km^2 with a population of approximately 18,000 residents (2001 census) and is dominated by grain and sheep based agriculture. As with the rest of the wheatbelt, the Central Southern region is characterised by broad-acre landscapes, scattered blocks of remnant native vegetation and sparse population (average of 1 person per 2.5 km^2). The climate is Mediterranean with long, hot and dry summers and mild winters. Annual rainfall is approximately 500 mm with most falling in the months of June and July. The hottest months are usually January and February. Consequently, any visitation to the region is highly seasonal with most tourists reportedly visiting between April and September to avoid the hot summer months.

This case study focuses on a cluster of seven local government areas in the Central Southern region of the wheatbelt (Table 9.1) that, in the late 1990s, agreed to form a co-ordinated approach to tourism development. This area lies in the central western portion of the Central Southern Wheatbelt, between 100 and 200 km southeast of Perth. The seven shires cover about 9,080 km^2 with a total residential population of 9,022 (2001 census; about one person per km^2). The population living within the Central Southern Wheatbelt is relatively more densely clustered in the seven shires, which have about half the total number of residents and a fifth of the land area. This is most probably owing to the historic location of the region's main rail transport route through this area. The region has few immediately obvious tourism attractions, minimal tourism oriented infrastructure or services and virtually no tourism data specific to the area. The major travel routes connecting Perth with coastal centres to the south bypass the seven shires such that very little 'through' traffic is apparent. For these reasons, the project area is considered to be on the tourism periphery.

Table 9.1: Local government areas and relative population sizes originally included in the project area

Local Government Area	Population (2001 census)	% of Total Population
Cuballing	685	7.6%
Narrogin (shire and town)	5281	58.5%
Pingelly	1122	12.4%
Wandering	318	3.5%
Wickepin	716	7.9%
Williams	900	10.0%
Total Population	9022	100%

Narrogin, for our purposes, is two local councils, a town council surrounded by a shire council, known as a "donut shire". The town has a residential population more than five times that of the shire within its 13 km^2. Although Narrogin Shire residents identify strongly with their farming identity, they still use the town as their facilities and services centre. Discussion with both the Shire and Town local government representatives indicated that the Town dominates the shire in terms of issues that may affect both areas, such as tourism development. Interestingly, while the Shire insisted that decisions regarding mutual issues with the Town were made jointly, the Town openly stated that they determined the outcomes of joint decision making that involved the Shire. The latter scenario seems more likely given the Town's dominance in terms of population size and the reliance of Shire residents on Town facilities and services Thus, for the purposes of this report, the town and shire of Narrogin will be combined and referred to simply as Narrogin. In addition, as the remaining five local government areas have relatively small populations and are experiencing similar issues in terms of sustainability and tourism development, they will be referred to collectively. Narrogin is the regional centre for the adjacent resource poor shires and is the dominant local government stakeholder with regards to tourism planning and development.

Historical Context

A brief summary of the Central Southern Wheatbelt region's history may assist in understanding how the region came to be on the tourism periphery and provide a context for the current status of tourism development. The area was opened for agriculture in the 1880s with the building of a rail line through the western portion of the region connecting the state capital to the north, Perth, with the southern coastal centre of Albany. This line was built via the Central Southern Wheatbelt, then into the Great Southern region and onto the coast at Albany. Narrogin was established as the transport and agrarian centre for the Central Southern Wheatbelt region that includes the seven local government areas (LGAs) (Tonts and Black 2002). This was to the developmental detriment of other nearby shires, such as Cuballing. Because of the close proximity of Narrogin, Cuballing's town facilities and services were minimal to start and have been whittled away to nothing except a roadhouse and petrol station. The residents must use the facilities of Narrogin approximately 15 km to the south. The dominance of Narrogin as a regional centre with more than half the population of the project area has meant that facilities and services in the surrounding shires have been reduced and centralised to Narrogin Town. Thus, while Narrogin appears relatively prosperous, the surrounding shires are suffering from the symptoms of rural decline.

While managing to recover from economic downturns during the 1930's and Second World War, a steady decline in the fortunes of the region (as with other rural areas in Australia) has taken place since the 1970s. This is a combined symptom of falling agricultural returns, on which the region was almost solely reliant, coupled with downsizing of government services. Centralisation of government services such as the railway resulted in significant population

loss as well as loss of social identity. The result is a regional economic retraction in conjunction with out-migration of rural populations to larger coastal centres (such as Perth). These changes triggered a downward trend in population, in particular the youth population, in rural areas that has persisted until the present day. This has created the situation in which communities are seeking to expand their economic base in order to buffer against downturns in agricultural fortunes.

Narrogin's role as a regional government service and retail centre has already provided a buffer against the worst effects of the agricultural economic decline experienced in the neighbouring shires. This also resulted in Narrogin acting as a population sponge for its region with people in neighbouring shires moving into the regional centre for better access to facilities and services. The reduction of permanent employees living in the region has resulted in a increase in the number of contracted and itinerant workers living on a short term basis. Those permanent government workers remaining tend to live in the town of Narrogin for their two to three year position then move on to perceived better opportunities in larger centres. These changes have resulted in a new community dynamic that is still driven by the significant presence of government services but that has adapted to the change from permanence to the current itinerant nature of individuals and groups.

Narrogin Town has experienced at least a slower rate of decline than its neighbouring shires owing to its broader economic base and role as a government service centre while the remaining shires are still primarily reliant on agriculture (Tonts and Black 2002). This is evident in the population of the town of Narrogin slowing its decline to a near steady state between 1996 and 2003 while the remaining shires continue to lose residents (mostly youth) to the larger centres (Austats 2003). This history has shaped the relationship between the LGAs within the project area and their current fortunes, with most of the shires seeking a way out of their decline through tourism development while the town of Narrogin seems to have a lesser incentive owing to its regional centre status.

Tourism development is often viewed as panacea for rural decline, bringing in tourists' dollars to prop up regions during lean times or halt a long term slide into economic oblivion (Grette 1994). In order to successfully establish a region as a worthwhile tourism experience, a unique and attractive 'hook' needs to be identified and integrated into a regional strategy for tourism development. This may take the form of promoting existing attributes of the region to a specifically identified niche market and/or by adding something to the region to increase its tourism appeal (Seaton 1999; Hsu et al. 2004). Of course, this is more easily said than done as, by definition, areas in the tourism periphery often do not have the resources readily at hand for successful tourism development and promotion. The approach to tourism development in Dryandra Country sought to install a unique tourism "icon" to draw tourists to the region and also promote the shires neighbouring Dryandra Woodland as attractive destinations in an effort to increase domestic and international tourist numbers. Increasing numbers of tourists was perceived as a means toward bolstering the local economy by supplementing it with significant tourism revenue.

Dryandra Woodland Focus Group

The seven local government areas cooperating in developing tourism are located within close proximity to a unique and extensive cluster of remnant bush land and native tree plantations known as Dryandra Woodland. Most of the wheatbelt remnant vegetation pockets are no more than a few isolated hectares of severely degraded habitat (Hobbs 2003). For this reason, Dryandra Woodland stands out as an unusually large area of remnant bushland and native mallet plantations. The woodland is actually not a single area of bushland but a group of 17 closely clustered remnant blocks connected by "corridors" of native vegetation along fence lines and roads that collectively cover about 28,000 ha (~70,000 acres). The largest of the remnant blocks is 12000 ha (~30,000 acres), many times the size of the average for the

wheatbelt region. Its size and location within an agricultural landscape has established Dryandra Woodland as a refuge for native fauna and flora populations unable to live in the cleared agricultural areas. CALM, the State Government agency responsible for managing natural areas in Western Australia, identified the woodland as, "… the single most important area for conservation and recreation in the … wheatbelt region of Western Australia" (Moncrieff 1998a/b). While Dryandra Woodland was identified as a potentially significant tourism asset by both CALM and the seven local governments, a study by Moncrieff (1998a/b) found the woodland was underutilised, with a narrow range and low number of tourists contributing very little to the local shires in terms of economic benefits.

As the state conservation agency, CALM has sole jurisdiction over Dryandra Woodland even though it occupies a significant area of land within the shires, particularly Cuballing Shire. CALM's mandate clearly states that is primarily responsible for the management of the "natural estate" in Western Australia in the context of conservation and responsible use (CALM 2000). This encompasses protection of ecologically important areas, sustainable use by the public and commercial interests and rehabilitation of degraded habitats. Involvement of other interests, including local governments, in planning and management of natural areas occurs entirely at CALM's discretion.

In the late 1990s a CALM officer initiated a cooperative arrangement between the conservation agency and stakeholders within the seven local government areas. The cooperative arrangement was part of an initiative by the CALM officer to develop a tourism planning framework for Dryandra Woodland based on the Tourism Optimisation Management Model (TOMM). The central plank of TOMM is community involvement through public forums and focus groups that include all stakeholders, government, non-government, commercial and residential. The intent is to ensure responsible tourism development while maximising positive benefits for stakeholders. Thus, as part of applying the TOMM framework to Dryandra, the *Dryandra Woodland Focus Group* (DWFG) was formed. The DWFG included representatives from CALM, the local governments, the chambers of commerce, Wheatbelt Development Commission and tourism development interest groups. All members were involved on a voluntary basis. The DWFG was conceived as a point of contact between CALM, as the sole manager of Dryandra Woodland and the representatives of stakeholders from the communities that hoped to benefit from tourism development centred on the woodland.

The fundamental aim of the DWFG was to increase tourism spending in the region surrounding Dryandra Woodland (Dryandra Woodland Focus Group 1999). This was in response to research conducted by Moncrieff (1998a/b) that identified a very low level of tourism spending within the neighbouring shires. The aim was to be achieved by first defining long term objectives relating to the identification of key tourism assets and opportunities and how best to co-ordinate the region in terms of creating a viable and sustainable tourism product (Moncrieff 1998a/b). The wildlife tourism opportunities within Dryandra Woodland was the primary focus of this process with the development of a captive wildlife "tourist facility" later to be named Barna Mia a central pillar. Barna Mia was a concept initially flagged in a 1996 CALM tourism marketing plan and further developed as a concept by the previously mentioned CALM officer that received backing from the agency. It was intended as a 'value adding' project that would enable tourists to see rare animals they would normally not easily see 'in the wild'. This facility was intended to be a wildlife tourism icon for the seven shires and establish Dryandra Woodland as an internationally significant wildlife tourism destination.

The development of Barna Mia was based on a dual purpose, it was to serve as a catalyst for increasing tourism numbers and associated economic benefits for the shires while also serving as a public education and promotion facility for CALM (CALM 2000). This reflected the two primary philosophies operating behind the DWFG. One strand consisted of CALM as an agency focused on nature conservation and public education as decreed by its legal

mandate. CALM had been operating a feral predator extermination programme in conjunction with a native animal reintroduction and breeding programme. The two programmes had successfully increased the size of certain rare marsupial populations in the woodland. CALM sought to capitalise on the potential afforded by these rare and charismatic animals (such as the Bilby) through the development of an attraction centred on the breeding programme itself. In this context, Barna Mia (the public relations interface) was constructed for the purpose of educating tourists, using close encounters with some of the rare species being bred for reintroduction. This was a means of raising public awareness about wildlife conservation and the profile of CALM as an agency successfully carrying out its conservation mission.

The second strand on which the DWFG was functioning related to the perceived benefits of increasing tourist numbers visiting Dryandra Woodland and the surrounding region. In this sense, Barna Mia (the tourism icon) was viewed as a means for attracting more tourists to the region through the opportunity to view rare nocturnal marsupials close at hand in an "uncontrived" setting. The requirement for night time tours to view the strictly nocturnal marsupials would at least require an over night stay in the region, encouraging visitors to use the accommodation and other facilities in the surrounding shires (Moncrieff 1998a/b; CALM 2000). The charismatic nature of the rare marsupials coupled with the unique design of the experience was seen as a catalyst for increasing tourist numbers in the region and increasing the associated "spin offs" for nearby businesses (Moncrieff 1998a/b). It may be reasoned that increasing numbers of visitors to the woodland potentially compromises CALM's function as a nature conservation and preservation agency in charge of the most significant ecological remnant in the wheatbelt. The two fundamental philosophies upon which Barna Mia was conceived would arguably lead to the issues regarding its management and operation discussed later in this chapter.

While Barna Mia was the primary concern of the DWFG, efforts were made to create a regional tourism plan for the seven local government areas that included other potential tourism attractions outside Dryandra Woodland. The idea was to incorporate Dryandra Woodland as an integrated part of a regional product. The woodland itself and in particular Barna Mia, would act as a tourism beacon to draw tourists in. The tourists would then ideally move beyond the woodland to other tourism experiences in the region. A tourism and marketing strategy was commissioned, prepared by a private consultant using a grant won (with significant assistance from the Wheatbelt Development Commission) from the Department of Education, Employment, Training and Youth Affairs. The tourism and marketing strategy was completed in 1999. Similar to the past CALM reports, the marketing strategy identified Dryandra Woodland and its fauna as well as indigenous heritage as key tourism draw cards, together with the colonial heritage and agricultural landscape of the surrounding areas. Significant problems identified by the report related to the lack of effective promotion and the lack of co-ordination of attractions in the region along with a lack of tourism data specific to the region. The report recommended the DWFG establish itself as the driver of tourism development in the region and employ a tourism development officer to facilitate this process. Meanwhile, as mentioned earlier, Moncrieff in 2000 initiated moves to obtain funding to support a research project that set out to further the aims of community based regional tourism development in conjunction with Barna Mia.

Tourism Development Officer

Interviews with representatives of the DWFG during 2003 indicated that the organisation considered it had reached the limits of its capabilities in relation to development of a regional tourism product at the time the tourism and marketing strategy was written. This was both in terms of expertise as well as available time, given the DWFG was an entirely voluntary organisation. The employment of a professional tourism development officer by the DWFG

was considered advantageous as it would inject knowledge and expertise as well as more focus and time commitment into the development of a regional tourism product.

Before the employment of the tourism development officer, the Wheatbelt Development Commission (WDC) had played a significant role in writing funding applications for concepts devised by the DWFG. However, tourism development was considered a minor aspect in the context of the WDC's role. For this reason the board had indicated that WDC staff should allocate more time to priority areas such as electricity and communication infrastructure, leaving tourism development to agencies such as the WATC and other local tourism groups. The combination of the DWFG reaching its perceived limits in expertise and the WDC wishing to scale down its involvement in tourism development provided the motivation for employment of a full time tourism development officer. With the assistance of the Wheatbelt Development Commission the DWFG successfully applied to the Department of Employment, Workplace Relations and Small Business (DEWRSP) in 2000 for the funding of a tourism development officer position. A tourism development officer, Dale Sanders, was subsequently employed in 2001 on a fifteen month contract as a means of furthering the development of tourism in the region on a professional basis.

The primary role of the development officer was the administration of tourism related development activities, media liaison and marketing and promotion of the region around Dryandra as a tourism destination (Sanders 2003). The officer co-ordinated community based workshops on tourism development, promoted Dryandra Woodland and the shires at regional tourism conferences and liaised between the numerous tourism related voluntary organisations, government agencies, local government and commercial operators in an effort to create a coherent and distinctive product for the region. During this time, some representatives considered the DWFGs role became largely redundant as a development body and more a forum for progress reports relating to the development officer's activities. This was rather ironic, given that the DWFG employed the tourism development officer in order to further their capabilities as a tourism development organisation in the region. The perceived lack of purpose in the group coincided with the withdrawal of the Chamber of Commerce and Narrogin Business Enterprise Centre representatives. Other community representatives also withdrew their voluntary involvement apparently along the same premise of having little to offer. The DWFG morphed into a forum for the tourism development officer to report to the shires and Narrogin on the progress made toward establishing a tourism product in the region.

Shire Politics and Breakaways

During the tenure of the tourism development officer, the Shire of Williams decided to withdraw from the tourism development co-operative. While it is not clear exactly why Williams decided to break away, the information gleaned from representatives of the shires remaining in the tourism group considered Williams had in a sense betrayed them in an attempt to "go it alone". Representatives of the DWFG suggested that Williams had always 'looked' westward rather than eastward. This was an allusion to the perception of the other members of the DWFG that Williams was trying to link in with the areas toward the west coast that were already established as tourism destinations rather than toughing it out with the Central Southern Wheatbelt shires in the tourism periphery. In a sense, the break away of Williams from the DWFG appeared inevitable as the shire lies across the main tourist and commercial travel route between Perth and Albany. The Town of Williams is also the halfway point between Perth and Albany, meaning many travellers and tourists stop to refuel or rest. The high level of through traffic has enabled the successful establishment of the "Woolshed", a tourist oriented facility in the town that draws large numbers of visitors.

Williams further riled the remaining shires in the DWFG by successfully applying in 2003 to be a Western Australian Tourism Commission (WATC) Network Visitor Centre. Network visitor centres involved the use of "advanced technology" that complements traditional

booking and information systems. According to the WATC website (http://www.tourism.wa.gov.au/watn2/watn_home.asp, accessed 29 March 2004)

> "As well as creating new distribution and marketing opportunities for operators, … Tourism Network [Centres] also include leading-edge information and booking facilities such as Booking Centres, a Virtual Call Centre that directs Australia wide 1300 calls to local experts at metropolitan and regional visitor centres and through an on-line booking gateway."

The Network Centres enable tourists to access information on destinations and tourism operators and make bookings directly from the region they are interested in visiting. Operators may also display their promotional material at the centres within their region. Network centres raise the profile of the location in which they are placed and are considered to bring economic benefits also, although this is as yet untested.

The installation of a visitor network centre requires the town in which it is to be installed to meet certain criteria within a tourism development context. This includes the establishment of a visitor centre and visitor centre manager, something the DWFG shires did not have at the time. The establishment of the network centre in Williams also resulted in the WATC refusing Narrogin's initial application to establish one for the Dryandra Woodland shires. The main reason given was Narrogin's close proximity to Williams (30km east) obviated the need for it to be a network centre. Williams was therefore perceived not only as a trouble maker for withdrawing from the DWFG but was also considered, by representatives, to have undermined the development of tourism in Narrogin and the shires through "going it alone" with a visitor network centre. The establishment of a centre in Narrogin was viewed as a vital step in furthering tourism development in the Dryandra area as highlighted in the final report of the tourism development officer.

At the end of her tenure, the tourism development officer produced a state of the industry report that summarised the status of tourism in the GDA. Key recommendations of this document included the following points (Sanders 2003):

- Narrogin and Districts Tourist Bureau restructures and becomes the Dryandra Visitor Centre (DVC) with committee representation endorsed from each of the participating local governments if required. The DVC should be opened seven days and employ a full time administrator as a pre-requisite for becoming a WATC network centre
- Remaining shires replace staffed visitor information centres with unstaffed satellite tourist information points be set up at telecentres or other suitable locations in each of the main towns. The DVC is to liaise with and assist coordinating activities in the satellite visitor information centres.
- That the DWFG is dissolved and all its assets, equipment and tourism knowledge are transferred to the new Dryandra Visitor Centre. The DCVC should maintain strong network linkages with neighbouring local governments, regions and relevant tourism associations.

This report essentially reinforced the recommendations made in the earlier tourism and marketing strategy for the region. Central to the recommendations was a simplification of the complex tourism development bureaucratic structure in the region by establishing a single entity, the Dryandra Visitor Centre, in Narrogin, the regional centre. The shires commenced implementation of the recommendations in mid-2003, in co-operation with the WDC, with some compromises. The DWFG was dissolved with all assets transferred to the newly established tourist centre, located in what was the Narrogin Tourist Bureau. As indicated, the new entity adopted the name Dryandra Country, a significant indication of cooperation between Narrogin and the other shires.

Recommendations regarding the centralisation of visitor information management to Narrogin were not carried through as the shires preferred to retain their visitor centres and the control they have over the content and dissemination of tourism information. This was perhaps a stand by the shires against the already dominant role Narrogin played in regional affairs.

Deborah Hughes-Owen (Narrogin Tourism Bureau President) described the situation as follows: (pers. comm. 15/5/03)

> "The idea would be for the shires outside Narrogin to nominate their preferred location for visitor information and the Dryandra Visitor Centre would then service and work with those satellite [tourist information nodes]. It is [currently] not the intention to provide unmanned information nodes [in the shires], unless of course grants can be obtained over time to provide these in addition to the manned information sources, such as the Wickepin Telecentre"

Although the reason for this compromise is partly financial, there is a suggestion that the shires adjoining Narrogin are somewhat reluctant to surrender total control of tourism information provision and management to the then proposed Dryandra Visitor Centre. This may be related to concerns for ensuring the less resourced shires gain some benefit from the development of a regional tourism product.

While tension relating to this issue was not overtly expressed, the concern was evident during discussions with shire representatives. Discussion with Pingelly representatives highlighted concerns that the dominating presence of Narrogin in the tourism development process may result in most tourism related benefits bypassing the smaller, less resourced shires. This was also based on the geographic location of Pingelly some distance away from Dryandra Woodland and any potential tourist access routes by road. Pingelly viewed tourism development in Dryandra to be more beneficial to Narrogin and Cuballing, the areas immediately adjacent to the woodland, as tourists were required to pass through these areas as a means of access.

At about the time the above report was tabled, another shire member, Wandering, decided to withdraw from the tourism development group. Wandering was the northern most shire in the group and has the smallest population. Discussion with a Shire officer did not reveal any particular reason for withdrawing from the DWFG apart from simply a lack of interest in tourism development. There may be a number of factors contributing to this. For example, Wandering town is located in an out of the way place, even in comparison to the remaining shires and Narrogin. The Shire officer commented that they had about two tourists making enquiries at the information desk (located in the shire office on the main road through town) during 2002. The town has no facilities except a small pub so there is no opportunity for tourists to stop to refuel or buy basic supplies. The Shire officer also had knowledge of the Shark Bay area, a popular tourism destination over many years and had little interest in being involved in tourism development issues after that experience. Whatever the reasons, the remaining shires and Narrogin appeared not to view Wandering's departure with the same ire as that of Williams probably because Wandering was not viewed as being a rival for attracting tourists.

The adoption of the core of the report's recommendations came at a time when the WATC had reversed its decision and allowed the establishment of a network visitor centre in Narrogin, subject to meeting the requirements. The installation of a WATC network visitor centre in Narrogin is considered to be a significant move toward greatly improving tourism business and development for the region. The primary pre-requisite for becoming a network centre is the employment of a full time tourist visitor centre manager.

Concurrent with the progress toward streamlining management of tourism development, the WDC is in the process of appointing an Indigenous Economic Development Officer (IEDO) and an Officer that will "basically replace [the tourism development officer]" (Evans, pers. comm. 30/4/03). That is, a position specifically for assisting business enterprises in accessing funding though bureaucratic channels and directing inquiries to appropriate information sources. While these positions are not solely or specifically focused on tourism development, businesses or individuals seeking to develop tourism related operations fall under the economic development umbrella and will receive assistance. The amount of time spent specifically on tourism initiatives by the new WDC employees may be tempered, as in the past,

by the relative proportion tourism contributes to regional economic and social development. At this point in time, the WDC considers tourism development to be a minor aspect of their overall responsibilities in the region. However, the combination of the WDC appointments and the restructuring of the Narrogin Tourism Bureau and employment of a Dryandra Country Visitor Centre manager will potentially create a strong leadership base over a long time period and more effective co-ordination of tourism development and activities.

The previous points, primarily about infrastructure and the institutional arrangements within which tourism is entwined, illustrate the complex systems relationship in which tourism is located in regional areas. The next few points focus on more specifically tourism related issues.

Lack of Community Interest and Motivation

An analysis of tourism strengths, weaknesses, opportunities and threats (SWOT analysis) conducted as part of community based workshops in Narrogin and Pingelly identified what was termed 'community apathy' as a weakness and a threat to tourism development. In this instance, the 'community' appeared to refer to the residents living within the shires. Rather than apathy, which suggests a state of depression or hopelessness, the SWOT analysis and interviews with representatives suggested the community was just not interested in tourism development – manifesting as a lack of motivation for involvement in tourism initiatives. The lack of interest regarding tourism development in the community may be a significant factor contributing to the currently low status of the area as a tourism destination.

According to Hall (1995), the attitudes the community has toward tourism development is a primary factor determining how successful it will be. He observed that successful tourism development occurred when the general community was supportive of tourism related ventures. Community support was more likely to manifest if the benefits of tourism development were plainly evident. Howell (1987) and Blank (1989) had earlier stressed the importance of fostering positive community attitudes toward tourism development to ensure success. Howell (1987) commented that one of the most important factors in developing tourism in small towns was the active and positive involvement of the general community. This was primarily based on the concept of the "intangible host-guest" role played by community members that influence tourists' perceptions of the place. In the absence of active community support, successful tourism development is difficult to achieve.

The link between active interest and obvious benefits rising from tourism development may be the key to the lack of community interest in the region. A survey of local businesses carried out in 1997 indicated that perceived tourist contribution to the local economy was less than 10% (Moncrieff 1998a/b). While this figure is subjective, a subsequent survey of business representatives in 2003 also resulted in estimates of tourism contribution being minor in relation to other sectors. The minor contribution of tourism was also suggested by the presence of large numbers of contracted workers and sales representatives in town leading to a frequent lack of vacant accommodation throughout the week (motels, hotels and guest house) on an ongoing basis during 2003. Thus, if the majority of the local economy is driven by non-tourism factors, there is perhaps little benefit to be gained from development of a tourism industry.

The Wheatbelt Development Commission pointed out that businesses in the region do not perceive the required voluntary effort justified the benefits gained. While business not specifically involved in tourism may hold this view owing to a primarily non-tourism support base, this attitude was also evident in some businesses directly involved in tourism such as accommodation providers. As an illustration of this, the farmstays in the region belong to the farmstay association, a nation wide promotional body for tourism centred on farm based accommodation. Through this they receive the benefits of specific advertising and promotion of farmstay based rural tourism. The farmstays are less inclined to volunteer time toward the development of a regional tourism product for the Dryandra Country region as they do not

consider the return will justify the effort given the benefits gained from being paid members of the farmstay association. Given the significant cost and effort required to create a successful farmstay, operators may have little time to donate to development of a general regional tourism concept when a tailored tourism association may be viewed as the most direct path toward maximising business success.

Similar issues are apparent with other key bureaucratic organisations within the community. The Narrogin Business Enterprise Centre (BEC) offers business management advice and training for those who approach the organisation with a specific idea. The BEC does not see its role as generating new ideas for the community to adopt but rather acts in a role of advisor. While the BEC representative was enthusiastic about tourism development in the Dryandra region, he did not consider that the centre's role was to act as a catalyst for innovation. For example, while recognising the Dryandra region required more tourism oriented accommodation, the need for more accommodation required community or other interest groups to approach the BEC rather than being driven by this organisation. This presents somewhat of a catch-22 situation as the general community is also not interested (apparently) in putting forward motel development proposals. Local government in Narrogin took a similar stance in terms of recognising the high demand for accommodation in Narrogin Town owing to insufficient beds but being reluctant to act as a driver for new accommodation developments, saying that this must come from the community or commercial interest.

Interestingly, when approached with the issue of insufficient accommodation, the WDC manager responded enthusiastically and was ready to set in motion various bureaucratic processes that would facilitate the building of another motel in the region. Given the WDC considered the Dryandra Country tourism development agenda was a low priority, it may be safe to assume that its interest in establishing a new motel in the region was based on the contribution of a new motel to the regional economy rather than promotion of tourism. These differing mandates of the various bureaucratic organisations active in the region have meant that tourism development has either taken a back seat or only has the potential to progress if it happens to fall under the umbrella of an agency's agenda.

Lack of Regional Co-Ordination of Tourism Development

Tourism development in the region had been hampered by the existing complex tourism development structure. There were a number of groups functioning at four levels of responsibility. These included local level tourism and special interest groups; tourism development associations at the sub-regional and regional level and government tourism development and natural area management organisations at the state level. The complex structure created problems in terms of incompatible or poorly communicated agendas, duplication of activities and funds being spread across numerous groups working to develop tourism in the same region (Sanders 2003). Aside from low level community interest, the bureaucratic complexities appeared to have been another major factor contributing to the lack of progress in tourism development in the Dryandra Country region. This was some what improved with the employment of a tourism development officer to act as a focus for ideas and administration. The establishment of the Dryandra Country Visitor Centre and professional manager seems to be another step toward simplification of the tourism development structure potentially enabling further progress to be made.

Dryandra Woodland is a Protected Area

While the Woodland is the key tourism icon, if not attraction, for Dryandra Country, it is managed by a government agency whose core business is conservation and land management. Of course, partly due to budget constraints and partly due to changes in ideology, agencies such as CALM increasingly perceive themselves to be in the tourism business. In this case, CALM's reintroduction program of rare wildlife to Dryandra Woodland has led it to view this

protected area as an important tourism and community development opportunity. However, the duty statements and resourcing of CALM staff in regional offices means very little time is spent on tourism oriented matters. This time restriction plays out in relation to wider issues of tourism policy and planning as well as in the relationships to other stakeholders.

Entwined in the complex organisational structure of tourism development in the region were difficulties relating to a lack of time spent on tourism development issues as a result of primary organisational responsibilities taking priority. An interview with a local government Shire officer in 2003 highlighted the significance of this issue. The Shire officer had decided that the Barna Mia viewing enclosure would benefit from additional promotion to tourists and local residents. He contacted CALM with a proposal to sell merchandise from the shire visitor information desk (in the Shire Offices) and have his staff wear T-shirts with the Barna Mia logo. The CALM responded with mild interest but did not follow-up the issue. This discouraged the Shire officer who thought that the CALM was not interested in his idea. It also created confusion in his mind as to the agenda of CALM in managing what was supposedly a tourism icon, designed to benefit neighbouring shires in the region that was seemingly being under utilised through a lack of promotion. The Shire officer perceived that the CALM was not interested in co-operation with local governments in terms of tourism development and was mildly annoyed with this seemingly aloof stance.

Discussion with staff at the CALM district office subsequently revealed that they were very interested in co-operating with shire officers to promote Barna Mia. The ideas from the Shire officer had been taken on board but staff simply had not had the time to follow-up with the officer. This was largely due to the primary responsibilities of staff as part of a natural area conservation agency taking precedence over tourism development issues. Liaison with local governments in relation to tourism development issues falls outside the job description of CALM Narrogin district staff. Thus, such activities must be carried out once all other tasks have been completed. Given that CALM staff have considerable workloads, tasks secondary to the core role often take a time to be addressed. The misunderstanding that occurred between the shire officer and the CALM was primarily a result of the mandate of the organisation responsible for the tourism icon, Barna Mia, is as a natural area conservation and management agency, not a tourism development agency (these issues are being addressed in a STCRC PhD project in 2003).

Rustic or Resort?

There is what is undoubtedly an unwarranted assumption that the Dryandra Woodland could be turned into a resort so that the region would lose its rustic charm to the influence of resort-based tourism. The Narrogin Caravan Park and the Dryandra Village in particular express a strong concern about this while indicating a clear preference to remain ‘rustic’. This may be partly related to the preference of community leaders and stakeholders to maintain a low key approach to tourism in the region which in turn is linked with preserving the lifestyle many people move to the area for (Anon 1999). For example, the Narrogin Caravan Park is owned by the Town of Narrogin and is fairly limited in its capacity and facilities. The caravan park is currently a relatively small bituminised area with an ablution block and some powered sites on the main road between Williams and Narrogin. It is restricted in terms of the number and type of tourists able to use it. Stakeholders do not wish to create a ‘resort style’ caravan park meaning there are no onsite cabins for rental and the facility will not be expanded or modified in the near future, limiting this form of tourism expansion.

Similarly, the Dryandra Lions Village offers “rustic” accommodation in the form of weatherboard, self catered cabins that also require tourists to supply bed linen and blankets. There are currently no powered sites for caravans in the village though approval for five such sites was given by the CALM in 2003. In essence, the village caters for tourists specifically equipped for staying in self catered accommodation and excludes those who are not carrying

their own bedding or food. This essentially means that the village is catering mainly to domestic self drive tourists. Fly/drive tourists and those arriving as part of a coach tour would not be adequately equipped to stay in the village. The care takers (Lions Club) and the landlord (CALM) are extremely reluctant to further develop the village as they perceive that it may destroy the current experience offered and result in additional impacts on the surrounding protected area.

The irony and futility of this perspective is manifest. First, there is no reason in tourism planning to see these two scenarios as polar extremes on even the most simplistic continuum. The 'rustic vs resort' extremes are simply two oversimplified scenarios that, in the context of the region, are not worth arguing over. This is the second point: the region could not support a resort of the nature envisaged in this sort of rhetoric. Put another way, both Narrogin and Dryandra Village could be developed considerably without losing their rustic charm and without becoming 'resorts'.

Lack of Obvious Tourism Products

While the Dryandra Country representatives identify the Dryandra Woodland as the region's major icon, the presence of other obvious attractions in the region is somewhat sparse. A report by Complete Marketing Solutions (1999) pointed to the lack of obvious attractions outside Dryandra Woodland and suggested the development of a niche market product focusing on Dryandra Woodland and ecotourism.

Several people pointed out that the majority of potential lies in the history and culture of the Dryandra Country region. Interestingly, a discussion of tourism development focusing on a peripheral area in the USA put forward this idea as a potential means of tourism development. Hsu et al. (2004) discussed the issue of tourism development in Kansas, an area that parallels the Western Australian wheatbelt in terms of being dominated by agriculture and having little in the way of obvious attractions. The authors suggested that the landscape and rural environment itself could be the attraction given an appropriate market segment was targeted by promotional material. Interestingly, they found that in order to be successful, the residential community must play an active role in tourism development of the region, primarily through promoting a positive image of the region by word of mouth.

As intangible assets, heritage, culture and social history may not be immediately apparent to visitors unfamiliar with the area. For example, a particular location of historical significance but with no physical evidence remaining (such as ruins) would most probably not be given a second glance by those ignorant of the history of that place. Consequently, the potential attractions identified by the Dryandra Country shires are perceived by those interviewed to require "good knowledge" to fully communicate their significance. The battle fields of the American war of independence and civil war are prime examples. Many of these are popular tourist destinations and are basically paddocks or large areas of landscape since put to other uses. In the absence of tour guides, booklets and signs, such places may not be recognised as historically significant. In other words, guided tours or other forms of intensive interpretation are required to maximise the tourism potential of the Dryandra Country region. Given the current lack of financial and material resources, these ideas are at best a long term vision.

Tourism Activity

As is common for much of regional Australia, there is simply no reliable visitation data. Limited data is available for Barna Mia (approximately 1,000 visits in 2003), Dryandra Village (about 4,000 in 2003) and Narrogin accommodation (132 beds available). The bulk of those using the accommodation in Narrogin are business travellers related to Narrogin's role as a regional centre.

Conclusions

The 2001 SWOT analysis of Narrogin and Pingelly (the two shires with the largest populations) listed about twenty four distinct aspects considered to be strengths but about half of these were lifestyle related, such as sports and leisure activities, medical facilities, educational facilities, spiritual communities, safety and a movie theatre among others. Similarly, community representatives interviewed in 2003 pointed to the major asset of the region being its lifestyle, rather than any specific attractions, something not easily marketed as a tourism product to tourists.

Dryandra Country does have a tourism product in its wheatbelt and rural ambience along with the significant Dryandra Woodland. Decisions made in late 2003 to agree on the name *Dryandra Country* are significant, if for no other reason than they reflect the willingness of the remaining key stakeholders to work together. With the leadership of local government and key state agencies, there is a clustering of resources with a focus and a mission.

In reviewing the outcomes in relation to systems of innovation we can see at least four issues worth returning to. First, the entrepreneurial role of Daryl Moncrieff as a CALM officer has to be acknowledged as a key catalyst to early efforts, including this project. Second, the networks developed and undeveloped are important. The original group of seven shires came together to form the *Dryandra Woodland Focus Group* that worked successfully with the WDC and CALM to obtain funds to undertake planning and development work. Despite the defection of two shires and withdrawal of some local business representatives, the DWFG then successfully evolved into *Dryandra Country*. This is an organisation whose membership is more focused and committed and who have already hired long-term staff and obtained a WATC network centre designation.

The third aspect worth reinforcing is the advantage taken of institutional infrastructures. This includes not only the Shires working together but also the inclusion of the three core government agencies, CALM, WDC and WATC. Last, but not least, it is time for a realistic vision that can build on the capacity for innovation existing in the region. The visioning done in the 1990s needs updating and core products need to be identified and investment sourced.

Chapter 10

Innovation through Iterations: Improving Regional Touring Routes Through Survey Research

Anne Hardy, Bob Beeton and Rodney Carter

Editors' Box

This chapter is concerned with innovation in a regional themed self-drive touring route in western Tasmania. Self-drive tourism is a significant component of regional tourism across Australia and many tourism marketing agencies attempt to use themed touring routes to help manage self-drive markets.

This case study particularly identifies the need to understand how tourists and tourism businesses perceive touring routes and to innovate to re-invigorate routes and respond to competitive pressures.

The innovation capacity of the destination was seen to hinge on the production and distribution of knowledge and the clustering of resources.

Introduction

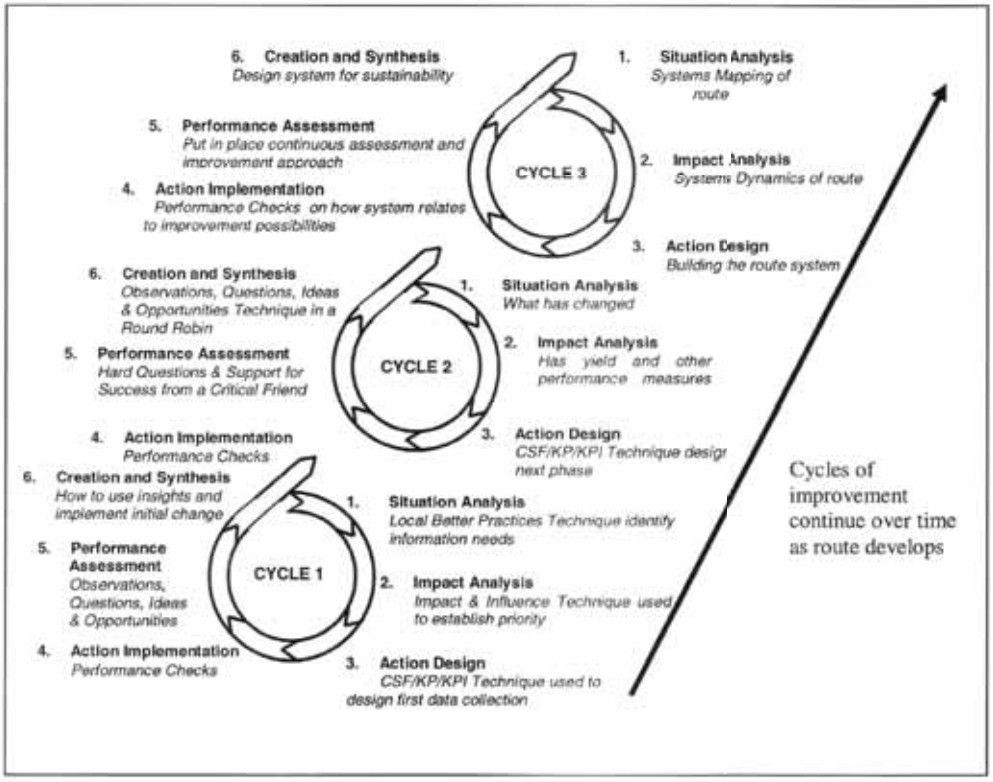
Innovation is putting new knowledge and ideas to work for either a commercial or social benefit. It is not just about high-tech industry and research laboratories - it is about developing new ideas, processes and services in workplaces, schools, communities and homes. For tourism, virtually all the tools for innovation exist. Large data sets, collected by industry and increasingly by tourism researchers and a variety of analytical tools can be applied to the data and qualitative research has matured as a way of understanding the psychology of tourists. Moreover, information flows throughout the tourism system are effectively instantaneous and now backed up by sophisticated relational database technology. The advent of supply chains has bought new sophistication to the process of meeting customer preference, as have quality assurance systems and continuous improvement strategies. However, the problem lies in how to apply these tools and approaches to a fragmented and dispersed industry in a systematic way to achieve common benefit and essentially this refers to the nature of tourism itself.

Tourism, unlike many industries, is largely a service industry and demands a 'non-systemic' approach to innovation, because of its fragmented and dispersed nature and the tradition of individualism for diverse products and services. Where aggregation does occur, it is in specialised sectors such as accommodation and airlines. While a systemic approach works for structured industries, a non-systemic approach focuses on the development of human systems that create innovation rather than concentrating exclusively on institutional systems that create and apply knowledge. In an innovation cycle for tourism, new knowledge does not become innovation until it is used in a novel way by a diverse range of players whose creativity may be spontaneous rather than systematic. In practice, most innovation involves people using 'old knowledge' in new ways; for example, innovation in organic farming involves a human dimension. In tourism, innovation opportunities come from how data and insights are used, for example, in product development or for continuous improvement and developing new ways of improving yield. In each case, the challenge is to get the human systems right so that the tools can be applied and progress can be measured. The Continuous Improvement and Innovation model (see Drucker 1991; Bond 1999; Brown 1992) has been applied widely to industries with a standard production and delivery cycle. Applying it to tourism is a challenge; applying it to regional tourism is even more demanding. Some assistance with this challenge comes from a

similar challenge faced by Clark and Timms (2001) in applying continuous improvement and innovation (CI&I) principles in primary industries.

The Clark and Timms (2001) model (Figure 10.1) identifies sequential changes as innovation occurs through a succession of learning cycles. If applied to tourism, this model commences with the evaluation of local situations and progresses adaptively through product improvement and development to a self-regulating system where innovation is based on the application of research insight and observation to local contexts and existing and potential markets.

Figure 10.1: Innovation in Touring Route Development through Successive Learning Cycles



CSF = Critical Success Factors
KP= Key Practices
KPI=Key Performance Indicators
At Cycle 1 participants are not necessarily engaged; in cycle 2 they become more so using data from surveys; by cycle 3 they are working for enterprise strategy. To achieve ongoing continuous improvement, the cycles become institutionalised along the organised route (adapted from Clark and Timms 2001).

Self-drive tourism has long been recognised as significant (Rosenow and Pulsipher 1979; Presidential Commission on Americans Outdoors 1987), yet it is surprisingly under-researched in Australia and overseas (Prideaux and Carson 2003; Olsen 2003; Sivijs 2003). Olsen (2003) identified that drive tourism accounts for 70% of all trips taken in Australia by both international and domestic travellers and that 80% of domestic tourists will arrive at their destination by car. In addition, Olsen (2003) estimated that up to 50% of international visitors

will drive themselves at some point during their holiday. Clearly, travel is a defining dimension of tourism as a leisure and economic activity of modern society and self-drive tourism is a component of virtually all market segments, however, it is involved in some specific market segments to a greater or lesser extent. There are existing segments where self-drive is an essential ingredient of the experience. This may be for pull reasons of economy and perceived safety or it may represent aspects of push factors such as freedom and self-determination (Horneman 1999). Consequently, the drive tourism market is complex and for the purpose of further discussion her we focus on that component here, where driving is the predominant transport form.

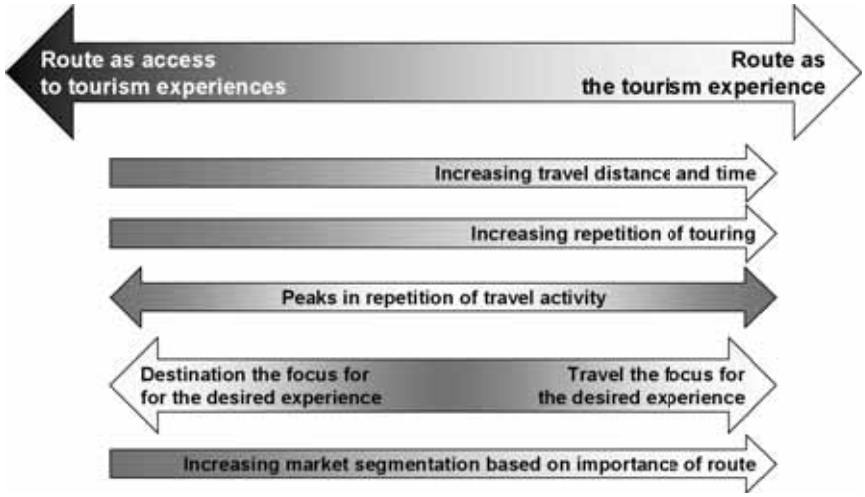
Intuition and observation suggests that themed touring routes represent the major response to self-drive tourism. Despite this and the size of the drive tourism market, its importance to tourism, as well as the infrastructure devoted to drive tourism and its impact upon regional communities, surprisingly little research and innovation investment has focused on this form of tourism (Prideaux & Carson 2003; Carson & Waller 2002). A symptom of this is that themed touring routes, which are used widely as development initiatives to promote the self-drive tourism experience, have received little attention. This chapter focuses on the rise in development of touring routes and in particular, changes in the attracted markets and how regions may collect and use data to build an innovation cycle for continuous product improvement that meets market demand and community development goals.

Understanding Touring Routes

Visitors following themed routes is not a new phenomenon to tourism. The European Grand Tour, Route 66 and the Blue Ridge Parkway in the United Sates of America, the Silk Road across Asia and the Birdsville track in Australia are examples of routes that facilitate this form of tourism (Rosenow and Pulsipher 1979; Presidential Commission on America's Outdoors 1987; Olsen 2003; Hardy 2003). In addition, drive tourism has been an important component for the growth of the Gold Coast and many other Australian tourist destinations from the 1950s to today. During this time, infrastructure along access routes developed, often in an unplanned way, to become an important component of the tourism industry in terms of capital investment and tourist experience. Similarly, the emergence of the peri-urban, short stay market in the 1980s was drive-based. Today, drive tourism continues to be a significant component of access journeys, however, people with different motivations and characteristics are undertaking other journeys beyond the traditional access routes. In Australia, the size of this self-drive market has now been recognised and in turn, many new touring routes have been developed in an attempt to respond to this trend.

What has emerged is a spectrum of tourism-associated driving opportunities. These are built on existing infrastructure that has been parallel badged as different types of routes with different types and levels of supporting infrastructure. The consequence is that there is a mixture of general use and specific tourism uses. Tourism market segmentation on these routes is influenced by technology (e.g. vehicle capacity and reliability, road quality), infrastructure (e.g. accommodation along the route) and a shift in user motivations to the combination of route and destination merging to become the tourist experience (Figure 10.2).

Figure 10.2: A Spectrum of the Status of Touring Routes



Vehicles can travel further, with greater reliability, with greater human comfort and over a greater diversity of terrain and road quality. This in itself segments the self-drive tourist market based on the technology available. With improved road conditions and service availability (e.g. refuelling stations, motels and camp grounds) travellers can use routes to safely travel with greater convenience. This probably further segments the market into those who choose, to various extents, to avail themselves of this convenience for longer, touring-focused holidays. There is probably an associated shift in push factors (e.g. travel motivations) that are satisfied depending on the appropriateness of pull factors such as places, attractions and services. This lack of appreciation of the changing and expanding nature of the drive market has possibly led to mixed success of specific touring route development. That is, development of touring routes that focus on traditional product (attractions) development and destination approaches possibly do not match many traveller's interests in the route itself: its community, environmental and heritage dimensions.

The proliferation of these routes have allowed a classification to be suggested that covers the range in length and importance of routes from themed tourist ways of national significance, through tourist drives of national significance, to short drives of local significance (Standards Australia 1990). Such descriptive typology of touring routes adequately indicates 'the road' but poorly defines, at least at present, the journey or experience. That is, the classification defines travel conditions (roads for cars) but not experiences for people. Such typologies reflect a technical engineering approach to touring rather than considering touring as a social phenomenon. The danger is that with a technical perspective, the response to facilitating tourism needs will be addressed with technical solutions, when the changing role of touring demands social, human solutions.

For simplicity, this chapter assumes that themed touring routes may be generically defined. This is a deviation from the definitions provided by Standards Australia, whereby 'tourist ways', 'tourist drives' and 'short drives' are defined differently given their differences in length and managerial structure. We believe that all touring routes are faced with similar innovation issues (Figure 10.1) such as a need to understand their client base, involving stakeholders in the on-going management of the touring route, providing clear and effective visitor information for the planning and during the actual journey, regardless of their length or regulatory structure (Hardy 2003) and develop effective continuous improvement and innovation systems that work for a dispersed industry.

If touring routes are defined as identifiable routes on roads that are promoted by organisations using maps signs, brochures or audio material, which may be linear or circular and pass or provide access to key attributes of the area, they, by definition, vary in length, configuration, route quality and environmental context. These are important dimensions of planning, marketing and managing touring routes because they significantly affect the market and user experience. That is, by inference and through management, the definition can accommodate different types of users (market segments). In such a context the opportunities for innovation relate to the intersection of knowledge generation with the dispersed operator community. This non-systemic innovation model represents the route to continuous improvement of any given journey.

Management and co-ordination issues are important aspects of the non-systemic improvement and the building of innovation along themed touring routes. This requires on-going collaboration and co-operation between regulatory authorities, operators and the many local communities across regions and even states or provinces. The dispersed linear nature of routes is a potential weakness; narrow completive forces, historic animosities and simple lack of appreciation on interdependence can prevail and co-operation can fail. The counter argument is an inherent strength of touring routes, namely multi-stakeholders can provide mutual support and encouragement and provide a mechanism to sustain efforts towards quality assurance. They are potentially a regional development instrument that by encouraging visitors to previously under-utilised regions that increases their general well-being. If successful they are a method of encouraging collaboration between traditionally competing communities; build community empowerment and could be a catalyst for resources protection (Hardy 2003).

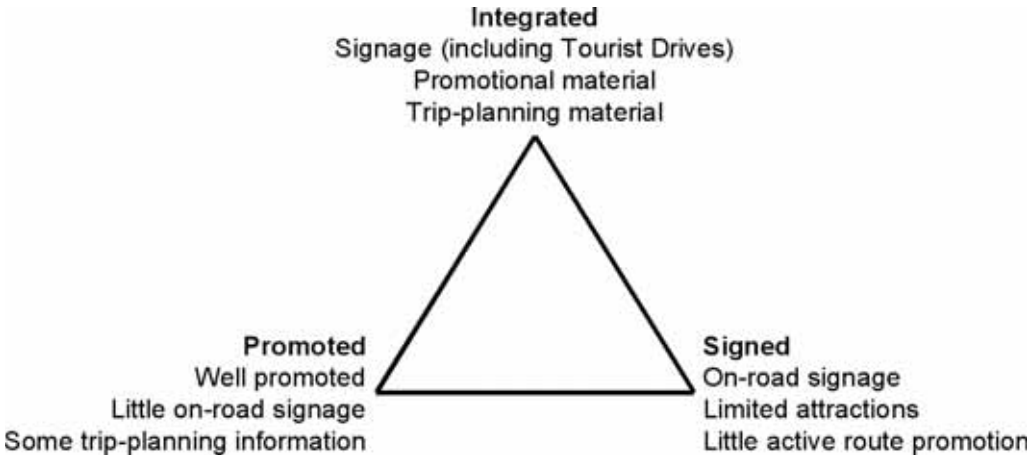
The Japanese 'co-optation model (Ellyard 2001) and the CI&I Model (Clark & Timms 2001) are relevant innovation models that go beyond current bureaucratic collaboration and provides an innovative paradigm for such endeavours. Murray and Graham's (1997:514) view that "the experiences obtained along the way are at least as important as the destinations themselves" suggests that such models may be useful in this field as no component has a dominant position.

Recent research has focused on the managerial and supply aspects of touring routes. The National Centre for Studies in Travel & Tourism (NCSTT) developed a model in 2001 that included the ingredients for successful touring routes. It suggests that to establish attractions and services that meet the needs of the market it is essential that touring routes include adequate signage, safe and contextually appropriate roads, adequate infrastructure and distinctive themes or images to represent their comparative advantage. While the theming concept adds an experiential dimension, the emphasis remains on development of road-associated infrastructure (the physical and technical domains) and not on user needs in the social domain, such as services relating to environmental and socio-cultural context. The emphasis remains on road users, not travellers. The NCSTT also suggested factors necessary to meet basic visitor needs along themed tourism routes. These include: a reason to stop in a town or attraction; adequate signage, safe access and supporting information; good roads; access to clean facilities and shelter; quality visitor services; facilities which are open and convenient to access and friendly local services (NCSTT 2001). Such facilities address basic human needs (Maslow 1973) but not higher order human needs that probably relate more to touring motivations and ultimately satisfaction.

Hardy (2003) suggested additional principles for ensuring touring routes were developed successfully. These included pre-trip planning information, thematic interpretation and protection of the core natural and cultural resources. These inclusions in the successful touring route equation start to address the changing nature of travellers but addressing motivations remains implied and often ignored when contemporary development of touring routes is attempted.

Olsen (2003) notes that the extent to which touring routes are integrated as whole products varies within Australia. This ranges from those that contain fully integrated signage, pre-trip planning and promotional material, through to those that are promoted but have little road signage and pre-trip planning information; and those that are simply signed but not actively promoted (Figure 10.3). However, the inherent assumption in this model is that these are the only relevant dimensions of touring routes and reflect a technical development approach to developing touring routes.

Figure 10.3: Dimensions of Themed Routes (after Olsen 2003: 336)



What did not emerge in this analysis is how the human capital factors of cooperation along the route are to be established and managed. In addition, the supply side focus of the work means there is a significant lack of knowledge of who uses touring routes, why they are used and how they are used. Moreover, little exists on the critical area of how supply and demand interact through mechanisms such as service providers and cooperative route management and product maintenance. These data are essential for touring routes to be designed and managed in the most effective manner possible. For example, if a traveller group seeks freedom, flexibility and serendipity, then a dominant formal, structured presentation of opportunities along a route will be anathema to motivations to select the promoted experience.

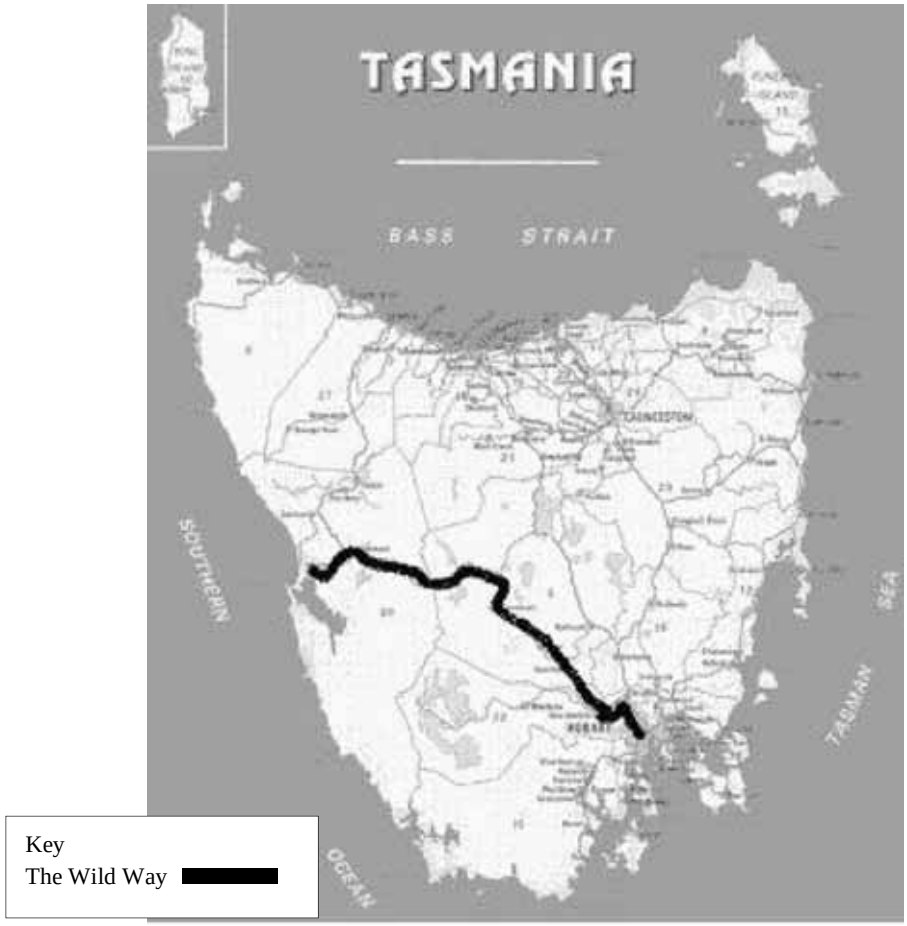
Tourism Queensland and the Queensland Heritage Trails Network have largely led research on touring route users in Queensland and Australia (Hardy 2003). There, it is estimated that about 35% of the drive tourism market will travel between 4 and 22+ nights and inject A$3.1bn to the economy of Queensland per year (Olsen 2003). Drive tourists perceive themselves to be travellers, not tourists (Trimble 1999, cited in Olsen 2003) and that routes and destinations are often selected before leaving home. Early research tends to suggest that visitors select a destination and then the route and that over 60% of the route planning is done before leaving home (Yann, Campbell et al. 1999, cited in Olsen 2003). However, research has also found that visitors prefer to be flexible, highlighting the importance of maps, visitor centres and road signage (Market and Communications Research 2002 & Brown 2000, cited in Olsen 2003). This suggests that the conventional way of understanding users of touring routes needs to be replaced with more innovative research, analysis and product development, which focuses on not only conventional tourism variables, but also those that embrace the preference and behaviour of travellers. Additional work on the receiving community / traveller interaction is probably also needed, as is work on aspects of social and human capital in receiving communities.

Consequently, some of the gaps in research regarding users of touring routes include: awareness of touring routes; the degree to which they are 'used'; the integration of routes with self directed behaviour; and if a 'touring route user' exists as a definable marker segment. In addition, whether visitors rate touring routes as attractions in their own right, or as means to reach destinations is unknown. It is imperative that these questions be addressed as a basis for innovation development. Appropriately designed data gathering instruments and survey strategies are needed that can be integrated with existing data gathered by the Australian Bureau of Statistics, the Bureau of Tourism Research, the STCRC and national and state tourism agencies.

Case Study: The Wild Way, Tasmania

Tasmania's Wild Way (Figure 10.4) is a case study of the placement of a touring route across an existing tourism product. The Wild Way was supported by brochures, interpretative panels at nine locations along the route and a number of local community projects such as a labelled walk through the township of Hamilton. However, the private sector and local councils reported insufficient marketing, support and collateral issues as shortcomings. The signs, brochures and interpretative panels remained, however they are not maintained if vandalised or other damage occurs.

Figure 10.4: Location of the Wild Way, Tasmania



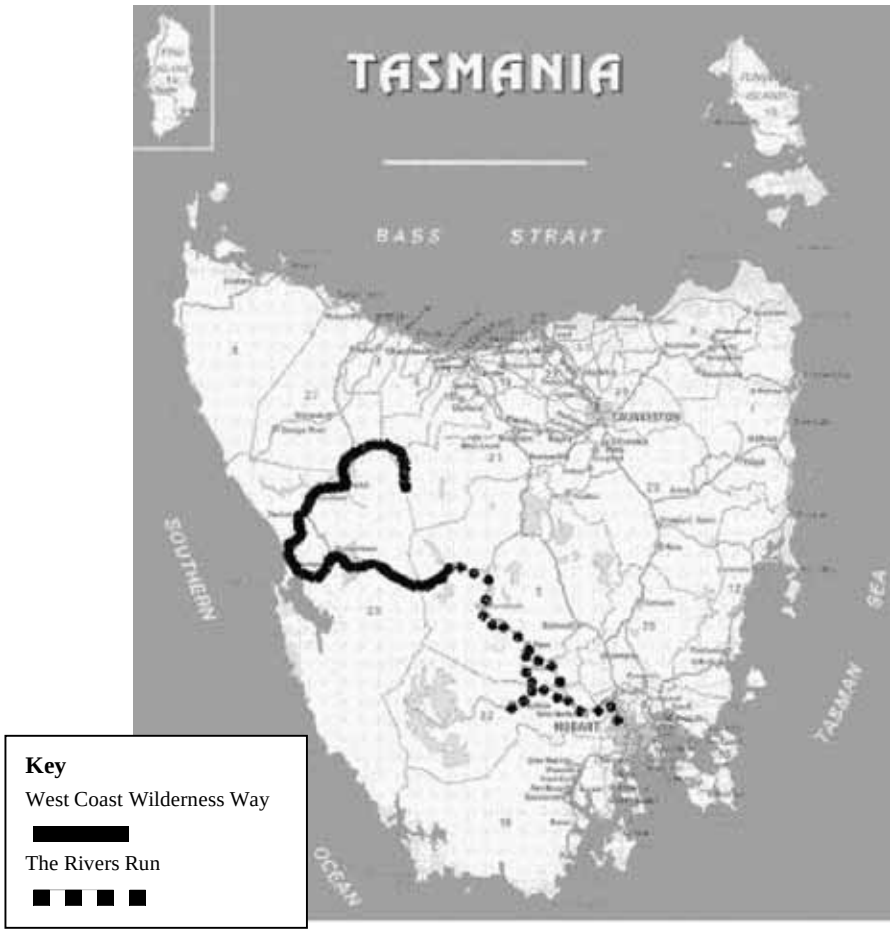
(Map used with Permission of Tasmania Online 2004)

The genesis of the Wild Way development lay in the Cradle Coast Touring Route Strategy (Inspiring Place 2003) and the Southern Tasmania Touring Route Strategy (Lebski, Lucas and Alomes 2003). This involved an assessment of the regions through which The Wild Way passes. The strategies proposed that rather than having one touring route there should be two.

'The Rivers Run' at the southern end of the Wild Way would cover the route between Hobart and Lake St Claire, with side trips to Miena and Bothwell (Figure 10.5) and would focus on local heritage, farming and the headwaters of the Derwent River.

'The Wilderness Way' would present the wilderness aspects of Tasmania by including the major tourism destinations of Cradle Mountain, Strahan, Zeehan, Queenstown and Lake St Clair, as well as link the three entry points to the Tasmanian Wilderness World Heritage Area in Strahan, Lake St Clair and Cradle Mountain (see Figure 10.5).

Figure 10.5: The Newly Developed West Coast Wilderness Way and Rivers Run Touring Routes



The rationale behind this change was that The Wild Way passed through two distinct environments and that separating the route into two could more effectively capitalise on and market the qualities of both regions. This in turn could then attract more private sector support. That is, there was a presumed market segmentation in the self-drive tourist market that was determined by geographic dimensions of the route as well as motivations and interests. This

was seen as being able to be accommodated, inherently, in the environmental and socio-cultural context of the landscape and able to be facilitated by strategic development and marketing actions.

Despite the newly formulated touring routes, designers proposed and developed the routes with little knowledge about users of touring routes. For example, answered questions included:

- do people know about touring routes;
- how many people know about The Wild Way;
- is there a 'typical' touring route user;
- how often does a typical user use a route; and
- what is needed to encourage use and service attracted users.

The survey focused on assessing touring route users' knowledge of the routes, their behaviour whilst on it, their approach to planning their journey and their propensity to use other touring routes within and outside of Australia. These issues were the elements of understanding missing for planning and development of the modified Wild Way.

An audit of the existing Tourism Tasmania and the National Visitors Survey data identified what was already known about touring route travellers and what should be obtained from additional research. Particular attention was given to demographic variables so that correlation between research data was possible. This meant that demographic questions would be worded in the same way as existing data sets held in Queensland, thereby permitting comparative studies.

Survey questions were designed to assess whether drive tourists knew they were on The Wild Way. To avoid bias, the questions were worded so that respondents were given an option to agree or disagree without feeling there was a right or wrong answer (e.g. Some people have heard of The Wild Way and some have not: have you?). To gain an understanding of The Wild Way's relative position as a touring route, users were also assessed for their knowledge of other touring routes around Tasmania.

Other questions were used to assess users' attitudes towards touring routes. Core motivations for going on holidays were assessed and users' tendency to go on drive tourism holidays (in Australia and overseas) was also examined. These questions were designed for use over time as a tracking instrument. A number of discriminatory questions were also designed to ensure that those surveyed were driving their own motorised vehicle, were going to, or had driven on The Wild Way and were on a holiday. The survey was piloted and then administered to 324 visitors on the Wild Way.

The data suggest that the users of the touring route were 'empty nesters'. That is, older travellers with children but not living with them. They were relatively affluent with 18% declaring their combined household income to be $52,000-$77,999; 17% said it was $78,000-$103,999; and 9% said it was $130,000 and over. These are well in excess of national averages.

Respondents indicated that both destination and touring were important. When asked to describe their trip from a series of options, 64.6% said it was 'driving to a main destination then touring around spending a night in several locations'. Less often selected were 'driving straight to a main destination with no overnight stopovers (12.6%)' followed by 'touring around spending a night or two in several places with a main destination in which you spend a week or so' (10.4%).

Around 38% of respondents said they take a trip of two days or more each year; 25% said they take two trips a year; and 12% said 3 times a year. Many had taken drive tourism trips to Tasmania, excluding this one, in the last three years: 28.8% had been once before; 17.9% twice; 12% 3 times and 10.9% 4 times. In terms of the total time spent in Tasmania, approximately 62% were going to take 7-14 days. Overall, the Wild Way was primarily a day trip destination: 73% of visitors took only one day to travel along the route between Hobart and

Strahan and only 18% stayed overnight. 66% of the total number had never driven the road before.

In terms of planning, 43.7% said they did not plan their trip along the Wild Way, 32.9% spent one day; 7.7% spent 2-6 days and 5.5% spent 1-2 weeks. For those that did plan, 39.39% said that flexibility was an important part of their planning 28.48% said they planned for some flexibility, while 32.12% said they planned the whole journey, hence limiting flexibility.

The most common information sources used for pre-planning included newspaper/magazine articles (21.4%); travel books (18.2%); word of mouth (13.2%); visitor information centres (12.9%); and journey brochures (12.4%). Most commonly, en route information was gained from road maps (48.1%).

Just under 18% had heard of the Wild Way. For those who had 28% heard about it through signs 19% through its brochure and 8% through work of mouth. Only 9% used the promotional material to organise their trip.

All respondents were asked if they had heard of five other touring routes in Tasmania and compared with these, recognition of The Wild Way was fairly low. For example, 69% of respondents had heard of the Huon Trail; 64% had head of the Tamar Valley Wine Route; 55% had heard of the Heritage Highway; 39% had heard of the Convict Trail; and 21% had heard of the East Coast Gourmet Trail.

Informed touring route users were those who responded that they had heard of the Wild Way. Their demographic, motivational and attitudinal characteristics were assessed to see if they differed from 'non informed users' of The Wild Way. It was found that of those who had heard of the Wild Way, 34% were in the 45-54 age category and 18% were in the 35-44 and 55-64 age category. Thus, 70% of informed users were aged 35 and above and 52% were 45 and over. This conforms with the 'empty nester' proposition.

The core motivation of informed users also appears to have been different. Respondents were asked to rate a set of attitudinal statements. Informed users were found to place more emphasis on a 'desire to escape from every day life' as a motivational factor than uninformed users. Conversely, they placed less emphasis on a desire to rest and relax, motivation based upon the desire to achieve and ambition and adventure and exploration.

Respondents who regularly (more than once in the last three years) took holidays of this type were more likely to be 'informed' users than those who took a self-drive holiday less regularly.

It was found that 42.2% of respondents claimed to have been on self-drive trails in other states in Australia or other countries. Of this sub-set, 40% listed routes that were actually overseas, with the remaining 60% indicating the use of routes on the Australian mainland. Few respondents could recall the name of the touring route they were using (with the noticeable exception of the Great Ocean Road in Victoria).

Discussion

The results illustrate that it is possible to view the touring route market in two ways: those who knew the name and location of the route (informed) and those who did not (uninformed). The total market (informed and uninformed) was made up of empty nesters who were relatively affluent and who were touring the state. Those people who were on the route (informed and uninformed) were regular users of drive tourism holidays and had been to Tasmania before on a drive tourism holiday of two days or more - 28.8% had been once and 17.9% had been twice before in the last five years. This data is particularly useful for the newly developed touring routes in Tasmania who may incorporate this information into their marketing and product development strategies.

The Wild Way is primarily undertaken as a day trip with many users not planning their trip. Among those who did plan there was a strong emphasis on flexibility. Guidelines, word of mouth, Tasmanian Visitor Information Network (accredited visitor centres) and brochures were

most commonly used in planning. Given that significant emphasis is given to increasing lengths of visit, innovation in this case would need to focus on visitor characteristics of independence and exploration. Moreover, using the model presented in Figure 10.1, this would suggest that the new regional touring routes (the Rivers Run and the West Coast Wilderness Way) require building of relationships with all components of the touring route product-including all forms of collateral, the visitors and operators along the route. Many initial improvements could be made. Amongst these is the need to increase recognition of the touring routes to improve upon the figure of 18% of visitors who knew they are on The Wild Way. Arguably, the 72% of visitors who are on the touring route but did no know that they were (uninformed visitors), may be considered the potential market. Increasing their recognition may slow their journey and ultimately lead to increases in regional benefits from tourism.

The data suggested that amongst informed users aged 45-54, the desire to escape was apparent, while among the less informed rest and relaxation and adventure were important motivational aspects. These factors could have a role in marketing the newly developed touring routes. Moreover, these two conclusions suggest the application of an adaptive model to innovation could be the basis of developing a West Wilderness Way and Rivers Run travel career pattern, whereby visitors' preferences may be developed with travel experience and information over time.

The conclusions to be drawn from this study are that touring route research requires further development. To be effective these developments need to be linked to the innovation cycle. The challenges for the innovation cycle are reinforced by factors such as low recognition and the opportunity to better utilise the underplaying motivational profile of the travellers. The opportunities lie in applying the innovation cycle to build a product-provider community who are better in-touch with the nature and integration with their products within a themed route. This is consistent with claims made earlier that additional work on the receiving community / traveller interaction is probably also needed, as is work on aspects of social and human capital in receiving communities is not rejected by this work and requires further clarification.

For innovation to be successful, future longitudinal research is required to monitor the 'performance' of the touring route and provide timely input into the innovation cycle proposed. In the case of The Wild Way, this research provided the developers of the two incoming touring routes with behavioural, motivational and demographic characteristics of travellers. How these factors interact with the receiving community and change over time represent a significant innovative opportunity for future tourism research.

Acknowledgements

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Chapter 11

Facilitating Work and Play among Backpackers in the Great Southern, Western Australia

Klaus Westerhausen and Jim Macbeth

Editors' Box
This case study concerns backpacker tourism, in particular those with working holiday maker visas and the potential to attract them to a region as itinerant labour. The chapter reports work done for a project designed and funded through the Great Southern Development Commission (State government) and the Area Consultative Committee (Federal government). The case study reflects the ability of a region to innovate through the creation and use of research, the clustering of resources and the issue of institutional infrastructure. Importantly, the chapter reports the way in which diverse 'industries' can be linked to provide development blocks that can conceptualise novel solutions to the situations they face.

Introduction

Assessing a region's 'readiness' for tourism and its potential for attracting visitors is a complex process as has been shown throughout this book. The situation analysed in this chapter is unique in the book because the region's prime 'attraction' for backpackers can be available employment for visitors. The visitors being targeted in this study are backpackers holding working holiday maker visas and while employment is seasonally plentiful, the region lacks other aspects of 'capital' to enable it to effectively attract a significant number of these visitors. This chapter arises from work in a specific, mostly inland area of the Great Southern in Western Australia.

While backpackers tend to travel extensively in Australia's regions (BTAG 2002) their motives for doing so tend to fall into one of two categories. Whereas those regions visited for sightseeing and play type activities tend to be popular with all backpackers, only those of the visitors who hold working holiday visas are likely to venture to rural hubs in order to find employment. Further, very few of those Working Holiday Makers (WHM) stay on in those regions any longer than necessary after finishing work, preferring to rejoin their backpacker peers in established centres for tourist, social and play-type activities as soon as their funds are replenished. However, it appears that there are numerous regions that could benefit significantly by tapping into both aspects of the backpacker phenomenon.

The Great Southern Region of Western Australia has both a number of promising coastal backpacker tourism destinations as well as rural industries suffering from periodically unmet demand for WHMs. The project described below investigates a number of strategies aimed at assisting the region in the sustainable development of its overall backpacker tourism potential followed by an examination of the steps required to increase supply of and demand for WHMs as a rural labour-force in the Great Southern.

The Project was conducted jointly by the Great Southern Development Commission (GSDC), the regional Area Consultative Committee and Murdoch University and arose through initiatives in the Region from employers and the GSDC and discussion with the authors. Our previous research into international backpackers was drawn upon to inform an approach that involved further primary research with relevant regional stakeholders, hostel managers, other agencies and, of course, backpackers.

The outcome has been a series of recommendations to the Great Southern Development Commission that, if implemented, should assist in raising the region's profile among backpackers and WHMs alike and lead to it's inclusion in those visitor's itinerary as a desirable destination for work as well as for touristic and play-type activities.

Backpackers and Working Holiday Makers in Regional Australia

Backpackers and their Role as Tourism Pioneers in Regional Australia

Approximately 460,000 backpackers visited Australia in 2002 (BTR 2002). Their presence is of particular importance to regional Australia as backpackers make up more than half of international visitors to regional areas. In many instances they have proven pivotal to the economic survival of struggling rural communities both as a vital labour force and as the consumers of local products and services. Backpackers are the fastest growing segment of inbound tourists and spent twice as much per visitor than is the average for all visitors during their stay in Australia (BTR 2002). Thus their travel and spending patterns inject considerable revenue into regional Australia as they travel more widely, stay longer and spend more than any other segment of Australia's tourism market (BTAG 2002).

Backpackers also have been instrumental in 'discovering' previously neglected areas of regional Australia and in linking an increasing number of regional traveller-centres to the existing network of major backpacker trails throughout Australia. Furthermore, experience shows that within a relatively short time destinations pioneered by this tourism sector tend to also attract more conventional visitors (Westerhausen 2002:183).

This process applies throughout Australia but WA still suffers as a consequence of the eastern states being the main gateway for backpackers. All too often, Western Australia, let alone its regions, remain but an afterthought and are dropped from backpackers' itineraries due to constraints on time or finances. It is therefore advisable to influence backpackers' travel patterns long term by the distinctive branding of individual regions and by supplementing information available from "official" sources with the more trusted kind of information that is passed on by backpackers' informal information system.

Working Holiday Makers as a Vital Source of Labour for Australia's Rural Industries

During 1999-2000, roughly a fifth (79,000) of all backpackers coming to Australia arrived as holders of Working Holiday Visas (Harding & Webster 2002:13). Over the years this segment of the backpacker market has become a sought after form of labour in rural areas as they represent a young, willing and purpose driven labour force (National Farmers Federation 2002). WHMs have been generally prepared to travel to wherever positions are available and remuneration is competitive. They tend to not easily be deterred by basic work and living conditions and in the past many have considered working in rural areas a part of their overall Australian experience. However, while the biggest industry employing WHMs in Australia remains the horticultural Industry (National Farmers Federation 2002), significant changes are taking place as far as competing employment sectors in the city are concerned.

While many respondents professed to want to work in different vocational areas than at home, reality shows that they will quickly accept professional work that is offered at professional rates because of the extra money involved. It has to be remembered that for this group of workers, the holiday-aspect of their trip remains paramount and that the less time is required to supplement their funds the more time remains for their primary purpose - to see Australia. Thus WHMs represent a finite resource whose availability as workers or visitors to an area is by no means guaranteed but requires careful thought and planning as well as competitive wages and conditions.

Unlocking the Potential – A Backpacker Tourism Strategy for the Great Southern

Presently the Great Southern Region of Western Australia represents an almost unknown destination to the vast majority of backpackers arriving in Australia compared with established WA backpacker tourism magnets such the Ningaloo Reef and Broome. In order to achieve brand recognition for the region among backpackers it is necessary to utilise various existing tourism icons in order to create an overall tourism image out of the region's unique attractions. This branding of the region has to be part of a coordinated backpacker marketing and communication strategy that establishes the Great Southern as a worthwhile place to visit, on the subcultural map.

In this context it needs to be understood that the movement of backpacker streams and the construction of subcultural itineraries are governed not simply by the convenience of transport or the existence of a physical backpacker infrastructure but also by the social environment at a destination and most importantly the tourist images associated with it. Hardy (1990:541) noted that tourist activity generally is determined both by the setting in which it takes place and by the visitor's own search for novelty and excitement. Schwartz (1991:591) observed that, unlike tourists who primarily form relationships within their group, backpackers depend upon relationships established with others along the road. Given that socialising with other backpackers has gained a pre-eminent position as far as activity-choice is concerned, it is obvious that locations where the opportunity exists to interact with each other are like 'magnets in a flow of charged particles' (Macbeth and Westerhausen 2003:71).

Key Components of a Backpacker Specific Regional Tourism Image for the Great Southern

The specific attractions of a number of destinations popular with backpackers in the Great Southern have been identified as the key ingredients from which to construct a successful regional backpacker tourism product whose image can then be communicated through the formal and informal information sources utilised by backpackers. The three major coastal centres, Denmark, Walpole and Albany, have distinct but complimentary attractions that lend themselves as key components in the creation of a pervasive image for the entire region emphasising the availability of a unique tourism experiences. These need to be seen in light of the proximity to the Stirling Ranges and Perongerups, both of which are important natural areas.

For the purpose of this paper, suffice it to say that in relation to the backpacker market, we have recommended that:

- Denmark should focus on Colour, Art and Music, the Denmark Alternative.
- Walpole should focus on the Tree-Top Walk, its forest and solitude.
- Albany should focus on the coastline, nature and its larger potential for fun, its party context.

Overall the Great Southern is well positioned to attract a far larger share of backpackers visiting Western Australia than is presently the case, provided it's so far fragmented touristic potential acquires a regional focus and is strategically marketed to potential visitors.

Let Them Dream - Creating an Image for Brand Recognition of the Region

International backpackers visiting Australia tend to arrive with a highly flexible itinerary (Murphy 1999) and little more than the most basic information about the country. When questioned about the information sources used on their journey, respondents agreed with the existing literature (Cohen 1973; Riley 1988) that word of mouth remains the premier information source among backpackers in Australia and the World over. Guidebooks such as Lonely Planet and backpacker magazines such as WAX and TNT are supplemented by brochures, flyers on notice boards as well as by information gleaned from the Internet.

The destination image of Australia itself among backpackers provides a useful framework of reference and a convenient starting point from which to develop this image. Murphy's (1999) study indicated that Australia's pivotal image draw cards relate to its natural attractions, the friendliness of its people, a benign climate and the perception of personal safety, a fact that has become particularly important in the wake of the Bali tragedy. Respondents interviewed for this study further indicated that the expectation of an easygoing, relaxed lifestyle, the perception of personal freedom, closeness to nature and the opportunity for physical challenges figured prominently within the destination image held prior to arrival.

The aim of this project was specifically related to the creation of a harvest trail network which itself would contribute to the development of a backpacker relevant image. So, while the region has wider issues of imaging and communications to consider in relation to backpackers, our concerns are with quite specific strategies that are relevant to our main brief. Details of these issues form the basis of the next section but two issues stand out as important background matters. There needs to be backpacker specific information available that is fed into the formal and informal communications channels. Further, what needs to be facilitated is the creation of an overall atmosphere at suitable locations that addresses the social and ludic needs of the subculture.

In the context of planning for this niche market it is important to understand that backpackers follow distinctive trails of their own while on the road, both internationally and in Australia. Dotted along those trails are magnets in a stream of 'charged particles', have emerged as sub-cultural meeting places. These 'gathering places', as Vogt (1976:36) calls them, permit backpackers to socialise with each other after traversing 'native territory' and serve to re-enforce a communal ethos and the creation of an, albeit temporary, social world populated by their peers. Word of mouth (Cohen 1973; Riley 1988) by those who have been there influences their peer's travel decisions. Declared a desirable destination by both Lonely Planet and word of mouth alike, visitor numbers can expand almost exponentially until the destination becomes established as a fully-fledged subcultural centre. Once written up in guidebooks, the numbers of these visitors increase significantly, with many being attracted by the destination's social reputation at least as much as by other factors such as natural beauty or cultural significance – or, as in this case it is hoped, by work opportunities.

As far as the Great Southern is concerned, only Denmark exhibits the right ingredients for a traveller centre of this nature, provided its already existing social assets are communicated appropriately for this market. Thus similar to Byron Bay in north-east New South Wales (Macbeth and Westerhausen 2003:81), Denmark could eventually provide the social and cultural meeting place for backpackers visiting the region and become a magnet in its own right to the stream of charged particles represented by backpackers traversing Australia.

Thus in order to unlock the region's potential it is necessary to utilise various existing tourism icons in order to create an overall tourist image out of the region's unique attractions. This branding of the region has to be part of a coordinated backpacker marketing and communication strategy which not only facilitates those icons' inclusion as "must see" destinations on individual backpacker's itinerary but also establishes the Great Southern as a worthwhile place to visit for touristic as well as play type and social activities on the subcultural map.

This strategy should be facilitated by the establishment of work opportunities for WHMs in the region's rural industries in order to attract not only holidaying backpackers to the Great Southern but also WHMs in search of employment. By creating linkages between established coastal backpacker nodes and a "Harvest Trail" in the Great Southern's rural hinterland it will then be possible to not only gradually expand the range of destinations visited by holidaying backpackers in the Great Southern but conversely also retain some of the funds generated by WHMs through their involvement in regional touristic and play-type activities after their term of employment has ended.

Working holiday makers as a sustainable labour force for the Great Southern

WHMs have proven to be willing and dependable workers throughout Australia. Their youth and fitness makes them a valuable alternative workforce for rural employers who tend to suffer serious labour shortages during peak periods (Harding & Webster 2002). However, inequities between supply and demand for WHMs together with the absence of a critical mass of supportive infrastructure have frequently dogged rural employers' efforts to get this labour-force to materialise, in the right place, at the right time and in sufficient numbers.

However, with planning and co-ordination, many regions that now attract only holidaying backpackers could become attractive to WHMs in search for employment as well. Furthermore, after a region becomes known as desirable destination for its work opportunities as well as its touristic potential, it will be possible to create linkages between those centres of rural employment and the region's already existing backpacker tourism infrastructure for mutual benefit. This is our key strategy in this project.

Thus what begins with the provision of employment opportunities during harvest time should eventually result in the genesis of a sustainable backpacker infrastructure throughout the region that combines the needs of rural employers with the work as well as the travel aspirations of the subculture. By following this strategy, regional areas will reap the benefits from a more dependable supply of agricultural labour for the harvest season but also will be able to keep some of the funds generated by WHMs within the local tourism system after their employment has ceased.

However, while this concept will work well in areas with sufficient infrastructure that already attract large numbers of WHMs year after year, our research indicates that the current lack of a critical mass of jobs and infrastructure in the Great Southern hinterland needs to be overcome prior to being able to establish the region as a viable node on Australia's existing harvest trail. Thus it is necessary to increase demand, facilitate supply and establish an at least rudimentary transport and accommodation infrastructure in the region together with centrally packaging the work available and using a variety of recruitment strategies in order to establish the region as an attractive destination for this mobile labour force in the future.

Facilitating supply of working holiday makers for the region's rural industries

As far as Western Australia is concerned it may be surprising to the reader that the number of WHM positions available rivals that of Victoria (Harding & Webster 2002). However, given that almost two thirds of vacancies occur in the Perth metropolitan region (Harding & Webster 2002), it is easily understandable that WHMs are reluctant to leave the bright lights of the city even where their search of employment has initially been unsuccessful. Thus while ideally suited to fill recurrent gaps in the supply of rural labour throughout regional Western Australia, WHMs require a minimum of security prior to accepting country positions.

It needs also to be remembered that WHMs, while not unionised, do 'bargain' collectively by utilising word of mouth reports of wages and conditions encountered. They represent a finite resource, which requires careful thought and planning as well as competitive wages and conditions in order to attract them to rural areas. Interviewees described the conditions under which they would consider such a vacancy and the recurring themes, not surprisingly, were 'certain' and 'worthwhile'. As foreigners in an unknown land (and on a budget) and aware of horror stories of untrue claims and dishonest hostel owners, they require a number conditions to be in place prior to accepting a vacancy in regional Western Australia. At the minimum this involves the following:

- A confirmed position along with certainty of wages and conditions;
- Certainty regarding nature of work;
- A guaranteed minimum length of employment; and
- Confirmation regarding accommodation and starting times.

It seems advisable for employers in the Great Southern to create 'work packages' of available positions and to consider the conditions mentioned above to be minimum criteria for a serious job offer along with a competitive wage.

Physical Infrastructure Requirements

While the question of how employment should be organised has been addressed above, a number of further fundamental questions relating to accommodation and transport need to be considered by any region that wants to rely on WHMs as important components of their work force. Thus in all areas of the Great Southern apart from Albany and Denmark there appears to be a shortage of accommodation for seasonal workers and tourists.

There also exists a distinct lack of public transport in the region, to and from the coast and between towns. Given that many WHMs do not have transport it is very difficult to employ them without at least providing a basic transport infrastructure for them. Furthermore, without regular and sufficient linkages between coast and hinterland, nascent local tourism structures inland will not be able to realise their potential.

Will a Hostel be Economically Sustainable?

While seasons and crops in the region can change from year to year there does not currently seem to be sufficient work available for WHM outside the November to May period to economically support purpose-built accommodation. Where numbers cannot be guaranteed and shortfalls won't be subsidised by employers, a purpose built hostel may not be economically sustainable and justify the large sums involved in its construction. Conversely, the option of solving accommodation shortages for Working Holiday Makers during peak periods utilising existing local resources such as pubs and farmstay type accommodation with local families on an ad hoc basis may also be fraught with difficulties. Carlsen and Getz (2001) noted that operators of rural tourism businesses frequently underestimate the time and effort required to operate as a viable business. It is therefore easy to envisage that even those locals willing to provide rudimentary accommodation for WHM initially may choose to cease operating after one or two seasons unless a subsidy makes the effort of providing accommodation during peak periods worth their while.

Current and Future Recruitment Strategies

This project arose because employers have continued to express difficulty in sourcing both skilled and unskilled labour during times of peak demand. We suggested five strategies are considered:

- *The use of a Perth harvest recruitment office*. Chief among the employment brokers specialising in rural jobs for Working Holiday Makers appears to be *Workstay*, an organisation that has for almost 20 years been involved in the recruitment of rural labour from overseas visitors. To facilitate the process, Workstay instigated a partnership between their Perth office and a number of local hostel operators who co-ordinate work in their area.
- *Recruitment of Working Holiday Makers via an Internet Website*. Given the Internet proficiency of WHMs and backpackers generally (BTR), an Internet Website would have an important place within an overall scheme of interacting with WHMs both prior to and after their arrival in Australia. This will be particularly the case once the recommended recruitment strategies involving the targeting additional sources of WHMs and the packaging of available work have been implemented.
- *Recruitment of Working Holiday Makers from Interstate.* It seems to be useful to investigate opportunities for strategic labour alliances between local and east coast working hostels, in particular at times where anticipated shortages in WA coincide with the end of harvesting work in the eastern states.

- *Recruitment of Working Holiday Makers from Overseas.* It seems incongruous that there have been no attempts to establish some form of cooperation with overseas organisations such as "Travel active" in the UK and "Australian Backpackers" in Holland. Both organisations and others offer to take care of everything including visas, flights, initial accommodation, travel Insurance etc. - in short anything but a job waiting on arrival.
- *Recruitment of Working Holiday Makers via a National Database.* Ideally of course personal details, including mobile phone numbers, could be collected from every WHM when they enter Australia and then added to a national recruitment database run along the lines outlined above. This could even involve a free website to upload pictures of their journey around Australia. A website of this nature would provide an ideal medium for recruitment as well as showcasing Australia to friends and family through the eyes of the visitor as their journey progresses. However, until such a national database exists, prominent advertising in interstate traveller hubs may fill this gap as far as recruitment is concerned. In addition, it might be feasible to reciprocally collect mobile phone numbers and email addresses of WHMs prior to them leaving an area and swap those with numbers collected from WHM by employers in the eastern states harvest areas.

The actual communication and confirmation of the above information can be achieved in a number of ways and appear to work best in conjunction with each other in order to facilitate its take up by the premier communication system operating among backpackers (Cohen 1973; Riley 1988) and WHMs alike - word of mouth. It is important to remember that while the recruitment of WHMs by its nature occurs within a highly contained environment it needs to be targeted in a number of complimentary ways for greatest success.

Conclusions

The Great Southern Region of Western Australia contains a number of promising coastal backpacker tourism destinations as well as rural industries suffering from periodic labour shortages in the region's hinterland. In order to unlock the region's tourism potential as far as backpackers are concerned it is necessary to utilise various existing tourism icons in order to fashion an overall image out of the region's unique attractions. Once in place, this image or brand can then be communicated down the subcultural grapevine as part of a coordinated backpacker marketing and communication strategy which not only facilitates those icons' incorporation into individual backpacker's travel plans but also establishes the Great Southern as a worthwhile place to visit for touristic as well as play type and social activities on the subcultural map. This policy should be facilitated by the establishment of work opportunities for WHMs in the region's rural industries in order to attract not only holidaying backpackers to the Great Southern but also WHMs in search of employment.

However, while this concept is likely to work well in areas with enough of an existing infrastructure to attract large numbers of WHMs year after year, our research suggests that the current absence of a critical mass of jobs and supportive infrastructure in the Great Southern hinterland needs to be addressed prior to being able to establish the region as a viable node on Australia's existing harvest trail. Therefore it will be necessary to increase demand, facilitate supply and establish an at least rudimentary transport and accommodation infrastructure assisted by centrally packaging the work available and employing a variety of recruitment strategies in order to access this mobile labour force. By combining the previously suggested backpacker tourism strategy with efforts to attract WHMs as a sustainable labour force in the Great Southern it will eventually be possible to create linkages between established coastal backpacker icons and the beginnings of a "Harvest Trail" in the region's rural hinterland and combine "work" and "play" for mutual benefit.

Chapter 12

Festivals and Innovation in Northern Rivers, New South Wales – Examination of the Northern Rivers Herb Festival and Casino Beef Week

Jo Mackellar and Ros Derrett

Editors' Box

This chapter is concerned with specific ways in which tourism activities (in these case, festivals) can contribute to innovation in regional economies. Festivals provide an opportunity for connecting with potential markets for other products of the region, as well as an opportunity to enhance social capital and the strength of relationships between economic development agencies and the resident community. Festivals are commonly used as part of tourism development strategies, but must also be considered in terms of their broader role.

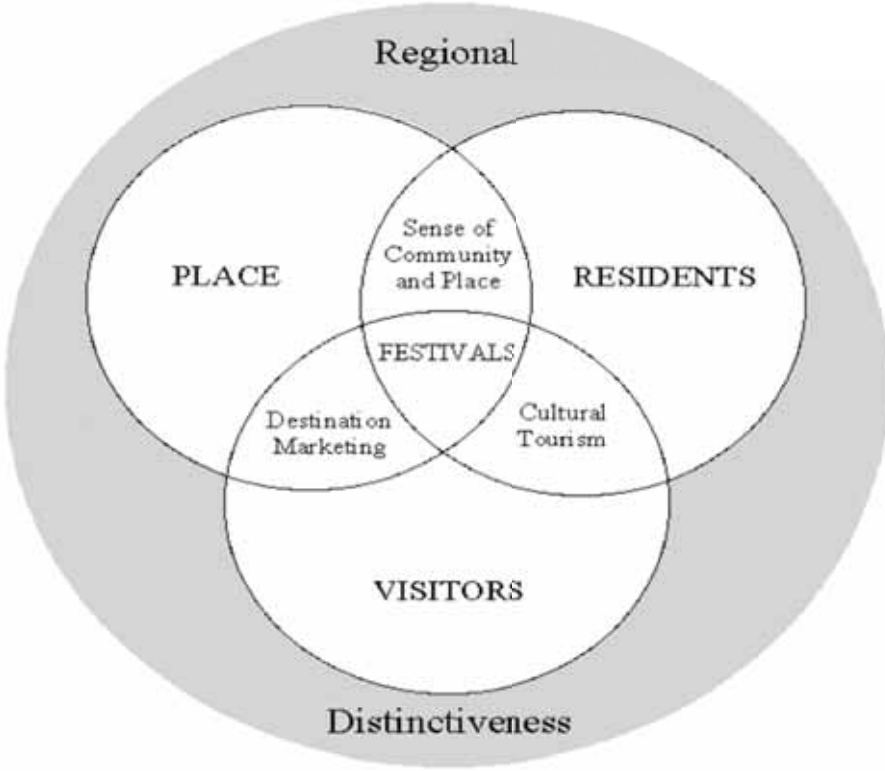
The innovation capacity of the destination was seen to be enhanced through the contribution of festivals to economic networks and social capital.

Introduction

The Northern Rivers region of New South Wales hosts approximately 250 festivals and events each year ranging in theme from agriculture to music, food and sporting carnivals. This large range of events present substantial competition for audience. Visitation into the region is also quite high with an estimated 2.1 million tourists travelling in the region each year (Tourism New South Wales 2002). The success of events in attracting visitors from within and outside the region is mixed with some events attracting over 50,000 (Byron Bay Blues Festival) and others remaining small community-based events with audiences of 2,000 or less. The region has no overall event strategy to coordinate the timing and theming of events, although the regional tourism organisation is making some attempts. Staging festivals is a popular strategy for local government to entice audiences for the direct and indirect income that they can generate.

In addition to chasing the elusive visitor dollar, festivals are often linked to other economic and community development goals. Host communities are not homogeneous (Fredline & Faulkner 2002:123; Huang & Stewart 1996). The attitudes expressed by groups within the host community are important and impact on the quality of life of residents. Festivals demonstrate a sense of place while recognising a variety of relationships within the host community and links to external agencies (see Figure 12.1). This network communication approach between community stakeholders encourages social capital (Cox 2002; Hawkes 2002; Bullen & Onyx 1998). Cox (1995) suggests social capital involves the processes between people that establishes networks, norms, social trust and facilitate co-ordination and cooperation for mutual benefit.

Figure 12.1: Framework for regional event stakeholder involvement



This chapter profiles two festivals in the Northern Rivers region: the Northern Rivers Herb Festival and Casino Beef Week (CBW). The Northern Rivers Herb Festival has been held annually since 2001 with attendance numbers rising from approx 6000 to 10,000 and participating performers and stallholders attracted from further afield. It attracts a number of visitors from local regions as well as from interstate with approx 10% of visitors being from outside the local region. Casino Beef Week has been an annual festival since 1982. By 2003 it had become a twelve day festival involving numerous activities in a number of sites across the region.

The Herb Festival case study illustrates how festivals can be used to establish and strengthen networks within and across industry sectors and consequently facilitate innovation. The Beef Week case argues that the social capital dimensions of festivals as innovations themselves are significant to building innovation capacity within communities. Both cases provide insights for organising and managing festivals in ways that will increase their potential to contribute to the innovation capacity of the wider economic systems with which they interact.

Northern Rivers Herb Festival

The Northern Rivers Herb Festival aims to “promote local-made, legal, herb related products and will endorse environmental packaging practices in order to reduce waste at public events”. The herb industry in the Northern Rivers is a burgeoning one with a number of new crops being developed in conjunction with a number of research and development agencies. The local herb industry however is fragmented and lacks any central coordinating body that can assist with product development and marketing. It is intended that the development of a herb

related festival can assist in "positioning Lismore as the hub for all herb-related activity in Australia" (Lismore Unlimited Opportunities 2001). The development of the Herb Festival occurred as an initiative of the local chamber of commerce (Lismore Unlimited Opportunities) with substantial funding provided by Lismore City Council.

The staging of the event in 2001 was assisted both financially and in-kind by Cellulose Valley Technology Park and Southern Cross University's School of Natural & Complementary Medicine, who also had an increasing presence in the herb industry. The organisational structure is modelled on that of the successful Gilroy Garlic Festival where a festival organiser oversees an operations committee made up of 13 individual members who have been selected as being representative of the event stakeholders. Each member has responsibility for the planning and financial control of a section of the festival, e.g. markets, parade, seminars etc. As the event grows over time, each committee member has the opportunity to increase their level of responsibility and to eventually share in the profits of the festival. This profit-share agreement aims to provide funds for volunteer organisations such as APEX and the Girl Guides.

The research reported here makes use of network analysis techniques. The festival organiser, being the focal individual of the network, was interviewed and an initial list of 20 participants was identified as being included in a festival network. Following from the work by Rowley (1997) the actors could then be considered as stakeholders within the network and the list of participants were classified into these stakeholder groups.

These stakeholder groups were devised from the event stakeholder analysis identified by Allen, O'Toole, McDonnell and Harris (2002) and then adapted to the identification of a network. For the purposes of this study these stakeholders become the *nodes* of a network – each reliant on the focal individual for direction and consultation towards the development and staging of the festival. It was recognised that each node would have a number of *actors* that were drawn together in the node by a common objective or set of behaviours, for example stallholders were identified by their formal application to the festival organiser to trade at the festival. The *nodes* that were identified are shown in Table 12.1.

Table 12.1: Description of Network Nodes

Node	Stakeholder (Allen et al. 2002)
Herb Industry Participant (eg grower, seller etc)	Supplier
Arts performers	Performer
Sponsor	Sponsor
Government Dept	Host
Tourism Industry Representative	Tourism Industry
Supplier	Supplier
Conference Organiser	Not identified
Food Stall	Stallholders
Festival Organiser	Organiser
Regional cuisine	Community
Host community	Host community

Once these nodes were established, interviews were conducted in each node to examine the qualities and strength of relationships in the network as well as the innovations that have occurred as a result of these interactions.

Being that some networks are more prone to innovation than others, researchers such as Hanna and Walsh (2002), Ibarra (1993) and Coz, Mowatt and Prevezer (2003) have attempted to examine both structural and relational aspects that increase the networks capacity to innovate. The structural aspects of the network are of particular interest in the case of the Herb Festival and they include: durability; centrality; and density. Relational aspects include trust

and reciprocity, both of which were considered strong features of the network, but are not included in the current analysis.

Durability, Centrality and Density

The issue of durability and the "strength of weak ties" is an element that is often the focus of discussion of innovation and networks (Burt 1992; Tracey & Clark 2003). The essential premise is that a network requires a mixture of people and positions to create a network optimised for innovation. Some people from outside the immediate network should be drawn in as "weak ties" to provide new ideas from other perspectives while simultaneously, existing relationships should be strengthened in order to facilitate the trust and synergy that already exists. While there is no suggested optimal level of weak and strong ties, there seems to be some agreement that a mixture of both should exist.

In the case of the Herb Festival, all actors agreed that there was an excellent mix of new ideas from people outside the traditional network structure. Celebrity chefs from other States and invited guests as speakers for the convention provided new information about the uses of herbs, the state of markets outside the region and legislation that would affect their herb businesses. Activities at the festival such as the food market and cooking demonstrations provided an opportunity for face-to-face interaction between the traditional network actors and "invited guests", which many actors felt was an excellent opportunity that has assisted their own process of innovation.

Some of the stronger ties in the network have been identified as those between the festival organiser, herb growers, food specialists, stall holders and the regional cuisine network. These strong ties have facilitated high levels of trust especially in preparing for the event. One food-specialist recalls, *"The organiser knows me well and just allowed me to get on with the job of organising all the supplies and materials I needed for the day. There wasn't much need for ongoing communication between us."* The food specialist went on to present new uses of a new native food, Dorrigo Pepper, to the local community, visitors and other food industry businesses.

Weaker ties exist between stallholders who, as individuals have little power to draw upon in negotiating access to resources and information. As a group, they have yet to realise their own bargaining power as they have no existing sub-network or association of stallholders.

Teece (2000 cited in Tracey and Clark 2003) argues that central players with strong links to suppliers and customers are better able to drive and to benefit from innovative activities. Centrality – or a closer relationship with the festival organiser does appear to be one factor in some of the innovations developed at the Herb Festival. In particular, the close relations with the regional cuisine node allowed access to a wide range of resources, knowledge and expertise necessary in the creation of new festival activities such as the Lemon Myrtle Cook Off. In other cases, the level of centrality appeared to make little difference to the propensity to innovate with certain actors needing little or no resources from the festival organiser, relying instead on their own entrepreneurial activities and the relations with other actors in other nodes.

A centralised network has a number of issues:

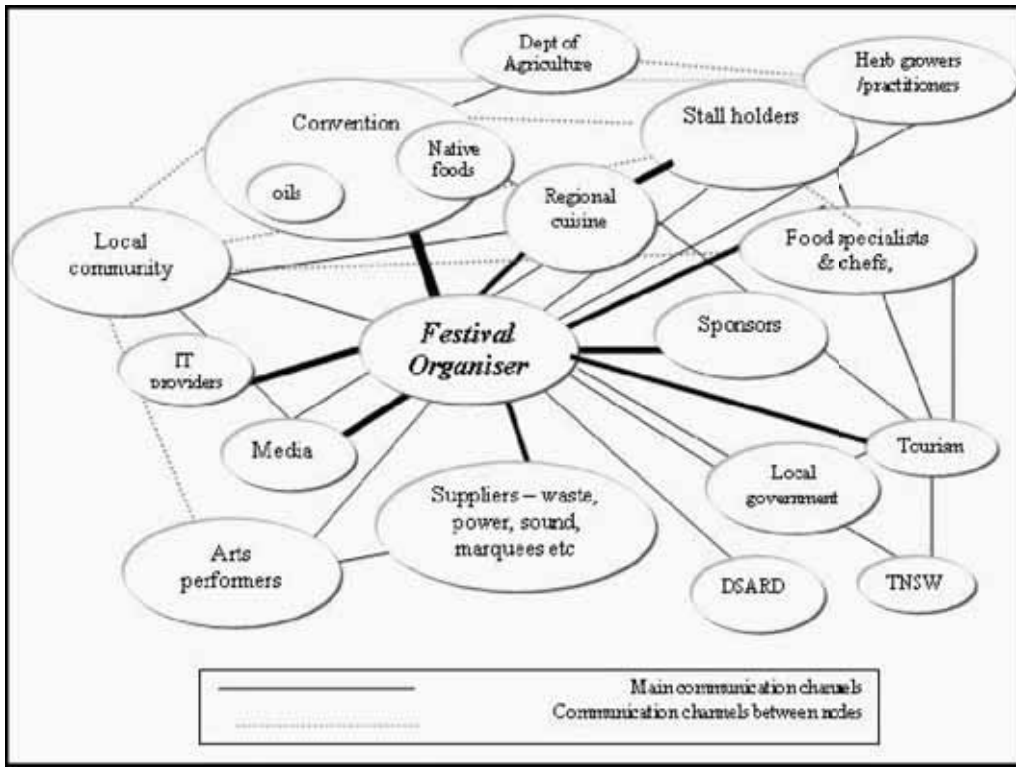
- The event is vulnerable to disaster should there be a major problem with the coordinator.
- The coordinator has a great deal of influence over the outcome of the event, deciding how resources are shared and how the staging of the event will run; and
- A single coordinator may in fact have a hierarchical presence that may stifle innovation.

Given these potential problems, this study has shown that the highly centralised structure of the Herb Festival does not reduce the capacity to innovate. For example, stallholders are free to create stalls of their own design and develop relationships with other actors/nodes that will

assist their innovation as long as the end result will fit within the theme and established guidelines established by the festival organiser. Further examination of this issue revealed that it is not the structure of the network that is relevant to the capacity to innovate, but rather the strategies of the event organiser to decentralise some decision making process.

Examination of Figure 12.2 clearly demonstrates the highly dense areas of the Herb Festival network as being those connected with the culinary side of the herb industry. The sheer number of communication channels, depicted by the connecting lines, indicates that the herb industry comprises a number of small, fragmented networks that have limited coordination between them and therefore limited density. Some stallholders indicated that they had strong ties with only some of these sub-networks, thereby limiting the natural density that the Herb Festival could have. This was highlighted by the stallholder manager who suggested that in order to obtain a good spread of regional herb based products, she had to "*start from scratch in getting business names to initiate contact with*". While some sub-networks are well coordinated, such as the Lemon Myrtle Grower's Coop, others belong to no coordinating body at all.

Figure 12.2: Sociogram visualisation of Northern Rivers Herb Festival network



Evidence of Innovation

Table 12.2 summarises the many types of innovation that have been identified as a result of staging the 2003 Herb Festival. This table demonstrates that innovations are observable across all identified nodes.

Table 12.2: Evidence of innovation arising from Northern Rivers Herb Festival

Node	Innovation	Innovation type	Other nodes involved in network interaction to assist with innovation
Herb Industry Participant (eg grower, seller etc)	New type of crop – finger limes introduced into the region	Product innovation	Food specialists Convention delegates Stall holders
Arts performers	New local markets accessed	Marketing innovation Social innovation	Festival organiser
Sponsor	New product feature of Web Site management	Product innovation	Festival organiser
Government Dept	New type of festival to use as drawcard for the region	Product innovation Social innovation	Sponsor Herb industry Arts community Tourism Conference organiser
Tourism Industry	New use of space in VIC for selling of local produce	Service innovation	Food stalls Festival organiser
Conference Organiser	New local product Introduction of finger limes	Product innovation	Herb industry Community
Herb Produce Stall	New supplier for chillies New ingredients sourced New markets identified & accessed	Product innovation Marketing innovation	Community Festival Organiser
Festival Organiser	New activities - The Lemon Myrtle Cook Off	Product innovation Social innovation	Stall holders Food specialists Suppliers Herb industry Government dept Tourism industry Community
Community (volunteer)	New employment opportunity using contacts from festival New use of leisure time – new interest in arts activities	Process innovation Social innovation	Stallholders Arts performers
Food specialists	New uses of Dorrigo Pepper were demonstrated by celebrity chefs	Product innovation Process innovation Marketing innovation	Herb industry Community

Significantly, the table demonstrates that interaction within the network is necessary for innovation and that innovation is a common result of this type of festival. A regional festival is an incubator for a number of types of innovation shown predominantly to be product, marketing, process and social. The results of this study have indicated that those who particularly benefit are small and medium sized businesses that are in their first few years of operation where the festival offers a new marketplace to showcase their products and meet new and existing customers. The festival arena provides a temporary marketplace where businesses can visualise their position in the market, meet and observe their competition and make plans with their allies.

Casino Beef Week (CBW)

Late in 1981, the idea of staging an annual event, celebrating the town of Casino and the beef industry so vital to its existence first became a reality (NS 1993:19). The Casino Municipal Council received advice from a consultant and made the initial suggestion to a group of Casino citizens who then took up the challenge, forming the first Beef Week Committee. That Committee organised events and garnered sponsorship for the first Beef Week held in May 1982. Beef Week's popularity grew as the number of community-based organisations seeking

to be part of the programme grew. The Committee, renamed the Beef Week Promotions Group, moved toward incorporation in 1986.

The Committee initially relied heavily on sponsorship from the Municipal and Richmond River Shire Councils (later combined to be Richmond Valley Council), many businesses, shops, banks, newspapers, local radio and television stations. Service clubs give generously of their time and efforts to man food outlets for many of the Beef Week functions. A majority of the events on the annual programme are sponsored by the same organisation each year, often bearing the naming rights.

Casino's Beef Week is not a week-long. Over the years it has been extended into a twelve day festive expression of an industry and a town at play. It has occurred annually at the end of May for 22 years. Tourism packages are developed by accommodation houses and tour companies are now partnering Beef Week in promotional activity. The amalgamation of Casino and Richmond River Councils in Richmond Valley Council brought a dedicated Council employed Tourism Officer to the project. Tourism's brief includes the integration of Beef Week into local and regional promotions. Visitors are drawn mostly from the regional and domestic market, though increasing media exposure has relayed details of the event overseas (CBW 2002). Regular features of the Beef Week programme include: a parade; talent quests and other competitions; food and sports activities; art and craft displays; and agricultural shows.

The Festival's Contribution to Community Well-being

Beef Week exemplifies the investment in economic development as a means of sustainability in regional communities. However it could be argued that the economic value of the event to the community comes as a result of the social capital invested. Festivals are seen as a vital vehicle for community cultural development. The regeneration anticipated as a positive outcome for such a festival involves engagement with a cross section of residents. Many residents have a close association with the beef industry through tradition, current employment or through recreational pursuits. Not everyone in the host community is interested in the beef industry, but there is an understanding of how the industry functions as part of individual and family heritage. The distinctive nature of the industry is attractive to the 'grazers' of the festival and market circuit in the region. The values of the traditional Australian man on the land seem embedded within the programme of the festival and has appeal to a niche market.

Creating communities of values (Ulrich 1998:157) by forging strong and distinct identities, establishing clear rules of inclusion, sharing information across boundaries, creating social reciprocity, using symbols, myths and stories to create and sustain values and managing enough similarity so that the community feels familiar are clear building blocks for what is termed *community well-being* (Wills 2001). Community well-being can be described as having such outcomes for residents as liveability, sustainability, viability and vitality. The well-being model assists in evaluating the relative and comparative success of Casino's Beef Week.

Community well-being identified by the Local Government Community Services Association of Australia (Wills 2001) incorporates six qualities for developing healthy and sustainable communities (Hancock, Labonte and Edwards 1999 cited Wills 2001:23) plus the activity, participation and interaction between people suggested by Landry (1994 cited Wills 2001:23) as *vitality*. These elements provide an opportunity to sensitively assess how communities see themselves and measure themselves against a set of criteria that can meaningfully underpin how a sense of community and place contribute to cultural festivals. These are represented in Table 12.3.

Table 12.3: Community Well-being Dimensions

Community Well-being Dimensions	Community Well-being Outcomes
Social and cultural	Conviviality, equity, vitality
Economic	Adequate prosperity
Environmental and built	Liveability, sustainability and viability

Source: Wills 2001:22

Observations of Casino's Beef Week experience provides preliminary analysis of how it fares against the criteria and these observations may be compared with other events in the region to give a picture (Table 12.4) of the social capital accrued.

Table 12.4: Casino's Well-being Dimensions

Community Well-being Outcomes	Casino Beef Week
Conviviality	Free outdoor family entertainment
Adequate prosperity	Income from visitors for duration of event
Liveability	Animates CBD
Equity	Events to residents and visitors
Vitality	Brings distinctive agri-business visitors
Sustainability	Investment sound, volunteer management required, diversification of content
Viability	Working hard to maintain community interest and diversifying content through *Beef on Barker*

The well-being criteria outlined is at very least aspirational. It demonstrates inclusive *triple bottom line* concepts. It assists in the assessment of festivals for the social, cultural and emotional connections made by residents. Festivals like Beef Week have substantial residential participation. The money expended by the festival goers, suppliers, government agencies and other stakeholders increases the economic well-being of the destination. The influence of both the social and economic factors positively affects the physical environment on which the festival occurs. It provides a framework to assess the well-being of each of the four communities hosting cultural festivals and identifies the range of responses across the four in each of the seven categories.

These results are linked to Well-being Building Blocks (Wills 2001:34) that include democratic governance, active citizenship, social justice and social capital. These assist in clarifying how a sense of community and place contribute to regional cultural festivals (Table 12.5).

Table 12.5: Well-being Building Blocks

Well-being Building Blocks	Components/Features
Democratic governance	Visions, goals, leadership, policies
Active citizenship	Equal political, civil and civic rights
Social justice	Human rights, social supports, empowerment
Social capital	Interpersonal and organisational trust, reciprocity and collective action

Source: Wills 2001:34

The desirability of social capital to determine improved quality of life for residents, strengthen communities and for building capacity are demonstrated through the well-being building blocks in Casino. Beef Week expresses the social capital as outlined in Table 12.6.

Table 12.6: Casino's Well-being Experience

Well-being Building Blocks Components	Casino Beef Week
Democratic governance: Visions, goals, leadership, policies	Community based non profit organisation linked to existing community infrastructure
Active citizenship: Equal political, civil and civic rights	Inclusive community based group with Council, beef industry support, sub-cultural groups contribute to program
Social justice: Human rights, social supports, empowerment	Provides forum to celebrate local industry and leverage community cultural activity.
Social capital: Interpersonal and organisational trust, reciprocity and collective action	Community collaboration evident

Conclusions

The growth of community tourism development research (Glover 1998; Haywood 1991; Krippendorf 1991; Murphy 1985;) has identified its emergence in regional communities from more general community and economic development. Glover (1998) firmly suggests that the whole community must be committed and be developed as a tourist attraction. The need for economic diversification, a reaction to earlier haphazard tourism development, externally funded initiatives and imposed tourism development and a call for increased local participation in government actions have often been the initial concerns.

Festival making now features in sustainable community based tourism development. The benefits seen to accrue include community buy-in and empowerment, to improve the chance of long-term success. It is evident that the impacts of tourism are not the same for all residents (Jurowski 1996:112) as their values and interests affect the way they perceive the costs and benefits.

Festival management at a destination level is often located within the local government economic development portfolio as they are perceived as sustainable development options for regional centres. This sometimes recorded as 'community tourism development' (Joffe 1996:475). Whether local government or the community drives the activity, there is increasing discussion in the literature of the extent to which local residents determine the process of community (tourism) development (Joffe 1996; Murphy 1985; Jurowski 1996). Festivals can act as a catalyst for further, broader development associated with the built and natural environment, the arts industry, recreation, conventions and events, civic design, community development, health and education. The cultural tourism sector can be viewed as a resource industry being active in focusing a region's aspirations and identity. Festival managers are aware there needs to be vigilance to ensure the identity, integrity and quality of life of host communities.

Government, particularly local government, often support festivals as a way of injecting funds into the development of the regional economy and social community. In many cases, their value as tourism events is emphasised as a primary economic motivation. While the immediate economic impact of visitors to festivals is important, the cases in this chapter suggest that visitors may play a more long term role as critical nodes in the networks facilitated by festivals and may serve to reinforce community identity and to test the feasibility of innovations (which may or may not be tourism innovations). The cases identify some strategies to ensure that festivals are positioned to make these contributions. In terms of network development and enhancement, the experience of the Herb Festival suggests: making use of existing networks; linking the structural features of the festival to the stage of development of the contributing industry sectors (minimising barriers to participation); ensuring that the network can be maintained year round; and maximising the opportunities for learning from within and outside the regional system through linking the festival to tourism and engaging external experts in the network. In terms of social capital enhancement, the experience of CBW

suggests: ensuring that the culture of community is linked to the industrial underpinning of the festival; facilitating the exposure of both residents and visitors to those cultural aspects; and engaging the community through not-for-profit organisations, volunteer groups and so on.

The aim of this chapter has been to contribute to the understanding of how festivals may contribute to the innovation capacity of economic systems through strengthening networks and enhancing social capital. Examining the development of a network for the Northern Rivers Herb Festival has allowed us to study structural and relational aspects that assist in the facilitation of innovation. What has become evident from this study is that festivals offer a pertinent opportunity for regional communities to develop innovation that relates to social as well as economic goals. Examination of the structural elements of the network have shown that elements such as durability, density and centrality can be managed to optimise the structure of a network. Examination of the social capital implications of CBW indicates that festivals and events can contribute to the creation of the vibrant communities to which people aspire (Getz 1997; Hall 1994; Dunstan 1994). Festivals serve the needs of residents, visitors and destinations. They provide an opportunity for industry sectors to demonstrate their commitment to community and for the community (and its visitors) to demonstrate their commitment to industrial activity. This method of empowerment allows communities, visitors and industry to collaborate and entertain the new ideas which underpin innovation.

Chapter 13

Rejuvenating a Maturing Tourist Destination: the Case of the Gold Coast

Bill Faulkner

Editors' Box

This chapter reports on the strategic planning approach for Gold Coast tourism developed through the Sustainable Tourism CRC (STCRC) Gold Coast Tourism Visioning Project (1998–2002). The Visioning Project was managed by the late Professor Bill Faulkner, who prepared a report to outline the justification for the strategic planning approach employed in the project. This chapter is a summary of that report. It has been included because of the innovative approach to planning that was proposed, even though direct and longer term outcomes of the Project are yet to be realised.

While the Gold Coast may no longer be considered a regional destination, the issues it has faced in terms of increased access, prolific development and susceptibility to changing market conditions and resident expectations of sustainable development may resonate across many large and small destinations. While there is a need for market oriented innovation to rejuvenate tourism, there is also a need for strategic innovation to ensure that a long term sustainable approach to tourism management is adopted.

The capacity to shift from a 'destination marketing' to 'destination management' approach to tourism planning was seen to hinge on the engagement of networks and social capital, along with the institutional infrastructure.

Evidence of the Failure of Tourism Planning for the Gold Coast

This chapter looks at the specific case of Australia's Gold Coast as an example of a maturing and potentially stagnating destination to illustrate the methods being developed in that context to avert stagnation. In particular, the role of strategic planning and the nature of that planning, is discussed. An innovative approach to planning, involving collaboration and community participation, is proposed and its implementation in the Gold Coast Tourism Visioning (GCTV) study conducted through the STCRC between 1998 and 2002 is described. While the outcomes of the planning process are yet to be realised, the significance of engagement of key stakeholders and a transition from focus on 'destination marketing' to one on 'destination management' offers a model of other regions.

The Gold Coast has long been acknowledged as Australia's premier tourist destination, a position established as a consequence of a fortunate combination of natural assets and a sequence of visionary entrepreneurs whose initiatives ensured that this destination was always at the cutting edge of many innovations in Australian tourism development (Russell and Faulkner 1999). This history is reflected in the destination's international market performance in particular, which reveals strong growth in the number of international visitors to the Gold Coast from the mid-1980s, when Australia's appeal as an international destination first began to gain momentum (Faulkner 1990), through to the late 1990s. Growth has declined in later years, suggesting that the Gold Coast has already entered the stagnation stage. The dramatic decline in international visitors in the late 1990s, however, may be a reflection of the impact of the Asian financial shock, rather than a long-term trend that might suggest the destination is in decline. While Asian markets have generally recovered more recently (though still not to pre-1997 levels), the dramatic impact of this event highlights the destination's vulnerability arising from its heavy dependence on a narrow band of the market. In the period between 1997 and

1999 there was a decline in international visitors to the region of 6.2%, despite an overall growth of 1.5% for Australia as a whole (Faulkner & Tideswell 2002).

The Gold Coast's performance in the domestic market has been somewhat erratic. Over much of the period between the mid-1980s and 1997 the Gold Coast had periods where domestic tourism growth both exceeded and lagged behind national level trends. More recently, growth in domestic tourism has been strong in terms of both visits (11%) and visitor nights (9%). This contrasts with the national picture, which shows a stagnating domestic market at minus 1% growth in visits and zero growth in nights. The strong position of the Gold Coast has been fuelled by increased competition in the domestic airline industry, which has seen aggressive price-cutting associated with the entry of two new airlines and similar price cutting in the Gold Coast accommodation sector. Thus, domestic holiday/leisure visitors to the Gold Coast increased by 23% between 1998 and 1999 compared with a national decline of 2% in this segment (Faulkner & Tideswell 2002). While on the surface these figures appear to reflect positively on the health of the destination, there remains a question of how sustainable a price-driven market might be.

While trends in visitor numbers have been the most commonly used indicator of the stage reached in a destination's evolution, to rely purely on this parameter is overly simplistic. A number of authors have identified a more comprehensive range of indicators of stagnation (Butler 1980; Cooper 1990; Haywood 1986; Morgan 1991). These have been outlined in Table 13.1, with those that appear to be applicable to the Gold Coast situation to some degree are highlighted in bold.

An examination of data from the International Visitors' Survey (IVS) and the Domestic Tourism Monitor (DTM) reveals a consistent downward trend in the duration of stay of both international and domestic visitors to the Gold Coast over the last decade to 1997, from 7 to 4.5 days in the former and from 5.5 to 4.5 in the latter. However, there has been a reversal of this trend for international visitors in the two years since. This is attributable partly to a market diversification strategy implemented in the wake of the Asian financial crises, which has seen an increased representation of longer staying visitors from New Zealand, USA/Canada, Europe and Other (Middle East/Africa) markets. An increase in visiting friends and relatives visitation could also explain this trend. The IVS also reveals an increased emphasis on 'organised mass tourism' within the international market, with the proportion of visitors on package, all-inclusive tours increasing from 48-75% over the last decade. It may be that the destination has become 'well known, but no longer fashionable'. Furthermore, even though there has been no marked or consistent decline in hotel occupancy rates, it is arguable that this is only so because of aggressive price cutting in room rates, which has produced a persistent profitless volume problem. The high volume/low yield syndrome is also a reflection of the heavy reliance of the inclusive tour market and the tight margins associated with this market.

While it cannot be claimed that the Gold Coast's tourism infrastructure is aging and in need of refurbishment generally, the Visioning Project's Infrastructure Audit study has indicated there are pockets of decay that present a real prospect of an 'infrastructure time-bomb'. Finally, also with respect to infrastructure considerations, the destination's heavy reliance on built attractions (theme parks) and the increasing emphasis on the convention sector that will follow the completion of the convention centre could be cited as symptoms of stagnation according to the literature. However, it might be equally argued that such developments are manifestations of rejuvenation strategies.

Table 13.1: Indicators of Stagnation and their Potential Relevance to the Gold Coast

Area of Destination Performance	Indicators
Changing markets	Growth in low-status, low-spend visitors and day visitors. Over dependence on long-holiday market and lack of penetration of short-stay market. Emphasis on high-volume, low-yield inclusive tour market. A decline in visitors length of stay. Type of tourists increasingly organised mass tourists. A declining proportion of first time visitors, as opposed to repeat visitors. Limited or declining appeal to overseas visitors. High seasonality.
Emerging newer destinations	Competition from emerging newer destinations. The destination is well known, but no longer fashionable.
Infrastructure	Outdated, poorly maintained accommodation and amenities. Older properties are changing hands and newer properties, if they are being built are on the periphery of the original tourist areas. Market perceptions of the destination becoming over-commercialise, crowded and 'tacky'. Tourism industry over-capacity. Diversification into conventions and conferences to maintain numbers. Large number of man made attractions, which start to outnumber the more natural attractions that made the place popular in the first place.
Business performance	Declining profits of major tourism businesses. Lack of confidence in the tourism business community. A decline in the elasticity of advertising (lower return in terms of increased visitors per advertising dollar investment)and an increase in process elasticity. Lack of professional, experienced staff.
Social/ environmental carrying capacities	Visitor levels approaching or exceeding social and environmental carrying capacities. Local opposition to tourism as the resort's residential role increases.
Institutional environment	Local government reorganisation (amalgamation) diluting the political power of resorts in larger authorities. Demands for increased operational efficiency and entrepreneurial activity in local government. Short term planning horizons in local government owing to financial restrictions and a low priority given to strategic thinking. Shortage of research data.

(Based on Butler 1980; Cooper 1990; Haywood 1986 and Morgan 1991)

One of the first steps taken in the Gold Coast Visioning project involved the conduct of a scoping study in which interviews with over one hundred stakeholders were carried out. Among the conclusions of this study, the following are particularly relevant to the consideration of future approaches:

- The ad hoc approach to tourism development that has prevailed to date will not work in the future. The scale and complexity of tourism development on the Gold Coast has reached a point where a fundamental rethink about the approach to tourism development is necessary. Specifically, the incremental approach of the past, where a single visionary entrepreneur's action could reinvigorate the industry and initiate a new phase of growth, will not work in the future. A more holistic approach is necessary. That is, one that takes into account economic, social and environmental considerations and integrates the planning/policy regimes of all levels of government.
- There is a tourism policy and planning void on the Gold Coast in the sense that the actions of the various government and quasi-government agencies that have a role to play in tourism (State Government, Gold Coast City Council and Gold Coast Tourism Bureau) are not well coordinated and the tourism implications of various policy and planning agendas are not necessarily taken into account. For example, substantial population growth on the Gold Coast is inevitable as new residents seeking a better

lifestyle are attracted by the same features of the area that attract tourists. How this growth is managed in the urban planning process will impinge on the future of tourism, just as the management of tourism development will profoundly affect the quality of life of residents.

- The incremental approach alluded to previously is also flawed in the sense that it focuses on immediate contingencies and leads to a position where the options available to cope with future problems are reduced. A strategic approach is necessary, with the longer term implications of today's decisions being considered, in conjunction with a systematic development and assessment of future scenarios.

The failure of more traditional tourism development plans, with their 'top-down', market oriented approach, has been observed in several settings (e.g. Alipour 1996; Choy 1991; King et al. 2000). Choy (1991:329) has suggested that, given that 'tourism plans have little probability of influencing market forces to achieve economic success, government planning efforts might be better spent on resolving issues involving…market failure, leaving the private sector to assume the planning and financial risk of tourism projects'. Areas of market failure he referred to include: public interest in products and services which are consumed collectively (parks, beaches, historic sites, etc.); external effects (positive and negative) that affect people not directly involved in tourism activity (eg construction of a resort may restrict locals' access to the beach); and costs and benefits not reflected in market prices (value of open space, costs of social impacts, benefits from environmental preservation). However, while there are obvious differences in the focus of public and private sector interest, the demarcation of their involvement in this way loses sight of the inter-relationships and synergies that need to be developed. A demarcated, as opposed to a truly integrated, approach will produce the sort of 'dysfunctionality' in tourism plans observed by Butler (1991). Thus, for instance, it might produce a conflict between policy mechanisms aimed at limiting environmental impacts by minimising tourist numbers, at one level and elements of policy at a higher level that encourage increases in visitor numbers in order to improve economic benefits.

An approach that gives due consideration to the various dimensions of a sustainability agenda, while at the same time avoiding the dysfunctionality trap, hinges on a process involving participation by a broad range of stakeholders within a framework that fosters the establishment of a consensus on preferred directions of future development and the building collaborative relationships.

The Potential for a Community Participation Model of Tourism Planning

One of the seminal works on community participation in tourism development planning is Murphy's (1985) book, 'Tourism: A Community Approach'. Murphy proposed an ecological/systems – based model for a community involvement in tourism planning and in the process anticipated many of the elements of sustainable tourism development principles described above. In particular, he argued that:

> 'Residents must put up with the physical development, but have little say so in the decision-making process that will inevitably affect their community and way of life. Development and planning in isolation from the community at large cannot continue if the industry is to develop in harmony with the capacity and aspirations of destination areas. To become self renewable resource industry and agent of hospitality will require more citizen participation in the development, or non-development, of a destination.' (Murphy 1985:163).

The above rationale for community involvement is largely based on ethical considerations, in the sense that it emphasises the resident's stake in the process in terms of the potential impacts of tourism on their way of life. Emphasis is therefore placed on the need to ensure that changes associated with tourism are both within the bounds of their adaptive capabilities and consistent with the retention or enhancement of their quality of life. There is, however, another perspective which has a more pragmatic orientation. Kotler and Armstrong's (1984) societal marketing concept has been invoked to highlight that members of the host population are

simultaneously consumers of product and beneficiaries or victims of the effects of production (King et al. 2000; Mill 1996). Thus, if the industry can be construed as using the community itself as part of the product it sells to the market, then a planning and management regime that becomes insensitive to community interests will undermine the quality of the product, to the extent that this will precipitate a community backlash. The assets and appeal of a destination will therefore be diminished if the development of tourism product does not give due consideration to the interests and well-being of the local community.

While the rationale for a community based approach to tourism planning is compelling, how extensively and effectively this approach has been adopted is another question. As Joppe (1996) has observed, despite the rhetoric about community participation in tourism planning, most instances of this are driven by government (and business) agendas, rather than community interests. Part of the problem arises from the difficulty of defining the community and assumptions made about the homogeneity of interests within it. While to some the notion of community implies a coherent entity with a shared identity and common sense of purpose, in reality communities generally consist of an agglomeration of special interest groups who are often antagonistic towards each other and competing for scarce resources or power (Manning 1999). Thus, for example, it is not uncommon for residents to favour options that will benefit them personally in some manner (e.g. product based on parks, outdoor recreation, restaurants) regardless of market conditions or the potential of the area (Andereck and Vogt 2000). In such circumstances, the task of building a consensus or a shared vision on the future of tourism in the destination is a major challenge that is compounded by the need to reconcile a diversity of views and interests. The implications of this are explored in more detail in the context of the following discussion on learning organisations.

Beyond residents and the tourism industry itself, there are other stakeholders who need to be involved in the process. In this context, stakeholders are defined as any individual, group or organisation who have an interest in tourism development issues and problems and who are directly influenced or affected by the actions or inaction of others in response to these issues or problems (after Gray 1989; Hall & McArthur 1998). Other stakeholders therefore include public sector agencies, non-government organisations (NGOs) and the business sector in general. The involvement of such a broad range of stakeholders is essential because the strategic issues associated with pursuing sustainable tourism development objectives cannot be adequately addressed if individuals act in isolation from each other (Getz and Jamal 1994). All the stakeholders need to be involved in a dynamic, flexible, evolving process, which includes elements of the learning organisation philosophy discussed later.

In destination management situations, there are three primary dimensions to the value of collaboration. Firstly, there are invariably diverse and to some extent conflicting interest groups among stakeholders, who are inclined towards a counterproductive adversarial stance on issues. A properly managed collaborative approach can dilute the entrenched mindsets that would otherwise predispose participants to this approach. Secondly, collaboration fosters greater coordination in a manner that enables economic, social and environmental issues to be considered more holistically. Finally, it facilitates the sharing of knowledge and collective learning in a fashion that provides more fertile ground for innovation (Bramwell & Sharman 1999). Furthermore, collaboration is particularly necessary where problems are complex and the solutions are beyond the capacity of a single organisation to address (Gray 1989). But these benefits will not be realised unless the collaborative process is structured to achieve meaningful participation of all relevant stakeholders. Otherwise there is a danger of pre-existing power relationships having an undue bearing on the process, predisposing the outcome to a reaffirmation of the status quo (Reed 1997). Jamal and Getz (1995) suggest that one way to overcome this is to ensure all stakeholders have access to the resources and skills necessary for them to participate effectively.

Within the collaborative framework, there are four levels of stakeholder involvement in the planning process. These include: information sharing, consultation, decision making and implementation (Paul 1987). However, to be fully effective, the structure of the consultation and decision making processes associated with the building of collaborative relationships needs to include some of the ingredients of the learning organisation dynamic described below.

The Gold Coast Tourism Visioning Project Approach

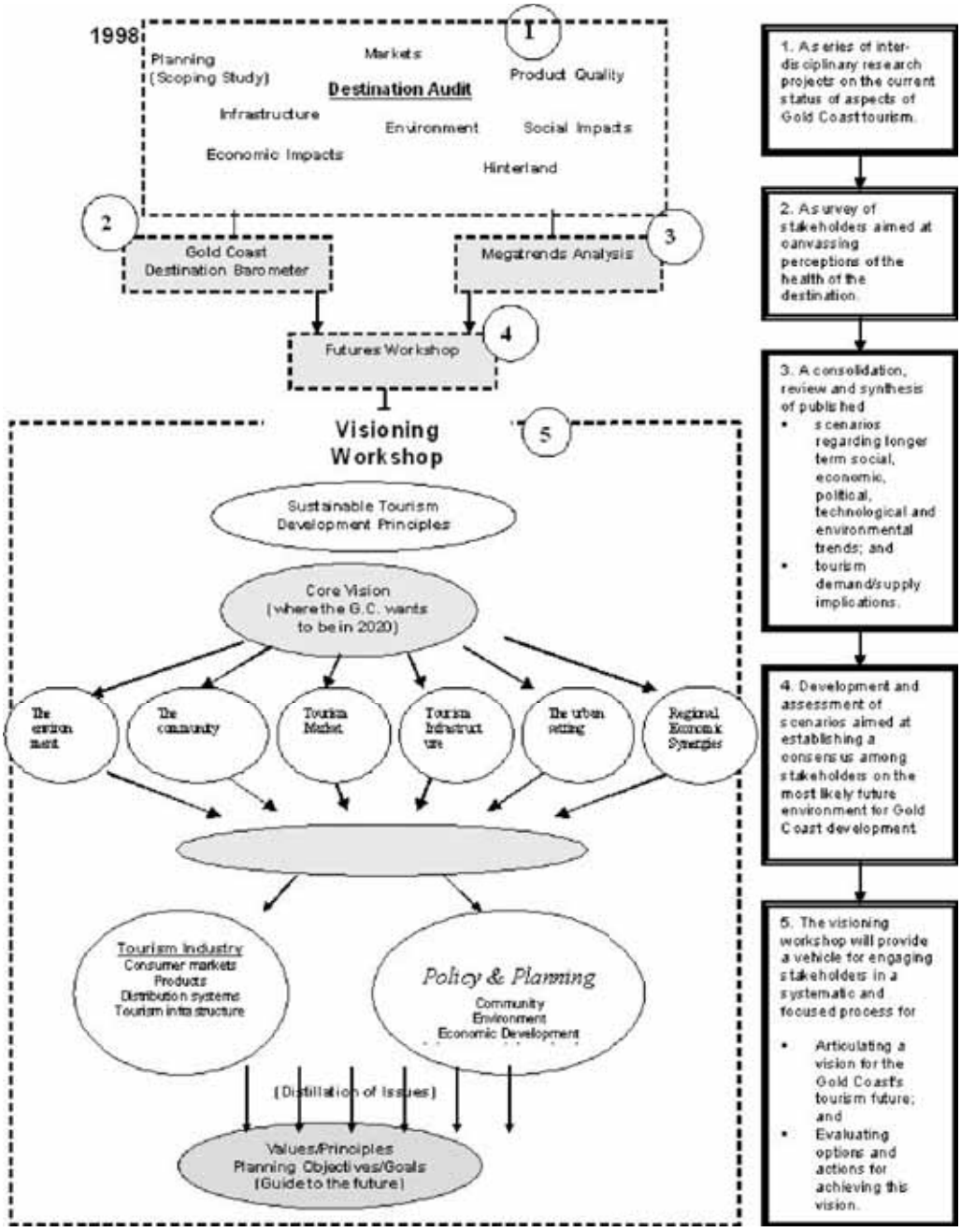
The methods used to engage stakeholders in the Gold Coast Tourism Visioning process involved:

- Stakeholder interviews;
- Surveys covering the resident population and tourism industry enterprises;
- Workshops; and
- Advisory committees in the form of a steering committee driving the overall project and a series of reference groups providing a sounding board for individual research projects.

The overall approach is described in Figure 13.1, where the following ingredients are identified:

- A 'Scoping Study' was conducted involving interviews with over 100 key representatives of stakeholder groups. The main purpose of this survey was to canvas stakeholder perceptions about the status of the tourism industry on the Gold Coast and the challenges and issues warranting attention in the consideration of its future. This exercise informed the refinement of the research agenda referred to in the next point.
- An 'audit' process involving an integrated series of research projects aimed at overviewing the current status of G.C. tourism in terms of social, economic (including tourism marketing) and environmental considerations has been carried out as a 'front-end' input to the visioning process.
- A survey of tourism industry stakeholders ('Tourism Industry Barometer') was conducted to provide an indication of industry perceptions on the status of tourism development on the Gold Coast, individual visions of the future and preferred options for tourism development. A parallel representative survey of residents ('Social Audit') was aimed at receiving similar input from the host population's perspective.
- A one-day 'Futures Workshop', involving representatives of key stakeholder groups, with the aim of producing a consensus on probable, possible and preferred future scenarios affecting the Gold Coast. A convergence of views on possible, probable and preferred futures will be achieved through the application of Ellyard's Grouputer technique, whereby break-out groups work at computer terminals and feed the outcomes of their deliberations directly into a central computer. Group inputs are processed so that common threads of opinion and discordant views are highlighted in feedback provided on a continuous basis during the course of group discussion.
- A one-day 'Visioning Workshop' aimed at assessing the viability of the vision derived from the first workshop in terms of sustainable development principles and a SWOT analysis based on probable future. The following section describes the steps involved in this workshop.

Figure 13.1: Gold Coast Tourism Visioning Process



Anticipating the Long Term Outcomes of the Gold Coast Visioning Approach

In any increasingly competitive global environment, strategic planning has become a fundamental element of business survival. The lead times involved in effectively responding to market trends means that an on-going environmental scanning and strategic assessment process is necessary. In the tourism sector, this is equally applicable for the individual enterprise and for the destination as a whole. Indeed, strategic planning at these two levels need to be articulated, as the tourism product in any setting is a composite of services and goods and the quality of the visitor's experience depends, to some degree, upon the extent to which the range

of providers involved have a common sense of purpose. A critical step in the development of a destination strategic plan is therefore the formulation of a shared vision (Ritchie 1999).

Given that the host community itself is an integral element of the tourism product, an extension of the internal marketing concept to the resident population as a whole means it is equally important that this shared vision reflects the views and interests of the broader community. Apart from its relevance to the strategic marketing agenda, the latter consideration is an imperative of sustainable tourism development also in the sense that a future direction of tourism development that is inconsistent with the lifestyle and equity aspirations of the host community is neither desirable nor sustainable.

In the Gold Coast setting, the need for a more focused strategic approach to destination management and planning is accentuated by a history that has been distinctively ad hoc and piecemeal and by the indicators that suggest the destination is entering a stagnation phase. This paper has argued that the agreement on a shared vision among stakeholders represents the first step towards developing a strategy for rejuvenating the destination. In this context, the relevant stakeholders are broadly defined to include tourism and other businesses, industry organisations, public sector agencies at the local and state government levels and representatives of the resident community. Such a broad spectrum of involvement reflects the necessity of a holistic approach, which recognises that social and environmental considerations warrant equal consideration with the economic dimension in the mapping of a course toward a sustainable tourism future.

Bearing the above considerations in mind, the approach to the development of a vision for the Gold Coast outlined above involves two additional central caveats.

Firstly, in the visioning process, as in the case of strategic planning more generally, the route taken in the development of the vision is as important as the destination. That is, the process of developing the vision should be instrumental in developing an informed and considered dialogue among stakeholders, to such an extent that the destination plan and management framework will represent not only a consensus among this group, but also it will reflect a thorough and rigorous analysis of the issues.

Secondly, the visioning statement produced at the end of the process should be couched in terms that enable it provide a meaningful foundation for the strategic planning process. Beyond this, however, the visioning exercise itself should be used as a catalyst for bringing about the permanent changes in the structure of the destination planning and management process that are necessary for the Gold Coast to become a 'learning organisation' at the destination level. That is, the visioning project should be instrumental in establishing a systematic planning regime that is supported by a strong research base and a rigorous evaluation system. Such a regime will underpin the institutional learning process and memory that is so essential for creative adaptation to the challenges of the future and reducing the prospect of repeating past mistakes or re-inventing the wheel (van der Heijden 1996).

Tourist destinations generally are confronted with the dual challenges of remaining competitive in an increasingly competitive and turbulent environment, while at the same time ensuring that the management of tourism is consistent with the principles of sustainable tourism development. The magnitude of this challenge is accentuated in the specific case of the Gold Coast by the fact that this destination is at a mature stage of development, with some of the symptoms of stagnation evident. Also the rapid population growth of the region creates additional problems related to reconciling the pressures of urban expansion and tourism development in the management of impacts on the natural and social environment. This paper has argued that addressing these challenges in the Gold Coast context, specifically, requires a fundamentally different approach to destination management than that which has prevailed in the past. A holistic, all of destination approach involving a shift from a focus on destination marketing to destination management is required. Such an approach is encapsulated in the framework and suite of methods described in this paper.

Despite the focus on the specifics of the Gold Coast situation in this paper, the destination management framework that has been developed is essentially a generic model applicable to destinations generally. The reference to the Gold Coast situation has provided a useful backdrop for exploring some of the nuances and complications of operationalising the model. In particular, the establishment of a management regime based on the proposed model requires significant adjustments in the institutional arrangements for the planning and management of tourism in the destination. This transformation is in turn inhibited by the inertia of existing institutional structures and the comfort zones and vested interests of individual stakeholders. Ultimately, the establishment of the more strategically focused and sustainability oriented model advocated in this paper hinges on the degree to which leading players among the stakeholder groups embrace it and champion the cause.

Chapter 14

Processes Influencing Innovation in the Tourism System in Woodburn, New South Wales

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The case study in Woodburn, New South Wales was the first to fully employ the model developed through the *Prosper* project (see Chapter One). As a result, this chapter draws together the approaches discussed in the previous case studies and presents the findings against the capacity model described by Jacobsen in his introduction. The model suggests that the combination of strengths in each element contributes to the capacity for innovation in regional tourism development. The Woodburn case study demonstrates the interdependencies between elements in the model and argues that destination managers need to consider all elements in their strategic approach to destination development.

Introduction

This chapter presents the results of a case study conducted in the community of Woodburn, northern New South Wales. In understanding how regional destinations as tourism systems may increase their capacity for innovation, the STCRC has commissioned the *Prosper* research project described in Chapter One of this book. *Prosper* has proposed a model for assessing the innovation capacity of regional tourism systems. The model suggests that the capacity for innovation in regional tourism is influenced by ten elements. The contribution of each element to tourism innovation capacity may be assessed through a number of indicators. At the base level, there are indicators that refer to structures and processes in the destination that are about the total management of community resources (see Chapter Fifteen for further discussion of this point). At another level, there are indicators that refer specifically to the management of tourism resources. Discussion of each element of the *Prosper* model is in Chapter Three of this book and Chapter Fifteen provides further analysis of the implications of applying the model in regional tourism destinations. This chapter describes the application of the model in a particular regional tourism destination and is intended to demonstrate empirically the interdependency of model elements and the ability of the model to shed light on strategies for improving tourism management practices through increased innovation capacity. Table 14.1 includes the *Prosper* model elements and examples of the indicators that have been developed to assess the status of each element. The model suggests that the combined status of all elements will influence the capacity for regional tourism innovation.

Table 14.1: Elements and Indicators in the *Prosper* Model for Assessing Capacity for Innovation in Regional Tourism Systems

Elements	Indicators (examples)
Economic Competence	Experience with successful management of public grants Understanding of opportunity impediments Processes for assisting change management
Clustering of Resources	Market access strategies Recognition of spatial interdependencies Strategies for tourism resource integration (i.e. capacity to market 'experience')
Networking	Interest group collaboration Presence of intermediary agencies Value-adding partnerships Formal networking mechanisms
Development Blocks	Presence of a regional tourism identity/ ies Disequilibrium associated with management of resources (development blocks) Diversity of development blocks
Role of the Entrepreneur	Access to market knowledge Presence of role models Demonstrated risk taking behaviour Orientation towards growth as a desired outcome
Critical Mass	Sufficient market volume Demonstrated significance of tourism activity to the regional economy Sufficient interest in development blocks Sufficient development blocks to meet market need
Institutional Infrastructure	Presence of strategic plans underpinned by research Commercial/ legal/ contractual arrangements between key stakeholders Recognition of tourism in key governing documents
Role of Local Government	Recognition of community interests Engagement in tourism Provision of tourism related infrastructure Commitment of resources to tourism management
The Production and Distribution of Knowledge	Presence of formal research Access to research institutions Processes for diffusing research information Whole-of-community research orientation
Social, Political and Cultural Capital	Diversity of organisations representing 'community interests' Level of engagement with community organisations Evidence of attachment to cultural or community identity Processes for enabling engagement in tourism planning

As suggested in Chapter Three, the *Prosper* model has been drawn in the first instance from the literature on systems of innovation (particularly the work of Carlsson and Stankiewicz 1991). The meta-analysis of case studies presented in this book has facilitated the inclusion of additional elements to the model (particularly institutional infrastructure and social, political and cultural capital) and the specification of indicators.

Woodburn

Woodburn is a small town of less than 1000 people located on the Pacific Highway on the New South Wales far north coast. It is approximately 300 kilometres south of Brisbane. The nearest large towns are Ballina (30km to the north), Lismore and Casino (both some 40km west). Woodburn is of interest in a tourism sense because its location on the highway and the Richmond River has made it a popular rest area for travellers. It is also at the intersection of roads which may divert travellers to the beach side resort of Evans Head, or to the hinterland villages, towns and rainforests of the area. The local government is interested in exploiting

Woodburn's location to disperse tourists throughout the area. The tourism context for Woodburn is repeated in many small towns located on Australia's major road routes.

There have been three identifiable bursts of tourism related innovation in Woodburn. In the 1950s, the major sporting and community facilities were developed. In the late 1970s and early 1980s, the business base was diversified through establishment of a small number of arts and crafts businesses. In the late 1990s and early 2000s, a large proportion of tourism related businesses changed hands and the industrial base was diversified further through new business models for these businesses and the opening of a nursery and a fashion store. Events such as road upgrades, floods, the building of bridges to Casino and Lismore and the evolution of the riverside park areas also featured prominently in the tourism timeline.

At the time the *Prosper* research was undertaken, alternative strategies for the development of tourism in Woodburn were being considered. Key stakeholders looked upon this research as a mechanism for assisting in vetting alternatives, but, more importantly, in identifying how the resources of the business and resident community could best be harnessed to enhance the long term value of whichever tourism development path was selected.

Methodology

Fitting the *Prosper* model requires a multi-faceted research approach which provides both quantitative data to assess indicators such as 'market volume' and 'significance of tourism activity to regional economy' and qualitative data against indicators of 'access', 'diversity', 'recognition' and so on.

With Woodburn being a small and very open economic system, there was little to be gained from implementing complex economic value assessment models such as input-output analysis or multiplier analysis. There were few datasets which could shed light on the current and past economic value of tourism from either supply or demand perspectives for Woodburn. Even less data was available to make quantitative assessment of social or environmental value. With these constraints in mind, the following approach was employed:

- The contribution of tourism to business income was assessed through an audit of tourism related businesses assisted by data from the local telephone directory.
- The contribution of tourism to employment was assessed through a survey of businesses, analysis of employment statistics from the 2001 Census of Population and Housing and the Tourism Task Force *Tourism Employment Atlas* (TTF Australia 2002).
- The contribution of tourism to the social well-being of the community was assessed through interviews with representatives of community groups and review of documents from organisations (community, business and special interest) involved in Woodburn.
- The contribution of tourism to the environment immediately adjacent to Woodburn was assessed through review of documents associated with development planning processes, roadworks and riverside development.

Evidence from these data collections, as well as data collected through interviews with stakeholders and a workshop held as a community meeting, was analysed to fit the Prosper model. The research process occurred over a period of six months.

The Value of Tourism in Woodburn

Economic contribution

In 2003, there were 12 businesses in Woodburn with an interest in tourism. These businesses perceived tourism as contributing about 70% of their income. Tourism was also perceived as the key driver for future business development in Woodburn. More than one quarter of Woodburn's employed population at the 2001 Census worked in retail trade, accommodation, cafes and restaurants. Businesses estimated that tourism contributed to the sustainability of

more than 30 full-time jobs, which was a substantial proportion (about 25%) of the labour force.

Socio-cultural contribution

Woodburn is a small community with a strong sense of community values relating to: serenity/scenery; proximity to the coast; volunteerism; community spirit; and opportunities for education and sport. Tourism was seen as contributing substantial value to the work of community groups and sustainability of sporting organisations. Tourism was seen as a threat to the low cost of living and an intrusion on some valued community amenities such as the river and the beach at nearby Evans Head.

Environmental contribution

Managing traffic flows along the highway has been the key environmental issue relating to tourism development in Woodburn. The spin-offs from these management issues have included substantial development of riverside recreation areas and increased pressure on the nearby Bundjalung and Broadwater National Parks resulting from increased traffic. Tourism may also contribute to waste and water management issues.

Forms of Tourism Development and Change

The three key interest groups driving change and tourism development in Woodburn (the Woodburn Chamber of Commerce (WCC), retail business and the Richmond Valley Council (RVC)) have initiated, implemented or proposed a number of projects. Currently only a limited level of coordination and communication exists among and between members of these parties. This is particularly true for some retail business who undertake individual developments without a great deal of input from the other interest groups. Most retailers are willing to direct their resources, however, towards initiatives that offer direct potential benefits, such as collaborative marketing booklets and regional tourism internet sites. There are future and immediate projects with the capacity to consolidate a cooperative development approach. Some of these projects are highlighted in the list below:

- Urban Planning Project currently undertaken between the RVC and the Woodburn community.
- Projections of a highway bypass in coming years has stimulated the community to prepare for repercussions.
- Ferry quarters development to extend the new Community Technology Centre (CTC) to accommodate a VIC.
- Riviera Café plans to refurbish interior with river maritime theme.
- Development of interactive New Italy Internet site.
- Proposed extensions to the Riverside Park.
- Bid to develop vacant plot into overnight stopping area for motorists.
- Attract external funding grants to bolster community initiatives, such as Australia Day celebrations.
- Implement bridge lights visible to passing traffic in attempt to create a point of interest along the Pacific Highway night time travel route.

Many of these projects and proposals can be described as either private entrepreneurial projects or major community-oriented tasks. The exception is the New Italy website which was developed through a multi-agent partnership (including the Italian Consulate of Australia, RVC, Heritage Futures Research Council and Southern Cross University), but not in direct conjunction with the WCC or Woodburn retailers. The major community-oriented task have been instigated by the WCC who have sought assistance, gained funding or worked in direct collaboration with the RVC and to a lesser extent the Lismore City Council. At the time of writing the bridge lights have been switched on, the 2004 Australia Day celebrations were a

resounding success (thanks to an external grant and support from the RVC), the New Italy website is up and running and a VIC Officer has been appointed to develop the Woodburn VIC/CTC. All projects highlighted above have emerged from the late 1990s onwards in conjunction with the micro and macro, social, infrastructure and political environments.

Woodburn's Capacity for Innovation

Application of the *Prosper* model in Woodburn revealed substantial impediments to tourism innovation. These included:

- *Economic competence, networking.* Inability to engage important external stakeholders in the planning process. Significantly, the New South Wales Roads and Traffic Authority (RTA) makes decisions regarding the facilities and management of the highway which also serves as the town's main street. To improve traffic flow, the RTA implemented traffic management strategies making it impossible for vehicles to do u-turns in the main street and to forbid traffic lights, pedestrians crossings, roundabouts or other strategies that would facilitate pedestrian traffic moving from the river side to the business side.
- *Clustering, development blocks.* Poor integration of the total range of tourism attractions and amenities into any strategy for tourism development. Nearby attractions and amenities included the New Italy Museum, Broadwater and Bundjalung National Parks, Evans Head beach and industrial attractions relating to the tea tree industry. There was no sense of Woodburn being associated with these attractions (which may have been used to extend length of stay or attract new markets) and consequently Woodburn lacked a clear identity for visitors.
- *Development blocks, entrepreneurship.* The Richmond Valley Council had committed to using the abandoned ferryman's building in the riverside park as a tourism facility housing a Visitor Information Centre and/or café. Woodburn businesses were suspicious of this initiative and were unwilling to explore how it could contribute to their business opportunities for fear of potential threat to their existing customer base.
- *Entrepreneurship, critical mass.* Opportunities to develop existing and new markets were not actively explored. Risk-taking behaviour was minimal as businesses worked to maintain their existing status. The expectation was that increases in markets would be inspired by external, rather than internal factors.
- *Institutional infrastructure, role of local government*. Key strategic documents relating to the economic development of Woodburn resided with the Richmond Valley Council, which was headquartered some 40 Kilometres away in Casino. There had been only sporadic attempts to make these 'living' strategies through engaging Woodburn community or business interests in their development and implementation. There was no formal statement of intent emerging from the Woodburn business community.
- *Production and distribution of knowledge.* Periods of high turnover of business ownership meant that the maintenance of tacit knowledge became problematic. There was also little attempt to engage the local research institutions (notably Southern Cross University) or to develop knowledge of the visitor markets.

Despite these impediments, the organisation of the tourism system in Woodburn provided opportunities for increasing innovation capacity. In particular:

- *Economic competence.* The turnover in business ownership experienced in the late 1990s resulted in a desire for change and a preparedness to undertake change.
- *Clustering.* Visitors drawn to the riverside park were in close spatial proximity to the town's key tourism businesses. Furthermore, the visitors were concentrated in a small area, facilitating distribution of information to visitors.
- *Networking.* There were close relationships between the key businesses in Woodburn, facilitated by the Woodburn Chamber of Commerce.

- *Development blocks.* The riverside park, the proposed Visitor Information Centre, two sporting/ social clubs and the Richmond River itself provided focus for debating the future of tourism development. These points of debate provided stimulus for the generation of new ideas.
- *Role of local government.* The Richmond Valley Council had come to view Woodburn as an important gateway for the region as a whole and were willing to invest in tourism opportunities in the town. The Council generally perceived tourism as an important economic opportunity for the region.

Of particular concern is whether tourism interests in Woodburn can take advantage of the strengths identified here, while addressing the challenges. The stakeholders involved in the research (including the Richmond Valley Council, Woodburn Chamber of Commerce and tourism business managers) identified a number of strategies for moving forward. These included –

- Developing a community-driven research agenda to enable the acquisition, distribution and implementation of tourism data specific to the conditions and needs of the community.
- Taking steps to better understand and interpret community and regional tourism resources to provide visitors with a complete experience of the Woodburn (and surrounding) identity.
- More comprehensively documenting and sharing the positions of stakeholders in relation to resource appropriation (for example, the conflicts surrounding the use of the highway as a means of accessing tourist markets versus the desire to optimise traffic flow).
- Evaluating the potential of increased risk taking behaviour, particularly in retail activity, with a view to increasing competitiveness.

PART 3

CONCLUSIONS

Chapter 15

Regional Tourism Systems and the Implications of Innovative Behaviour

Jim Macbeth and Dean Carson

Tourism is but one of many industries that might contribute to the economic, social, cultural and environmental health of a regional community. One of the aims of this book has been to present case studies of work in Australia and New Zealand that illustrate some core issues in the process of regional community development. Tourism is not inherently good or bad, useful or useless, appropriate or inappropriate for a region that is undergoing change but tourism is one potential activity that might contribute to the achievement of community objectives in economic, social and environmental dimensions. Implicit in the approach to case studies in this book is the belief that regional communities need to think about their readiness to undertake tourism development and that they should make decisions about what, if any, development is appropriate, feasible and of net benefit. Don't take tourism for granted; don't assume it will deliver the development objectives set for and by the community; don't assume it will just happen.

But, be sure that if the regional community approaches tourism, as with any development strategy, in an open, rational and critical manner then development decisions can be made that contribute to the well-being of the community and its overall health - implicit in this assertion is the need for thorough and thoughtful use of knowledge and the potential for innovation. Further, as a community begins an assessment and planning process, it is embarking on a journey that can itself contribute to community development but it is a process that takes time; there are no quick fixes.

Underlying the analysis in this book is a framework of innovation that includes 10 elements (see Chapter Three for details):

1. Economic competence.
2. A leading role of local government.
3. Institutional infrastructure.
4. Clustering of resources.
5. The existence of networks.
6. The presence of productive development blocks.
7. Entrepreneurial activity.
8. An effective critical mass of resources.

9. The production and distribution of knowledge.
10. The quality of SPCC, social, political and cultural capital.

These elements are not shown in a particular hierarchy nor are there necessarily one or two that are absolutely crucial to further development and innovation. As is demonstrated in the case studies, it is how these elements represent reality in the region and how they interact that will help determine sustainable tourism development approaches.

Issues in Doing Regional Case Studies

Readers of this book who live and/or work in regional contexts understand that tourism planning faces a number of difficulties that, while not unique to regions, are in many cases exacerbated by regional conditions. At this point, we simply want to highlight some of these issues as the general problems of regional and rural decline are well documented elsewhere.

- *Tourism data is a bit 'thin on the ground'*. Statistical information on many aspects of local and even regional Australia is not only hard to get but is often of dubious quality and accuracy. While Census data is comprehensive and invaluable in tourism planning, actual data on visitation, tourism and so-called tourism satellite business activities and tourism employment is almost non-existent in some areas.
- *Tourism is both a system itself but it is also part of wider systems of activity*. There are two aspects of this. First, tourism activity of any sort cannot be seen in isolation from other activities of the regional area. Tourism activities often take place in and amongst the day-to-day activities of residents and in many cases use the same infrastructure. The point to be made here is that planners cannot afford to see tourism in isolation from other aspects of the region, its non-tourism institutions, nor its residents.
- *Tourists or visitors?* There is often an attempt to separate the activities of visitors (usually day-trippers and/or those involved in business and other non-leisure activities) from tourists (who usually stay overnight and/or engage primarily in leisure pursuits) but this book assumes that the fact of visitation is more important for thinking about tourism development than making the distinction above. While there are certain planning and development directions (e.g. motel development) that require specific knowledge, it can be as important to pay attention to the drive-through traffic on the main highway, the sales representatives and government employees and the city day-trippers as those who are technically tourists and stay overnight.
- *Corporate memory*. This term is used here to refer generally to the knowledge stored about the region within both the minds and memory of people but also the archival records. In regions where there is a high turnover of people, whether in government jobs or the private sector, there can be a loss of corporate memory. But, where there is a stable and active community then the personal corporate memory of citizens will go a long way in tourism policy and planning for development.
- *Depressed?* Many regional areas in Australia, as in other developed countries, are economically depressed and, in fact, that is why many are turning to tourism as a development strategy. However, as important is that regional decline can also leave a community without the 'energy' to look for new alternatives or even to see the potential in alternatives; it is almost as if the psyche of the community is depressed. Doing regional tourism assessment, planning and development can help overcome this malaise when the community is involved. Another way to put this is that doing the sorts of work reported in these case studies can itself contribute to communities building up their resolve and their capacity for taking on development initiatives.

Lessons about the Tourism System

Chapter Two explored in some detail the nature of systems theory when applied to tourism and the systems relationship within which tourism is embedded. While tourism can itself be seen as

a system, it is a mistake to see the tourism system in isolation from other systems and, in particular, non-tourism infrastructure (government agencies; local parklands; local heritage society; etc). With that fundamental point in mind, there are some specific issues about tourism systems to keep in mind.

- *Tourism systems are open systems*: We say this not to be too pedantic but to state the obvious in order to reinforce the need to think about tourism this way – tourism is an open system. The implications are simple – tourism is not independent of other developments and events at the local, regional, state, national or global level. In tourism it is important to think local but it is just as important to think global. Your actions might be local but they do not occur in isolation. Obvious factors such as global warming, terrorism, taxes and local rainfall are all both local and global influences.
- *Systems are sets of complex relationships*. Not only is the tourism system itself complex but the relationship to other systems is complex. For example, the relationship between the tourism system and the transport system (roads, rail and air) is complex and absolutely central to tourism assessment, policy and planning at a regional level.
- *TGR to TDR.* Leiper's (1995) systems model of tourism outlined in Chapter Two shows a strong visual link between the traveller generating region, TGR and the tourist destination region, TDR. While this is an important concept, the implication that there is a direct and obvious relationship between the two regions should be used with caution in looking at regional tourism. The situation is more complex as the example of Woodburn (Chapter Fourteen) would suggest where Woodburn has almost no tourists, that is, very few people stay overnight. Woodburn is on a main highway and is not a destination in the classic sense of that term but is, in fact, part of the transit route in Leiper's model. Yet, at the same time, Woodburn embodies the policy and planning environments of a tourist destination region.
- *Control of infrastructure*. Anyone who lives and works in a regional area knows that the institutional infrastructure is not controlled within the region. In some cases, again such as Woodburn, even local government may be out of the hands of the region due to the size of the local authority. The power of outside agencies to foster or thwart tourism initiatives within a region is a factor to take into account.
- *Many actors.* In regional tourism there are often a few actors undertaking numerous roles, trying to fulfil the needs of different constituencies. A good example is the frequent local government situation where the Chamber of Commerce is also the main tourism lobby group, or Local Tourism Authority (LTA). This situation may be functional or it may be dysfunctional so the important thing is for those doing tourism assessment, policy and planning to be aware of these relationships.
- *The core tourism system*. The core tourism system of a region can be viewed in a number of ways. It is on the one hand a temporal system, defined by who is doing what and when and for how long, while on the other it can be defined as a spatial system and thus bounded by geographic or political boundaries. Depending on your analytical purpose, the core tourism system may be self-defined through the agency defining its boundaries for particular purposes. This latter point is reflected in Chapters Five and Nine where the region is self-defined by local government cooperation and in Chapter Two where the core tourism system(s) is defined by the researcher. In whatever way the core tourism system is defined and operationalised, for it to have substance and 'clout' it has to have a critical mass of tourism related activities, infrastructure or potential.

Innovation

The case studies in this book allow us to make a number of comments about innovation in the context of regional tourism assessment, planning and development.

- *Believe in the incremental.* In regional community development, even small changes can make a difference and accepting this premise reinforces the notion that incremental change is important to a region. This requires patience but also a strategic view of the way ahead, with tactical decisions informing the creation of these incremental changes. Chapter Eleven illustrates this process whereby one small grant to do one small research project has lead to a number of small changes that in themselves are nothing, but add up to a potential shift in the availability of accommodation.
- *Disequilibrium isn't all bad!* In fact, disequilibrium can 'get things moving'. We make changes when our equilibrium is upset and, likewise, regions can make innovation work when the right amount of adversity spawns activity. But, this is a delicate balance as too much disequilibrium can also lead to inaction and often in such cases some form of outside assistance is needed to overcome this larger adversity. Many would argue, for example, that the structural disadvantages experienced by regional areas now are creating such disequilibrium that outside assistance, including new policy directions, is increasingly necessary.
- *Knowledge management.* It is common to say that 'knowledge is power' and, of course, it is true, provided that you know how to use the knowledge and you manage its creation, storage and use. Knowledge is not power if no one takes the time to figure out how to use it effectively in order to assist in the management of change. Of course, in talking about knowledge being power here we are not simply talking about the political power that goes with 'insider' knowledge, for example, that allows certain individuals and agencies to have unequal access to resources and control over agenda setting and decisions. We are also talking about the ability of a region to use knowledge to develop better solutions and to innovate. Knowledge management means, among other things, having effective systems of obtaining, recording, storing and retrieving information so that it can be put to use. It also requires that we understand the reliability and validity of the knowledge (or data), its weaknesses and the gaps when it is incomplete.
- *Institutional and physical infrastructure.* The control of infrastructure is a point argued incessantly as agencies, corporations, community groups and individuals all vie for some control over the infrastructure that limits or facilitates their ability to innovate. The control of infrastructure tends to weaken the lower down the political hierarchy we move, that is, local government has less control than state government and so on. The reality is thus that regional and local government ambitions for innovation in tourism planning and development are often tempered by a lack of resources and decision-making authority. Chapter Fourteen is a perfect example as the Road Traffic Authority (RTA) controls everything to do with the main street due to it being a major highway. The local authority can't so much as install a pedestrian crossing because it is against RTA policy.
- *The importance of local government.* Notwithstanding the discussion of a lack of control of infrastructure, local government is still one of the keys, if not the key, stakeholder in regional tourism assessment and planning. A number of the case studies illustrate the importance of local government in the way in which tourism has developed or is developing (or not) in the region. In some cases this means a number of local authorities have worked together for innovation while in other cases local government has taken up the challenge posed by work done by others .
- *SPCC – social, political and cultural capital.* The very nature of social capital, its cohesiveness, its sense of the 'in group', has to be tempered with a willingness to bring in new stakeholders and new knowledge. We have argued at length elsewhere (Macbeth, Carson and Northcote, in press) however, that tourism not only relies on strong SPCC to foster innovation but that tourism development appropriate to the region can itself foster and strengthen SPCC. We also argue that it will be synergies

between all levels of government, NGOs and business interests that will not only foster new SPCC but will also be able to foster innovation using existing social, political and cultural capital. Those living in regions are ultimately concerned to improve the vitality of their communities and tourism development is but one scenario that can contribute to that process. It is important to move beyond the rhetoric of 'community' as some concrete unified body in order to recognise the complexity and diversity of communities and their inherent potential for developing SPCC.

To Our Audience

Whether this book is being read by academic researchers, university teachers, students of tourism, politicians of any level, agency employees or local resident action groups, it is important that you recognise not only our belief in the capacity of the 'regions' to innovate in the face of development dilemmas but also that tourism is but one of many potential vehicles for regional development. This book is about community development in the broadest sense of the phrase and whether tourism grows or withers is not the issue. Tourism is not an end in itself but rather a potential contributor to regions that are better places to live and work, that are more viable as healthy communities.

Tourism is a unique 'product' in that it is not exported; the tourist comes to the producer. A side benefit of this can be that the tourists coming into a region bring with them not only their financial support for diverse local businesses but also their 'connection' with the rich cultural traditions and practices of their home, whether it be another Australian location or an overseas country. Tourists do interact with locals, they do share their perspectives on life while also wanting to know more about those in the region. But, visitors also consume cultural products in regions and in doing so may inject not only more economic viability into such cultural products but also may themselves become part of the creation and development of that product. A direct and pertinent example comes from this book. The authors themselves were 'tourists' whilst researching and, in many cases, sharing that research with residents, businesses and agencies in the region. As tourists, our impacts also arose from the conversations we had, the questions we posed, the feedback we offered and the money we spent. As important, though, is that we made connections with our disciplines and our experiences that we could share with people in the regions.

Sustainable Development and Tourism

It is our view that regional tourism development, as all development, should be seen in the context of an important contemporary paradigm, that of sustainable development. Again, tourism is and of itself not important although making tourism a sustainable industry should contribute to making the region sustainable and, likewise, the nation sustainable – all within a global context of a goal of sustainability.

There are various formulations of the concept of sustainable development but we use here a four part model that foregrounds in our thinking that sustainability is an holistic and complex imperative. There is no 'bottom line' because there are four 'bottom lines' in our attempt to move toward viable regions. The four parts to this model can be expressed briefly as follows:

1. Ecological sustainability requires that development be compatible with the self-maintenance and self-direction of ecological processes, biological diversity and biological resources.
2. Social sustainability requires that development increase people's control over their lives; and maintain and strengthen community identity.
3. Cultural sustainability requires that development preserve and foster the cultural meanings and practices of the societies in which it takes place.
4. Economic sustainability requires that development be economically efficient and that the benefits and costs arising from it be shared equitably.

Informing our understanding of this framework is an ethical position that emphasises another pair of social imperatives – inter and intra-generational equity. It is clear from tourism and other scholarship that these four dimensions and the underlying ethical position are widely accepted at a general or *framework* level of analysis; the meanings here are vague and simplistic, as in the definition above. As any reader in a western developed country knows, the vocabulary and rhetoric are now common among governments, NGOs and business. In fact, the framework rhetoric is so common that we tend to ignore the fact that the core meanings are still being argued. That is, there is still substantial and important argument over how to apply the concept and the ethical position *in practice*. The implications of this for the use of this book are that, first, you must recognise the fundamental ethical questions embedded in this concept and the important debate that comes with the concept. Second, one of the imperatives in moving beyond these case studies as examples is that each practitioner, each activist, each politician and each business person is encouraged to think seriously about how to translate the framework definitions into a praxis that will make our regions viable and sustainable.

The Prosper project out of which this book arose is not simply about economic imperatives but about an holistic view of the viability of regions that encompasses, as well as the economic, the social, cultural and environmental demands of sustainable development.

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regional tourism cases

The purpose of this book is to bring together a range of research cases focusing on regional tourism destinations in Australia and New Zealand.

The key objective is to explore the structures and processes used by regional destinations to foster innovation.

The eleven case studies represent many different types of destinations and many different forms of tourism.

Innovation is employed for different purposes including initiation of organised tourism activity, rejuvenation of tired destinations and, significantly, the linking of tourism with other spheres of economic and community development.

The editors and authors propose three frameworks which assist the reader in interpreting the case studies and ultimately applying the lessons learnt.

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