achieving sustainable local tourism management

PHASE 1 - PRACTITIONERS GUIDE

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1. ENGAGING LOCAL GOVERNMENT IN TOURISM

The aim of this Guide is to improve knowledge of and critical awareness about local government involvement in and management of tourism. It seeks to raise the level of debate about the influences on local government and what local government can do to effectively manage tourism. This Guide is intended to inspire critical assessment of the challenges, issues and opportunities that local governments face, and in doing so, increase the capacity of tourism officers, elected representatives and tourism industry and community representatives to address the hard questions about local destination tourism management.

Australian local government has undergone accelerated change over the last three decades (Marshall 1997; Worthington & Dollery 2002). A move from administration to managerialism, increased professionalism, a broadening range of responsibilities, greater community engagement, cost-shifting from other levels of government to local government and the forging of new cooperative alliances and partnerships with private and non-government sectors are shaping local government responses to tourism (Dredge 2001b, 2006a). A major consequence of these changes is that local government has started to reassess its roles and responsibilities in a number of areas. Local government approaches to economic development, planning, infrastructure provision and social servicing are all areas that have come under increasing scrutiny.

The tourism function in local councils has not been immune to attention from CEOs, senior management and councillors seeking more effective public management and better community outcomes. The traditional approach to local economic development has been to use tourism as a tool to promote investment and generate economic activity. It is an approach that has been based on the unquestioned assumption that economic growth equals community prosperity and improved well-being. This is now being increasingly challenged.

Research and practice are demonstrating that a focus on local economic development alone does not necessarily lead to healthier, happier and more sustainable communities. Local economic development in general, and tourism in particular, needs to be developed and managed not only with business in mind, but also within the context of community expectations, values and aspirations (Hall 1994; Murphy & Murphy 2004). Local government has an important role in this context.

**Aims and Objectives**

There are two aims of this research. First, the research aims to investigate the issues that local governments face in tourism management and the practices and approaches that have been adopted to address these issues. An investigation and appreciation of these issues is necessarily the first stage in moving towards more sustainable local tourism management. Specific objectives provide direction in addressing this aim. These objectives are dealt with in the chapters that follow and include:

- Identifying local government tourism management principles (Chapter 2).
Identifying local government roles and responsibilities in tourism management (Chapter 3).
Exploring the changing role of local government and the way in which this is impacting upon local government tourism management (Chapter 4).
Identifying external influences on local government involvement in and management of tourism (Chapter 5).
Identifying internal influences in local government involvement in and management of tourism (Assessment Tool).

The second aim is to provide readers with tools, exercises and interrogating questions to better understand tourism management issues in their local destination. This is achieved through the presentation of activities and questions in the Assessment Tool and through the inclusion of vignettes and stories of practice that may inspire alternative approaches to tourism management.

**Target Audience**

This Guide is primarily intended for local government officers (e.g. tourism officers, local economic development officers and planners) and local government elected representatives. These were also the main participants in the interviews that formed a major part of the data collection for this research. But, as tourism is a complex cross-sectoral policy domain that has widespread impacts, other groups may find this guide useful. These include members of local tourism organisations (especially board members), chambers of commerce, government agencies with regional agendas and interest groups. This guide seeks to provide understandings and ways of thinking that can be used to build critical understandings about tourism policy, planning and development in local government.

During the interview process associated with the research, participants in each of the local government study areas learned to think more critically about their local destination and the ways in which their capacity to manage tourism could be enhanced. But, in the final analysis, we expect that ideas and perspectives in this guide will add to the critical analysis being undertaken in a range of local government jurisdictions and, from there, lead to better tourism management solutions.

**Key Concerns of Local Government**

In the context of competing policy interests, tightening fiscal conditions for local government, and expanding and shifting of responsibilities to local government, a number of key concerns of local government have been identified in the literature and case study research. These key concerns include:

- Why should local government be involved in tourism management?
- How can we best plan for and manage the range of tourism issues facing local government?
- What is the best way to organise tourism and build partnerships between industry, council and community?
- What is the best way for councils to support and facilitate tourism and to what degree should it do so?
- How can local government help the industry to help itself?

There has been little research into the role of local government with respect to tourism and the advantages and disadvantages of various management approaches and issues (Dredge 2006a). There are numerous projects that relate indirectly to local and regional development of tourism, including in Australia the work reported in *Regional Tourism Cases: Innovation in regional tourism* (Carson & Macbeth 2005). A project in Canada is more directly concerned with community tourism and its newsletter provides insights into
tourism management issues (Community Tourism Development Newsletter http://www.community-tourism.net/). In New Zealand, the publication Postcards from Home: The Local Government Tourism Strategy acknowledges the importance of local government and seeks to set a national agenda for local government management of tourism (New Zealand Government 2003). These contributions tend to be fragmented and case studies do not build on one another to improve understanding of issues and approaches. The different institutional arrangements, which can vary markedly from state to state, also mean that case studies may not be relevant in other jurisdictions.

Moreover, local governments do not develop their tourism planning and policy approaches in isolation. Frequently local government responses to tourism are a result of policy initiatives implemented at higher levels of government (Dredge 2006a). Their involvement is coerced as a result of funding incentives offered by state and territory governments, regional development programs and other policy tools. Dredge and Jenkins (2003) observe that local political and social concerns and aspirations can often conflict with the policy directives of state and regional tourism policy. Navigating the complex field of national-state-regional policy initiatives, minimising conflicting and countervailing policy directions while garnering available resources is therefore a major challenge in local government tourism planning and management.

This Guide subscribes to the view that rigid, prescriptive tourism planning and management solutions are no longer appropriate. This approach is part of a rational scientific paradigm that no longer finds currency in contemporary public management (Dredge & Jenkins 2006a). Tourism plans that dictate the way that tourism is to be developed and managed will continue to gather dust as they have done in the past. It is our position that local government tourism management involves the development of a living strategy, one which is capable of adapting to changing conditions, local needs and events. A living strategy is one that embodies a shared vision and that lives within the minds and behaviours of the various actors and agencies involved. It is one that is founded on open communication, information sharing and dialogue. It lives in the minds of stakeholders and the community so that changes in tourism officers, elected representatives and tourism organisation board members do not represent a major departure from the strategy or a crisis of ownership. Tourism management approaches must emerge as a reflection of the particular strengths and weaknesses of the destination, its stakeholders, its community and its resources (Hall 1994, 2000; Healey 1997). It must also respond to wider challenges and influences, such as globalisation and changing public administration ideologies that shape the way local government functions. In addressing the challenge of developing a living strategy, in this guide we have tried to provide insights about tourism generally and how issues and problems might be playing out in your own destination. The aim is to help you think about your own situation, to critically interrogate the barriers and opportunities for improved tourism management in your destination and to develop reflective insights which can be used to formulate and communicate this living strategy.

But before we go any further, we want to suggest one way of thinking about tourism policy, planning and development in your area that sets the scene for the remainder of this guide.

**Six Platforms from Which to View Tourism Policy and Planning**

Many debates or disagreements about tourism planning and development arise out of the fact that each of us has different values and objectives and tends to see the world a little differently; we often disagree on what is important. Tourism as an activity, as an economic and social phenomenon, is not immune from often fierce debates. One way
theorists have sought to understand these differences has been through what were termed 'platforms of scholarship' (Jafari 2001). Originally, Jafari proposed four platforms but Macbeth (2005) rethought the model and proposed six platforms, or what we might call perspectives in this context.

These platforms are not mutually exclusive and do not represent a pure type or ideology but rather we can use them to help us understand our perspectives on tourism. They have been used to understand different research orientations as well as development, policy and planning perspectives. Take them as lenses through which you can understand people and events around you.

Earlier research and thinking on tourism as a development strategy focused almost exclusively on either advocating more tourism or cautioning on its dangers. So on the one hand we had an almost blind faith that all tourism, especially more tourism, was good for a place, would bring in lots of money and wouldn’t cause any damage to social or environmental values. This was development at all costs, the advocacy platform.

At the same time, other thinkers were more cautious and began to show how tourism was dangerous and damaging to cultural and social values and to the environment. This cautionary platform of research was clearly at odds with the advocacy position. From the clash of these two came what Jafari termed the adaptancy platform, a position that proposed alternative forms of tourism, especially those responsive to host communities. But, as tourism scholarship and policy-making matured in the 1990s, so too did the way tourism development was understood. Increasingly, people realised that tourism is a complex phenomenon that required research and conceptual knowledge to inform policy, planning and development decision-making. The knowledge platform took a scientific and objective view of tourism and a systems approach to the industry.

By the turn of the century the concept of sustainable development was on everyone’s mind, in one form or another, and certainly in tourism it became a major force in thinking about tourism development. Sustainable tourism as a paradigm became so dominant that Macbeth (2005) considered it was really another platform. We discuss the concept of sustainable development elsewhere so suffice it to say that the complexity of the concept requires a rigorous research and conceptual base of knowledge to fully understand the issues involved with the four parts of a sustainable development/sustainable tourism model: the social, the economic, the cultural and the environmental.

Contrary to Jafari’s scientific and objective basis for knowledge, Macbeth asserts that all use of knowledge and, thus, policy, planning and development decisions, is value-based. That is, it doesn’t matter how many scientific facts we have, in the end we set priorities and make decisions based on what we believe. Hence, the value-full or ethics-based platform that contributes to our thinking by encouraging us to interrogate our motives, ethics and morality as we consider the consequences of tourism within a social, economic, cultural and environmental framework.
Structure of this Guide

This guide is structured in the following way. Chapter 2 outlines the broad values and principles on which local government tourism should be based. These principles are based on a review of the literature and insights gained over the course of the research. Chapter 3 examines local government tourism roles and responsibilities as they currently exist within Australia’s system of government and the legislative context of each state and territory. Chapter 4 examines the changing role of local government and its expanding responsibilities in such areas as sustainable development, community well-being and quality of life. Chapter 5 identifies and interrogates the drivers or influences that contribute to challenges faced by local government. The Assessment Tool presents activities, questions and exercises to help open up dialogue and critical thinking about your local government’s current approach and how it might move forward towards more sustainable tourism planning and management. It should be noted that this Assessment Tool does not present a step-by-step methodology for the development of your local government’s tourism management approach. This type of generic resource is available elsewhere (see, for example, Commonwealth Department of Environment and Heritage 2004; New Zealand Ministry of Tourism 2004). Instead, these exercises are to assist in developing the capacity for critical thinking and reflection about your destination.
2. LOCAL GOVERNMENT TOURISM MANAGEMENT PRINCIPLES

We all engage with our world through the prism of our values, what we believe and how we see our futures, individually and collectively. Governments, corporations, NGOs, industry associations and community groups, for example, all operate under a set of principles, whether or not they are articulated. Individuals belong to pressure groups, industry associations and the like because they share common values and interests or seek common outcomes. We have decided to outline a set of principles for local tourism management here for two main reasons. First, these statements articulate aspects of how we, as authors, have constructed our understandings of local tourism management and the values that are embedded in this guide.

Second, we believe this set of principles should be embraced in local government tourism management. These principles are based upon a literature review and are derived from reflection upon the case studies conducted as part of this research. While local destinations vary considerably in terms of industry characteristics; destination maturity; levels of social, cultural and political capital; availability of public and private resources; and other factors, we believe it is possible to define a broad set of principles that can be further refined and developed in the context of a particular destination. In other words, the following principles are a starting point for local, contextualised discussion.

Principle 1: Sustainable Development

Beyond the Rhetoric

Local government has become an important arena for discussions about the interpretation and implementation of sustainable development (Commonwealth Department of Environment and Heritage 2004; UNEP 2003). Discussions at international and national levels reinforce the importance of local government because it is at this local level that local policy debates unfold and decisions about resource use are made. It is also at this micro level that interpretations of the generic, overarching value statements and directives about sustainable development made at upper levels of government are interpreted and given meaning in local contexts. In other words, the concept and meaning of sustainable development is constructed and interpreted at the local level and is underpinned by ideas, values and ethical judgments about how to use scarce resources and what type and level of impacts are acceptable and desirable (Hall 2000; Robinson 1999). Decisions about what constitutes sustainable development are therefore informed by an intertwining of information, debates, ideas and judgments taking place at different scales and over time. It is an unfortunate fact that, given the expanding range of concerns that local government is required to address, discussion of and decisions about what constitutes sustainable tourism development are rarely given full consideration but are often made as reactions to political problems (Lawrence 2006).

We are suggesting that ‘sustainable development’ should be an underlying principle on which tourism is developed and managed. But adopting the rhetoric of ‘sustainability’ is no longer sufficient. Detailed definition in the context of each community is required. For the purpose of this guide, sustainable tourism development is a set of ideas about the nature, characteristics and style of tourism development that is considered appropriate in a certain destination. It is a socio-political and cultural construct and a significant part of its meaning relies upon the particular social, cultural, environmental and economic context in which it takes place now and in the future.
context in which development and resource use issues are discussed. That is, what is sustainable in one location may not necessarily be sustainable in another location. Sustainable tourism development is a shifting concept.

**Values Underpinning Sustainable Tourism**

As a starting point for the development of a local interpretation of sustainable development, Rogers and Collins (2001) identify four broad value statements. They argue that sustainable development should:

- Use nature’s ability to provide for human needs, without undermining its ability to function over time;
- Ensure the well-being of community members by offering and encouraging tolerance creativity, participation and safety;
- Empower people with shared responsibility, equal opportunity, and access to expertise and knowledge, with the capacity to affect decisions that affect them; and
- Ensure that business, industries and institutions, which collaborate as well as compete, are environmentally sound, financially viable and socially responsible, and investing in the local community in a variety of ways.

Lew and Hall (1998) offer another perspective, identifying five observations that underpin sustainable tourism development:

- Sustainable development is a value orientation in which managing tourism impacts should take precedence over market economics.
- Sustainable tourism development requires measures that are both scale- and context-specific.
- Sustainable tourism is shaped by global economic restructuring and a local destination’s position within these processes.
- Sustainable tourism requires local control of resources.
- Sustainable tourism requires patience, diligence and long-term commitment.

The directives from both sets of authors are generic but embody the importance of local control, leadership and decision-making within the context of broader conditions and processes that affect tourism’s development. In what follows, we offer our perspective, based specifically on the role that local government can play in encouraging sustainable tourism development consistent with community goals and aspirations.
Sustainable Tourism is a Shifting Concept

The statements above capture the broad ideological tenets on which sustainable development is based. However, the priority given to each and, therefore, the development and resource use decisions made can differ depending on the issues at hand. Interpretations of what is sustainable can also shift over time as interest in and commitment of stakeholders to different issues change. The emphasis of sustainable tourism has often focused on the economic benefits of tourism and policy responses have emphasised building business, expanding markets and promoting investment. The broad underpinning idea was that increased economic prosperity would bring social benefits and improve community sustainability. But this position is overly simplistic. Recent studies have demonstrated a need to take into consideration the positive and negative impacts of tourism on local communities (Fredline, Deery & Jago 2006). In Australia, divisions between communities and tourism as a result of impacts such as rental property noise, traffic congestion, increased costs of living, availability of low cost housing and so on, can have significant implications for community well-being, both real and perceived (Fredline 2002; Lawrence 2006; Murphy & Murphy 2004).

Integration Across Policy Domains

These underpinning value statements also highlight the interdisciplinary and cross-sectoral nature of the sustainability challenge. Tourism exists within a complex social, cultural, economic and environmental system where events, issues and actions in one aspect of the system affect all other parts of the system. For example, changes in economic conditions (e.g. employment rates, interest rates, business regulation) inevitably impact upon the business community’s propensity for product development and innovation. Tourism cannot be easily separated from its broader context and must be dealt with as an integral component of a much wider system (see also Carson & Macbeth 2005; Lawrence 2006).

Local government needs to adopt a holistic approach to tourism management that embraces an interconnected view of councils’ various activities and planning processes (e.g. infrastructure provision, land use planning, traffic management, environmental protection, recreation and leisure planning). Tourism planning and policy development must be integrated across policy domains and across disciplinary and professional boundaries within councils (Dredge 2006a; Thomas & Thomas 1998).

Local Government’s Role in the Sustainable Tourism Debate

Alignment between councils’ strategic directions and its operational concerns is also important. Visioning and strategic planning exercises often involve extensive community and stakeholder consultation and articulate long-term visions for the development and management of the community. Tourism issues are usually addressed as part of these larger strategic exercises, especially where tourism is a major social, economic, environmental and political issue in the local government area (e.g. Gold Coast City Council 2002; Maroochy Shire Council 2003). However, the shorter-term tourism marketing focus of state and regional policy is often at odds, or worse, incompatible, with these long-term visions. While there are no easy answers to this policy conundrum, ongoing dialogue and communication between state, regional and local agencies with a policy interest in tourism can minimise conflict.

Local government can play a significant role in shaping debates, balancing interests and making decisions that give sustainable development its meaning. Local government can empower these debates by:

- Collecting, collating and providing information that inform discussions;
- Engaging stakeholders, including residents and ‘radicals’ and encouraging their input;
• Encouraging the development of collective rather than individualistic interpretations of what constitutes sustainable development; and
• Shaping the forum, communication media and context for sustainability debates.

Within this context, community participation and engagement are seen as vital dimensions in determining the characteristics of tourism and its role in sustainable development.

An important characteristic of successful destinations is the way in which stakeholders work together to improve destination development, management and performance. These social relations, structures and processes of communication influence ways of debating issues, decision-making and implementation. As a corollary, where diverse groups and individuals are engaged in constructive and informed dialogue, innovation and partnership-building are more likely to emerge.

**Principle 2: Good Governance**

Governance is an increasingly popular term used to denote ‘all forms of organisational relationships’ (Edwards 2002). While the term has been around since the 17th century, its current popularity is associated with the new dynamics and interdependencies between politics, public policy and the community (Marsh 2002) and the struggle to find how governments and corporations can achieve mutually beneficial outcomes (Good Governance Advisory Group 2004). In the tourism context, good governance refers to the establishment of appropriate institutional arrangements (i.e. structures and processes) to manage tourism and its positive and negative impacts. It therefore involves organisational relationships between the myriad of public and private sector interests, NGOs and community groups that have an interest in tourism.

Good governance is usually associated with a number of key elements, including:
• Accountability;
• Transparency;
• Participation;
• Relationship management;
• Efficiency; and
• Equity. (Edwards 2002; Good Governance Advisory Group 2004)

These elements are intended to reflect the ethical positions and values that underpin decision-making and actions. But, while these elements provide some guidance, defining exactly what ‘good’ governance is requires local input and consideration of the context, institutional arrangements and capacities of various stakeholders and the community (Good Governance Advisory Group 2004).

Good governance makes a difference in the lives of citizens. It promotes engaged and connected communities by providing protocols of behaviour and procedures to engage in planning and policy debates. It also acknowledges and legitimises the diversity of interests and agendas that exist within a destination. There are multiple communities of interest in any given destination and communities may exist in different sectors (e.g. public and private, tourism, retail and leisure) and sub-sectoral levels (e.g. ecotourism, accommodation and transport subsectors) and at geographical scales (e.g. commercial nodes, main streets and regional groups). Good tourism governance will engage people and facilitate communication across these sectoral and territorial boundaries and encourage people to communicate their issues and concerns openly (Manning 1998).
Such communication will increase participants’ understanding of other viewpoints, deepen understandings of the challenges and issues faced, and be conducive to innovation and solution-building. Governance, then, is shaped by the store of social, political and cultural capital within a community. It is embedded with different meanings and is dependent upon the values, ideas and ethics of community members.

Promoting good governance involves identifying both the barriers and opportunities for participation and opening dialogue with individuals and agencies with an interest in tourism at different scales (Municipal Association of Victoria 1997). In tourism, barriers to and opportunities for defining and implementing good governance may include those listed in Table 1.

<table>
<thead>
<tr>
<th>Barriers to Good Governance</th>
<th>Opportunities for Good Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of resources (time, expertise, financial)</td>
<td>Effective communicators</td>
</tr>
<tr>
<td>Lack of leadership skills</td>
<td>Resource availability (time, expertise, financial)</td>
</tr>
<tr>
<td>Lack of clearly a articulated vision and set of goals</td>
<td>Goodwill, willingness of share information,</td>
</tr>
<tr>
<td>Volunteer fatigue</td>
<td>community spirit/ sense of community</td>
</tr>
<tr>
<td>Industry fragmentation</td>
<td>Shared experiences</td>
</tr>
<tr>
<td>Lack of clearly articulated relationships between</td>
<td>Common goals</td>
</tr>
<tr>
<td>politicians, public officers, business and the community</td>
<td>Respect for the system/ willingness to work</td>
</tr>
<tr>
<td>Lack of reporting systems and processes</td>
<td>with rather than against it</td>
</tr>
<tr>
<td>Lack of understanding of legislative</td>
<td>Transparent decision making processes</td>
</tr>
<tr>
<td>environment / legal authority and responsibilities</td>
<td>Clearly articulated reporting systems and processes</td>
</tr>
<tr>
<td></td>
<td>Clear understanding of legislation and legal</td>
</tr>
<tr>
<td></td>
<td>responsibilities</td>
</tr>
</tbody>
</table>

Source: Carson, Beattie & Gove 2003; Dredge 2003; Good Governance Advisory Group 2004

Tourism is usually characterised by a diversity of stakeholders. Interests, expertise, knowledge and availability vary, resulting in different levels of interaction and engagement in tourism management debates. The underlying principle of good governance is to provide a collaborative forum in which the core competencies of individual actors and agencies can be pooled to develop synergies and produce better outcomes than would otherwise be the case.

In the context of tourism then, good governance can be characterised by:

- Positive communication;
- Engaged and participative communities;
- Developing and sharing expertise;
- Transparency and accountability;
- Critical questioning of assumptions and bias;
- Vision and leadership;
- Clear roles and responsibilities;
- Clear operational structures and processes for framing and conducting debates and decision-making;
- Self-learning, flexibility and adaptability; and
- Diversity in the tourism system.

Local government has an important role in fostering conditions for good governance. The capacity of local government to contribute to governance processes depends on four types of capacity: institutional capacity, technical capacity, administrative capacity and political capacity (Wallis & Dollery 2002, p.78-9). Local government can facilitate the development of these capacities to enhance good governance. The Canadian Institute of
Governance (www.iog.ca) provides an interesting range of publications about governance, which some of our readers will know of. Most of our readers will be aware of the Good Governance Advisory Group (Victoria) and their publication *Good Governance Guide: The principles of good governance within local government* (2004). These sorts of organisations and documents can help considerably in our management of tourism.

**Principle 3: Positive Cultures**

An affirmative and engaged culture facilitates good governance and contributes to developing and maintaining positive cultures within the destination environment. Positive cultures are characterised by groups of individuals that have a set of common values, interests and aspirations, and which are able to participate in debates and decision-making in a constructive and communicative manner.

The capacity of destination actors and agencies to work together constructively, negotiate and effect positive change is important. This positive, constructive approach inspires the notion of ‘policy entrepreneurialism’ and innovation. Policy entrepreneurialism refers to way in which actors and agencies interrogate and engage with tourism problems and issues, and how solutions are constructed through positive dialogue. Innovation and transformational thinking can emerge where local players are able to clearly articulate their interests, negotiate openly to pursue multiple objectives and reach ‘win-win’ situations.

Positive cultures also promote shared knowledge and the development of shared understandings of issues. Appreciating local knowledge and insights can provide important information, as can gathering, collating and analysing official information and data on local issues and problems (White 2001). Both sources of intelligence are important in building positive cultures.

Modes of communications must be considered in developing positive local cultures. Excessive control and formality of dialogue tends to impede flexibility and the ability to respond to sudden events. Attributes that shape the development of positive cultures include:

- Quality of relationships;
- Strength of ties between participants (see also discussion of social capital in the Assessment Tool);
- Nature of exchanges between participants;
- Level of commitment to addressing tourism issues and problems;
- Reciprocity or the commitment of members to do good for each other; and
- Sense of trust among individuals and agencies involved in managing tourism.

Local government has an important role to play in shaping positive culture in destination environments by engaging local actors, facilitating dialogue and information sharing. Local governments have the ability to make connections horizontally within the destination. They also have the opportunity to facilitate connections vertically with other levels of government and regional, state and national organisations.
Principle 4: Informed and Rigorous Planning

Planning is a basic human activity. In its simplest form, planning is about identifying appropriate steps to achieve some predetermined goal or set of goals. While planning may occur across a wide range of issues (for example, infrastructure planning, social planning or business planning), there are a number of common elements. Planning is:

- Concerned with the future;
- About acquiring knowledge, and investigating and identifying the best approaches for problem-solving;
- About anticipating or forecasting change under conditions that are often uncertain;
- About developing a strategic vision;
- About evaluating different courses of action and facilitating political decision-making; and
- Value-laden and political. (Dredge & Jenkins 2006a)

The roles and responsibilities for planning have evolved over recent decades (Marshall 1997; Worthington & Dollery 2002). Local government no longer has singular responsibility for local planning. Business and community interests are increasingly involved. In tourism the appointment of industry and community representatives to boards and committees convened for the purposes of tourism planning and policy-making is now common practice (Dredge & Jenkins 2006a). The downsizing, outsourcing and privatisation of many functions and operations normally assumed by government departments or business enterprises means that many traditional areas of policy making and implementation have been assumed by, or granted to, non-government sectors. This raises issues of governance.

The convergence of different public and private sector interests in planning for tourism means that planning processes need to be rigorous and well-informed. They need to be transparent and based on input from the widest variety of stakeholders and community groups. Good planning processes are characterised by:

- Clear planning and management processes;
- Reliable information;
- Adaptive management approaches;
- Information management and accessibility;
- Encouraging collaboration;
- Sharing information and experiences; and
- Good communication strategies.

Strategic planning is an essential process in which communities, industry and local government articulate values and attitudes and select or design strategies that anticipate change and shape the future of local communities in positive and sustainable ways. Some of the strategic questions that have emerged as important in this research when developing an informed and rigorous approach to local tourism planning and policy include:

- How can local government maximise tourism’s positive impact on community well-being in its broadest (not just economic) sense?
- How can economic, social and environmental returns to the community, from local government investment in tourism, be clearly identified and evaluated?
- How can local government assist in developing a strong, supportive, adaptive and self-sustaining tourism community that will become less reliant on public funds?
• How can local government ensure that tourism development is consistent with the ‘culture’ of the community, its aspirations and expectations?
• How should local tourism be managed and organised to maximise the contributions of groups and individuals?

**Principle 5: Local Government’s Contribution**

Local governments have come under increasing pressure as a result of expanding ranges of concerns and shifting of responsibilities from upper levels of government (Worthington & Dollery 2002). Often local government has limited capacity to address issues beyond those for which they have mandatory responsibility under legislation. However, the complex and cross-sectoral nature of sustainable development, which has become embedded in most local government legislation, has meant that local government is involved in an ever-widening array of policy issues and problems. Tourism is one such area of policy expansion.

The contribution of local government to the development and management of sustainable tourism has been established in policy discussions at international, national and sub-national levels (Carson & Beattie 2002; Department of Environment and Heritage 2004a; UNEP 2003). However, the contributions that particular local governments can make to sustainable tourism management depend upon a range of internal and external factors that shape local capacities to address tourism (see Chapter 5 and the Assessment Tool). It is important to audit these capacities and identify exactly what contributions your local government can make. This audit of capabilities should include consideration of the following questions:

• What are the resources this local government has available for tourism management (e.g. human, social and cultural capital; financial resources; in-kind support)?
• What are the resources that the broader community can contribute to tourism management (e.g. human, social, cultural and industry resources; financial; in-kind support)?
• In terms of the split of these resources, what proportion should be committed to tourism marketing (e.g. promotion, branding, and visitor information centre support) and tourism management (e.g. visitor management and management of impacts)?
• What resources, programs and other funding incentives are available at other levels of government or in other neighbouring local governments that can be garnered to help develop our tourism management approach?

**Conclusions**

This chapter has outlined a number of key principles on which to base the development of a local government tourism management strategy. Of course, it is not possible to provide a blueprint. The principles may be used as a starting point for dialogue between local government, community and industry and are intended to encourage critical thinking about your own position on a number of issues. As authors, we have spelled out our basic philosophy of tourism management and suggested a common framework of values based on sustainable development philosophies. But we have also suggested careful attention to the finer details of good local governance, fostering an affirmative culture of engagement and action, undertaking informed and rigorous planning and being aware of the significant contribution that can be made by local government.

From here we can move on to consider some of the roles and responsibilities mandated by legislation and/or commonly undertaken by local government.
3. TOURISM ROLES AND RESPONSIBILITIES

In Australia, government roles and responsibilities for the planning and management of tourism are determined by our evolving interpretations of the constitution and the roles and responsibilities set out within our system of government (e.g. Dredge & Jenkins 2003; Hall 1998). In Australia’s federal system, Commonwealth, state/territory and local governments share roles and responsibilities for tourism planning and policy development. This situation has come about because under the constitution, the Commonwealth assumed power for all those areas of policy of national interest such as defence, currency, exports, quarantine and so on. All those powers not specifically mentioned become ‘residual powers’, the responsibility for which fell to the states. However, the growing importance of tourism to the Australian economy has seen the Commonwealth progressively extend its area of policy interest into tourism since the 1950s because of its importance to the national interest. This is why we see the Commonwealth government supporting the development of tourism through international marketing activities, regional development programs, investment attraction initiatives and so on. The states and territories are involved predominantly in the marketing and promotion of tourism of their own areas, and to a lesser extent, product development and planning. Local government does not have specific powers to deal with tourism. However, its diverse responsibilities associated with community planning, land use management, environmental management and public health means that many councils deal with tourism, either directly or indirectly.

In what follows, we examine the roles and responsibilities of local government with respect to tourism. This chapter should be read in relation to tourism; that is, we are stating the obvious at one level about local government roles but at another we are encouraging you to recognise that aspects of tourism are also embedded in this diverse legislation.

Local Government Roles and Responsibilities

Local government has significant responsibilities that impact upon the way tourism develops and is managed at the destination level. These responsibilities include:

- Infrastructure provision and maintenance;
- Land use planning;
- Environmental management;
- Public health and safety management;
- Local economic development;
- Open space provision and maintenance;
- Education, training and employment;
- Tourism promotion and marketing;
- Arts and cultural development;
- Community development; and
- Human services.

These responsibilities are derived from various pieces of legislation that set out the roles, responsibilities and duties of local government with respect to certain issues. In order to further understand existing and potential roles and responsibilities of local government, a brief overview of the legislative environment in which local government operates is provided. This list is indicative as at early 2006 so additional legislation may now be in force and/or amendments may have been enacted (this caution applies to all legislation in this guide).

The Legislative Environment for Tourism

There is an extensive and complex array of legislation at the state level that determines and/or influences the activities of local government. Some of this legislation mandates certain activities, some of it enables and some of it prescribes activities by local government. Other legislation provides opportunities of which local government may take...
advantage (e.g. grants). It is beyond the scope of this project or the needs of this guide to provide a definitive list of relevant legislation but we have decided to provide some basic lists in order that this document serves somewhat as a source guide for those not fully immersed in the legislative requirements and opportunities for local government. A basic listing is provided in this chapter while a more extensive presentation is provided in the Assessment Tool. We would like to stress that we have attempted to verify all websites but cannot, of course, be sure they will still be correct when you read this document.

**Local Government Legislation**
Local government is the third tier of government in Australia. It is a creation of state and territory governments and is not officially recognised by the constitution of the Commonwealth of Australia. The operation, roles and responsibilities of local government and participants in the local government system are set out in the relevant state and territory government legislation:

<table>
<thead>
<tr>
<th>State/Territory</th>
<th>Legislation</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>Local Government Act 1993</td>
</tr>
<tr>
<td>Queensland</td>
<td>Local Government Act 1993</td>
</tr>
<tr>
<td>Victoria</td>
<td>Local Government Act 1989</td>
</tr>
<tr>
<td>South Australia</td>
<td>Local Government Act 1999</td>
</tr>
<tr>
<td>Tasmania</td>
<td>Local Government Act 1993</td>
</tr>
<tr>
<td>Western Australia</td>
<td>Local Government Act 1995</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>Local Government Act 1993</td>
</tr>
<tr>
<td>Australian Capital</td>
<td>Australian Capital Territory (Self-Government) Act 1988 (Cwlth)</td>
</tr>
</tbody>
</table>

In general, this legislation gives local government powers to make and enforce local laws, develop and implement policy, and undertake the necessary administration to fulfil its obligations as set out by the acts. The potential roles from this legislation are wide and might include:

- Provision for the declaration of local government areas;
- Setting up and administering joint initiatives and actions between two or more local governments;
- Rules and processes for local government elections;
- Powers of intervention by the state;
- Rules and conduct of inquiries;
- Rules and responsibilities of council corporations;
- Requirements for the efficient and commercially competitive provision of public services;
- Rules and responsibilities associated with the appointment of committees;
- Financial operation, accountability, budgetary processes, borrowing and investment;
- Revenue raising;
- Assessment of public benefit;
- Rules for competition;
- Framework for the making of local laws;
- Rules and administrative procedures for the provision and maintenance of infrastructure (e.g. roads, malls and ferries);
- Framework for the charging of rates and charges;
- Corporate structures;
- Staffing, employment and superannuation issues;
and advisory groups;
• Elected representative roles, responsibilities, entitlements and obligations for disclosure;
• Rules of conduct for meetings;
• Record keeping;
• Rules for contracting and tendering;
• Conduct of business activities and commercialisation;

• Regulation of pets and livestock;
• Establishment of a local government association; and
• Establishment and/or recognition of residents’ associations, precinct structures and other methods of communication with and participation of residents and other stakeholders.

In addition to this primary legislation, secondary legislation sets out roles and responsibilities for local government in relation to specific concerns, tasks and operations, for example, planning legislation in each state and territory addresses issues associated with land use planning, development and some aspects of environmental management. Public health legislation sets out roles and responsibilities for local government in, for example, the licensing of eating establishments. This legislation is diverse, resulting in a situation where local government has a wide range of roles, responsibilities and functions that impact on the planning, delivery and management of tourism products and services within a destination. An overview of the major implications of the legislative environment is discussed below. Further and specific information can be gained by going directly to the legislation involved (see also the Assessment Tool).

Planning Legislation
Planning legislation in each state/territory provides the statutory framework to promote the orderly and sustainable development of land guided by sound financial principles. Such legislation generally sets out the framework for the development of plans for areas at different scales (e.g. local, regional) and to guide development, co-ordination and management of the development process. The legislation relevant to each state is listed below:

<table>
<thead>
<tr>
<th>State</th>
<th>Legislation</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>Environmental Planning and Assessment Amendment Act 1979</td>
</tr>
<tr>
<td>Queensland</td>
<td>Integrated Planning Act 1997</td>
</tr>
<tr>
<td>Victoria</td>
<td>Planning and Environment Act 1987</td>
</tr>
<tr>
<td>South Australia</td>
<td>Development Act 1993 (Refers only to planning and regulation of development in SA)</td>
</tr>
<tr>
<td>Tasmania</td>
<td>Land Use Planning and Approvals Act 1993</td>
</tr>
<tr>
<td>Western Australia</td>
<td>Western Australian Planning Commission Act 1985</td>
</tr>
<tr>
<td></td>
<td>Town Planning and Development Act 1928</td>
</tr>
<tr>
<td></td>
<td>Planning and Development Act 2005</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>Planning Act 1999</td>
</tr>
<tr>
<td>Australian Capital</td>
<td>Planning and Land Act 2002</td>
</tr>
<tr>
<td>Territory</td>
<td>Land (Planning and Environment Act) 1991</td>
</tr>
</tbody>
</table>

Most recent legislation requires local government planning and development activities to be underpinned by concepts of sustainable development. As has been explored elsewhere in this guide, sustainable development is defined broadly to include the protection of
ecological processes and the maintenance of cultural, economic, physical and social well-being of people and communities. While tourism is not specifically identified in this legislation, it is a major driver of development and land use change in many communities. It has environmental and social impacts that usually need to be taken into account in assessing development applications and in the strategic (forward) planning of destinations.

**Environmental Management Legislation**

Roles and responsibilities for environmental management are shared between federal, state and local governments. The division of responsibilities is complex and at times there have been aggressive and protracted legal battles, especially between the state and federal governments, to determine the precise nature of federal involvement in environmental planning, management and protection. Local government, as a creation of the states/territories, has its roles and responsibilities with respect to the environment clearly articulated in the following legislation:

| Environmental Planning and Assessment Act 1979 |
|-----------------|-----------------------------------------------------|
| Queensland      | Environmental Protection Act 1994                    |
| Victoria        | Environment Protection Act 1970                     |
| South Australia | Environmental Protection Act 1993                    |
| Tasmania        | Environmental Management and Pollution Control Act 1994 |
| Western Australia| Environmental Protection Act 1986  
| Conservation and Land Management Act 1984 |
| Northern Territory| Environmental Assessment Act 1982                |
| Australian Capital Territory| Environment Protection Act 1997 |

**Public Health Legislation**

Public health legislation is oriented toward the protection of public health and implementation of environmental standards. The public health legislative requirements have important implications for the management of various tourism activities, the well-being of visitors and can have an impact on the long-term reputation of the destination.

Local government has considerable responsibilities under this legislation including:

- Standards for sanitation and drainage;
- Prevention of infection;
- Notification of diseases;
- Regulation of outdoor venues and activities, including public barbeque sites and public toilets; and
• Regulations of eating and drinking establishments, including pubs, restaurants and mobile food services.

<table>
<thead>
<tr>
<th>State</th>
<th>Legislation</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>Public Health Act 1991</td>
</tr>
<tr>
<td>Queensland</td>
<td>Health Act 1937</td>
</tr>
<tr>
<td></td>
<td>Public Health Act 2005</td>
</tr>
<tr>
<td>Victoria</td>
<td>Health Act 1958</td>
</tr>
<tr>
<td>South Australia</td>
<td>Public and Environmental Health Act 1987</td>
</tr>
<tr>
<td>Tasmania</td>
<td>Public Health Act 1997</td>
</tr>
<tr>
<td>Western Australia</td>
<td>Health Act 1911</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>Public Health Ordinance 1952</td>
</tr>
<tr>
<td>Australian Capital</td>
<td>Public Health Act 1997</td>
</tr>
<tr>
<td>Territory</td>
<td></td>
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</tbody>
</table>

**Conclusions**

This chapter has provided an overview of the legislation that provides the legal basis on which local government undertakes its activities and operations. Some of the above legislation will be obvious to many readers and some readers will consider that there are important gaps. This overview is intended to be an introduction only and, with the Assessment Tool, provides the newcomer with a starting point to explore relevant legislation and the roles and responsibilities of local government.

For those who wish to explore further the nature of local government roles and responsibilities, some rather substantial appendices listing further legislation relevant to local government, tourism and governance have been included with the Assessment Tool. We’ve included these so that this guide can work as a resource for people new to these areas. There may also be some links to legislation that we think are important and that you may not have considered.
4. BEYOND LEGISLATION: THE CHANGING ROLE OF LOCAL GOVERNMENT

Following on from the previous chapter which sought to outline the legislative environment that shapes local government operations and management, this chapter examines the changing role of Australian local government. The chapter presents a short review of literature examining the expansion of local government roles and responsibilities and the impact of these changing roles on tourism. In the final section of a number of review questions are presented which will help focus your attention on the potential future role of local government in managing tourism.

Historical Context

In Australia there are 791 local government bodies including 97 indigenous community councils (House of Representatives Committee on Economics, Finance and Public Administration 2003). There is huge diversity within these local government areas; the most populous is Brisbane City (Queensland) with a population of 900,000 and the smallest is Silverton Village (New South Wales) with 58 residents. In terms of area, East Pilbara (Western Australia) covers almost 380,000 square kilometres and Peppermint Grove (Western Australia) covers 1.5 square kilometres. Remote and rural councils face very different issues to urban and metropolitan councils while coastal councils are challenged by different environmental issues to inland councils. Some local government areas have robust economies and others are declining and restructuring. Consequently, the range of issues and interests varies considerably and the priorities of local government differ accordingly.

Historically, the main role of local government has been as a service provider focusing on the three 'r's – roads, rates and rubbish. State and territory governments have tended to maintain tight control over local government, and roles and responsibilities identified in legislation have traditionally been narrowly interpreted (Worthington & Dollery 2002). More recently however, local governments’ areas of policy interest have expanded significantly beyond their traditional roles. Local governments may now be involved in a range of functions including but not limited to:

- Environmental management
- Recycling education and programs
- Environmental education and interpretation
- Festivals and events (social, cultural, sporting, business, etc.)
- Provision and management of public open space
- Information and technology services and education (e.g. internet)
- Social planning
- Community grants
- Affordable housing schemes
- Volunteer programs
- Cultural planning
- Employment and skills training programs
- Arts and entertainment
- Business incubation
- Infrastructure provision and maintenance
- Child care
- Transport projects
- Heritage protection
- Tourism marketing and promotion
- Urban and community renewal projects
- Aged and respite care
- Community capacity building activities (e.g. facilitating business networks, visioning exercises; supporting community groups, precincts)
- Programs to address homelessness, social dislocation and disadvantaged groups
- Sustainable housing demonstration objects
- Library services (permanent and mobile collections)
Devolution, Cost-Shifting and Expanding Policy Responsibilities

A recent inquiry into cost-shifting to local government revealed that local government responsibilities are expanding beyond property-related services to human services. Local government is taking increasing responsibility for community health and well-being issues (e.g. alcohol and drug programs, community safety, childcare, affordable housing, accessible transport, arts and cultural services), environmental management, public health and development and planning (House of Representatives Committee on Economics, Finance and Public Administration 2003). According to the findings of this guide, the expansion of local government responsibilities is a result of:

- Devolution – where another sphere of government gives local government responsibility for new functions;
- ‘Raising the bar’ – where another sphere of government, through legislative or other changes, increases the complexity of or standard at which a local government service must be provided, and hence increases its cost;
- Cost-shifting – where there were two types of behaviour. The first is where local government agrees to provide a service on behalf of another sphere of government but funding is subsequently reduced or stopped, and local government is unable to withdraw because of community demand for the service. The second is where, for whatever reason, another sphere of government ceases to provide a service and local government steps in;
- Increased community expectations – where the community demands improvements in existing local government services; and
- Policy choice – where individual local government bodies choose to expand their service provision (House of Representatives Committee on Economics, Finance and Public Administration 2003: 17)

These changes have put financial pressure on local government. Local government funding has historically been derived principally from state and to a lesser extent Commonwealth grants and program funding, and through local government-generated funds such as rates and levies. While the states have traditionally provided the majority of funds, and this has increased in real terms, the proportion of state support relative to local government generated sources has progressively declined since the 1960s. This is of particular concern because of the cost-shifting from higher to lower levels of government that has occurred and that is projected to continue. Local governments argue that unless they are given new ways of generating funds or increased support from higher levels of government, they will not be able to continue addressing this growing range of responsibilities (Tiley 2003). Some councils have openly argued it is time to stop taking on additional unfunded responsibilities while others argue for a better share of funding from the Commonwealth, which is the only level of government in Australia with revenue-raising capacity in excess of its expenditure requirements (House of Representatives Committee on Economics, Finance and Public Administration 2003). Tourism planning and management is one such area of concern for many local governments. Tourism policy at national, state and regional levels, particularly branding and marketing exercises, has stimulated significant visitor growth in some destinations. The impacts of this growth on infrastructure, communities and the environment are becoming increasingly obvious and local government involvement is needed in many cases to manage tourism impacts. While tourism management is not a prescribed area of responsibility, tourism management is an increasingly important but unfunded area of local government activity. This is the conundrum in which local government finds itself: on one hand it is subject to community pressures and expectations that it will manage the impacts of tourism, and on the other, its financial resources to do so are limited.

These expanded responsibilities, in conjunction with scarce resources, means that there is often strong competition between the traditional service functions of local government
and these more recently defined roles in, for example, tourism management. Council structures and corporate processes, the onerous requirements of some legislation and the professional characteristics of staff can give rise to a situation where council responsibilities and activities are organised or compartmentalised around narrow sectoral interests. For example, many local governments have traditionally responded by conceptualising tourism as a local economic development function and it has been aligned with visitor information centre and marketing functions (Carson, Beattie & Gove 2003). This is largely a result of local government’s response to the marketing and branding emphasis of regional and state policy and the availability of co-operative funding for marketing local tourism products and services. But sustainability debates challenge this traditional view. Tourism is a cross-cutting policy issue that requires multidisciplinary and multi-sectoral treatment. Its impacts and management implications often extend across the entire gambit of council functions. Accordingly, in order to achieve sustainable tourism, its location within a council’s organisational structure and the way it is managed and transcends internal organisational boundaries is important (Dredge 2001a).

Tourism Management as an Emerging Concern

The extent of local government involvement in tourism varies considerably because of the diverse characteristics of local governments, the extent of existing tourism development and the capacity and growth potential of the industry. The widely held view is that local government involvement largely depends upon the extent to which tourism contributes to the local economy. Local governments, whose economies are more dependent upon tourism, have tended to be more involved in supporting and encouraging tourism because there is political interest to do so. But this is beginning to change.

The nature and extent of local government involvement in tourism is increasingly considered as part of a broader and more holistic view of local government’s role in creating liveable, vibrant and sustainable communities. The development and management of a viable tourism industry can contribute to the broader development and maintenance of community well-being and liveability in tangible and non-tangible ways. For example, employment generated from tourism activity has a direct benefit for the economic well-being of the community. Indirect benefits accruing from increased employment include civic pride, a heightened sense of community and a positive view of the future. While these benefits are intangible, they nevertheless contribute to community well-being in important ways.

That said, while tourism can contribute to community well-being, it is not axiomatic that it do so. Increased tourism can also promote community stress, congestion and ill-feeling towards visitors. To create successful outcomes for local government requires careful and thorough planning based on responsible public policy and innovative, diligent and careful administration.

Issues in Local Government Tourism Management

Within the context of this broad shift from a bureaucratic model of government focused on servicing property owners to a broader mandate to improve and manage community well-being, there has been considerable variation in tourism management approaches adopted by local governments. These different approaches emerge in response to a range of barriers and opportunities that present themselves and that originate from external and internal drivers of change (see Chapter 5 and the Assessment Tool for further discussion). Here, it is useful to identify some of the main issues and challenges facing local government with respect to tourism management before we explore these external and internal drivers for local tourism management.
Governance and organisational issues

As previously discussed, local government has undergone transcendental changes in the way it undertakes its functions since the early 1990s. Local governments, as with other levels of government, are being encouraged to adopt private sector management principles and organisational structures in an effort to improve efficiencies (Davis 2001; Edwards 2002). In particular, the National Competition Policy introduced in 1995 has had a profound effect on the way that local government undertakes its responsibilities, but more about this later (see Chapter 5).

Tourism is one emerging area of policy that does not fit well within traditional council structures. That is, managing the visitor information centre requires public-private partnership, funding marketing efforts is a local economic development issue, managing the impacts of visitors is a social or community planning issue, and addressing development and land use conflicts are planning issues. Clearly flexibility is needed for aspects of tourism to be managed differently. So where should tourism fit into council structures? What priorities should tourism receive relative to other competing issues? How should it be funded? How should governance structures be set up to allow community, private sector and NGO involvement and partnership building? These are all issues with which councils grapple, and for which there is minimal research, case studies and policy direction.

In a study of three British local governments, Thomas and Thomas (1998) examine the implications of the shift towards governance on tourism management. The assumption underpinning their research was that under new governance structures, tourism is one area of policy that would benefit from improved management. Given that British local government has similar historical underpinnings, these lessons may be useful in the Australian context. They found that:

- Local authorities tend to adopt an ‘enabling’ role rather than direct provision or management consistent with new governance approaches;
- Co-operative relationships between public and private sectors are essential for effective tourism development yet approaches varied widely. Council structures and operations limited the degree of flexibility and entrepreneurship that officers were able to exhibit;
- Established enthusiasm and expertise often dissipated with the transfer or departure of staff and corporate capacity and governance was affected by these movements;
- Under the push to implement governance, transformation of local government was uneven. In tourism, institutional inertia and vested interests tended to maintain the status quo and tourism remained marginalised in organisational change; and
- Tourism remained at the margins of professional and political concern despite the changes to local governance.

Although there is no research in Australia, it is likely that findings would be similar here. The researchers have noted increased interest by elected representatives and local government officers in the local organisation of tourism and implementing a more cross-sectoral approach to its management.

Barriers to effective tourism management

Research in Australia has found that local governments have been increasingly challenged to do more with less funding and tourism officers have been challenged to find innovative ways of achieving results through public-private partnerships and the development of expertise, innovation and leadership within the community (Carson, Beattie & Gove 2003; Dredge 2003). However, developing and maintaining expertise is a problem. McKercher and Ritchie (1997) found that local tourism officers were predominantly young, inexperienced graduates with little knowledge or working experience of local government. There was high turnover of these officers principally because of the highly charged political environment in which they worked. This, of
course, has important implications for the building of corporate expertise, memory and knowledge.

Dredge (2001b) identifies a number of barriers to effective tourism management from a local government perspective, including a lack of:

- Community involvement;
- Resources;
- Research, information and knowledge sharing;
- Commitment to implementation;
- Co-ordination and communication amongst stakeholders; and
- Technical expertise.

While local governments are diverse and these barriers play out differently, it is important to recognise the potential effects of such barriers. These factors are a starting point to explore the particular barriers and opportunities within your destination.

**Framing tourism**

The way tourism is framed in the organisational context and its political importance within the community has important implications for tourism management. Traditionally, tourism has been conceptualised as a tool for local economic development and has been located within the economic development units of councils. Activities such as investment attraction, small business development, marketing and promotion have been the natural consequences of this structural location. Moreover, since processes of globalisation have stimulated a restructuring of local and regional economies, tourism has increasingly been seen as an economic replacement activity in many industrial and agricultural centres now facing economic and population decline. Newcastle (NSW), Wollongong (NSW), Fremantle (WA) and Broken Hill (NSW) are notable examples. In a study of Victorian local governments, Carson, Beattie and Gove (2003) found that the economic conception of tourism dominated and that this tended to influence thinking about how tourism should be managed. Their findings include:

- Most local governments considered tourism a legitimate area of concern.
- Tourism units were generally located within the local economic development division of councils, indicating that tourism was primarily perceived as a driver of economic development.
- Integration of tourism within the wider business of council is generally limited. One third of councils responding to the survey claimed that tourism did not feature in any council plans.
- A large majority of councils indicated that they had a tourism strategy, indicating a commitment to tourism.
- There appeared to be a lack of integration and understanding about how tourism fitted with other council roles and responsibilities outside economic development.

However, not all local destinations view tourism as an economic development tool. In some cities, towns and shires, tourism is a feature of the local economy, lifestyle and community culture. In these locations, tourism is often conceptualised not simply as an economic activity but as a social, recreational or community function and, as a consequence, is located within the community development unit of the council. Some councils have combined community and economic sectors.

By examining local government organisational structures it is possible to better understand how tourism is framed within council’s activities. Figure 1 shows the way in which some local governments have framed tourism. These organisational charts are presented for illustrative purposes only and are not necessarily intended to denote examples of good practice. Of course, caution is needed. Examining organisational charts alone provides limited insights.
In Figure 1(a), tourism is considered to be an economic development and community function. Noosa Shire in Figure 1(b) provides an interesting example of a situation where tourism permeates many of council’s functions and organisational units. Interestingly, in Byron Shire, tourism is a major driver of change and yet it is not explicitly identified within the organisational structure.

**Figure 1: Location of tourism in local government structures**

(a) Bass Coast, Victoria
ACHIEVING SUSTAINABLE LOCAL TOURISM MANAGEMENT

(b) – Noosa Shire Council, Queensland

NOOSA COUNCIL PLANNING FRAMEWORK

Noosa Council Corporate Plan 2006-2007

Community Vision 2015

Noosa Shire is an inclusive Community renowned for its creativity, innovation, vision and entrepreneurial spirit where sustainability underpins excellence. The key principles that underpin the vision are: Social cohesion and community well-being, a strong, sustainable economy, environmental excellence and sustainability, Arts and cultural diversity and excellence. A commitment to maintaining a sustainable population, quality, liveable and resilient infrastructure, and maintaining the “Noosa Style”

Mission

Noosa Council – innovative and effective leadership that facilitates preferred community outcomes

Community Boards Sector Plans

Environmental
Economic
Social
Arts & Heritage
Tourism

Regional & Local Issues

Environment Theme
Goals/Objectives
1. Biodiversity, Flora & Fauna, Nature
   Habitat
2. Catchment
   Waterways & Lakes
3. Natural Forests
4. North Shore
   Management Plan
5. Marine 
   Beaches and
   Boating
6. Climate
   Change
7. Sustainability
   Sector Board
   Plan – Human
   Sustainability
   Water, Conservation & Quality, Waste, Culture & Entertainment, Heritage
   Tourism, Planning

Economic Theme
Goals/Objectives
1. Economic
   Growth
2. Technology
   Economic Development
3. Regional
   Tourism
4. Economic
   Sector Board
   Plan
5. Farm Forestry
6. Physical
   Infrastructure
7. Commercial
   Development
8. Transport
9. Waste
10. Sewer
11. Public
    Relations

Social Theme
Goals/Objectives
1. New Planning
   Scheme
2. Demographics
3. Social Sector
   Board Plan
4. Tourism
   Leisure & Recreation
5. Community
   Environment
   Sustainability
6. Mobility & Access
7. Public Health
8. Safety & Security
9. Housing, Life
   Long Planning
10. Wellbeing
    Development
11. Policy

Arts & Heritage Theme
Goals/Objectives
1. Arts Sector
   Board Plan
2. Tourism
   Sector Board Plan

Governance Goals/Objectives
1. Planning &
   Environment
   Council Approvals
2. Communication
   & Consultation
3. Customer
   Service
4. Organisational
   Capabilities
5. Human
   Resources
6. Management
   Corporate
   Performance
7. Financial
   Stability
8. Systems & 
   Processes
9. Council
   Businesses
10. Community
    Governance

Strategic Management of
the Organisation
Goals/Objectives
1. Leadership
2. Strategic U&M
3. Strategic Risk
   Management
4. Organisational
   Capabilities
5. Human
   Resources
6. Management
   Corporate
   Performance
7. Financial
   Stability
8. Systems & 
   Processes
9. Customer
   Service
10. Communication
    Approvals

Operational Plan & Budget

Performance Measurement

Operational Plan & Budget

Source: Noosa Shire Council 2006 p.29
Other issues

Interviews with participants associated with this research revealed a number of additional issues that local governments were struggling with, including:

- Lack of clearly articulated roles and responsibilities of stakeholders and lines of communication between those involved in tourism planning and management;
- Parochialism and conflict in and between communities of interest at both geographical (i.e. local, regional scales) and sectoral levels;
- Issues of public interest and equity with respect to who contributes to tourism and who receives the most benefit;
- The local organisation of tourism and, in particular, the structure and nature of relationships between local government and the local tourism organisation;
- The level and type of LTA support provided by councils;
- How data and other information is collected, collated and disseminated at the local level; and
- The difficulty of building corporate knowledge and learning, and consequently, challenges associated with promoting innovation and entrepreneurialism.

Approach to Local Tourism Management

In a 1994 study of local governments in the United Kingdom, a number of good practice principles were identified (Long 1994). These included:

- Developing partnerships with the private sector, other agencies and other local authorities;
- That tourism should exist within an integrated department;
• Involving local people;
• Making publications and visitor information centres self-funding;
• Engaging in aggressive promotion;
• Providing quality information that is readily available;
• Enhancing attractions;
• Promoting special events;
• Developing sustainable tourism policies and products;
• Making appropriate funding available;
• Using consultants for specialist advice; and
• Providing training for all staff.

These principles are somewhat generic and can be used as a starting point for discussion. But be aware that not all principles are applicable in all destinations. It is necessary to further define your local approach to tourism based on careful consideration of local priorities, available resources and expertise and the capacity of the local industry. The activities presented in the Assessment Tool will allow you to think about these local considerations. But before we move on it is important to outline some basic strategies that underpin good tourism planning and management. These strategies complement the principles outlined in Chapter 1 and are based on the review of literature and insights gained from the case study research conducted as a part of this guide. Local tourism management should:

• Be integrated within other local government functions;
• Anticipate change and be strategic;
• Address spatial considerations in addition to the more traditional marketing and promotion activities; and
• Identify and address location-specific issues and problems.

These ideas are discussed below.

**Integrating Tourism With Other Local Government Functions**

Based on this and previous research, it is apparent that local governments are faced with a range of challenges to the effective planning and management of tourism at their destination level. The most important challenge is that of integrating the management of tourism with other functions and activities of local government. Table 2 indicates some areas of local government responsibilities as they relate to tourism. Other parts of this Guide, including, the Assessment Tool, provide information that supports or is complementary to this table.

This table clearly illustrates the overlaps between tourism and other local government functions. If indeed the findings of McKercher and Ritchie (1997) still hold true and local tourism officers are generally young and inexperienced in the workings of councils, then there could potentially be a lack of expertise and capacity to manage tourism as a cross-cutting policy issue. Council officers charged with tourism responsibilities need to have a good understanding of the entire gambit of council functions and have knowledge of the process through which issues are raised and debated and decisions are made. Tourism officers need to have an understanding of the business aspects of tourism, but also the spatial land use planning consequences and impacts, environmental implications and community concerns.
Table 2: Local government responsibilities relating to tourism

<table>
<thead>
<tr>
<th>Local Government Roles and Responsibilities and Areas of Planning and Policy Development</th>
<th>Potential Influence on Tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure provision and maintenance</td>
<td>Transport infrastructure may shape access to the destination and travel patterns within the destination. Basic infrastructure capacity (e.g. water and sewerage) may shape the destination’s capacity to absorb tourists and may limit development.</td>
</tr>
<tr>
<td>Land use planning</td>
<td>Development assessment and strategic land use planning influences the built character and spatial integration of the destination.</td>
</tr>
<tr>
<td>Environmental management</td>
<td>Protects and preserves unique environmental features of a destination and manages visitor pressures on natural resources.</td>
</tr>
<tr>
<td>Open space planning and management</td>
<td>Protects and conserves open space, influences the character and amenity of the destination and helps create a ‘sense of place’.</td>
</tr>
<tr>
<td>Public health and safety management</td>
<td>Protects and enhances visitor satisfaction, destination image and quality.</td>
</tr>
<tr>
<td>Local economic development</td>
<td>Encourages synergetic economic activity, the development of appropriate tourism business and support services.</td>
</tr>
<tr>
<td>Education, training and employment</td>
<td>Influences quality in the delivery of tourism services and facilities.</td>
</tr>
<tr>
<td>Tourism promotion and marketing</td>
<td>Fosters branding and destination image development.</td>
</tr>
<tr>
<td>Arts and cultural development</td>
<td>Encourages the development of unique and positive sense of community and belongingness attractive to tourism.</td>
</tr>
<tr>
<td>Community development</td>
<td>Encourages a community supportive of tourism activity and enterprise.</td>
</tr>
<tr>
<td>Human services</td>
<td>Encourages positive attitudes and improved service delivery.</td>
</tr>
</tbody>
</table>

Thinking Strategically About Tourism

The strategic approach to tourism planning and policy development embraces a forward-looking and anticipatory style of tourism planning and policy making. The strategic plan is a document which guides future directions, activities, programs and actions (Hall 2000). The aims and values embedded in strategic planning can vary, depending on the organisation undertaking the exercise, and different ‘genres’ of strategic plans have emerged. For example, a strategic business plan focuses on enhancing competition and improving business development outcomes through the identification of business clusters, market differentiation and synergy building. The main foci of these exercises are on growing tourism markets, on improving the alignment between supply and demand and enhancing competitiveness and investment potential. In the 1960s and 1970s, spatial tourism plans were developed in some states/territories for some destinations. These plans laid out a preferred pattern of spatial development that was then reflected in statutory planning documents. However, developers, investors and the business community had no commitment to such plans and they were poorly implemented (Dredge 2001b).

In considering the nature and focus of strategic tourism planning in local destinations, a number of attributes emerge from the literature and from our analysis of case studies. Strategic tourism plans should:
• Be based on an analysis and evaluation of the strengths, weakness, opportunities and threats facing a destination’s development;
• Identify and incorporate directions for enhancing local tourism competition;
• Seek to match tourism product supply with demand now and in the future;
• Be prepared in consultation with a wide range of stakeholders;
• Contain a long-term vision and short-term measures to achieve it;
• Recognise that council’s mandate is broader than economic development and thus should incorporate the social, cultural and environmental dimensions of sustainable development;
• Anticipate and address uncertainty; and
• Be strategic and contain structures and processes of evaluation and renewal.

The emphasis on fairly narrow strategic economic development is evident in tourism policy across Australia. For example, the emphasis has been on enabling and facilitating business and industry interests, and marketing and promotion to improve destination competitiveness. Policy and planning have taken an economic and financial focus and the preparation of master plans or spatial policies is a rare occurrence. Unfortunately, branding, marketing and facilitation alone cannot create the sense of place necessary for a vital tourism industry. Spatial strategies are also needed to promote destination cohesion, a sense of unity and uniqueness, and cognitive understanding of the destination.

**Spatial Destination Planning**

The destination spatial master planning tradition emerged during the 1960s and was popularised by, among others, Clare Gunn’s seminal texts *Vacationscape* (1972) and *Tourism Planning* (1988, 1993 and with Var 2002). This approach incorporates destination site analysis and facility planning and was generally consistent with the dominant technocratic and centralised approaches to planning at the time. The destination was conceptualised as a spatial planning unit comprising a number of elements including:

• A *gateway* that marks entry and exit to the destination region;
• A *community* that services and supports the destination region;
• *Access routes* or linkage corridors that facilitate movement throughout the region and connections to other regions; and
• *Attraction complexes* which comprise a range of features and unique experiences that draw tourists to the region.

Spatial planning exercises draw most criticism from their difficulty in implementation. In most cases, implementation depends on the agreement and goodwill of private sector investors. It also requires close alignment between private sector goals and interests and the spatial plan. In other words, the heavy hand of bureaucracy cannot make the destination develop according to a plan that has been developed with limited consideration of market and economics. Planning critics observe that spatial planning has received little attention over the last 20 years. Instead, planning has focused on issues, places and has been outcome-oriented. Tourism planning in particular has focused on empowering industry, marketing, and being consultative. As a result, the focus has not been on the future, but on process, service delivery, and benchmarking and measurement. Current practice generally reflects a situation where long-term, big picture issues about the way destinations develop, their spatial synergies and their sense of uniqueness have not gained the attention they deserve.

Land use planning can greatly assist in shaping the spatial qualities of a destination and in creating and maintaining a unique sense of place. Moreover, spatial planning can foster private sector investment in appropriate locations. Land use planning regulations
can also be used to protect environmental and landscape amenity and shape aspects such as heritage, architectural integrity, landscaping and urban design.

**Issues-Based Planning**

Issues-based planning and policy development draws its inspiration from incremental approaches to planning and policy development (see the Assessment Tool). In this approach, tourism planning and policy are driven by the issues that emerge from time to time and the search for solutions to those issues. These issues are dealt with incrementally and while there might be a general approach to tourism management, issues are not necessarily linked or seen to form part of a broader framework for management. Such localised issues may include:

- Holiday letting and its impacts on local residential communities;
- Managing parking and traffic congestion;
- Minimising the impact of events and festivals;
- Regulating bed and breakfast accommodation;
- Managing impacts of coastal development;
- Preservation of scenic quality and landscape amenity; and
- Tourism signage.

The difficulty of managing tourism on an issues basis is exacerbated by the fact that tourism is multi-sectoral and related or similar issues may emerge in different sectors and departmental units of a local council. Unless communication channels within council are good, these issues may be dealt with quite independently. For example, the management of caravan parks as a business function of council may be dealt with by one section and yet there are strategic land use and tourism marketing issues which may emerge from time to time in other sections of council.

While the importance of dealing with issues in a timely manner is recognised, this issues-based approach, if not co-ordinated and held together by a strategic plan that provides overall vision and direction, can be quite fragmented.

**Conclusions**

This chapter has examined the expansion of local government roles and responsibilities and the impact of these changing roles on tourism. Based on a review of literature and drawing together observations of practice, we have identified issues in local government tourism management that include governance and organisational issues, barriers to effective management, variations in the ‘framing’ of tourism and a range of other issues. Following on from this the chapter discussed various approaches to managing tourism that were derived from literature. We then described elements of our own strategy for local government tourism that included thinking strategically, thinking spatially (in addition to the marketing and promotional approaches that local government traditionally adopt) and identifying and addressing specific local issues. From this chapter we see that local government roles and responsibilities are dynamic and shaped not only by legislation but a range of other influences outside the direct control of local government. The challenge for local government is to manage these responsibilities and make hard decisions about what can be done and what can not. Remembering that there are more extensive exercises in the Assessment Tool, take a minute here to consider the following questions:

- Where is tourism situated within your council’s organisational structure?
- What are the key issues and challenges facing your particular local government?
- What is the key legislation that is relevant to the development and management of tourism in your local government area?
Finally, the discussion in this chapter has been mainly concerned with local government legislative roles and responsibilities, i.e. what they are supposed to do. The next chapter examines what might be termed ‘drivers’ that influence local tourism management.
5. DRIVERS OF LOCAL TOURISM MANAGEMENT

This chapter examines the drivers that influence how local governments manage tourism. A distinction can be made between external and internal drivers of change. External drivers are those factors that are derived from events, conditions and circumstances that originate from outside the direct control of local government. Identifying external drivers are important because they influence, directly and indirectly, local government responses. Internal drivers are those influences that are derived from events and circumstances inside the local government area and over which councils generally have more control. Clearly there is some overlap between internal and external drivers. Having a clear understanding of these drivers enables local government to better respond to the challenges associated with local tourism management.

The development of good local government tourism management frameworks and practices requires a holistic evaluation of the factors influencing tourism and its management. These influences, shown in Figure 2, overlap and intersect.

![Figure 2: Influences on local government approaches to tourism](image)

How these influences develop and change over time is an important historical dimension that guides, sometimes indirectly, current thinking. In other words, it is important to reflect and to recognise the impact of historical antecedents on current issues and management challenges. Different communities of interest may also process these influences differently. Depending on the ideas, values, attitudes and resources of the various stakeholders involved, these influences may be more or less important. So, recognise that different communities of interest will be influenced by different issues and motivated by different agendas. A thorough investigation of these issues must underpin the development of an effective local government tourism management strategy. These influences are discussed below.
Ideological Influences

Ideological influences are deeply embedded in the values, ideas and behaviours of different stakeholders and individuals. These influences may include:

1. **Ideas about the relationship between local government, tourism businesses and the community**: The nature and extent of local government involvement in tourism is derived from ideas about community expectations, industry interest and the particular brand of democratic participation that is practiced. In Australia, and around the world, new forms of democratic participation are receiving increasing attention and experimentation (e.g. Raco & Flint 2001). Traditional public consultation exercises are being evaluated and communities are seeking new ways of expressing their interests and concerns at different stages throughout planning and policy-making processes. Collaboration and partnership building are increasingly being used within the tourism industry to organise interests and further particular agendas.

2. **Ideas about the level and type of intervention appropriate for tourism**: The nature and level of local government involvement in tourism and the nature of intervention considered appropriate are issues that can have a profound impact upon local tourism management. Intervention exists on a continuum between direct and indirect government involvement (Bodlender, Jefferson, Jenkins & Lickorish 1991) while the types of policy instruments that can be employed vary from market mechanisms such as eco-labelling and accreditation to direct government involvement such as the provision of tourism products and services.

There are many overlapping and intersecting approaches to the management and development of tourism, especially in relation to other community priorities. Aspects of this were discussed in Chapter 1 using the concept of 'platforms'. Another structure that has been developed from the research follows; it can be read in conjunction with the six platforms of Chapter 1.

- An *economic, industry-oriented approach* assumes tourism is a tool for economic development and employment generation, and industry support will enable economic benefits to be maximised;
- A *physical spatial approach* assumes a supply-driven master plan will drive tourism development and management;
- A *community-oriented approach* assumes the community should be in control of tourism planning and management to mitigate negative impacts and promote the positive impacts on host communities; and
- An *integrated sustainable approach* assumes that tourism is multi-sectoral and requires integration across governments and policy domains. (Adapted from Getz 1987; Inskeep 1991)

3. **Ideas about the role of local government**: Local government involvement in tourism is also influenced by prevailing ideas about the role of local government within its broader context. Centralised, technical, bureaucratic master planning has been replaced by an emphasis on deliberation and negotiation between public and non-public sectors (White 2001). Collaborative planning and partnerships are increasingly important (Bramwell & Lane 2000) and attention is also being turned to developing institutional and social capacities (Macbeth, Carson & Northcote 2005).

Appreciating the complexity of the system in which local tourism management takes place is the first step in encouraging improved tourism management. In order to do this, it is first useful to identify a number of broad influences that shape the way tourism is dealt with by local government.
Environmental, Social, Political and Economic Factors

Broad social, political, economic and environmental trends influence the way in which tourism is perceived and valued in a destination community and in turn how it is addressed by local government. Tourism is frequently identified as a tool for local economic development, employment generation and investment attraction. More recently it has been argued that tourism can also be a tool for improving community well-being (Murphy & Murphy 2004). The interplay of social, economic and environmental conditions can have a profound impact on the perceived importance of tourism and the relative power of different interest groups within the destination (e.g. Dredge 2001b, 2006a). Of course this also plays out in the political arena to influence council priorities.

Globalising forces are contributing to regional economic restructuring and this is having an enormous impact on the way tourism is being addressed in non-metropolitan areas. Studies examining the implications of global-local relations suggest tourism has been used as a tool for local economic development, economic diversification and place-making to counter the effects of globalisation (e.g. Dredge & Jenkins 2003). For example, in de-industrialising towns such as Newcastle and Broken Hill, tourism is being used as a means of diversifying local economic activity and employment creation. In regions where agricultural production is declining in importance (e.g. cane lands and forestry areas), various forms of tourism are mooted as possible replacement activities. However, one needs to be aware that reorienting the economic base of local communities is not a simple process and local resources and people need to have the capacity to adapt. In this context, tourism is a tool used to assert the special qualities and unique features of a place, which in turn supposedly improves the prospects of attracting external investment. In addition, creating a strong sense of place through the development and marketing of tourism can improve the attachment and sense of belonging of the local population, with positive benefits for community well-being and satisfaction.

Population growth and shifts in the demographic characteristics of the local population can also influence local government involvement in tourism. In Australia, for example, traditional seaside towns and coastal areas have become increasingly subject to urbanisation from people seeking a lifestyle change. Seaside communities once subject to seasonal tourism visitation are now experiencing high levels of urbanisation especially from people approaching or in retirement. The changing socio-demographic characteristics of these communities have resulted in shifting political importance of issues and agendas of local councils. Some local government areas, once heavily involved in tourism, are becoming increasingly concerned with servicing residents and managing population growth. A reduction in the political importance of tourism ultimately filters through to affect tourism’s place on local government agendas (Dredge 2001a).

Increasing environmental awareness is also a factor contributing to local government interest and involvement in tourism. Protected areas are particularly important tourism resources and these range from locally protected to World Heritage protected areas. World Heritage listing vividly illustrates that the status of environmental protection has an important influence upon the level and types of tourism that can be expected and, subsequently, the demands placed upon local government in the planning and management of tourism. For example, in the Wet Tropics World Heritage area, the iconic nature of the World Heritage listing means visitation can be very high. While environmental protection itself is a responsibility of higher levels of government, significant responsibilities and the extra burdens associated with servicing the visitor population often fall on local government (see Dredge & Humphreys 2003). Frequently these protected areas are located in rural areas and, due to a small population base, there is less revenue to support such additional responsibilities.

These social, economic, political and environmental conditions influence the relative importance of tourism on local government agendas. Moreover, the level of political
support for tourism will influence the public resourcing, both financial and in-kind support, of tourism (e.g. Hall 1994; Hall & Jenkins 1995). In this context the following observations can be made:

Social, economic and political trends affect the importance of tourism in local communities and therefore the relative importance of tourism on council agendas. For example, in many sea-change communities across Australia, communities that were once dependant upon tourism are transforming into lifestyle communities where tourism is seen as a negative threat to well-being and quality lifestyle.

The benefits of tourism as an economic driver can increase the political salience of tourism as a positive force in local communities. However, the same is also true for negative impacts of tourism. The negative impacts of tourism development often become contentious in small local communities (e.g. Byron Bay, Fremantle) thus raising the political importance of tourism in a negative way.

Considering the relationships and connections between the local industry and elected representatives provides insights into the political importance of tourism. It is also important to understand changing demographics and perceptions of the role and perceived needs of businesses, all of which can have an impact on the voting patterns for local councils.

Institutional Arrangements
A range of external and internal drivers has been influential in recasting roles, responsibilities and structures of local government. Within this context there are a number of factors that may influence local government involvement in tourism.

The growing dominance of neo-liberal economic management philosophies has had a significant impact on local government. These philosophies have emphasised cost efficiencies and effectiveness of policy development and service delivery. At the same time, growing awareness of the complexity and overlapping nature of many policy issues has seen an expansion in many areas of government involvement. In other words, governments are trying to do more with less. Under these conditions governments are increasingly adopting the role of the ‘enabling state’, facilitating the private sector to carry out many activities once considered to be the direct responsibility of government.

These broad shifts have resulted in a number of changes to the way that local government conducts its business. These changes include:

- A move away from the technical and bureaucratic dominance of local government to a more inclusive participatory style of engagement with diverse communities of interest. In this new practice, partnerships between private and public sectors are established (Healey 1998; White 2001).
- A drive to emulate the private sector financial management approaches in public sector activity (Orchard 1998).
- Adoption of a series of values that mimic private enterprise, including benchmarking and developing indicators for service delivery and entrepreneurialism (Imrie & Thomas 1995).
- Growth in the contracting (outsourcing) of services (Orchard 1998).
- Increased emphasis on value for money in determining spending priorities, which in turn has given rise to increased competition between arms of the local state.

The National Competition Policy is a set of agreements between Australian governments that was introduced in 1995 with the intention of reforming laws that restrict competition and address concerns about government inefficiencies (National Competition Council
Phase 1 - Practitioners Guide

1995). The policy agreements required that governments introduce competitive practices with a view to improving public benefit and increasing efficiency. This initiative has had a significant impact on the structure and operations of all governments, and local government in particular. Competitive tendering and contracting have been introduced and many councils have restructured to reflect a split in local government functions between provider and purchaser (Worthington & Dollery 2002). The most commonly contracted out services include recycling, garbage collection, cleaning, drainage, childcare centres and elderly care services (Evatt Research Centre in Worthington & Dollery 2002). The tourism function of local councils has come under scrutiny with the contracting out of visitor information centre services and some local economic development functions such as event organisation.

Orchard (1998) argues that the challenge is to focus on creative treatment of relationships between the market economy, civil society and the state. These three realms are building blocks for the creation of effective governance (see Chapter 1).

Social, Political and Cultural Capital

The term social capital is often used to refer to the social ‘strength’ of a community, a bank of resources that can contribute to development activities. We argue that it is also important for local government to recognise political and cultural capital in understanding the nature of a community and how tourism can both benefit from and contribute to social, political and cultural capital. It works both ways (Macbeth, Carson & Northcote 2005).

Social capital is usually understood as referring to the interpersonal networks and associations that exist in and between families, communities and organisations. It is sometimes seen as the glue that holds communities together, that makes them work as communities and not simply a collection of people and organisations. These networks of relationships can contribute to tourism development and, likewise, good tourism planning will strengthen communities and the networks.

In understanding the potentials of communities and settlements, we often talk about natural and human capital, alongside economic capital, of course. Putnam, in making a distinction between social capital, physical and human capital, remarks:

Whereas physical capital refers to physical objects and human capital refers to the properties of individuals, social capital refers to connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them. (2000: 19)

One of the reasons local government is increasingly involved in tourism policy and planning is the demand by communities to take account of the needs of those communities when tourism is being developed. This concern has arisen, in part, because of the dominance of economics in our political arena.

Its use has ... arisen from it becoming disturbingly clear to many people in society that economic growth (i.e. economic capital) has not in and of itself led to a ‘better’ society. This has led theorists to search for other ways of understanding contemporary society in order to provide balance to the current economic ideology. So, social capital
is about networks, about relationships and about reciprocity. 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’. (Macbeth, Carson & Northcote 2005)

In understanding your local government area, or destination, you can better understand the dynamics of policy and planning by being aware of the social capital networks. For example, distinction between horizontal and vertical associations will allow you to better understand the strength of your community as well as the potential for learning from and working with other organisations and regions.

**Political capital** is mainly about the degree to which local communities have control over resources, which is often a reflection of the amount of political activity, including local engagement through various voluntary associations.

Political capital is also important to understand in policy and planning, both of which are essentially political processes. It can be understood in terms of political interest and activity in a region along with the general attitudes toward government. Political capital can be an important dynamic in tourism policy and planning and can either facilitate or hinder serious and equitable management of tourism development.

It is vital for a sustainable regional tourism industry that local communities exercise a considerable amount of control over regional resources. A political capital approach needs to ascertain how much control a community already exercises over its various forms of ‘capital’ (in terms of its tourism readiness), and ensure that development initiatives preserve or increase that level of control. (Macbeth, Carson & Northcote 2005)

That said, local government, along with other tiers of government, has a responsibility to assess and deal with differential access to resources in a community because of factors such as education, income, public facilities and support services.

This takes us on to cultural capital, a term that immediately evokes issues of indigenous culture and related tourism products. But cultural capital is much more than that in our use of it here because it also includes the ‘culture’ of a destination or region and the interactions and variety of cultural activities in a region.

At the very least cultural capital includes symbols, material artefacts, ideas and ideology, and hence includes what Bourdieu (1986) separately refers to as ‘symbolic capital’. Further, cultural capital is defined as the resources that can be drawn on by people and includes both cultural activities and artefacts. (Macbeth, Carson & Northcote 2005)

Social, political and cultural capital is important, if for no other reason than the networks of relationships and the socio-cultural assets help places to run effectively. Information flow is enhanced and may thus help in assessing opportunities and their risks as well as providing a variety of perspectives from which to understand a policy or planning proposal.

**Local Government Position and Commitment**

Measuring and evaluating the effects of tourism is an important consideration for local governments. How tourism is perceived (e.g. as a community service or as an economic development tool) has important implications for where tourism is located within a
council’s organisational structure and the nature and level of local government involvement (see Chapter 4). Moreover, the way in which local government involvement and support for tourism is framed (e.g. as a community development tool or an economic development tool) has important implications for the ways in which council support and investment in tourism is measured and evaluated.

With the increased emphasis on effectiveness, efficiency and value for money, there have been efforts to evaluate local government efforts against the triple bottom line of sustainable development. Tourism is one area where there has been increasing scrutiny in terms of the best and most efficient approaches for local government involvement. Moreover, because tourism is an area of voluntary involvement, as opposed to local governments’ mandated roles and responsibilities, local government tourism officers increasingly need to demonstrate a range of benefits in order to actively compete for increasingly scarce budget allocations.

In this context, an evaluation of local government involvement in tourism falls broadly into three categories. First, evaluation of the costs and benefits of local government involvement in tourism upon the community, which includes but should not be limited to economic impacts, can be undertaken. Evaluations of the economic impact of tourism have traditionally been used as an argument to increase local government support and funding of tourism planning, promotion and development activities. Without limiting the value of these evaluations, much of this work tends to adopt a ‘boosterism’ discourse, where tourism is seen as a tool for economic development, and as a corollary, community well-being (see Chapter 3). However, economic evaluations of the impact of local government involvement in tourism are not without problems. The challenge of assessing the contribution of tourism to a local community is made difficult by the ubiquitous nature of tourism. Local area data remains relatively scant and unreliable although there are interrelated efforts to improve data collection and availability at the local level.

Against this challenge, the Department of Industry, Tourism and Resources has developed a Tourism Impact Model (TIM) for Australian local government (Commonwealth Department of Industry Tourism and Resources 2004). TIM evaluates discretionary tourist-related impacts, non-discretionary tourist-related impacts and generic growth-related impacts. While this model is useful to some extent as a tool to evaluate and measure some economic impacts of tourism, it only takes into account a relatively limited range of economic and growth-induced impacts. Increasingly, the literature is identifying intangible impacts of tourism ranging from community pride and well-being to cultural and environmental protection.

The second category of evaluations is associated with the social, cultural and environmental implications of tourism. These costs and benefits need to be factored into any discussion when councils are considering their involvement in and their budgetary allocations to tourism. However, social, cultural and environmental costs and benefits are often not as easily quantified and specific attention needs to be given to how such impacts can be measured and made meaningful in dialogues within councils. These may include an examination of:

- The strengthening and revitalising of a sense of community;
- Creating new partnerships between the community and local government;
- Improving community access to services and facilities;
- Strengthening the tourism industry’s responsibility for planning and managing tourism and stewardship of tourism’s resources; and
- Promoting the tourism industry’s capacity for learning, innovation and leadership.

The third category of evaluation is associated with the costs and benefits of local government involvement in the tourism industry, and its cohesion and capacity. Local government has increasingly taken an ‘enabling role’ and as such it is important to
measure the positive and negative impacts of changes in industry capacity. Aspects such as innovation, leadership, vision, cohesion and networking are all dimensions of industry capacity. These effects on the industry itself of supporting tourism are now examined.

**Past Experience and Practice**

**Building Capacity in the Industry**

Any effort to evaluate local government involvement in tourism must also take into account the impact that direct and indirect local government support has on the industry itself. In the 1970s and 1980s when local government became increasingly active in tourism, support tended to focus on rational comprehensive tourism planning, product development and the provision of tourism services (e.g. Bates 1989; Dredge 2001b). During the 1990s, and under the influence of state and territory tourism policy directives (which have included coercive funding arrangements for co-operative marketing), local government tourism involvement shifted towards marketing and investment attraction. Local governments have withdrawn from active involvement in tourism to an indirect role in shaping destinations through investment attraction, place-making, branding and imaging strategies. In most cases, local government support of the industry is via the funding of a local tourism organisation and/or marketing campaigns. More recently still, continued parochialism and strained power relations in local destinations have stimulated the emergence of a new focus on industry capacity building and the fostering of local organisational cultures that embrace innovation, partnership building and communicative action (e.g. Dredge 2001b, 2006b). This new focus is mooted to improve the effectiveness of local government investment in tourism and is believed to have longer-term benefits to the industry and the community than marketing and promotion efforts alone.

In this context, evaluating local government involvement in tourism should also include an evaluation of the effectiveness of the local organisation of tourism. Organisational effectiveness may be evaluated differently depending on goals and objectives of individual members or the organisation as a whole (Palmer 2002). In the case of tourism, where there are multiple stakeholders and the organisation of tourism is generally characterised by a network of private and public sector actors and agencies operating independently within some loose inter-organisational arrangement, there may be a range of goals and objectives at play. Depending on the level of fulfilment of these, the same organisation might be seen to be highly effective by some and not so effective by others. In this context, the evaluation of organisational effectiveness requires decisions to be made about the level at which data is to be collected.

In assessing the effectiveness of the local organisation of tourism, there are also decisions to be made about whether or not objective (e.g. statistical data) or subjective (e.g. opinions of individual stakeholders) evaluation should be used (see Northcote & Macbeth 2005). Where the effectiveness of the organisation of tourism is evaluated in terms of quantifiable ‘objective’ measures, such as growth in visitation or expenditure, difficult tradeoffs between the values of individual measures may be required. To illustrate using an example by Palmer (2002), an association may have been effective in increasing the number of visitors but may not have increased overall profitability. In this case, evaluating the effectiveness of organisational arrangements requires difficult decisions to be made about whether visitor numbers or profitability is more important. In such a case, measures of effectiveness become quite subjective and open to criticism. Moreover, some aspects of organisational effectiveness do not translate easily into this type of quantifiable or objective data. Improvements in community well-being and the development of social capital within the industry are such aspects.
Palmer (2002) argues that the effectiveness of organisational arrangements is best assessed through the perceptions of individual actors and agencies. Individual stakeholders will interpret effectiveness depending on whether the inter-organisational arrangements for tourism are delivering on goals and objectives specific to their organisation. For example, tourism businesses are likely to interpret effectiveness in terms of the extent to which the organisation contributes to growing tourism. Local government might evaluate effectiveness in terms of returns to the broader community. Community groups might evaluate the effectiveness of the organisation in terms of protecting natural, cultural and social resources. However, effectiveness can only be judged through applying your own criteria to quantitative and qualitative data.

The Influence of Historical Approaches

The final set of influences are derived (1) from the administrative history and experience of the local government area and, (2) from the personal experiences of the actors and agencies involved in local government decision-making.

To understand how administrative histories and organisational experiences influence local government involvement in and management of tourism, it is necessary to examine how tourism has been dealt with in the past and why. Dredge (2001a) follows the historical development of local government tourism management in Lake Macquarie, illustrating the dynamic relationships between council, industry and community since the 1960s. Her study illustrates the importance of institutional learning and reflection, as where it is present, local government takes considered and measured responses to tourism management. Where there is no opportunity for reflection and learning, local government tourism management has been ad hoc and reactive.

Characteristics of Tourism in Your Destination

The characteristics of tourism and the destination have a vital influence on local governments’ involvement in and response to tourism. In particular, the issues in Table 3, drawn from literature, may influence the perceived need of local government to be involved in tourism and the appropriate level of support.

Conclusion

This chapter has provided an overview of some of the drivers of tourism development at the local government level and has further illustrated both the changing nature and challenge of Council involvement but also the opportunities provided by tourism development to further enhance the community in general. This guide has been quite ‘theoretical’, although a close reading will have given you a list of tasks and questions that when answered for a local government area will provide a further basis for strategic thinking and planning about tourism. The Assessment Tool will use this understanding to pose further questions and help you reflect on what has been said.
Table 3: Tourism characteristics

| Industry Characteristics | • Size of industry (number of actors and agencies)  
|                         | • Diversity  
|                         | • Level of cohesion  
|                         | • Characteristics of the relational ties between industry actors and agencies  
|                         | • Nature of dialogue between industry players (e.g. collaborative versus conflictual)  
|                         | • Perceived level of expertise within the industry  
|                         | • Presence of leadership  
|                         | • Capacity for innovation, knowledge building and reflective management  
|                         | • Links with agencies outside the destination at different spatial levels (e.g. regional, state and national) |

| Destination Characteristics | • Level of destination development (e.g. developing versus developed)  
|                           | • Diversity of tourism products, attractions and services  
|                           | • Complementarity of tourism products, attractions and services/opportunities for packaging  
|                           | • The spatial arrangement of tourism services and facilities (e.g. clustered versus dispersed)  
|                           | • Level of brand development (e.g. weak versus strong)  
|                           | • Extent of established markets |

| Community Characteristics | • Level of community involvement in tourism (e.g. low versus high)  
|                          | • Level of community support for tourism (low versus high)  
|                          | • Nature and extent of positive and negative impacts of tourism on the community |
REFERENCES


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achieving sustainable local tourism management
PHASE 1 - PRACTITIONERS GUIDE

The aim of the guide is to investigate the issues that local governments face in tourism management and the practices and approaches that have been adopted to address these issues. An investigation and appreciation of these issues is necessarily the first stage in moving towards more sustainable local tourism management.

The assessment tool (phase 2) provides readers with tools, exercises and interrogating questions to better understand tourism management issues in their local destination. This is achieved through the presentation of activities and questions and through the inclusion of vignettes and stories of practice that may inspire alternative approaches to tourism management.

These two documents work together to inspire critical assessment of the challenges, issues and opportunities that local governments face.

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