

## CHAPTER 6

### THE SOCIAL IMPACT OF TOURIST DEVELOPMENT

#### *Tourism and Local Communities*

6.1 In a supplementary submission to the inquiry, the Department of the Arts, Sport, the Environment, Tourism and Territories ( DASETT ) set out the goals of the Commonwealth Government with regard to tourism. It confirmed:

In broad terms, the long-term national tourism goal is to achieve, in close collaboration with industry, the development of a dynamic and competitive industry contributing to economic well-being and an enhanced quality of life for all Australians, consistent with the protection of our natural and cultural heritage.<sup>1</sup>

6.2 An enhanced quality of life for Australians is an important potential consequence of the tourist industry. Of course, like several other industries, tourism is largely dependent on people who are clients and others providing service to those clients. That is, it is an industry dependent on personal contact and, as a consequence, can have direct social implications.

6.3 Further, the cultural effects of tourism will be felt locally. In a paper provided to the Committee by the Australian Tourism Industry Association (ATIA), Dr P. Pearce of James Cook University claimed that the presence of tourists in cities and towns can enhance local cultural life. Dr Pearce pointed out that:

Twenty eight percent of international visitors go to museums and art galleries which helps to subsidise these

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<sup>1</sup> *Evidence*, p. 60

facilities for Australians (DASETT, 1988). Australia's social history is recorded in detail through the operation of quality outdoor museums such as Sovereign Hill and Timbertown. These concentrations are managed in design and operation and reduce pressure on more susceptible environments. Such management efforts in design and control enhance visitor appreciation and preserve the wider resource. Domestic and international tourists support restaurants and theatres, concerts and sports events, thus adding to the social life of residents. Other benefits which may result from tourism development include better transport and communication systems. For many residents the growth of a tourist core to their city adds excitement, leisure opportunities and a sense of civic pride. The regeneration of inner city areas is often due to tourism developments and provides positive benefits for residents, for example the 1988 Expo site in Brisbane.

### *Employment Opportunities*

6.4 One of the major social effects of tourism is its economic impact including its contribution to the generation of employment. DASETT has pointed out that while tourism's share of the nation's GDP for 1989/90 was an estimated 5.1 per cent, tourism provided 5.7 per cent of the available jobs in that year:

Employment attributable to tourism has increased from 333,000 jobs (or 5.2% of the workforce) in 1981/82 to an estimated 441,000 jobs (or 5.7% of the workforce) in 1989/90<sup>(1)</sup>. In March 1989, the then Industries Assistance Commission estimated that a 20% increase in international tourist expenditure created 17,000 jobs while a 3% increase in domestic tourist expenditure created 10,000 jobs. A strong and viable tourism industry will remain a major contributor to continued employment growth. The industry's relatively high ratio of labour to capital and capacity to employ those most affected by structural unemployment, such as the unskilled,

part-time workers and other groups such as Aborigines and women, are important attributes in this regard.

<sup>(1)</sup> Bureau of Tourism Research estimate.<sup>2</sup>

Of course, this level of employment attributable to tourism is not uniform across Australia. The Committee was advised that, for example, tourism contributes 7 per cent of Victoria's gross domestic product and 7.3 per cent of Victoria's employment, about 1.5 per cent greater than the national average.

6.5 It is particularly difficult to quantify the contribution of tourism to the nation's economy including employment. Nevertheless, the Bureau of Tourism Research figure (441, 000) is useful as an estimate. The Committee for the Economic Development of Australia (CEDA) has noted that these jobs involve mainly the hospitality industry, transport and the retail shopping sector. In terms of employment numbers, tourism provides more jobs than the agricultural sector, transport and storage, and public administration and defence. Larger employers than tourism, however, are manufacturing and community services. The following figures have been quoted by CEDA in *Tourism in Australia*:<sup>3</sup>

**Table 6.1: Employment in tourism compared with other sectors end of 1989**

Tourism	448 000
Wholesale & retail trade	1 653 800
Community services	1 362 000
Manufacturing	1 234 800
Agriculture, forestry, fishing and hunting	430 000
Transport & storage	400 000
Public administration & defence	335 000
Total	7 870 700

(Note: this table does not add to total)

<sup>2</sup> *Evidence*, p. 59

<sup>3</sup> *Tourism in Australia*, p. 20

6.6 The social significance of employment growth in a particular industry can depend not only on the actual numbers involved, but also on the economic and demographic context. In a recent publication, CEDA commented:

By providing an estimated 10 per cent of all new jobs since 1982, tourism has been an important generator of additional employment at a time of high unemployment, especially of young people. Tourism has provided jobs in a number of regions where there might otherwise have been little scope for employment growth.

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The hospitality industry is largely decentralised, with a presence in every statistical division of Australia. While the industry employs large numbers of people in and around capital cities, it accounts for a relatively higher proportion of employment in non-metropolitan areas than in city areas. In this way, the industry contributes to diversifying the economic base of non-metropolitan regions and broadening the employment opportunities available in these areas.<sup>4</sup>

6.7 CEDA's observation about the widespread economic benefits of tourism through the Australian community were confirmed by the following comment by Mr R. Spurr of DASETT:

I think we did find, during the latter months of last year when tourism dropped off following the cutback in domestic aviation, that some communities found that the revenue effects of tourism were much wider spread than they had realised. For example, you had very widespread effects in places like Cairns and in areas of Tasmania and central Australia where people who ran laundries, who delivered newspapers or who made bread - a very wide range of industries - who had not previously considered themselves to be in the tourism industry, suddenly found

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<sup>4</sup> *Tourism in Australia*, p. 20

that their incomes were cut very dramatically when tourism numbers dropped away.<sup>5</sup>

6.8 In considering the diversification of the Australian tourist industry farm tourism is notable. The Chair of Australian Farm and Country Tourism, Mrs J. Bowker, told the Committee that farm tourism covers a very wide range of activity:

We cover everything from in-house to cottages to caravans and just day tours ... We probably have got about 500 members Australia-wide, which covers the whole range. In bed numbers, we probably are looking at close to about 3,500 to 5,000 beds. In my own operation I have 25,000 bed nights a year. I generate in my little district over \$3m. When I say 'generate', I am talking about the bus companies because I take large groups and there are quite a few of them around the area. My little area has not much in the way of infrastructure except for two motels.<sup>6</sup>

6.9 In commenting on the farm tourism industry, Dr Philip Pearce of James Cook University suggested in a paper provided to the Committee that studies conducted with farmers who are involved in tourism demonstrate a range of social and economic benefits including employment opportunities on the farm for family members, thus helping keep families and communities together; use and preservation of rural skills, activities and buildings; the opportunity for greater social contact and the economic benefits which in many instances may be critical for maintenance of rural communities.<sup>7</sup>

6.10 Further, in opening the 1988 conference *Frontiers in Australian Tourism*, Senator the Hon. Robert McMullan argued that, being more decentralised than many other industries, tourism provides scope to diversify the economic base

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<sup>5</sup> *Evidence*, p. 85

<sup>6</sup> *Evidence*, pp. 663-4

<sup>7</sup> *Tourism and the Environment*, pp. 9-10

of regional economies; this allows openings for small businesses and community involvement. On the basis of the evidence that it has reviewed, the Committee concurs with Senator McMullan's conclusion that tourism is clearly going to play a key role in the process of structural adjustment which Australia is experiencing, with significant social and cultural benefits.<sup>8</sup>

6.11 Nevertheless, difficulties can arise from employment in tourism. Mr A. Griffiths, Deputy Vice-President of the Broome Chamber of Commerce, told the Committee of the problems that the tourism industry can generate for the workforce of a small town:

... I believe that tourism does have some negatives. The only way those negatives are going to be ironed out is by reducing the cost of visitors to Broome and extending our season over a 12-month period, where the employment opportunities created by tourism are permanent. I used to manage a hotel in this town, and we went from 64 staff in March up to 182 staff in the middle of August. In 1987 we wrote out 647 group certificates. That is not uncommon in the hotel industry in this town.

If we can level out the industry and take away the shoulders, the job opportunities created by tourism are on a more permanent basis and then it does not become a transient trade and one that is very badly serviced because the people employed in it are not qualified.<sup>9</sup>

This problem is amplified by the fact that about 700 people are employed in the tourism industry in Broome from a workforce of about 2,500.<sup>10</sup>

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<sup>8</sup> *Frontiers in Australian Tourism*, p. 4

<sup>9</sup> *Evidence*, pp. 1333-4

<sup>10</sup> *Evidence*, p. 1335

### *Cost of Living and Quality of Life*

6.12 The Committee is aware that communities are affected in different ways by tourist developments and infrastructure. Some communities may have an improved quality of life due to the wider range of facilities available as a result of increased tourism. On the other hand, instances of greater pressure on community resources, and the potential for social disruption were cited as detrimental effects on communities as a result of tourism developments.

#### *Positive Consequences*

6.13 An enhanced quality of life for Australians is an important potential consequence of the tourist industry. There is evidence that tourism has raised the standard of living of local communities. Mr R. Johnston, the President of the Broome Shire Council told the Committee that tourism had been of benefit to Broome in a number of ways including:

- sealed roads into and out of Broome;
- STD telephones;
- television;
- schooling available locally for senior high school students; and
- air-conditioned restaurants and bars.<sup>11</sup>

#### *Negative Consequences*

6.14 In a paper to the *Frontiers in Australian Tourism* conference, Ms A. Gorman, Principal of Social Impacts Pty Ltd, commented that new tourist developments can lead to increased pressure on schools. Potential disadvantages of tourist development also include adverse changes to the cost of living for the community that lives nearby. Ms Gorman's paper suggests that the benefits and

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<sup>11</sup> *Evidence*, pp. 1305-6

costs of developments are distributed unevenly and the costs are sometimes borne by disadvantaged groups. Sydney is an example where there has been systematic closing and selling-off of cheap inner city rooming houses which poor and older single people have traditionally relied on, in favour of tourist accommodation. Older people and those on fixed incomes suffer particularly from psychological and social problems as their way of life is affected by changing patterns and rising prices. Local Councils are also beginning to count the cost to their ratepayers of certain developments, and are increasingly asking developers to share those costs.<sup>12</sup>

6.15 This problem was put to Mr R. Spurr of DASETT in a public hearing. Mr Spurr acknowledged the difficulty and advised the Committee that local governments have to devise ways of ensuring that the cost of infrastructure that would be needed to service tourism developments is built into the initial costs of those developments.<sup>13</sup>

6.16 Notably, the negative effects of tourism developments can be amplified in relation to Aboriginal communities. The Committee heard evidence to suggest that Aboriginal communities were often adversely affected by tourist activity. Some communities believe that they have been excluded from decision-making processes about tourism which has an impact on them.

6.17 When members of the Mamabulanjin Resource Centre were asked to identify direct benefits from tourism for the Aboriginal people of Broome one response was negative: Mr K. Puertollano told the Committee that he did not know of, nor could he see any direct benefits.<sup>14</sup> Ms D. Ifould advised that the only direct benefit she could identify related to ongoing Aboriginal language and culture programs, and exposure to wider Australian society for her community.<sup>15</sup>

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<sup>12</sup> *Frontiers in Australian Tourism*, p. 200

<sup>13</sup> *Evidence*, pp. 85-6

<sup>14</sup> *Evidence*, p. 1343

<sup>15</sup> *Evidence*, p. 1343



6.18 Some community groups can feel the negative effects of tourism dramatically. Ms Ifould advised the Committee of the negative effects of tourism on the Aboriginal community in Broome, including higher prices for most basic items such as food, clothing, furniture, rent and shelter. The cost of real estate also increased, which has meant that local and Aboriginal people have greater difficulty purchasing a home. She claimed that in Broome real estate has doubled and, in some cases, tripled in value.<sup>16</sup>

6.19 Mr S. Albert, a member of the Mamabulanjin Resource Centre, went on to say:

The real crux of the thing about tourism here is that tourism is very racist. Tourism here is catering for non-Aboriginal people. Tourism does not cater for Aboriginal people. When they build places, we do not have a chance to look at who is going to be the contractors or whatever. We do not have a chance to say how tall the building is going to be. We do not have a chance to say where it is going to be. Actually, looking at land everywhere, developers come along here and they say, 'We will bring a Jumbo jet here' or do this sort of stuff - 'We will blow down a hill or put up a five star motel or hotel' or whatever. We do not get that sort of chance.<sup>17</sup>

He warned that the social impact of tourism can be very destructive if it is not monitored properly.<sup>18</sup>

6.20 The conflict between pro-development and anti-development groups in the community was summed up by Councillor R. Hanigan of Broome Shire. Ms Hanigan told the Committee resort developments can be seen to require the most scenic and the most favourable locations, including those which may be favoured by

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<sup>16</sup> *Evidence*, pp. 1343-4

<sup>17</sup> *Evidence*, p. 1344

<sup>18</sup> *Evidence*, p. 1346

Aboriginal groups, conservationists, and by other interest groups within the community. For example, in Broome there has been a widening gap between rich and poor, especially over the last five to eight years. Ms Hanigan told the Committee that community divisions have widened and bitter recriminations and confrontations have developed between those perceived to be 'opposing development' and those who 'push development'. While community forums, such as Developing Broome for the Future in 1988, show that all sectors of the community are united in their concern for the environment and the retention of the Broome culture and lifestyle, no forum exists for communication between the different interest groups, and local government elections have become battles between opposing interests. Dealings between opposing groups are now characterised by suspicion and hostility.<sup>19</sup> Mr S. Albert from the Broome community warned the Committee:

The social impact of tourism can be very destructive if it is not monitored properly.<sup>20</sup>

6.21 With regard to employment, Ms Ifould, Secretary of the Mamabulanjin Resource Centre told the Committee of the limited employment prospects tourism brought in Broome for Aboriginal people. She said:

What we have found when national or foreign investment tourist developers and tourism industry related things come to Broome is that they usually bring their own staff and work crew and there has not been the uniform sort of policy to employ and train Aboriginal people in the industry.<sup>21</sup>

6.22 Commenting on this issue, Mr Coulthard, General Manager of the Cable Beach Club, described the 'buddy system' that resort had implemented. Rather than adopting a specific Aboriginal employment program, the Club has a specific

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<sup>19</sup> *Evidence*, pp. 1354-5

<sup>20</sup> *Evidence*, p. 1346

<sup>21</sup> *Evidence*, p. 1343

local employment program. One of the goals is to develop that base to approximately 65-70 people within the next three years. This will rely on core staff who have been employed over the past two to three years, bringing on people known to them who want to get into the industry.<sup>22</sup> He stated that:

I think one of the things that concerns me about some of the approaches that are being taken in developing Aboriginal training is that not every Aboriginal wants to get involved in the tourism industry and we, as [sic] Aboriginals, have to have the same freedom as anybody else. Neither does every white kid who goes to the white school want to get involved in tourism just because he or she is unemployed. They might be very unsuited for it and better suited for a support industry. But if we can develop a buddy system whereby we have our present core staff who then introduce their buddies and work together with them - bring them along and give them support - then I believe we can develop something meaningful over the long term.<sup>23</sup>

6.23 Mr K. Bromley of South Australia suggested that where Aboriginal people have not participated in tourism, the main reason is that they do not wish to become 'exhibits', a strong feeling held by a large majority of communities. As well Mr Bromley considered that many Aboriginal people do not accept the intrusion into their communities by tours conducted by European operators, who had no empathy with Aborigines except the dollars that could be extracted for selling their interpretation of the culture. Aboriginal people looked upon that intrusion as an invasion of privacy. Mr Bromley stated that one reason Aboriginal people are not entering the tourist industry is that the people and communities have not been able to amass the capital necessary to develop an enterprise.<sup>24</sup>

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<sup>22</sup> *Evidence*, p. 1381

<sup>23</sup> *Evidence*, pp. 1381-2

<sup>24</sup> *Submission No. 84*, p. 6

6.24 Mr Bromley proposed the establishment of an Aboriginal tourist enterprise to overcome these problems. In addition, Mr Bromley recommended that there be established a focal point of Aboriginal-based tourism in South Australia, which emphasised Aboriginal lifestyle, culture, mythology and skills. He believes that this is an area where the establishment of the economic independence of Aborigines could be proffered in their own environment without dislocating the developing communities, nor damaging their cultural heritage. In this context there is a need for a facility to be the centre of, and to co-ordinate, the whole of the State's abundant Aboriginal 'experiences'.<sup>25</sup>

6.25 Mr Bromley advocated government finance for an Aboriginal contribution to tourism through the management of an enterprise. Similar arguments for Aboriginal ownership or control were put to the Committee by others interested in this issue. Mr D. Fowell of the Victoria Archaeological Survey advised that, with regard to his 1989 paper entitled *Cultural Tourism and Indigenous Peoples*, he had sought to get people to think not in terms of economic exploitation, but rather of empowering indigenous people so that they can make decisions about their own cultural sites, have information which will empower them to protect and manage those sites, understand the effects of visitors and the fragility of those sites, and develop skills to market and manage their own enterprises. He stated that this is not happening.<sup>26</sup>

6.26 By contrast, the Director of the Victoria Archaeological Survey, Mr M. McIntyre, suggested that examples were emerging of successful Aboriginal cultural tourism, including the development of the Brambuk Centre in the national park at Halls Gap which has brought together five Aboriginal communities. Those communities are starting to develop a tourist venture with, progressively, Aboriginal people becoming guides for taking people to the art sites in the Grampians.<sup>27</sup>

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<sup>25</sup> *Submission No. 84*, p. 5

<sup>26</sup> *Evidence*, pp. 675-6

<sup>27</sup> *Evidence*, pp. 679-80

6.27 Further, Mr J. Boveington, the Principal of the Northern Territory Open College has noted the involvement of his TAFE college to provide resources for Aboriginal tourism ventures. He has claimed that the college is involved in numerous enterprise development projects; successful examples include silk screen printing, crafts, carvings, painting and weaving. In some centres tourists buy direct from a cooperative or craftspeople, in others a hub centre acts as the marketplace and sales outlet. Open College has been approached to provide management training in the development of cottage industry cooperatives. Some communities are investigating or have developed export markets for craft materials nationally and internationally.<sup>28</sup>

6.28 Mr Albert told the Committee of another example of an Aboriginal cultural enterprise, the Broome Musicians Aboriginal Corporation which is funded 'through the arts board, WA Arts and the Australian Arts, plus donations from other sources'. The Corporation promotes musicians and bands such as Scrap Metal, Gringurr and Gunnedah. It is also involved in supporting a production of Bran Nue Dae which has been an Australia-wide hit.<sup>29</sup> However, Mr Albert also told the Committee that this investment does 'not really' make money.<sup>30</sup>

6.29 While there are some current examples of successful Aboriginal cultural tourism, of which Uluru would be one, the Committee is aware that this is not yet a widespread experience. In a research article, Mr J. Altman has argued that the enterprise option is problematic for the following reasons:

- significant capital resources are needed to establish tourism enterprises and this is a major hurdle for poor people;

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<sup>28</sup> *Frontiers in Australian Tourism*, p. 213

<sup>29</sup> *Evidence*, p. 1342

<sup>30</sup> *Evidence*, p. 1343

- even when Aboriginal interests have discretionary financial resources, tourism enterprises do not necessarily result in economic betterment because the enterprises are usually owned by communities and not individuals and any profits have to be widely distributed; and
- management of enterprises is also an issue because there is a real shortage of competent Aboriginal entrepreneurs, and reliance on outsiders frequently results in financial mismanagement or embezzlement.<sup>31</sup>

He cited an example of this last point:

Perhaps the outstanding example is the Cooinda Hotel in which the Gagudju Association has invested \$5 million. On financial grounds alone this has been a poor investment; it has generated little income for Association members and many of the 300 Aboriginal owners of Cooinda still live on welfare. It could be argued that Cooinda has been a good investment because of capital gains, but the reality is that this asset will never be sold because it was bought to increase the Aboriginal land base in Kakadu and to increase regional political leverage. Cooinda has had a number of problems with management, and in 1986 the Gagudju Association relinquished direct control in favour of Four Seasons that have a management agreement to operate the resort.<sup>32</sup>

6.30 On the basis of this evidence, and in current circumstances, it may be difficult to mount an argument that Aboriginal cultural tourism should rely on Government assistance. Nevertheless, as has been suggested by the Northern Territory Government,<sup>33</sup> greater Aboriginal involvement in tourism should be encouraged and fostered, particularly through assistance with Aboriginal

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<sup>31</sup> *Annals of Tourism Research*, Vol. 16, No. 4, 1989, p. 471

<sup>32</sup> *Ibid.*

<sup>33</sup> *Evidence*, p. 1166

ventures. However, support for such a policy should depend upon the formulation of workable programs.

6.31 The Committee is attracted by the kind of approach advocated in the *Report of the Committee of Review of Aboriginal Employment and Training Programs*. In Recommendation 67 that report advocates that where areas are of Aboriginal significance, policies should seek to maximise Aboriginal control over the nature of tourism development as well as providing opportunities for Aboriginal people to gain significant financial equity and access to employment opportunities.<sup>34</sup> And, as has been advocated by the Principal of the Open College there is a need to ensure that Aboriginal management and involvement in the decision-making process either at a project development stage or in its management, is acceptable to all parties.<sup>35</sup> This view was put by the Northern Territory Government in a submission to the IAC Travel and Tourism inquiry as follows:

#### **Aboriginal Involvement in Tourism and Parks**

Tourists visiting the Northern Territory desire some contact with Aboriginal people so that they can better understand Aboriginal culture and bush skills. As many parks include Aboriginal values, and some include Aboriginal communities, the opportunities exist for some contact. However, any tourism contact with Aboriginals needs to be carefully and sensitively planned to ensure that the aspirations of the Aboriginal people are respected.

Where the Northern Territory manages Aboriginal land for park related purposes, tourism developments and numbers are carefully planned and monitored to ensure minimal disruption to Aboriginal communities. Depending on the type of land tenure, different models of Aboriginal involvement have been adopted. While there is no single route to success, all approaches must ensure full consultation with the affected Aboriginal

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<sup>34</sup> *Report of the Committee of Review of Aboriginal Employment and Training Programs* AGPS, 1985

<sup>35</sup> *Frontiers in Australian Tourism*, p. 217

communities so as to ensure sensitive development and levels of tourism with which the Aboriginal people are comfortable.

6.32 On 12 June 1991 the Commonwealth Minister for Aboriginal Affairs, the Hon. Robert Tickner, called on the tourism industry to involve Aboriginal people more directly in its operations; Mr Tickner was speaking at a major Aboriginal art exhibition on the Gold Coast. The Minister's press release said that tour operators should consult more closely with Aboriginal cultural and other groups in their areas about how Aboriginal people (and what they had to offer) could be incorporated into tourist ventures.<sup>36</sup>

### *Conclusion*

6.33 The Committee believes that there is significant social impact on communities from tourist developments and infrastructure. Accordingly, two things are necessary:

- where appropriate, environmental impact statements for tourist developments must give consideration to social and cultural impacts in addition to any implications for the physical environment; and
- forums must be established at the local government level to enable community views to be considered adequately before tourism developments are approved.

### *Recommendations*

6.34 That there be environmental impact statements, including social and cultural impact statements, for all tourist developments unless there is a successful application to the relevant authority for exemption.

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<sup>36</sup> The Hon. Robert Tickner, *Press Release*, 12 June 1991



**6.35** That before tourism developments are approved, provision be made for community consultation including with the involvement of local government where appropriate.

