The Dynamics of Regional Tourism Organisations in New South Wales, Australia: History, Structures and Operations

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The establishment of regional tourist organisations (RTOs) has been a popular reaction from many governments worldwide as an attempt, among other things, to coordinate tourism planning, development, marketing and promotion among and within local areas. However, there is much confusion and conjecture over the structures and operations of such organisations and subsequently, their relationships with other tourist organisations and the wider organisational environment. This paper examines historical, structural, political and behavioural forces influencing the establishment and operations of RTOs in New South Wales, Australia. Many RTOs are struggling to survive, and support for them, especially at the local level, is not universal. Significant barriers to the successful operations of RTOs are identified. In light of the study’s findings, Pearce’s (1992) conceptual framework for the interorganisational analysis of tourist organisations is not considered to be particularly useful to studies of Australian tourist organisations generally, and of interorganisational relations specifically. Avenues for further research are identified.

If the regional concept is so slippery, how do we decide which tools and methodologies are most appropriate for handling it? (Richardson, 1978: 25).

Introduction

The roles, functions and structures of regional tourism organisations (RTOs), and tourism organisations generally, are the subjects of much conjecture. Despite their widespread activities in developed and developing countries, detailed studies of tourism organisations1 are lacking in what was described several years ago as the now extensive tourism literature (Pearce, 1992). Increasing interest in tourism organisations has provided insights into various organisational functions, structures and networks, but relatively few have critically examined such matters as the histories or organisational cultures of tourism administrations; the values, institutional arrangements and interests influencing their policy- and decision-making processes; and the distribution of power in such processes (e.g. Leiper, 1980; Craik, 1991a, 1992; Pearce, 1992, 1996a–d, 1997; Choy, 1993; Jenkins, 1995; Hall & Jenkins, 1995; Doorne, 1998; Mistilis & Leiper, 2000).

In Australia, tourism organisations exist at every level of government
Federal, State/Territory and many local governments have embraced tourism as a means of expanding economic activity and employment opportunities, especially amid the extensive and well-documented restructuring of the Australian economy. The New South Wales (NSW) State government, for instance, like other States, has gone so far as to establish and substantially support regional tourism organisations, which envelope a collection of local government areas (LGAs) (see Figure 1).

Government interest in tourism is not unexpected. Tourism promises much in the delivery of politically desirable outcomes like employment growth, income generation, multiplier effects and broader regional development. But tourism is also an industry with many associated externalities (Bull, 1995) and, more generally, examples of market failure (e.g. the often stated inability of the private sector to develop coordinated marketing strategies) (see Elliott, 1997, for a detailed discussion of tourism and public sector management).

RTOs in NSW, Australia, are the main focus of this paper. RTOs, many of which struggle to survive, lead ‘lives’ open to influence by a range of factors (e.g. structural, historical, political, behavioural), which are not well documented. This paper, therefore, has four aims. First, to discuss some of the key historical forces underpinning the growth of organisational and bureaucratic activity in Australia until the late 1970s–early 1980s. Australian governments have a long history of engaging in industry support and infrastructure development, and

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hence in public–private sector partnerships, which are key features of the goals and operations of RTOs and other tourism organisations. Secondly, to define the concepts of ‘region’ and ‘regionalism’, and to briefly demonstrate their historical application and subsequent relevance to the establishment and operations of RTOs in NSW. Thirdly, to explain the roles and functions of RTOs in NSW and to identify barriers to their survival. Finally, and in light of this paper’s findings, to reflect on Pearce’s conceptual (1992) framework for the interorganisational analysis of tourism organisations. The paper draws on, among other things, the author’s collective research findings and experiences with RTOs since the late 1980s (e.g. Jenkins, 1993, 1995, 1999). The discussion is timely in at least one sense. At the time of writing, which was shortly after a commissioned study of stakeholder perceptions of the Hunter Regional Tourism Organisation (Jenkins, 1999), Tourism New South Wales was reviewing its regional tourism strategies, which are described in more detail below.

Background

Australia is a Commonwealth (Federation) comprising six States and two Territories. The basic legal document of Federation is the Australian Constitution, which was a British Act of Parliament passed in 1900. The Commonwealth of Australia has a hybrid form of government, combining parliamentary government, derived from British political institutions, with a federal system, derived from the United States (Summers, 1985). The establishment of the federal system of government in Australia in 1901, divided political powers and functions between the six States and the Commonwealth (Lansbury & Gilmour, 1977). Since federation, a three-tier system of government has also evolved (Commonwealth, State and local).

The States were established as colonial administrations during the mid 1800s, and were the first form of responsible government after European settlement. After Federation, the States continued to function under their own constitutions, but retained only some of their powers – namely, agriculture, police, criminal law, price control, traffic regulations, prisons, power and water supply, education, health, town and city planning, and, in the original constitution, Aboriginal welfare. Australia’s Federal Parliament has only limited sovereignty and therefore limited powers, which, in the late 19th century, were seen to be appropriate to a national government, and were enumerated in the written Constitution. They included such matters as defence, posts and telegraphs, currency and coinage, banking, and arbitration in interstate disputes and territories (Summers, 1985).

The Commonwealth has achieved a position of fiscal dominance since federation. At a macro level, the high degree of vertical fiscal imbalance (between the States and the Commonwealth) is a source of controversy and conflict. According to McNeill:

The States have a greater range of functions than the Commonwealth but relatively limited and inefficient revenue raising options to finance these obligations. The Commonwealth, on the other hand, has much revenue raising capacity to finance limited expenditure obligations. In 1993–94, the Commonwealth raised 74% of total taxation revenue and was responsible
for 53% of total public sector outlays (excluding intergovernmental transfers). The States raised 21% of taxation revenues and accounted for 42% of public sector outlays, while Local government raised just over four per cent and spent five per cent of aggregate outlays (ABS, 1994–95; Commonwealth Government, 1995–96: 12. In McNeill, 1997: 25).

The federal division of responsibilities has led to problems of policy coordination in such areas as transport, communications, resources development, resources marketing, energy policy, urban affairs, Aboriginal affairs, and taxation. Tourism has been no exception. Tourism is not explicitly mentioned in the Australian Constitution. As a result, the responsibilities of various levels of government for tourism have developed disjointedly under the divisions of powers that directly and indirectly affect tourism. The lack of specific powers to deal with tourism under the Constitution has resulted in the duplication of government responsibilities and, therefore, disagreement between the States and the States and the Commonwealth (Hall, 1998). For instance, the Northern Territory Government argued in a submission to the Senate Standing Committee on Environment, Recreation and the Arts (1992: 248), that it ‘does not see a significant role or need for the co-ordination of foreign tourist development between the States, including the Northern Territory, by the Commonwealth Government’.

Local government remains unrecognised in the Constitution, though not for want of efforts to address this situation (e.g. in 1988, a referendum to include local government in the Constitution failed to carry). Each Australian State has its own system of local government. Local governments derive their functions from Local Government Acts operating in the States. Those Acts give local governments many legal powers, including the power to deal with development generally and tourism development in particular, and to control health standards and rating structures according to State government frameworks (Jenkins & Hall, 1997). The roles and responsibilities of local government in tourism are not clear or well co-ordinated, with friction between the States and local authorities often arising with respect to the extent and nature of tourism development and marketing (e.g. Hall, 1998; Craik, 1991b). Until the 1970s, the relationship between the Commonwealth and local government was largely limited to road grants. This situation has changed. The financial primacy of the federal government allows it to venture into areas traditionally the responsibility of State and local governments. It can do this by using its constitutional power (Section 96) to ‘grant financial assistance to any state on such terms and conditions as the Parliament thinks fit, including the condition that the grants be passed on to local government and spent in a certain way’. In distributing these grants, equity between councils has been a major objective. This is because although payments from the Commonwealth to the States are made on a per capita basis, ‘the standards to which local councils are equalised within a state may differ’ (McNeill, 1997: 28).

A recent national regional development initiative in which tourism featured was the Commonwealth policy in regional economic development under the former Keating (Labor) government. The release of Working Nation (Commonwealth Government, 1994) introduced both the Commonwealth’s Regional Development Strategy (RDS) and the establishment of Regional Development
Organisations (RDOs). As a part of these developments a Regional Tourism Development Program (RTDP) was funded through the former Commonwealth Department of Tourism. The RTDP was just one of several specific regional development programmes developed by the former Labor Government and the States (see Commonwealth Government, 1994; Commonwealth Department of Housing and Regional Development, 1994). These programmes involved similar funding procedures. Specified local groups were eligible to apply for small pots of federal money (through recognised organisations like chambers of commerce, local government, regional organisations of councils, development boards), set aside with the aim of promoting regional development capacity or competency (see Jenkins & Sorensen, 1996, for a more detailed discussion of the RTDP and related programmes). There have been some changes to economic and development strategies since the Coalition government came to power in 1996. Interestingly, however, that government continued with a regional tourism development programme, albeit, with revised objectives and procedures.

The above discussion has briefly described some important issues in Australia’s federal system of government. In particular, it has highlighted the lack of clarity in government roles and responsibilities generally, and with respect to tourism specifically. Governments have variously attempted to improve intergovernmental relations, but constitutional, functional, philosophical and other barriers remain, and some of these are discussed below. The following section reviews the extent and nature of government’s role in the economic and social development of Australia, and hence the close relationship of government to tourism both implicitly (through infrastructure development) and explicitly.

Government Enterprise and the Bureaucratic Imperative in Australia

More than a generation ago, the 20th century was described as the age of the organisational society (Presthus, 1962; Smith, 1966). Australia, however, was characterised by the setting up of large bureaucracies even in the 19th century. In hindsight, this is not surprising from a private or public sector perspective. Australian governments have been very involved in a range of enterprises designed to promote infrastructure development (e.g. roads, railways, communications and electricity). Such development activity was especially important in a country endowed with a wealth of natural resources, but where private capital for much of its history was not only scarce but somewhat ‘shy’ of investing in large-scale infrastructure in particular (Sinclair, 1970, 1976).

From the 1850s to the early 1980s, the growth of organisations and bureaucracy in Australia were critical to addressing the social and economic concerns of politicians, administrators and the wider population. The state represented collective power at the service of individualistic rights, dealing with many problems concerning early settlement and nation-building (Hancock, 1930 in Lansbury & Spillane, 1983). Australia’s early settlers did not see contradiction between their individualism and their reliance on government because the state was considered a ‘vast public utility’ (Hancock, 1930 in Lansbury & Spillane, 1983). The latter 19th century development period was one of ‘a strongly supportive relationship, almost a partnership, of government towards major...
business interests and a private acceptance (and use) of this supportive relationship’, manifested ‘in the variety of forms of direct market participation by governments’ (Butlin et al., 1982: 10). Bureaucratic forms of administration were popular in Britain and Europe, and were influential when much of Australia’s settlement took place (Lansbury & Gilmour, 1977: 7; Lansbury & Spillane, 1983: 10). For instance, according to Powell (1988: 90), Australia’s approaches to legislative and administrative apparatus for soldier settlement schemes ‘are best understood in the context of British imperialism’s sincere silliness and a continuing involvement of State and federal bureaucracies in the comprehensive management of pioneer settlement’.

‘The state in Australia has always been interventionist’ (Head & Bell, 1994: 67). Inadequate private capital, labour and technical competence, coupled with the challenge of a harsh physical environment, have been major concerns of government (Wettenhall, 1990) as Australia’s national development ethos has had a special place for the state as an undertaker of works to support private enterprise (e.g. Ward, 1958). The impact of government intervention and enterprise cannot be underestimated.

According to Butlin [1962], government intervention was responsible for about 50% of all capital formation in the nineteenth century, and was a key element in the pastoral industry. This pattern of government intervention has continued to the present. The public sector built up an ‘infrastructure’ essential to development, and guaranteed markets for the products of domestic free enterprise. With the advent of federation, and the growth of the tariff system, the government, according to McFarland [1968], virtually took the risk out of capitalism… (Lansbury & Gilmour, 1977: 8).

Before World War II, about 30% of foreign debt was private debt. Of that debt, almost three-quarters was British investment and the rest North American (USA and Canada); about 92% of the public debt was British. Large inflows of private capital in the period 1948–69 dwarfed public borrowing. By 1960, private debt was double the public overseas debt. In other words, Australia’s pattern of foreign debt ‘was dramatically reversed’ after World War II (Wheelwright, 1974: 55–6).

Until the 1980s, Australia’s Commonwealth and State governments were key sponsors for private sector development. They variously engaged in extensive public ownership, protection or regulation, and took the development plunge where private industry often feared to tread. In order to accomplish their tasks, governments had to develop a large bureaucracy, modeled on Weberian terms (for a more detailed discussion of government administration in Australia and NSW, see Spann, 1973, 1979 and Alaba, 1994, respectively). However, much is changing in this regard. The changes outlined below have had significant implications for tourism organisations in Australia.

The 1970s brought dramatic shifts, which led to significant changes in the processes of government administration in Australia. In 1973, global economic crises followed closely on the heels of massive increases in world oil prices, sparked by oil-rich cartels in the Middle-East. Governments in developed countries such as Australia, suddenly found themselves exposed to strong, and, at times, unpredictable global forces largely beyond their control (Alaba, 1994). As
if the problem of economic crises were not enough, government responses were complicated by other forces.

In Australia, the 1970s marked the end of a decade of dramatic shifts in lifestyles and values (Alaba, 1994). These shifts produced a change both in ‘the ideals of the middle-class culture from those of the puritan work ethic to those of the hedonist ethic of a consumer society’ (Horne, 1980: 3). Compounding ‘the effect of the economic crisis and the new demands and complexities of modern government were the examples set by overseas countries which had reviewed their administrations during the previous two decades’ (Alaba, 1994: 51). Overseas administrative reform inquiries dating from the 1950s, ‘drew attention to the reform inquiry as an instrument for improving Australian systems of government administration within international and national environments where resources were becoming less available to support the bureaucratic [s]tate’ (Alaba, 1994: 52) (also see Parker, 1979).

Although ‘Signs of over-reliance and over-dependence on bureaucratism appeared perhaps for the first time in Australia in the 1890s’ (Caiden, 1980: 443), it was a delayed storm that struck Australia with force in the 1970s, as Australians recognised the ‘soporific effect of bureaucratism’ (Caiden, 1980: 442). ‘People argued over who was to blame and disagreed over what had to be done next. But they did agree that the public bureaucracy had grown too fat during the good years, that its managerial elite had lost touch with reality, and that public sector performance was just not good enough and had to be improved’ (Caiden, 1980: 443) (also see Emy & Hughes, 1988). As a result, several Australian governments commissioned inquiries to advise them on such matters (Caiden, 1980). Four major reform inquiries were undertaken in Australia in the mid 1970s. These led to massive changes in the structure of federal and State bureaucracies, in well-entrenched systems of appointment and promotion, and in dated, mechanistic organisational frameworks, which were reframed with varying degrees of success (e.g. Wilenski, 1977, 1982, 1986; Alaba, 1994).

Within Western society, considerable debate continues over the appropriate role of the state in society. Recently, much of that debate has focused on the merits or otherwise of economic rationalism. The rise of ‘Thatcherism’ in the United Kingdom and ‘Reaganism’ in the United States in the 1980s, foreshadowed a period of retreat by central governments from active government intervention in other countries such as Australia. At the national level, policies of deregulation, privatisation, the elimination of tax incentives, and a move away from discretionary forms of macro-economic intervention, have been the hallmarks of a push towards ‘smaller’ government at State and federal levels.

Such changes in political philosophy have significant implications for tourism policy-making, planning and development. Calls for smaller government in Western society, have increased the demands from conservative national governments and economic rationalists for deregulation and greater self-sufficiency in many industries, including tourism. Public sector involvement in tourism marketing and promotion has been characterised by the privatisation or corporatisation of tourism agencies or boards (Jeffries, 1988 in Jenkins & Hall, 1997). However, on occasions, governments have decided to withdraw industry support by abolishing entire tourism departments and corporations (e.g. the Swedish Tourist Board in 1992) or by reducing or terminating their funds (e.g. the
United States Travel and Tourism Administration in 1995). In Australia, whereas we have witnessed the corporatisation of State and Territory public sector tourism departments writ large, the resources provided by government for marketing and promoting tourism through these organisations have been remarkably resistant to cutbacks (see Craik, 1992, for an analysis of a range of related issues to the early 1990s). It now verges on tourism public and private sector dogma that private operators are unlikely to be able to develop well-coordinated approaches to tourism marketing and development, or that any approaches devised without such intervention would be spatially limited and less effective. One limited explanation for this is that some operators may ‘free ride’ through the externalities on the promotional activities of other operators, thereby obtaining full benefits at zero cost (Molloy & Bright, 1997).

Australian governments face increasingly complex policy and planning environments, especially local governments in more remote and less prosperous areas. The present economic activity of the local state is qualitatively different from that of the past. A general tightening of central government expenditure and activity, a recent economic recession, and a changing global economy have increased the pressures on the local state to create employment opportunities, and to attract investment and income-generating industries. The reduced role of central government in positive economic development strategies has been a major factor in the creation of the new economic and entrepreneurial roles for the local state. Indeed, local governments are expected to do more, but without the requisite increases in resources (Eisinger, 1988; McNeill, 1997; Jenkins & Hall, 1997).

Despite the dramatic macro- and micro-economic restructuring of the Australian economy, State tourism organisations and their ‘offspring’, regional tourism organisations, presently command significant resources as governments seek ostensibly to market and promote their respective tourism industries, domestically and internationally (e.g. Craik, 1992, for a discussion on selective state activism to 1992). As Pearce (1992: 187) pointed out more widely:

Increased expenditure on marketing and promotion is seen as the way to achieve or maintain growth, particularly in the face of increasing competition or depressed market conditions. Spending on an activity which is seen to contribute directly to growth thus has more appeal to politicians controlling the public purse strings and to private sector members than other related functions such as planning and research whose role in increasing arrivals is often perceived to be less direct and essential.

The reversal of Australia’s pattern of sheltering business and labour from market forces will most likely continue at least in the short term, but the tourism industry will most likely remain relatively successful in mustering and sustaining government commitments to marketing in particular. A caveat to this could be wider moves by State governments, for instance, to establish bed taxes or other forms of revenue collection to facilitate industry support. An increasing number of local governments, too, could be expected to look at increasing their revenue base through innovative, differential rate structures or up-front tourism levies on top of annual rate structures.

This section has briefly described some of the historical imperatives underpinning the growth and importance of organisational and bureaucratic activity in
Australia, their subsequent review and down-sizing, and their relevance to tourism. Australian governments have a long history of engaging in industry support and infrastructure development, and hence in public-private sector partnerships, which will be seen later in this paper to be key features of RTO operations. The following section defines the concepts of ‘region’ and ‘regionalism’, and attempts to demonstrate their historical relevance to the establishment of RTOs in NSW.

Regionalism and Regional Variation

The concept of a region is certainly not a recent phenomenon, familiar, for example, to the references to bioregionalism in the 1800s. The history and beginnings of regional planning are closely associated with Patrick Geddes (1854–1932), who took his central concepts from the founding fathers of French geography, Elisee Reclus (1830–1905), Paul Vidal de la Blache (1845–1918) and the French sociologist Frederic Le Play (1806–1882), and who influenced American planning ideology through the writings and practice of such people as Lewis Mumford (P. Hall, 1988: 137–73).

In Australia, the concept of a region can be traced to the late 1800s (e.g. see Larcombe (1961, 1973) and Maiden (1966) for a discussion of the Municipalities Association, formed in 1883 to further the interests of local government in NSW). Presently, though, ‘social scientists, and especially human geographers, are asking fundamental questions about the importance of place, of locale, and of regions in the changing nature of society, economy and politics’ (Walmsley, 1990: 6), and have been doing so for some time. For instance, Australian geographers have recognised that ‘more sophisticated applications of the regional idea overseas had offered valued administrative tools in broadly reformist contexts, and that similar notions had been highly regarded in ALP [Australian Labor Party] circles since the 1920s’ (Powell, 1988: 218–19).

Regional economies in Australia display considerable physical (e.g. size/geographical spread, location, climate and natural resource endowments), economic (e.g. industry base), social (e.g. demography and population size), political (e.g. voting behaviour and political attitudes), and technological (e.g. transport infrastructure and access to communications facilities) diversity. For instance, ‘The gap between the intensively settled margins and the outback is indeed disappointingly wide, but intra-nationally the most stressful divisions are now sectorally defined’ (Powell, 1988: 335). Moreover:

Eighty-five per cent of the population lives in urban areas, which occupy only 0.1% of the nation’s land mass... the ten largest urban centres account for nearly 70% of the nation’s population and nearly 90% of this is concentrated in just five urban centres. More than 60% of the nation’s gross domestic product is generated in two States (NSW and Victoria), which jointly account for less than 15% of the nation’s land mass (Bureau of Industry Economics, 1994: 3).

In NSW, regional imbalances are also very visible in tourist travel patterns, where domestic and international visits are clearly concentrated in coastal areas (domestic travel) (see Table 1) and Sydney (international travel) (see Table 2) respectively.
Table 1  Visits to regional New South Wales

<table>
<thead>
<tr>
<th>Region</th>
<th>No. of Visits ('000)</th>
<th>% of Visits</th>
<th>Visitor Nights</th>
<th>% of Nights</th>
<th>Av'ge Stay (Nights)</th>
<th>Total Exp. ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia’s Holiday Coast</td>
<td>3,752</td>
<td>9.76</td>
<td>11,579</td>
<td>9.22</td>
<td>3.1</td>
<td>762</td>
</tr>
<tr>
<td>Big Sky Country/ New England</td>
<td>1,911</td>
<td>4.97</td>
<td>4,892</td>
<td>3.89</td>
<td>2.6</td>
<td>340</td>
</tr>
<tr>
<td>Blue Mountains</td>
<td>737</td>
<td>1.92</td>
<td>1,891</td>
<td>1.50</td>
<td>2.6</td>
<td>134</td>
</tr>
<tr>
<td>Capital Country</td>
<td>994</td>
<td>2.59</td>
<td>2,230</td>
<td>1.77</td>
<td>2.2</td>
<td>154</td>
</tr>
<tr>
<td>Central Coast</td>
<td>1,729</td>
<td>4.50</td>
<td>5,454</td>
<td>4.34</td>
<td>3.2</td>
<td>369</td>
</tr>
<tr>
<td>Explorer Country/Central West</td>
<td>2,573</td>
<td>6.69</td>
<td>6,536</td>
<td>5.20</td>
<td>2.5</td>
<td>452</td>
</tr>
<tr>
<td>The Hunter</td>
<td>3,232</td>
<td>8.40</td>
<td>9,273</td>
<td>7.38</td>
<td>2.9</td>
<td>628</td>
</tr>
<tr>
<td>Illawarra/Southern Highlands</td>
<td>2,178</td>
<td>5.67</td>
<td>6,985</td>
<td>5.56</td>
<td>3.2</td>
<td>480</td>
</tr>
<tr>
<td>The Living Outback</td>
<td>590</td>
<td>1.53</td>
<td>1,592</td>
<td>1.27</td>
<td>2.7</td>
<td>108</td>
</tr>
<tr>
<td>The Murray</td>
<td>1,663</td>
<td>4.33</td>
<td>3,863</td>
<td>3.09</td>
<td>2.3</td>
<td>263</td>
</tr>
<tr>
<td>Northern Rivers/Tropical</td>
<td>2,584</td>
<td>6.72</td>
<td>9,082</td>
<td>7.23</td>
<td>3.5</td>
<td>596</td>
</tr>
<tr>
<td>Riverina Naturally</td>
<td>1,199</td>
<td>3.12</td>
<td>3,734</td>
<td>2.97</td>
<td>3.1</td>
<td>259</td>
</tr>
<tr>
<td>Snowy Mountains</td>
<td>956</td>
<td>2.49</td>
<td>2,825</td>
<td>2.25</td>
<td>3.0</td>
<td>193</td>
</tr>
<tr>
<td>South Coast</td>
<td>2,782</td>
<td>7.24</td>
<td>9,365</td>
<td>7.46</td>
<td>3.4</td>
<td>603</td>
</tr>
<tr>
<td>Sydney*</td>
<td>11,555</td>
<td>30.07</td>
<td>46,289</td>
<td>36.87</td>
<td>4.0</td>
<td>3,422</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>38,435</strong></td>
<td><strong>100.00</strong></td>
<td><strong>125,592</strong></td>
<td><strong>100.00</strong></td>
<td></td>
<td><strong>3,422</strong></td>
</tr>
</tbody>
</table>

*Includes Central and Greater Sydney


Regions are very ‘complex aggregates of activities’ (Morgan & Sayer, 1983: 29), which have been conceptualised in many ways. Despite the lack of consensus in defining regions, three popular ways of conceptualising regions have been utilised: ‘homogenous’ regions, ‘nodal’ (or ‘functional’) regions, and ‘planning or programming’ regions. Homogenous regions are ‘defined in terms of unifying characteristics, and where internal differences and intra-regional interactions are considered unimportant’. Thus regions may be defined on the basis of their economic base (industry, income, employment), their social and cultural characteristics (language, cultural landscape), their physical properties (climate, soils, vegetation), or any combination of these and other characteristics. Nodal (or polarised) regions have little ‘concern for uniformity’. Their cohesiveness is ‘the result of internal flows, contacts and interdependencies, usually polarized towards one or more dominant centres or nodes’ (Richardson, 1978: 19). Planning or programming regions are defined for administrative convenience. They derive their unity ‘from political or administrative control, or where the region is an ad hoc area over which a specific set of policy instruments or programmes apply’ (Richardson, 1978: 19) (also see Butler & Mandeville, 1981).

There is considerable overlap in the application and evaluation of regional schemes across and within planning and social science related disciplines, including tourism, over space and time. Tosun & Jenkins (1996) discussed various issues concerning the concept of a region in terms of regional development
planning, as a unit of analysis, and in its application to tourism analysis and tourism development planning. Rather than repeat their discussion here, it is more relevant to note (1) the importance Tosun and Jenkins clearly attach to Smith’s (1989) critique of regionalisation; and (2) to recount some important dimensions of that critique. In particular, Smith (1989: 161–2) cites three broad goals for delimiting tourism regions:

(1) To name parts of the world – to attach a label and draw attention.
(2) To help simplify and order knowledge in the belief that ‘for some purposes the benefits of grouping places together outweigh the disadvantages of ignoring their differences’.
(3) To permit inductive generalization and predictions to be made, and thereby compare and ‘learn more about what relationships and characteristics are important for tourism development’.

Smith (1989: 163–4) also cites three fundamental types of regions, which bear close resemblance to the characteristics specified by Richardson (1978) and Butler & Mandeville (1981):

(1) A priori regions within arbitrarily drawn lines based on historical legacies, natural features or other factors. These types of regions may not be based on any scientific criteria. Indeed, many tourism regions defined by provincial or State governments or by the tourism industry may be categorised as a priori regionalisations, making them ‘unreliable for planning, marketing, and research purposes because they lack a reliable foundation’;

<table>
<thead>
<tr>
<th>Statistical Regions</th>
<th>% Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Coast</td>
<td>1</td>
</tr>
<tr>
<td>Illawarra</td>
<td>2</td>
</tr>
<tr>
<td>Central Coast</td>
<td>1</td>
</tr>
<tr>
<td>Blue Mountains</td>
<td>3</td>
</tr>
<tr>
<td>Sydney</td>
<td>97</td>
</tr>
<tr>
<td>Snowy Mountains</td>
<td>1</td>
</tr>
<tr>
<td>Southern Tablelands</td>
<td>1</td>
</tr>
<tr>
<td>Murray</td>
<td>1</td>
</tr>
<tr>
<td>Riverina</td>
<td>1</td>
</tr>
<tr>
<td>Central Western</td>
<td>1</td>
</tr>
<tr>
<td>Hunter</td>
<td>3</td>
</tr>
<tr>
<td>Lower North Coast</td>
<td>3</td>
</tr>
<tr>
<td>Mid North Coast</td>
<td>3</td>
</tr>
<tr>
<td>Upper North Coast</td>
<td>5</td>
</tr>
<tr>
<td>New England</td>
<td>1</td>
</tr>
<tr>
<td>Orana</td>
<td>1</td>
</tr>
<tr>
<td>Far Western</td>
<td>1</td>
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</tbody>
</table>

*Note:* This data at time of publication was not available for the tourism regions

(2) *Homogenous regions*, based on a set of objective, internal similarities, where there is an objective determination of regional characteristics not considered in the setting up of a priori regions;

(3) *Functional regions*, within which, there is ‘a high degree of internal interaction’, where there may be, for instance, spatial patterns of wholesale trade or vacation travel patterns.

In Australia, regional schemes and policies have variously employed all the above characterisations, but in tourism they have tended to take local authority (local government) areas and statistical divisions as the building blocks in forming regions. This is not at all unusual. In 1944, all Australian States ‘proceeded to delineate regions and to establish regional organisations which were to advise governments on regional development’ (Skeates, 1977: 90). These organisations comprised representatives of local authorities and State government departments who were enthusiastic and active in performing their tasks. However, the early vitality soon subsided. Nonetheless, regional and urban policy is a specific kind of state interventionism, which emerged in Australia in a mature form between the late 1940s and mid-1970, mainly as a consequence of the post-war economic boom. It is interesting to note, however, that regional development plans and policies were rarely well coordinated between levels of government, and that the fostering of regional initiatives has not always been constant, as there have been lulls in government (especially Commonwealth) interest in regional affairs (Skeates, 1977; Higgins & Zagorski, 1989; Sorensen & Epps, 1993).

Although the objectives for regional strategies and boundaries of regions vary temporally and with particular projects, the philosophy for regionalism has consistently recognised at least one or more of the following needs:

- ... to balance State and local interests;
- ... to integrate physical planning, macro-economic planning and social planning;
- ... to integrate urban and rural development;
- ... to guide the spatial extent of industry and population (Queensland Coordinator General, 1973 in Skeates, 1977).

The rationale for regional approaches, however, can be seen in wider terms in Australia, and are well summarised in general terms by Skeates (1977), whose discussion is adapted below.

First, technological and social developments have helped people, goods and services to become geographically more mobile as the pre-industrial isolation of local communities changed dramatically (e.g. Sorensen, 1990; Sorensen & Epps, 1993; Butler et al., 1998 for discussions of rural areas in Australia). People and places interact with an increasing number of events beyond their local environment. Simultaneously, an increasing range of powerful, diverse and often unpredictable external events impact on local people and places. Thus, it at least seems logical to plan on a spatial scale larger than the ‘local’ level, but at a scale which is still ‘meaningful’ or ‘comprehendible’ and open to input from and influence by local people.

Secondly, economic rationale often underpin regional approaches in Australia. The demands for a very diverse range of human services have increased,
while the ability of some local authorities to meet such demands has diminished, especially during the recent phase of federal and State public sector down-sizing mentioned earlier. Increasing responsibilities are shifting to local councils (including regional organisations of councils), authorities and communities to find their way through macro and microeconomic restructuring, while declines of populations from outward migration in some areas (e.g. remote or economically unstable areas) reduce rate bases and thus the financial viability of local authorities. Regions, then, may be a means of developing economies of scale for some local communities. Specific activities like tourism marketing and promotion can be coordinated between local areas to form a regional unit. Regional approaches may also reduce the duplication of service provisions, tourism research and marketing, and many other activities.

Thirdly, local area decisions, actions and developments impact on surrounding areas. The development of the wine industry in the Upper Hunter region of NSW means that increased wine tourism and related activities draw more motorists and visitors, many of whom travel through adjacent areas. A regional approach recognises such impacts and the potential economies of scale in capitalising on increased tourist flows through regional marketing and promotion.

Under the Australian Constitution, regional development is principally the responsibility of the States and Territories, who take charge of day to day physical planning and development (i.e. hospitals, much public land management, ports, power, public housing, railways, roads, schools, water supply). State governments influence the growth or decline of particular places (Sorensen, 1993) mainly by way of:

- control or undertaking of investment in, and the pricing of, public infrastructure;
- the delivery of big-ticket education;
- environmental management and development control policy; and
- regional development [and marketing] policy.

With respect to the latter, ‘funding is typically provided for information gathering, business advisory services, the popularisation of local employment initiatives, the preparation of regional development strategies, and tourist promotion’, but we ‘have no information on the cost-effectiveness of these activities’ (Sorensen, 1993: 236).

Perceptions and understandings of regional problems and issues are very much dependent on philosophical or moral points of view. One major difficulty faced by governments is a classic planning and policy dilemma – should governments promote policies of efficiency or equity? Efficiency demands that each region maximise its output for the national good. Equity demands that each region receive its fair share of the national or State income. The dilemma has interesting political implications. Growth regions might argue that given their performance and greater contribution to gross national/State product and income, they have a right to a greater share. The equity argument might be based on claims that any development from grass roots requires some government stimulus (a familiar feature of Australia’s economic and social development), which will ultimately lead to growth.

To put a final twist on the debate about regions and regionalism, consider-
ation should be given to regions in a touristic/tourismic context. Leiper (1995: 87–93) shows, among other things, how the size and shapes of tourist destination regions (TDRs) can be specified, and lists factors contributing to the evolution of TDRs. He argues that ‘the concept of a tourist destination region (TDR) is useful in research and analysis on geographical issues of tourism’, being, in one sense, ‘as small or as large as anyone wants to regard them’ (p. 97). Leiper then critically examines the concept of a TDR. He argues TDRs vary in shape (e.g. they may be roughly circular or long and narrow) and states:

The boundary of a TDR can be regarded as the feasible day-tripping range around a tourist’s accommodation, encompassing the area that tourists visit on day trips. Going further than that range requires shifting to new accommodation, so the itinerary moves to what is, in effect, another TDR. In theory and practice, each spot where a tourist might stop for the night is the centre of a TDR, but to simplify discussions, the more popular centres – such as towns and the middle of cities – can be regarded as the centres of TDRs of each country (p. 87).

The boundaries of a TDR, then, do not necessarily correspond with political or administrative boundaries, or indeed the boundaries of RTOs as defined for a State such as NSW. This situation raises questions about the relevance of the boundaries of RTOs in a touristic/tourismic sense. That is, apart from regional branding exercises, how relevant to tourists and their travel are the geographical regions defined for RTOs? Taking this question further, and images and branding issues aside, just how relevant are the regions as defined for RTOs as marketing and promotional planks, let alone as boundaries for tourism policy-making and planning?

The concept of a region, however it is defined, forms meaningful, but not always appropriate, divisions of space (see Tosun & Jenkins, 1996), and its application to tourism is widely accepted (e.g. Smith, 1989; Pearce, 1989, 1992; Gunn, 1994; Leiper, 1995; Tosun & Jenkins, 1996), but rarely questioned. Australia has variously attempted for more than 50 years to implement regional strategies, but with very mixed success (e.g. Higgins & Zagorski, 1989). How, then have regional tourism organisations in NSW fared? And is the classification of tourism regions/RTOs on Richardson’s (1978) ‘administrative’ or Smith’s (1989) ‘a priori’ terms across a diverse State an appropriate action?

The Establishment of RTOs in New South Wales

The history of RTOs in NSW dates back at least to the mid-1900s (see Tolhurst, 1988; Dredge, undated in Jenkins, 1999), following closely on the heels of the application of the regional concept in Australia during the 1940s. For the purpose of this paper, however, the discussion of RTOs is limited to the 1980s and thereafter.

Shortly after the large scale reviews of NSW government administration in the 1970s, the NSW State government formed the Department of Leisure, Sport and Tourism, by amalgamating the Department of Tourism and the Department of Sport and Recreation. The purpose of this amalgamation was to provide for
more effective and efficient coordination and management’ (Tourism Commission of NSW, 1985: 1).

The government took a step further when it passed the *Tourism Commission Act* in 1984. Subsequently, the New South Wales Tourism Commission (NSWTC) was established in February, 1985, as a commercially oriented organisation responsible for the co-ordination of the tourism industry in NSW (Tourism Commission of NSW, 1985).

On the basis of a Five Year Plan for 1983/84–1988/89 (NSW Department of Leisure, Sport and Tourism, 1983), NSW was divided into nine ‘marketable regions/areas’, each having compatible geographical and natural features. This direction resulted from ‘in-depth consumer research which found there was a general lack of knowledge of NSW as a tourist destination. Research also found that presenting the State on a regional basis was the most efficient and effective way to market the State’s tourist attractions and activities to the consumer’ (NSW Department of Leisure, Sport and Tourism, 1984). Hence, NSW and its various regions were promoted through an umbrella advertising campaign together with a State promotional brochure and related merchandising material, all of which was devised to help the regional industry coordinate its efforts. The Department began by first formulating the Hunter Tourism Development Plan, which was ‘devised to help the regional industry coordinate its efforts’. The future of the plan depended ‘on agreement between the four regional tourist associations – the Hunter, Port Stephens, Great Lakes and Manning Valley Associations. The plan took three years to set up and had something of a stormy passage because of too much parochialism’ (Cleary, 1983: 5). Then the Minister for Leisure, Sport and Tourism, went on to argue that the plan needed ‘a reasonable period of time – at least three years – before we can evaluate the success or otherwise of this approach. Only then will we be in a position to consider new directions for the State’s other key tourist regions’. Cleary (1983: 5)

Within two years of Cleary’s presentation to the Annual New South Wales Tourism Conference, RTOs were set up throughout NSW, and were responsible for raising some funds for co-operative marketing. The NSWTC contributed substantial financial resources toward the establishment of RTOs and in on-going marketing and promotional activities. In 1985, the Labor Government awarded grants to RTOs (e.g. the New England Tourism Development Authority was to receive $280,000 annually for four years from 1985). The government guaranteed that after the expenditure of that grant RTOs would receive base grants and ‘dollar for dollar’ funding top ups. The original grant scheme continued for three years, until the Greiner Coalition government came to power after the 1988 NSW State Election. The Coalition government instructed the NSWTC to alter its tourism development and marketing strategy from regional marketing campaigns to product marketing. The new strategy meant a substantial reallocation of resources away from priority regions to the promotion of the NSW tourist experience and Sydney as the ‘Gateway to the State’. According to the then Minister for Tourism and Chief Secretary, Mr. Gary West, ‘the approach of promoting tourist regions has not been effective and often merely confuses the tourist… Tourism is a private sector driven enterprise and we will be encouraging the private sector to become involved…’ (*Armidale Express*, 28 June, 1988: 1)

The change in direction of the Commission’s marketing strategy coincided
with the change in government at the March, 1988 State election. However, as early as 1987, both the leader of the opposition (and Premier after the 1988 election), Mr. Nick Greiner, and senior executives of the NSWTC indicated that the planning strategy was likely to be altered with a change of government, and there were also indications that the dollar for dollar funding scheme would be abandoned. At a special meeting of Jerilderie Shire Council convened by the Tourism Commission of NSW, in Albury on 12 December, 1987, the Commission’s General Manager, Mr. Paul Crombie, former Marketing Manager, Ms. Susan Hunt, and former State Manager of Regional Tourism, Mr Michael Crawley, argued:

… that the dollar for dollar on a regional basis looks like being abandoned and replaced by co-operative incentives;
… that it should be the aim of tourist committees to provide experiences for visitors, such as drive-yourself tours, fishing, wine tasting, fossicking, farm holidays, golf and bowls;
… that there should be a move away from marketing on a geographical basis to activity/attraction based marketing;
… that regional promotion committees be disbanded and that the funds currently allocated be redirected into consumer-based product marketing campaigns;
… for the development of a marketing umbrella and ultimately specific product lines based on market research and demonstrated consumer demand; and
… for the development of a long-term tourism strategy (five years) for the Commission (Southern Riverina News, 18 December, 1987).

At the same time that these RTO funding and related reforms were introduced, the NSWTC also began to take a stronger coordinating role in regional tourism planning and product development as opposed to regional marketing and promotion. This change in direction was later embodied in the New South Wales Tourism Development Strategy – A Plan for the Future (NSWTC, 1990). The Commission emphasised the importance of planning at regional and local levels since these plans are able to ‘recognise both the individual character and contribution of each community destination, and the mutual benefits of regional co-ordination’ (NSWTC 1990: 61). A four-tiered strategic approach to tourism planning and development was advocated in which a State tourism strategy should provide the umbrella document under which Regional Tourism Development Strategies were to be prepared. These were to be supported by Local Tourism Plans, prepared by Local Government Areas (LGAs), and Site Management Plans, which were intended to address specific management issues.

In 1993, NSW State and regional tourism strategies again underwent sweeping changes. After a review by the Office of Public Management (OPM), the Coalition’s product-focused marketing strategies, among other things, were turned on their heads. There is little doubt that this review was spurred on, at least in part, by concerns about how the Queensland Tourist and Travel Corporation (QTTC) appeared to be ‘outperforming’ other States.

The OPM Review of the NSWTC was instrumental in redefining, once again, both the strategic focus and structure of Commission, and the nature of support
for local tourism planning and development and marketing. As a result of the review, there were significant changes in relationships between the NSWTC (later renamed Tourism New South Wales), the RTOs and other stakeholders (see Table 3), including LGAs and operators. OPM recommended the NSWTC:

1. revert to regional industry liaison and facilitation to strengthen its marketing focus;
2. develop performance indicators or targets for all marketing campaigns;
3. slash and relocate its research function in the Tourism Marketing Division to ensure that all research activities were driven, in the first instance, by marketing priorities;
4. introduce a service fee for research data on tourism;
5. direct that travel centres operate as cost/profit centres and aim to at least break-even within two years;
6. redistribute resources by closing all regional offices and substitute a travelling team of regional consultants; and
7. move to provide ‘tourism investment grants’ of up to $80,000 to each regional tourism zone for the purpose of marketing and facilitating local tourism based on (a) a demonstrated ability to promote tourism within the strategic priorities of the State; (b) payback of money invested by tourism operators; and (c) dollar for dollar matching in tourism investment (OPM, 1993). Much debate and argument ensued. The same Coalition government that five years earlier shifted away from regional marketing approaches, reverted to regional industry liaison and facilitation.

Shortly after the OPM review, the New South Wales Tourism Commission adopted a new name, Tourism New South Wales, and a new logo ‘to boost the organisation’s profile as an aggressive marketer of New South Wales holidays’ (Tourism New South Wales, 1994: A11). That same year, Tourism New South Wales launched both the New South Wales Tourism Master Plan and the Regional Tourism Strategy. Although the Coalition government was defeated and a Labor party government installed after the NSW State election in March, 1995, the Masterplan and the Strategy proceeded. The aim of the regional tourism strategy has been ‘to provide a long term and integrated framework for the development of tourism in New South Wales’ (Tourism New South Wales, 1994: A11). A fundamental plank of the Regional Tourism Strategy has been ‘to add value to the drive of the private sector by creating a more effective structural base for the marketing and development of tourism and to facilitate initiatives such as product development, promotion and distribution opportunities for regional New South Wales’ (Tourism New South Wales, 1997: 9). The strategy identified two key goals. First, to ‘Foster and develop an integration of the tourism industry within regional New South Wales’. Secondly, to ‘Promote an increase in the level of tourism visitation to regional New South Wales’ (Tourism New South Wales, 1997: 5).

The strategy was underpinned by a $5.1 million investment in regional tourism for the 1994/95 financial year. Its main elements were:

... $1 million for co-operative regional marketing projects for industry and local Government;
... $500,000 for regional marketing development for new and developing products;
... the establishment of a network of RTOs across the State, with $220,000 base funding provided;
... $2 million for major industry to engage in direct co-operative advertising
with Tourism New South Wales, to promote NSW country destinations both in Australia and overseas;

…$300,000 for other regional tourism support activities, including industry seminars relating to research and marketing, and to domestic and international media programmes;

…$700,000 for product and marketing brochures;

…$413,000 for Tourist Information Centres and Newtracs subsidies;

…a joint project with the Office of Small Business to offer advice and support in setting up new small tourism business enterprises;

…the creation of a Tourism Development Unit within Tourism New South Wales to facilitate the establishment of major tourism product and infrastructure development throughout the State (Tourism New South Wales, 1994: 1–2).

According to Tourism New South Wales (1994: 2):

The implementation of these strategies will achieve a stronger and more cohesive framework for the tourism industry in this State. A partnership between the tourism industry, Local Government and the State Government will guarantee a stronger and more competitive profile for New South Wales’ diverse tourism product. It will pull together all the components of the regional tourism industry so that development and marketing efforts bring stronger results.

As part of the Regional Tourism Strategy, a network of 17 regional tourism organisations was created (see Figure 1 for a map of current regional tourism boundaries) to develop regional product and competitive marketing. Tourism New South Wales identified ‘a clear need to organise the State’s fragmented tourism industry’, and the establishment of regional zones was ‘a basis upon which to develop strong regional tourism bodies’ (Tourism New South Wales, 1994: 7).

RTOs: Operational Issues

The functions of regional tourism organisations were defined by Tourism New South Wales as:

… to focus on product development opportunities for the broader region;

… to develop marketing synergies within the region to improve its product’s exposure to the market place;

… to co-ordinate activities among all levels of government and industry within the region to ensure the efficient sustainable development and promotion of tourism;

… to provide a local focus on tourism needs and operations; and

… to maintain communications on activities with their local communities and Tourism New South Wales (Tourism New South Wales, 1994).

All RTOs were encouraged by Tourism New South Wales to develop a membership base, to become truly representative of their area and to become financially independent. With all the good intentions of Tourism New South Wales, RTOs have not led easy lives.

A number of RTOs are based on explicit geographical features/landforms like
the coast (e.g. ‘Australia’s Holiday Coast’) and the mountains (‘Blue Mountains’, ‘Snowy Mountains’). Others encompass very varied attractions and local government areas. For example, the Hunter region encompasses coastal areas (Port Stephens), developing wine areas (Cessnock and Singleton), and the nature-based recreation opportunities of the Barrington Tops, across a large geographical area. These regional disparities notwithstanding, RTOs do have some common purposes: building consumer brand awareness of the region to increase demand and visitor numbers; developing cooperative opportunities through regional participation in marketing and promotion; developing and sustaining regional sponsorship; and planning, developing and marketing tourism (see The National Centre for Regional Tourism (NCRT), 1999). RTOs are also well placed to be actively involved in coordinating and disseminating tourism research, industry accreditation schemes, education initiatives and developing inventories of regional infrastructure. These latter activities seem to have eluded many RTOs, who focus mainly on the income streams and outcomes that stem from membership, and marketing and promotion respectively (Jenkins, 1999).

Although RTOs have been around for many years, some are still struggling to attract local support, membership and funding. A recent survey (NCRT, c. 1999) of 11 New South Wales RTOs revealed that:

- only five have full financial support of their local government bodies through membership, with the remaining six regions having partial support for sponsoring some of the activities of RTOs;
- eight out of 11 organisations have in place a communication strategy with tourism operators, mainly in the form of a newsletter;
- four out of 1 organisations have a business improvement programme in place for tourism operators in the form of workshops and seminars;
- only four RTOs survey their membership to gauge their satisfaction with the organisation;
- some members feel the organisation shows a lack of contact and general communication with its members;
- there is lack of knowledge about the benefits of working with the RTO;
- some members feel direct relevance and benefits have to be apparent for them to continue membership;
- members want to see tangible evidence through increased business; and
- members feel small operators are not catered for (NCRT, c. 1999: 5–6).

These problems are symptomatic of the narrow focus of many RTOs. Strategic or innovative approaches have been stifled as a result of the ever-present struggle to establish local support and on-going funding, principally to drive marketing programmes. Moreover, there has been far too little consideration given by Tourism New South Wales, and RTOs themselves, to the internal and external operating environments of RTOs, and in particular the diverse stakeholders and goals which RTOs are expected to represent (Jenkins, 1995, 1999).

RTOs are not private sector, profit-driven organisations; nor are they government agencies. The benefits they can allegedly afford in coordinating industry activity, especially in marketing and industry leadership and vision, are often intangible, and are principally designed to address what governments and Tour-
ism New South Wales see as an important industry limitation – industry coordination. So RTOs are somewhat unusual, if not ‘mixed’ or ‘informal’, organisations, which, among other things:

… acquire contributions from public and private interests/stakeholders (see Table 3);

… are the conduit for local operators to submit applications to Tourism New South Wales for marketing and special project funds;

… are less sensitive to direct political influence than a public sector department, but are significantly influenced nonetheless by the decisions and actions of State Treasury and Tourism New South Wales, who provide grants and various support funds (indeed, many RTOs could not survive without such funds);

… are placed, for the most part, in the hands of local public and/or private sector officials, from whom they seek financial support;

… are agencies that have to meet public and private concerns simultaneously – working in private enterprise (e.g. marketing the region), constrained somewhat by bureaucratic and political decisions mentioned above;

… have developed a public image of being closely associated with Tourism New South Wales, an agency which has been seen in some rural areas to be closely linked with big business, and to be largely Sydney oriented (Jenkins, 1999).

### Table 3 Key stakeholders

<table>
<thead>
<tr>
<th>Stakeholders</th>
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<tbody>
<tr>
<td><strong>Private operators</strong></td>
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<tr>
<td>Accommodation establishments.</td>
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<tr>
<td>Transport – bus, car hire, rail, air, sea.</td>
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<tr>
<td>Restaurants.</td>
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<td>Private education institutions.</td>
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<td>MICE industry.</td>
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<td>Attractions and destinations.</td>
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<td>Retailers.</td>
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<td>Tourism information providers.</td>
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<td>Consultants and planners.</td>
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<td><strong>Industry Associations</strong></td>
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<td>Tourism Council Australia.</td>
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<td>Council of Tourist Associations.</td>
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<tr>
<td>Incorporated LTAs</td>
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<tr>
<td>Australian Hoteliers’ Association.</td>
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<tr>
<td>Local Tourism Associations.</td>
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<tr>
<td><strong>Government, public sector and Quasi Autonomous Government Organisations (QANGOs)</strong></td>
<td>Federal (e.g. Office of National Tourism; DETYA).</td>
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<td></td>
<td>State (e.g. Tourism New South Wales).</td>
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<tr>
<td></td>
<td>Local (Local Government, e.g. councillors, planners and tourism managers; Local Tourism Associations).</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>e.g. Incorporated LTAs; other RTOs; Telstra.</td>
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</table>
Clearly, RTOs do not follow the classical or any other form of traditional organisation, and do not possess a highly skilled or technical core (they are small organisations in their day to day operations). It is difficult for them to claim precise outcomes and therefore they will always be ‘dammed if they do’ and ‘dammed if they don’t’ do something. RTOs might be a fundamental plank of the State’s regional strategies, but they are in no hierarchical position of power. They cannot demand the commitment of State and local resources they need to survive, and for many, widespread stakeholder support has been inconsistent and/or lacking (see Jenkins, 1993, 1995, 1999; NCRT, 1999, c. 1999).

At the grass roots level, there are many barriers to establishing and running regional tourism organisations, including:

…local competition, personal affronts and conflicts where individuals and organisations will not work together or share ideas and innovations;

…the ‘free-rider mentality’, where operators will not contribute to RTOs but will accept the external benefits they derive from RTO decisions and actions;

…turf sovereignty as stakeholders want to maintain independence and ownership over particular initiatives such as marketing (e.g. a local tourism association can undertake domestic or international marketing activities to the benefit of a local government area, but this can be without recognition, or at the expense, of a generic/regional brand);

…confusion and fragmentation of public and private responsibilities as RTOs seek to marry the diverse interests spanning operators (who may have no interest in regional affairs), local tourism associations, State government and a host of other individuals and agencies;

…lack of stakeholder awareness of regional issues and the benefits and costs of regional approaches; and

…differing stakeholder ideologies as to how and to what extent governments (e.g. through Tourism New South Wales) should intervene, or even whether regional (spatial) tourism strategies are appropriate (Jenkins, 1995, 1999; NCRT, c. 1999).

RTOs in NSW (and indeed elsewhere) have struggled to establish and maintain long-term local commitment and membership, and have survived to this point, often only because of government intervention, and more precisely, government funding (e.g. Jenkins, 1993, 1995, 1999). Nonetheless, the most effective solutions to regional problems do not rest in remote offices of government departments but in the ideas, entrepreneurship and cooperation of regional people and their organisations. This all begs the question as to whether the decision of Tourism New South Wales to foster and use RTOs as the bench on which to base their regional strategy is a wise one. The State of New South Wales is large, but just as importantly, if not more so, it is physically, socially and politically diverse, as are some regions. In this context, no State or regional strategy, and no RTO, can be all things to all people. People’s actions are influenced by a suite of personal and organisational relationships, and many different values, needs and experiences. Consensus is not guaranteed within or outside RTOs, and conflict is often the norm, when shared goals, concerns and power are required to bind diverse groups.
There are significant challenges to formulating and implementing strategic directions in several regions in New South Wales, especially those where there is inherent physical and structural diversity in their tourism industry. The Hunter Regional Tourism Organisation is a case in point, where tourism product diversity can be a strength, but it can also be a major hurdle to regional cooperation and developing cohesive, widely accepted regional images (Jenkins, 1999). The situation may be made even more complex because tourism development in some regions is in a state of flux, with evolving local destination images and varying stages of development among local operators, some of whom are experiencing and forecasting much stronger growth than others. Balancing these diverse, sometimes competing, interests has not and will not be easy. In this regard, RTOs should, at the very least, regularly monitor and evaluate stakeholder aspirations and perceptions, or risk alienating the stakeholders they were explicitly designed to help. Yet, as noted above, too few bother to do so.

NSW State governments have not provided a stable platform for the development of tourism strategies (regional or otherwise), promulgating several major policy and programme backflips in less than a decade, amid intermittent calls for RTOs to become self-funding or conversely to become more integrated with State marketing and development objectives. One might generously label this discontinuity as a form of ‘policy learning’! One might more critically view it in light of the ‘politics’ of tourism policy-making and the clashes of values and interests. In any case, Tourism New South Wales should critically examine its current regional structure and look for a more flexible approach to achieving tourism growth in New South Wales. So much of its focus is on marketing and promotion, and this focus flows down to RTOs in the way they operate and in the resources and other forms of support they seek. Avenues for industry facilitation may also occur within and outside the existing regional structure and across different industry sectors. Fostering regional leadership and initiatives beyond marketing and promotion are fundamental to regional development strategies. More to the point, regional marketing and promotion is of little value without industry leadership, direction and well-developed product and infrastructure. For some regions these are the critical elements of a regional strategy that could also be better integrated with other regional development programmes. Much energy has gone into developing and resolving marketing issues as leadership and other critical regional development issues stand neglected.

Implications of this Research for the Study of Australian Tourism Organisations

In 1992, Pearce presented a conceptual framework for interorganisational tourism analysis (see Figure 2), which has subsequently been applied in studies of tourism organisations in countries such as Spain (Pearce, 1996a, 1997), Belgium (Pearce, 1996b), Sweden (Pearce, 1996c) and Catalonia (Pearce, 1996d). However, the framework presented by Pearce is not one well suited to this particular study of Australian tourism organisations, and it would most likely have little direct relevance to studies of interorganisational relations of Australian tourism organisations. Several reasons are given below.

In Australia, the functions of international marketing and national policy and
research are divided among three federal tourism organisations – the Australian Tourist Commission (ATC), the Office of National Tourism and the Bureau of Tourism research, respectively – of which the ATC is the only statutory corporation.

All Australian State and Territory tourism organisations are statutory corporations (for a discussion of statutory corporations with reference to the Queensland Tourist and Travel Corporation, see Craik, 1992), which at various times have operated overseas offices or conducted international marketing campaigns.

Local Tourism Organisations take different forms, particularly with respect to their relationships to, and funding from, local government, and some have, sometimes in cooperation with one or more other local organisations, undertaken international marketing. Nor are all local tourism organisations or local governments members of their respective RTO, nor do they necessarily support such an organisation. RTOs are clearly not in any hierarchical position of power (in fact, there is some debate about whose interests they serve – State or local (Jenkins, 1999)), which Pearce’s model implies. Moreover, the Board members and wider membership of RTOs comprise individuals and agencies rarely defined or considered as part of the tourism industry (e.g. development boards/corporations; Rugby League clubs; television agencies and executives; university staff), who have direct voting rights. Hence, organisations in the tourism and wider environment actually make decisions within RTOs.
Another limitation in Pearce’s framework is the lack of recognition of tourism organisations funded cooperatively by government, universities and industry (e.g. the National Co-operative Research Centre for Sustainable Tourism), and the direct links between national/federal governments and local communities. In the latter case, Australia’s national governments can and do elect to finance local plans and developments (e.g. the Commonwealth’s former Regional Tourism and Development Program mentioned earlier), and may do so without even consulting State and regional organisations. In brief, the increasing attention of governments to tourism, the lack of a clear consensus about roles and responsibilities, different government ideologies operating at different levels, and a host of other variables, have led to murky boundaries between public organisations themselves, let alone between public and private tourism organisations. And, in a complex federal system such as that in Australia, where there are six States and two Territories competing for domestic and international visitors, Pearce’s framework is certainly not a particularly useful one, providing a very limited, if not misleading, conceptualisation of Australian tourism organisational settings.

Within the confines of this paper, there have been explicit attempts: to examine historical underpinnings of RTOs in NSW; to recognise the some of forces which operate at different levels, and which affect RTOs; to describe and explain the development and operations of RTOs with some references to government ideology; to examine stakeholder perceptions of RTOs; to encompass the findings of several case studies of RTOs in NSW and Queensland; and to adopt an interdisciplinary perspective. However, much more research on tourism organisations in Australia and elsewhere is needed. A few avenues for further research (the possible avenues are almost limitless) are presented below.

Conclusion and Avenues for Further Research

Australia’s capitalist state has shifted to one which gives freer reign to market forces in shaping its political economy, but one in which state intervention has been and remains important. Governments have lengthy histories in very actively facilitating the economic and social development of Australia, often through regional development strategies. This paper has demonstrated the relevance of the histories both of public administration in Australia and of the application of the concept of a region to the establishment and development of tourism administrations, and especially RTOs in NSW.

Tourism organisations in Australia have gone through significant changes stemming from forces operating at a number of levels (macro to micro), ongoing debate about the role of tourism and related organisations, and a continuing search for appropriate structures and functions for tourism organisations. Many changes reflect government moves to give greater credence to market forces in tourism development and research on the one hand, while moving to increase its role and influence in marketing and promotion activities on the other hand. Similar observations have been made in other countries such as The Netherlands and Sweden (see Pearce, 1992, 1996c). It is also worth paraphrasing Pearce’s (1996c: 423) closing comments with respect to Sweden, because they are very relevant to the Australian context:
Many issues have yet to be resolved and further changes in [Australia’s] network of tourist organizations would not be unexpected. From a theoretical perspective, Benson (pp. 235–6) postulated that interorganizational equilibrium might be defined with respect to four dimensions – domain consensus, ideological consensus, positive evaluation and work coordination – and that a balance is said to be reached when ‘participant organizations are engaged in highly coordinated, cooperative interactions based on normative consensus and mutual respect’.

The preceding analysis suggests, like Pearce observed in Sweden, it may be some time before such a balance is reached in Australia.

It is a sad fact that studies of tourism organizations in Australia are scant, but this leaves no shortage of opportunities for researchers. For instance, an examination of the structure, composition, objectives, funding, resources, activities and relative success of Australian tourism organizations, would help establish objective criteria and evidence by which to critically assess the roles and responsibilities of such organizations. Case studies of tourism policy processes in Australia, including the structures, roles, responsibilities and history of tourism organizations in that process, would provide insight into how, why and with what effect tourism public policies are formulated and implemented. They might also shed light on the distribution of power in tourism policy-making (see Jenkins, 1993; Hall & Jenkins, 1995)

Various theoretical perspectives concerning organisational behaviour also might have practical relevance for studies of tourism organisations, including RTOs. Systems theories can contribute to our understanding of factors related to organisational survival and stability, with the aim being to reduce uncertainty in order to achieve control over or adapt to the organisation’s internal and external environments. Human relations theories consider the integration of individual and organisational needs through participative processes and democratic leadership styles. The political school of organisation theory is concerned with the complexity of values and interests in any organisational environment or system. Incrementalism considers the ameliorating of problems rather than definitively solving them. It also suggests the need to adjust for inability to utilise comprehensive analysis.

The state has played a very important role in Australian tourism. Empirical research is needed to better understand that role in theoretical and applied terms. Such research would help highlight where some theories or practices explain events better than others, and perhaps even provide grounds for optimism in predicting many dimensions of organisational operating environments. With specific reference to RTOs, it would also place us in a much better position to critically evaluate the relevance of applying the regional concept to tourism marketing and promotion, much less the relevance of current State/regional tourism policy.

Notes
1. In this paper the term ‘tourism organisation’ is adopted (except where direct quotes are utilised from another source). ‘Tourist’ organisations are collections of tourists, however a tourist is defined. Hall (1991) and Leiper (1995), among others, note tourism has been defined in many different ways. But, if we accept that ‘tourism is, first of
all, a form of (human) behaviour' (Przeclawski, 1986 in Leiper, 1995: 20), then organised attempts to influence that behaviour may lead to the creation and maintenance of ‘tourism’ organisations.

2. Research in this and earlier studies by the author, has been based on field visits, in-depth interviews (in the case of the study of stakeholder perceptions in the Hunter, more than 30 industry representatives within and outside the region were interviewed) and analysis of relevant documentation, such as annual reports, tourism and other plans, press releases and promotional materials. In addition, the author has been an active participant in regional tourism organisation activities, undertaking research relating to such organisations and serving on the boards of the Capricornia Tourism and Development Organisation’s Tourism Committee (Central Queensland) (1992–94) and the Hunter Region Tourism Organisation (NSW) (1999–2000), and was the recipient of a scholarship from the former New England Tourism Development Authority (NSW) in 1988.

3. Other NSW government departments were merged around this time. For instance, the Department of Local Government and the Department of Lands were merged to form the Department of Local Government and Lands.

4. The significant difference between the boundaries in this map (1997) and those of 1994 is the recent merging of the former ‘Tourism and Holiday Coast’ and ‘Tourism Mid North Coast’ to form ‘Australia’s Holiday Coast’.

References


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