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Darwin: Whose Tourism City is it?

KEY FINDINGS

- Tourism in Darwin has been somewhat of a 'pet project' for the NT Government. Due to a lack of private investment, the NT government has taken a leading role in the promotion and marketing of Darwin, as well as in the funding and development of new tourism projects.
- The types of tourism development and marketing strategies that the NT Government has prioritised over the past decade reflect its commitment to rapid economic growth. One of government's main strategies seems to be to use tourism to 'boost' the local economy and create large numbers of (short-term) jobs in the construction sector by investing heavily in large and showy infrastructure projects.
- The dominance of external investors, and a simultaneous lack of discourse around developments from the local private sector, indicates that Darwin might currently be suffering from a lack of home-grown entrepreneurs. Continuing the current path may further reduce the destination's capacity as a 'breeding ground' for entrepreneurship and may hamper the development of a more independent and self-sustaining tourism industry.

RESEARCH AIM

This research examines the extent to which the NT Government has been involved in the development and marketing of Darwin tourism and the role it has assigned to tourism within the overall economy.

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The research has been conducted by
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Background

The role of government has often been described as critical in the development of tourism because it is responsible for creating the institutional environment within which the tourism industry operates. Some of the most common and important responsibilities of governments in tourism include coordination, regulation, planning, entrepreneurial activity, stimulation, and promotion (Hall, 2000). While these roles appear to be generally accepted in tourism, there seems to be only limited debate in the literature about the extent and level of such government involvement. In the case of the Northern Territory (NT), the NT Government seems to have assumed an exceptionally dominant position as far as control of and investment in tourism development are concerned (Berzins, 2007). Primarily driven by the goal of rapid economic and population growth, the NT Government has developed a certain 'interventionist approach' to economic development, including tourism development.

The development of tourism in the NT has been one of the primary concerns for the NT Government since gaining self-government from the Commonwealth in 1978. The Northern Territory, keen to become recognised as a serious market economy, quickly embraced tourism and the NT Government committed strong financial support and administrative resources to develop and manage its emerging tourism sector (Pforr, 2001). Large-scale financial investments in the development of new tourist infrastructure (including accommodation and transport infrastructure) were made in the 1980s and 1990s, mainly with the justification that private investment in projects of such size and significance was difficult to attract (Berzins, 2007). Since then, the NT Government has become the leading decision-maker in tourism related questions and has delegated only very limited responsibilities to local government authorities (Pforr, 2001).

This research brief is particularly interested in the ways in which the NT Government has helped shape Darwin's tourism industry. Tourism in Darwin is a relatively recent phenomenon. While tourism in Central Australia (Alice Springs and Uluru) was already very popular in the 1960s and 1970s, tourism in Darwin and in the Top End was much slower to develop (Berzins, 2007). Initial government support for tourism was largely focused on Central Australia and its iconic attractions. In addition, Darwin's tourism prospects were substantially curtailed by Cyclone Tracy which devastated the city and most of its (tourism) infrastructure in 1974. However, with the reconstruction of the city and a consequent strong population growth, tourism in Darwin gained considerable momentum during the 1980s. In the most recent period 2006 to 2008, Darwin received an average of about 720,000 visitors per year, which was more than 50 percent of all NT visitors and made Darwin the most visited destination within the Territory (Tourism NT, 2009). With an average length of stay of about 7 nights, visitors generally stay much longer in Darwin than in other parts of the Territory. Darwin has a substantial business tourism market (about 23 percent of the total visitor market) and a strong visiting friends and relatives (VFR) market (about 15 percent of the total visitor market) (Tourism Research Australia, 2009). Tourism is today one of the largest private sector employers in Darwin, with about 7 percent of the Darwin labour force employed in the accommodation and food & beverage sectors (Australian Bureau of Statistics, 2008).

Darwin has received enormous investments in its tourism infrastructure in recent years, far exceeding the level of investment in other tourism regions in the NT. The most significant infrastructure project was the \$1.1 billion redevelopment of the Darwin waterfront, which included the construction of a new convention centre, a cruise ship terminal, an artificial swimming lagoon with wave pool, hotels, holiday and residential apartments, restaurants and retail space, and a covered walkway bridge

to link the waterfront precinct with the city centre. The waterfront project has triggered a construction and investment boom in Darwin's city centre over the last couple of years with a number of new hotel and apartment complexes, as well as entertainment venues, being built or upgraded. Much of this development has been strongly encouraged and even subsidised by the NT Government.

While such investments might be seen as positive for the city from a short-term economic point of view, the long-term impacts of such extensive government involvement in the local tourism industry are only poorly understood. As government becomes increasingly involved in tourism planning, development and marketing, the levels of private stakeholder equity tend to be substantially reduced, which may result in lower levels of influence in tourism decision-making processes (Simpson, 2001). In addition, industries that are put under extensive government patronage tend to become less innovative and slower in adjusting to changing market trends. This has often been found in research on industries based around the extraction and export of natural resources (see, for example, Howlett and Brownsey, 2008). Continuous reliance on government support for investment in development, infrastructure, marketing or distribution, can create a certain culture of dependency among private industry players which stifles home-grown initiatives and private investment and can lock the industry into a permanent dependency development path (Baum, 1999; Kneafsey, 2000). Any such analysis in the context of Darwin requires a detailed understanding of the ways in which government is currently involved in tourism.

This research examined the extent to which the NT Government has been involved in recent years in the development and marketing of Darwin tourism and the role it has assigned to tourism within the overall economy. Specifically, the research explores: 1) the various roles the NT Government has chosen to play in Darwin's tourism sector over the past ten years; 2) the type of tourism development and marketing strategies that the government has sought to encourage; and 3) the ways in which government has been trying to use tourism as a vehicle for general economic growth and development in Darwin.

Methods

Data were drawn from a media and newspaper analysis for the period 2000 to 2009. Newspaper articles and local radio transcripts relating to tourism in Darwin were collected from the online database 'Australian/NZ Reference Centre', which hosts a collection of all major Australian newspapers, magazines, and broadcasting transcripts. The sample comprised a total of 178 articles. The data analysis included both qualitative and quantitative content analysis techniques. All articles were grouped into thematic categories to break down the content into more manageable chunks of data. The identified categories included marketing campaigns, air traffic, the waterfront precinct, accommodation developments, the central business district, and indigenous tourism. Texts of all articles in each category were analysed using the free online service 'Wordle' (www.wordle.net), which counts word frequencies and creates visual 'word clouds' that emphasise the prominence of particular words in the text (Figure 1). This analysis approach was used to identify the most common key words and key stakeholders for each thematic category. In addition, a qualitative content analysis was conducted on each of the sampled articles to identify common patterns and re-occurring (or absent) themes, as well as the relationships between key words identified in the word frequency analysis. Particular attention was paid to the type of language and rhetoric used in the text to explore deeper meanings and relationships within the text. The qualitative approach helped shed light on the nature and degree of government involvement in each of the thematic categories.

Results

Marketing Campaigns

The most common key words in the category 'marketing' included: *government, campaign, million, Tourism NT, industry, international, Tourism Minister, movie, and promote*. Articles appeared to be mainly focused on international markets (especially from the UK, US, and other Europe) and much of the money for marketing purposes was directed towards international campaigns (e.g. international promotional campaigns leading up to the Hollywood movie 'Australia', or campaigns targeting international backpacker markets). Efforts to capture the domestic market (both interstate and intrastate) were only publicly announced in times when international visitor numbers were down. In times of tourism crises, there were regular calls from both industry and opposition parties for government to step in and provide extra funding for marketing. Notable examples include a recent boost in marketing funds in the wake of the 2008 global financial crisis ("*The Tourism Minister announced \$15 million support for tourism marketing to ride out the global financial slowdown.*"), or the 'Arafura rescue package', where the NT Government provided compensation payments and extra promotion funds to the Darwin and Top End tourism industry after the cancellation of the Arafura Games in 2003 due to the outbreak of SARS.

Government clearly played a central role in the marketing of Darwin. The words '*government, Chief Minister, Tourism Minister, Tourism NT*', or the names of government politicians (*Henderson, Martin, Burns* etc) featured prominently in the articles sampled for this category. This might be little surprising, as most of the government's money for tourism has traditionally been allocated to marketing and promotion (Tourism NT, 2008a). Critics, however, argued that the NT Government provided the highest per capita support for all Australian states and territories without having a compelling reason for it (Carter, 2006). Government's justification in the media for its strong support mainly included statements that tourism was '*one of its biggest industries and job creators*' and therefore worth protecting and supporting.

Air Traffic

The most common key words identified in this category included: *flights, airline, airport, service, government, international, hub, passengers, Japanese*, and the names of airlines which are or were servicing Darwin (*Jetstar, Tiger Airways, Qantas, Virgin Blue, Ansett* etc). In addition, names of destinations and places that Darwin is or was linked to in its air traffic network featured strongly in the list (e.g. *Melbourne, Sydney, Alice Springs, Asia, Singapore, Brisbane, Cairns, Bali* etc). Government related words (such as *Tourism Minister, Tourism NT, commission, federal*, or names of particular politicians) were also repeatedly mentioned in the texts and highlight the dominance of articles with government involvement in this category.

Increasing the number of flight services to and from Darwin was clearly one of the declared priorities of Tourism NT. There seemed to be a widespread belief that the more airlines that serviced Darwin, and the more flights that were available, the more tourists would automatically come and visit the city and the rest of the NT. There were regular outcries in the media every time an airline announced cut-backs or suspension of services. Government and Tourism NT repeatedly sought to lure both national and international airlines to Darwin on several occasions. In some cases, government provided direct financial incentives for airlines to include Darwin in their route network ("*The Territory Government spent \$8 million enticing Jetstar to set up its international hub in Darwin.*"). There was also a strong push from government to increase the number of Japanese charter flights into Darwin and the NT. Furthermore, the ambition of the NT Government was to establish Darwin as an

involvement was also evident in this category. On several occasions, government and Tourism NT were encouraging new accommodation developments to ease what was called a 'bed crisis' in the city. Government was also keen to promote the benefits of new accommodation developments for both the tourism and construction industries and the 'spin-offs for the whole Territory economy' in public ("*This project will pump \$180 million into the economy and create 1000 jobs during construction.*").

One of the main strategies pursued by the NT Government over the past decade appeared to be to increase local employment through the construction of tourism accommodation and infrastructure, especially in times when total tourist numbers in the NT were down, or projected to decrease ("*Government is planning to end the Territory's tourism woes with the construction of a multi-million dollar eco-tourist resort.*"). Nevertheless, it was rarely mentioned in the articles that most investors were externally based companies (e.g. Toga Hotels, SkyCity, Saville Hotel Group etc) and also many of the new jobs created in construction and tourism were usually taken up by short-term interstate migrant labour. Again, there was a tendency towards 'superlativism' in the articles about new accommodation developments. Descriptions of projects always included detailed references to how many million dollars were involved in the projects, how many rooms and storeys were featured in the new (high-rise) buildings, or how many more tourists they were expected to bring to Darwin.

The Central Business District (CBD)

Apart from stimulating tourism and the construction industries, the multiple construction projects in the city were also promoted as an opportunity to revitalise the CBD and its pedestrian mall, which had been struggling with declining visitor numbers and sales figures over the past decade. Government's (more or less single-handed) decision to have the new convention centre built at the waterfront instead of right in the city centre caused some protests from local business operators who were hoping for more flow-on effects from convention visitors in the CBD. Critics were arguing that neither the waterfront development nor the new accommodation developments in the city would benefit the CBD in any meaningful way, as those areas were only poorly connected. Instead, local operators were calling for a general facelift of the CBD and better transport links to the waterfront to attract more visitors to the CBD.

The most common words in CBD related articles were: *crocodiles, city, need, Gamble* (the name of a private developer), *tourists, attractions, Crocosaurus Cove, business, and mall*. The CBD was the only category where the local private industry seemed to have some sort of influence on tourism projects. Articles in the categories marketing, air traffic, the waterfront precinct, and accommodation developments, were to a large extent centred around actions and opinions of the government or external investors to whom government had contracted projects. The CBD was the only category where the research could identify a major tourism development that had been initiated and funded by a local private operator. Several articles were talking about the construction and opening of 'Crocosaurus Cove', a \$30 million private crocodile and reptile centre which was opened in the city's main street in 2008. Surprisingly, there were no references to any government involvement or support in any of those articles.

Indigenous Tourism (and other 'niche' tourism development)

Articles about indigenous tourism development were mostly relating to rural and remote regions outside of Darwin (e.g. in Kakadu National Park, or in remote Arnhemland and Groote Eylandt). There seemed to be a strong push from government to increase the number of Indigenous tourism operations in remote

communities (“NT Government and the region's land councils are currently working with over 40 Aboriginal communities and outstations to develop new tourism products.”). A similar push for Indigenous tourism entrepreneurship in Darwin was, however, clearly absent in the media articles. A similar issue was identified in the development and promotion of special interest and niche market developments. The few articles that were found on niche tourism development (for example, fishing or bird-watching tourism) were all relating to the wider Top End region and not to the city of Darwin.

Discussion and Conclusion

The results suggest that Darwin's tourism development has included substantial involvement from the NT Government since the early 2000s. There was a strong government presence in each of the identified thematic categories. Apart from more traditional government responsibilities, such as regulation, planning and strategic development, the NT Government has assumed exceptionally strong positions in promotion and marketing, stimulation and entrepreneurial activity. In times of tourism crises, the NT Government has usually stepped in and provided generous support for national and international marketing campaigns, industry rescue packages, or for projects aimed at attracting new airlines or external investors to Darwin. Continuous stimulation of such external investment was officially described as one of the priorities in Tourism NT's latest strategic plan, where it was also acknowledged that government support was critical for NT tourism due to a *'lack of private investment and industry dependence on government for tourism marketing and development'* (Tourism NT, 2008b, p. 13). This might also explain why government has taken on the role of a leading entrepreneur in Darwin. The investment in and operation of showy infrastructure projects (e.g. the construction of the convention centre and the waterfront precinct) emphasise government's aspirations to create an internationally renowned tourism product that probably would otherwise not exist.

There are reasons to suggest that tourism in Darwin has become something of a 'pet project' for the NT Government, who has put tourism under its patronage to create a pillar for economic growth. Tourism as an economic industry has not evolved in an organic growth process, nor has it been set up as a secondary alternative to other industries. Instead, tourism appears to be a largely artificial government-driven industry whose main objective has been to 'boost' the local economy and create large numbers of jobs (albeit most of these in construction rather than operation). The types of tourism development and marketing strategies that the NT Government has prioritised over the past decade seem to reflect government's imperative commitment to fast economic growth (Pforr, 2001). In addition, the rhetoric used in many of the media articles suggests that it is a priority for the Territory and Darwin to become recognised as a world-class and internationally competitive destination, so that tourism can become a way for the NT Government to showcase its economic success to the rest of the world (and/or Australia). In general, the discourse around tourism development in Darwin appears to be strongly number-oriented and the media analysis identified a certain tendency towards 'superlativism' in government sponsored projects. Articles were to a large extent in favour of development projects and marketing strategies and tended to emphasise large numbers (for example in terms of tourist arrivals, tourist expenditure, economic contribution, multi-million and billion dollar investments, increases in flight or bed capacities, new high-rise constructions, or the creation of jobs).

The strong investment in tourism infrastructure projects indicates that government is not just investing in tourism for the sake and wellbeing of the tourism industry itself but to stimulate economic activity and employment in other industries, particularly in

the construction and real estate sectors. The results of this research support the idea that tourism has usually been an arm of the construction industry and used by the NT Government as a reason to 'build something' in order to stimulate fast economic benefits and an immediate rise in (short-term) employment in the construction sector.

The dominance of external investors, and the simultaneous lack of discourse around developments from the local private sector, indicates that Darwin might currently be suffering from a lack of home-grown local entrepreneurs who are prominent enough to get a public voice in the media and in important tourism related decisions. This raises some interesting questions regarding the long-term viability and sustainability of tourism in Darwin (as well as in the rest of the NT). If tourism is an industry that is almost exclusively reliant on the continuous support and investment from government and external investors, will it ever be able to develop into a more independent economic system or a 'breeding ground' for local entrepreneurship and innovation? This study has provided a first step by analysing the role of government and the extent of its involvement in tourism development in Darwin. Future research will have to look at whether different approaches (i.e. less government involvement) could result in different industry structures and stimulate higher levels of local capacity for innovation.

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