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Jeremy Buultjens
Southern Cross University

Margaret Tiyce
Southern Cross University

Deborah Gale
Southern Cross University

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SUSTAINABLE FOREST-BASED TOURISM IN NORTHEAST NEW SOUTH WALES, AUSTRALIA: A PROBLEMATIC GOAL

JEREMY BUULTJENS, MARGARET TIYCE, and DEBORAH GALE

School of Tourism and Hospitality Management, Southern Cross University, Australia

Sustainable tourism is seen as capable of providing both rural economic development and valorizing conservation. Unfortunately, it appears that many nature-based tourism operations are struggling to maintain the financial viability required to ensure this occurs. This study examined 41 forest-based tourism businesses in northeast New South Wales, Australia, to assess their ability to contribute to sustainable tourism. The businesses employed an average of 5.6 staff per business, including the owner(s). Approximately 61% of businesses had a gross income of less than AUS\$100,000 and 40% of operators had a combined household income under AUS\$25,000. A relatively large number of operators suggested that they were forced to charge fees that were either below cost or at cost. All operators suggested that their businesses did not have a negative impact on the environment, although nearly 46% of operators stated they had concerns about the environmental impact of their competitors. The overall results indicated that a majority of forest-based tourism operators in northeast NSW, because of their financial position, are probably not contributing substantially to local economic development and would have trouble adopting environmentally sustainable practices.

Key words: Sustainable tourism; Nature-based tourism; Forest-based tourism; Rural development

Introduction

Tourism is seen as industry capable of providing rural economic development (Bramwell, 1990; Northern Rivers Regional Development Board [NRRDB], 1994). It is also seen as a way of valorizing conservation because much of rural tourism is nature based and is dependent upon a relatively pristine natural environment (Lane, 1994). A well-main-

tained natural environment can represent a competitive advantage for tourism in rural areas (Williams, 1992), despite this relationship not appearing to be well understood (Cook, Stewart, & Repass, 1992). To ensure the benefits from regional tourism are maximized and are ongoing, it is important that sustainable tourism practices are adopted by all businesses providing a tourism product. It is especially important for nature-based tourism operators be-

Address correspondence to Dr. Jeremy Buultjens, Senior Lecturer, School of Tourism and Hospitality Management, Southern Cross University, P.O. Box 157, Military Road, Lismore, NSW 2480, Australia. Tel: 61-1-02-6620-3382; Fax: 61-2-6622-2208; E-mail: jbuultje@scu.edu.au

cause of their close relationship with the environment and their ability to cause significant ecosystem damage in natural areas (Alden, 1997).

Many rural regions' historic economic base has been tied to natural resource use and probably degradation; therefore, the urgency to address sustainability in these areas is particularly acute (Shaffer, 1995). However, while tourism holds the promise of an improvement in natural assets, poorly managed tourism can exacerbate the damage occurring in fragile rural environments (Lane, 1994). The degradation of the environment in rural areas will limit the potential to further develop tourism. A number of organizations and individuals must take responsibility for ensuring tourism in rural areas is undertaken in a sustainable manner. Governments and the various departments responsible for land management and the provision of tourism and recreational facilities (e.g., the national park services, forestry services, regional development and tourism organizations) obviously have a very important role. Nongovernment peak tourism and regional development organizations also have an important role in developing plans and strategies and providing direction for the tourism industry. Finally, tourism businesses and operators also have a very important role to play in ensuring sustainable tourism is undertaken in regional areas. Operators are important because it is, to a large extent, their practices that will determine whether tourism will be sustainable. However, the ability to undertake sustainable practices is linked significantly to the financial viability of the business (Beeton, 1998; McKercher & Robbins, 1998). If a business is struggling financially, it may be prevented from implementing sustainable practices.

This article examines the financial circumstances of forest-based tourism operators in the northeast region of New South Wales (NSW) to assess their ability to undertake sustainable practices. The article begins with a discussion of sustainability in the tourism context. The second section provides an overview of nature-based tourism businesses both in Australia and abroad. The third section outlines the tourism characteristics of the study region, while the fourth section presents the results of the study. This is followed by an explanation of, and the results from, the study. The final sections are the discussion and conclusion.

Sustainability

Ecologically sustainable development (ESD) or sustainability has become a priority for most countries; however, it remains an ambiguous and complex concept that appears to be very difficult to operationalize (McKercher, 1993). In the tourism and recreation context, ESD is frequently associated with discussions of "ecotourism" and "nature-based tourism" (Boo, 1990; Whelan, 1991). ESD is defined in the Brundtland Report, *Our Common Future*, as "development that meets the needs of the present generation without comprising the ability of the future generations to meet their own needs" (World Commission on Environment and Development [WCED], 1987). Therefore, there are two central dimensions to ESD. The first is that ESD implies that we can go on producing and or supplying some commodity or service without exhausting one or more natural resources. The second is a time dimension. That is, ESD necessarily implies that we wish to choose a path that does not impoverish future generations.

In the rural tourism context, Lane (1994, p. 103) suggests that the concept of ESD must be multipurpose if it is to succeed and should aim to:

- Sustain the culture and character of host communities;
- Sustain landscape and habitats;
- Sustain the rural economy;
- Sustain a tourism industry which will be viable in the long run through careful targeting of market segments—and this in turn means the promotion of successful and satisfying holiday experiences; and
- Develop sufficient understanding, leadership and vision amongst the decision-makers in an area so that they realise the dangers of too much reliance on tourism, and continue to work towards a balanced and diversified rural economy.

Clearly in achieving ESD there is a strong interdependence between environmental conservation, economic development, and social well-being. This interdependence may sometimes result in trade-offs between the three systems because each system has its own set of goals that may conflict with goals of the other systems. However, for tourism to be sus-

tainable there has to be conservation of natural resources, economic development, and social involvement and acceptance.

In addition to the above-mentioned characteristics, it is also argued that sustainable tourism emphasizes the need for local ownership that optimizes the local benefits flowing from tourism as well as a commitment by local operators to ESD principles and practices (Allcock, Jones, Lane, & Grant, 1994). Therefore, despite the problematic nature of ESD it is obvious that it can only be achieved if, in the first instance, local tourism businesses are commercially viable. Commercial viability ensures businesses will contribute to ongoing rural development (McCool, 1995) and that the businesses can afford the up-front costs associated with operating in a sustainable manner (Beeton, 1998; McKercher & Robbins, 1998). In contrast, if tourism businesses are not viable, they will not contribute to rural development and they are unlikely to afford the extra costs associated with operating on an ESD basis.

An Overview of Nature-Based Tourism Businesses

While world tourism overall has been growing at about 4% each year, nature-based travel is increasing at an annual rate between 10% and 30% (The International Ecotourism Society, 1998). This is comparable to Australian nature-based tourism, which is apparently growing by about two to five times faster than Australian tourism generally (McKercher & Robbins, 1998). Nature-based tourism is predominantly based in rural areas because of its dependence on the natural environment. In line with Jafari's Adaptancy Platform theory, nature-based tourism has been seen to be a more desirable type of tourism for rural areas (Jafari, 2002). The growing trend in nature-based tourism, however, has resulted in a number of rural areas placing a great reliance on this industry to provide rural development, although there is little to substantiate any considerable growth in ecotourism businesses (Burton, 1998). Exaggerated claims by the tourism industry have probably helped to inflate the expectations placed on the industry (see Leiper, 1999).

The nature-based tourism industry, like rural economies in general, is dominated by small businesses, which are seen to have a number of advantages (Berry & Ladkin, 1997; Morrison, 1996). For

example, most small nature-based businesses are locally owned (Weaver & Fennell, 1997) and are therefore likely to provide greater benefits for local economies than larger, nonlocal businesses. Local ownership of the tourism business also means that owners have an intimate knowledge of the local environment and probably have a greater interest in maintaining the quality of the environment than an absentee owner. Another advantage of small tourism businesses is that these businesses have the flexibility to relocate to other areas relatively easily (Jafari, 2002). Small business ecotourism owner/operators, generally speaking, work long hours (Econsult, 1995) and, on average, employ nine staff, usually on a part-time, casual, or subcontract basis (Econsult in Blamey, 1995). In addition, tourism industry jobs are generally low paying. The payment of low wages limits the impact the industry has on rural development (McCool, 1995).

Small businesses, including those in the tourism industry, have high failure rates (Meredith, 1995). There are a number of reasons suggested for the high failure rates including poor financial management, liquidity problems, management inexperience and incompetence, problems with staffing, and external factors. Many owner/operators enter the tourism industry because of their love for certain noncommercial recreational activities (McKercher & Robbins, 1998). They usually have a major proportion of their wealth invested in the firm and are subject to a number of internal and external constraints on borrowing and equity participation by outsiders (Cressy & Cowling, 1996). A study in New Zealand showed that a large proportion of owners failed to complete a feasibility study before starting their business (Deloitte Touche Tohmatsu, 1994) and/or, once the business had begun, failed to undertake any long-term planning (Thomas, Friel, Jameson, & Parsons, 1997). The resultant lack of financial security results in the inability of businesses to undertake investment necessary for the long term in order to develop in a more stable manner (Lane, 1994).

Management in the tourism industry tends to be inexperienced and lacking in financial resources, human resource management, and marketing skills. A majority of nature-based owner/operators have no formal business or marketing background and do not have prior experience in the tourism industry (Cotterill, 1996; Deloitte Touche Tohmatsu,

1994). In addition, given the lack of financial resources, businesses are unable to afford effective marketing (Lane, 1994). Staffing is another important problem faced by tourism businesses in rural areas (Reynolds, Savage, & Williams, 1994). Owner/operators often find it difficult to find and retain appropriately skilled staff, especially multiskilled tour guides (Blamey, 1995; McKercher & Robbins, 1998). The problems with staffing are exacerbated by the inability of these businesses to provide effective training to staff because of a lack of financial resources (Lane, 1994).

External factors can also impact considerably on small nature-based businesses. For example, the tourism industry is very susceptible to fluctuations in the economy. In addition, easy of entry into the market and the attractiveness of the lifestyle associated with nature-based tourism encourages a high level of competition. This competition forces many operators to have unsustainably low fees. McKercher and Robbins (1998) found operators were too afraid to charge a price that reflected the true value of the product they offered for fear of losing clients. Another major external constraint on nature-based businesses is the seasonal nature of many activities. In a number of cases businesses are only able to operate at peak capacity for 4–6 months. Another important factor that can impact on nature-based businesses is decisions made by government agencies. For example, a number of studies show that nature-based tourism operators are concerned by problems with complex and uncertain regulations and delays in decision making by authorities (Huyers & Bennett, 1997; Weaver & Fennel, 1997; Weaver, Glenn, & Rounds, 1996), resulting in short-term horizons for industry operators using public lands (Huyers & Bennett, 1997).

These problems faced by nature-based businesses contribute to their high failure rate. In addition to the businesses that fail, there are a number of businesses that survive but remain only marginally viable (McKercher & Robbins, 1998). In these cases owner/operators may remain in business because of noneconomic motives such as their love for the recreational activity or lifestyle (Shaw & Williams, 1990). It may also be that operators are reluctant to leave the industry because they have all their financial resources tied up in their business and they cannot realize their value by selling the business.

The Study Region: Northeast NSW

The region examined in this study, running from the Queensland border to Gosford and including the New England Tablelands and the Hunter Valley, has a number of natural attractions including many forested areas (Fig. 1). The region has traditionally supported a significant timber industry; however, resource exhaustion has resulted in the closure of many timber-related businesses. Forest-based tourism, a subsector of the nature-based industry, has been viewed as a potentially important industry in this region.

New South Wales, the state in which the region is located, attracted approximately 2.3 million international visitors and 26.7 million domestic visitors in 1999–2000. International tourists predominantly focus their visit on Sydney (63%) but a number also visit northeast NSW. For example, 11% visited the North Coast, 7% visited the Hunter Valley/Central Coast, and 1% visited the New England Region1 (Tourism New South Wales, 2001). (These three regions are within the study site.) Domestic tourists to NSW destinations also favor Sydney. In 1999–2000, 30% of domestic overnight visitors visited Sydney, while northeast NSW attracted approximately 37% of visitors to NSW (Tourism New South Wales, 1998).

The vast majority of domestic tourists to northeast NSW are fully independent travelers (FIT) using a private vehicle (87%). The main form of accommodation in the region is the homes of friends and relatives (41%). Expenditure by tourists in NSW is relatively high, with international domestic expenditure averaging AUS\$87 per tourist per day in 1998 and domestic expenditure averaging AUS\$84 per tourist per day. In northeast NSW in 1996–1997 there were over 12.8 million visits resulting in 40.1 million visitor nights and a total expenditure of AUS\$2,714 million undertaken by visitors (Tourism New South Wales, 2001).

In Australia, and in particular in the northeast NSW region, forested areas represent a significant proportion of tourism and recreational attractions in natural environments (Allcock et al., 1994; NRRDB, 1994). For example, it is estimated that anywhere between 4% and 6% of domestic tourists to NSW visit national parks, go bushwalking, or take rainforest walks (Tourism New South Wales, 2001).

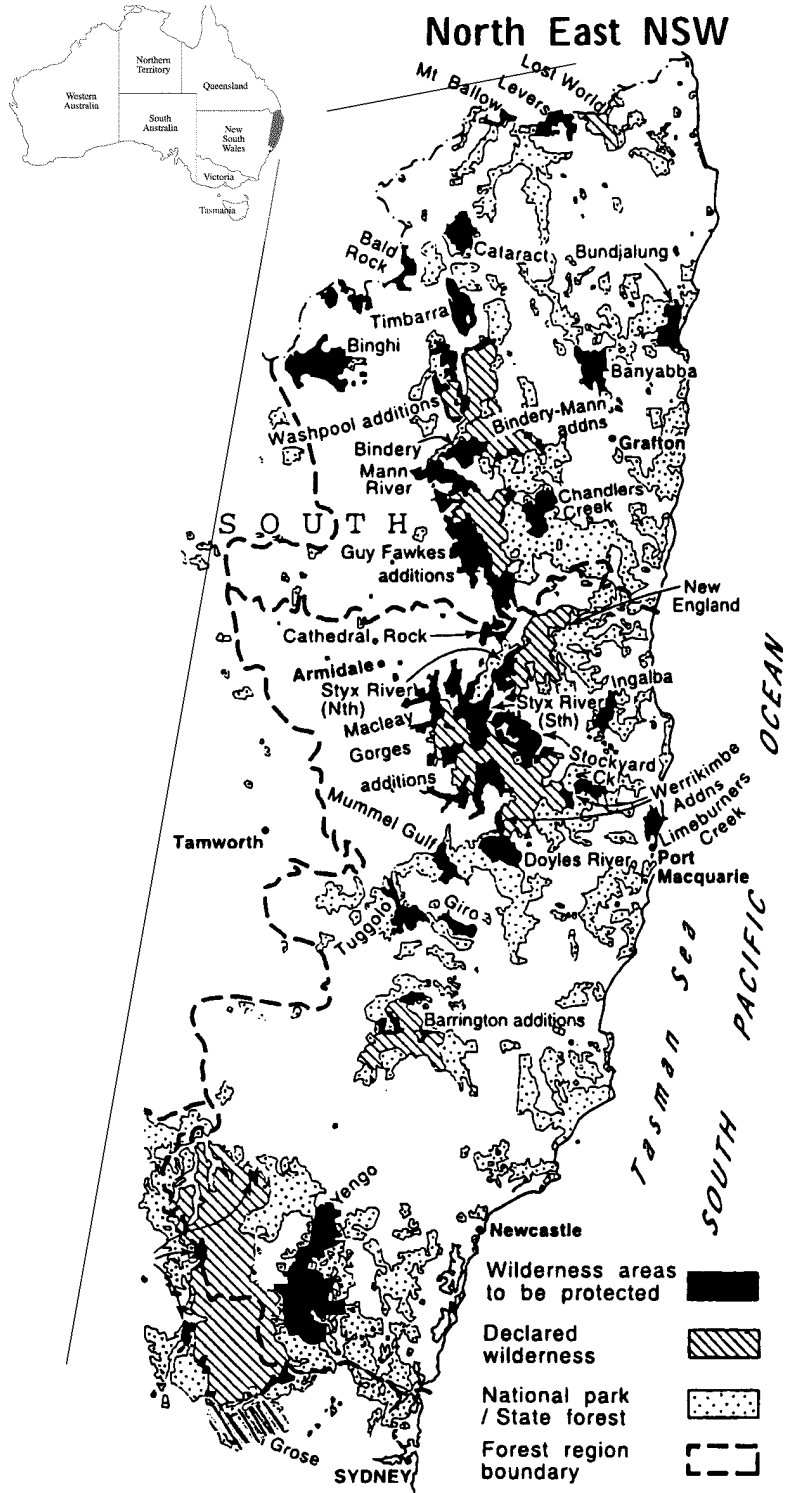


Figure 1. Map of Northeast NSW. Source: NSW Department of Urban Affairs and Planning, Australia.

Furthermore, this demand is increasing significantly, with a 48% increase in National Park visitation in NSW and a 66% increase in bushwalking between 1989 and 1994 (Blamey, 1995).

National Parks, State Forests, Reserves, and other forested public lands provide opportunities for a wide range of recreational and tourism experiences. Sightseeing, tourism, bushwalking, camping, observing wildlife, wildflowers, and bird life, four-wheel driving, trail bike riding, rafting, canoeing, fishing, swimming, horse riding, and guided tours are popular activities undertaken in forested areas. These activities incorporate scenic, aesthetic, experiential, cultural, spiritual, and educational needs and values. In 1995, international visitors to Australia indicated that they particularly value the activities common in forested areas, with 42% visiting National Parks, although not all National Parks have significant forested areas. Approximately 15% of international tourists visited Aboriginal sites and experienced Aboriginal culture, 15% participated in bushwalking/wildflower viewing, 5% in outback safaris/four-wheel-drive tours, 3% in horse riding, and 2% rock climbing (Bureau of Tourism Research, 1996). This market consists predominantly of visitors from Germany, UK, other European countries, US, Canada, Japan, and Singapore (Bureau of Tourism Research, 1996). The contribution of these visitors to the economy is substantial. The average expenditure of international visitors who visit National Parks/State Forests/Reserves/Caves is 19% higher than average inbound tourist expenditure, averaging AUS\$2,132 per visitor in 1993 (Bureau of Tourism Research, 1996).

Domestic visitation to National Parks and State forests is also highly popular, with 27% of Australians indicating they visited a National Park in 1995. Furthermore, in a Newspoll survey in 1997, 53% of Australians said they would visit a National Park or natural attraction on their next holiday. This suggests the potential for growth in nature-based tourism in forested areas is very high (Blamey, 1995).

Methodology

In February 1999, a study was undertaken of 41 forest-based tourism operators in northeast New South Wales, Australia. The purpose of the study was to investigate the characteristics and financial

viability of forest-based operators directly dependent upon forested areas. These data were used to provide an insight into their capacity to pursue ecologically sustainable practices and to provide economic returns to host communities. The survey examined operators who relied directly on forested areas (i.e., those businesses that visited forest areas with their clients). The forested areas included National Parks, State Forests, Nature Reserves, State Recreation Areas, and some private land. While a substantial number of businesses adjacent to these areas are indirectly dependent on visitors who access the forests, only commercial operators directly using the forests were included in the study.

Quantitative and qualitative information about the nature of operations and their financial status was collected. Qualitative information from tourism agencies also provided insight into attrition rates and the state of the industry. The survey examined the characteristics of nature-based businesses including their financial details and the level and type of employment amongst operators. A mailing list of potential operators was developed utilizing media sources, tourist information agencies, NPWS and State Forests records, and Tourism New South Wales's records. One week after the mailing out of questionnaires the operators were contacted by phone to complete the survey. A total of 73 operators were identified. However, 27 questionnaires could not be delivered; presumably the operators had gone out of business or had moved to new premises. Of the remaining 46 businesses, 41 completed the survey, while five declined to participate. This constituted an 89% response rate, which is a comparable response rate to other similar studies of nature-based tourism operations (e.g., Weaver et al., 1996).

Results

Profile of the Businesses

Typical of the industry as a whole (see Preece, van Oosterzee, Ecoz-Ecology Australia, & James, 1995), the industry in the region was fragmented with the operators widely distributed throughout the region. The majority of operators were located in the southern zone of the study area, clustered near the large population centers, such as Newcastle. The larger operators generally provided both accommo-

dation and tours of forested areas, with a range of activities normally associated with nature-based recreation. The most popular activities were bushwalking, horse riding, four-wheel driving, and touring. The study revealed that forest-based operators in northeast NSW were predominantly small-scale, family businesses. All businesses were owner operated and the product was substantially based on the knowledge, expertise, and values of the owners. This is supported by the research of McKercher and Robbins (1998) and Beeton (1998), and revealed forest-based tourism operators were similar to small business operators generally (Meredith, 1995).

The businesses had been operational, on average, for 9 years ($SD = 5.7$ years) and had been under the control of the present owner for an average of 6.5 years ($SD = 11.6$ years). This indicates that the businesses were, in the main, well established. Like many small businesses, however, forest-based operators suffer high attrition rates. Initial research to locate forest-based operators and subsequent discussions with tourism agencies revealed a high early attrition rate with many businesses going out of business in the first 12 months. The high attrition rate was also indicated by the number of questionnaires that could not be delivered. Accurate statistics on attrition rates were outside the scope of this study, but it appeared that a number of forest-based businesses in the study area had gone out of business within 12 months of commencing operations. This appeared to confirm that forest-based operators were generally subject to the same failure rates as small businesses (Meredith, 1995).

Employment

At the time of the survey the 41 businesses employed 231 people, an average of 5.6 staff per business, including the owner(s). This is lower than the industry average of nine staff (Econsult, cited in Blamey, 1995), and may be due to the predominantly rural nature of the study area. Twenty percent of businesses had only one employee, 75% employed five or fewer employees, while only 5% of businesses employed more than 20 people. The most common method used by the businesses to recruit staff was word of mouth or inquiry by the employee (83%). This was consistent with small business generally, which uses informal methods to recruit staff

(Meredith, 1995). A problem with informal recruitment is that often staff does not meet the expectations of the employer.

The age of workers ranged from 17 to 65, while the average age was 38. This is similar to tourism generally where the average age of tourism employees is 36 years (Western Australia Labour Market Resource Centre, 1995). Male workers constituted 63% and females 37% of the total workforce. As expected, employees generally lived in communities close to the businesses. Full-time employment accounted for 32% of total employment, part-time employment accounted for 35%, and casual employment accounted for 33%. Part-time and casual employees worked, on average, 17 hours per week.

Employment in 68% of businesses was driven by seasonality, similar to the industry average of 65% (Western Australia Labour Market Resource Centre, 1995). This insecurity of employment may contribute to the difficulty many nature-based businesses experience locating and securing appropriately skilled staff, especially multiskilled tour guides (Australian Conservation Foundation, cited in Blamey, 1995). For example, this study established that many white-water rafting guides had to work their way up and down the east coast of Australia, or even travel overseas, due the seasonal nature of employment in this industry. This travel could also have been the preferred lifestyle of the guides. Whatever the reason, it often resulted in shortages of appropriately qualified staff in the study region. Other studies have confirmed the difficulties that many nature-based businesses have in finding and maintaining skilled staff (McKercher & Robbins, 1998; Sofield & Getz, 1997).

Financial Characteristics

Gross business income for the businesses was relatively low; 61% had a gross income of less than AUS\$100,000 (see Table 1). Only 11% of businesses had a gross income above AUS\$500,000. Approximately 67% of businesses had annual operating costs of less than AUS\$100,000, while 8% had operating costs above AUS\$500,000. Nearly 78% of businesses had debts of less than AUS\$100,000. In the 1997–1998 financial year, 86% undertook less than AUS\$100,000 capital investment. Total capital investment in the business was also relatively low, with

Table 1
Financial Status of Nature-Based Operators in Northeast NSW ($n = 36$)

Amount (\$AUS)	Gross Business Income (%)	Operating Costs (%)	Business Debt (%)	Investment 1997–98 (%)	Total Capital Investment (%)
Less than \$100,000	61.1	66.6	77.8	86.5	47.3
\$100,000–\$250,000	16.7	22.2	11.0	8.1	19.4
\$250,001–\$500,000	11.0	2.8	5.6	2.7	16.7
\$500,001–\$750,000	5.6	5.6	—	2.7	8.3
\$750,001–\$1m	—	—	—	—	—
Over \$1m	5.6	2.8	5.6	—	8.3

47% of businesses having total investment of less than AUS\$100,000. While investment may be considered relatively low, in terms of commitment by individual operators it usually represents their total life savings.

Table 2 shows that combined household incomes of owners varied considerably. In 40% of businesses, combined household income was under AUS\$25,000 while in 11% combined income was over AUS\$80,000. A number of owners (46%) were dependent on income earned either by themselves or their spouse outside of the business. This confirms Beeton's (1998) proposition that many ecotourism/nature-based operators need outside incomes to survive and that this situation tends to be compounded in economically and geographically peripheral regions, such as many areas in northeast NSW.

Indeed, studies overseas have shown that the income from many ecotourism/nature-based operations in rural areas is supplemental to other incomes, mainly from farming (Weaver et al., 1996). However, some of the ecotourism/nature-based business incomes can be quite substantial, with some operators earning in excess of CAN\$50,000 (Weaver & Fennell, 1997).

Clientele

The total number of clients catered for in 1997 was 78,844, with an average of 2318 clients per company or 44.6 clients on average per week. The most clients catered for by an individual firm was 15,000 per annum, while the lowest number of clients was 14 per annum. For the sample as a whole, the number of clients had increased by 46% percent since the previous year. Over 90% of operators believed that improved marketing would help their business to attract

more clients. However, despite the perceived advantage from advertising, 75% of operators stated that they were unable to undertake any active marketing strategies due to the prohibitive costs associated with it. These operators did not believe their circumstances would change in the short to medium term to allow them to undertake increased marketing.

Fees

All businesses believed they faced close competition for their current market share and that they would suffer considerably if they were to increase the fees charged for their activities. In addition, approximately 46% of operators felt they were charging fees that were either below cost or at cost. This suggests that a relatively large number of businesses are operating in an unsustainable manner over the medium to long term and feel unable to do anything about their situation.

Business Prospects and Threats

The businesses that responded to the questionnaire were optimistic about prospects for future business development. More than 92% of businesses indicated

Table 2
Combined Household of Nature-Based Operators in Northeast NSW ($n = 35$)

Income (\$AUS)	Businesses (%)
Less than \$12,000	20.0
\$12,001–\$25,000	20.0
\$25,001–\$40,000	25.7
\$40,001–\$60,000	20.0
\$60,001–\$80,000	2.9
Over \$80,001	11.4

there were potential opportunities for expansion. Despite this, the majority of businesses were not undertaking increased investment; rather, they were expecting their businesses to grow from increases in demand. There appeared to be no differences in investment decisions between the larger and smaller operators. The reliance on increased demand may be problematic for many of the operators. Inflated and misleading reporting of statistics on tourism potential and growth by government and tourism bodies (Leiper, 1999) may result in some operators having unrealistic expectations.

Despite the optimism about future prospects, 76% of businesses believed there were threats to their business. These threats included a lack of funds, high fees, the economy, the introduction of the goods and services tax, unsympathetic development, bushfire, increased competition, and overregulation. These operators also highlighted problems with complex and uncertain regulations and delays in decision making by authorities. Twenty-two operators (54%) expressed a general lack of confidence in public management agencies and were concerned about possible exclusion from forest areas through land tenure changes. Horse riding and four-wheel drive operators (50% of those who expressed a lack of confidence) were particularly concerned about this possibility.

Eight operators (20%) located throughout the whole of the study region stated that environmental damage or changes were a threat to their business. When questioned on the environmental damage caused by their business, all operators were of the belief that their operations were not impacting negatively on the environment. It should be noted that this could not be confirmed or disproved by the researchers. Despite this positive view of their own operations, operators were not so positive about the impact of other forest-based operators. Nearly 46% of operators stated they had concerns about the environmental impact of their competitors. Operators stated this impact usually arose for either a lack of environmental knowledge, a lack of concern for the environment, cost-cutting measures, or a combination of all three.

A Lifestyle Choice

In discussions with the operators, it became clear many perceived their businesses not as profit driven,

but as a lifestyle choice. The motivation to proactively expand the business beyond its present size was not evident in many cases. Instead, the research suggested the driving force of many nature-based operators was to develop and maintain a certain lifestyle and environment in line with their own personal values and needs. It was apparent, as Beeton (1998) and Bransgrove (1992) point out, a large number of operators had a passion for their product and delivery; for many it was the pursuit of a hobby or a lifestyle. Tourism appears to provide a feasible, if not highly profitable, means to pursue a rural lifestyle.

Discussion

Sustainable rural tourism requires the preservation of environmental assets of the tourism industry as well as a contribution to rural development. This study indicates that a majority of forest-based tourism operators in northeast NSW, because of their financial position, are probably not fulfilling their potential towards achieving sustainability. Approximately 60% of the businesses surveyed had a gross business income below AUS\$100,000, while 40% of the operators had a combined household income of less than AUS\$25,000. In addition, the income of employees engaged in these businesses is likely to be low because 68% are employed on a part-time or casual basis. Their employment, in a majority of cases, is also seasonal in nature.

The financial position of a majority of businesses is unlikely to improve substantially. Businesses feel unable to increase their fees due to competitive pressures from other operators and they are unlikely to increase their clientele through increased marketing due to financial constraints. Therefore, a majority of businesses will continue, as they have been for a number of years, to just exist on very low margins. The lack of financial resources suggests that a number of businesses are not in a position to implement and maintain environmentally sustainable practices. The adoption of environmentally sustainable practices requires, in the short term at least, the commitment of additional financial resources. These resources do not appear to be available to operators in this region. The number of operators who believe that their competitors are not maintaining the environmental values of the area supports this assessment.

The low-skilled nature of employment and the relatively high turnover in this sector will also mitigate against the adoption of sustainable practices by businesses. It is likely a number of employees in these businesses will not have the knowledge and/or expertise to ensure tourists do not impact negatively on the environment. While most owners indicated that they undertook environmentally responsible management techniques, it cannot be assumed that their employees will always do the same. The poor financial position of these businesses and the low incomes of owners and employees also limit the contribution they make to rural development. The expectations that nature-based tourism will provide significant contributions to rural economic development may be unrealistic in northeast NSW given the current nature of the industry. The low income levels of nature-based operators and the nature of employment in the sector means the direct and indirect economic contribution to rural economy may not be reaching its potential.

The relatively small number of clientele serviced by the operators in northeast NSW and the realistic assumption of relatively slow growth in clientele suggest that the economic impact of the industry will remain low. The low number of clientele and the perceptions of high levels of demand reported by government and tourism bodies may indicate that businesses are operating below capacity or that there is a mismatch between supply and demand. However, it may also indicate that nature-based tourists are by nature FIT travelers and the potential for industry growth is less than expected. More research is needed in this area.

Conclusion

Many regions throughout Australia are relying on the nature-based tourism industry to provide sustainable regional economic growth. Sustainability requires the conservation of natural resources, economic development, and social involvement and acceptance. While there may be social involvement and acceptance of forest-based tourism operators in northeast NSW, this study suggests that the other criteria are not being met. The majority of forest-based tourism businesses generate relatively low incomes and are having trouble maintaining finan-

cial viability. Therefore, these businesses are unlikely to be able afford the extra up-front costs associated with operating in an environmentally sustainable manner. They are also making relatively small contributions to the regional economy. These findings support other studies of nature-based operators in Australia.

The inability of the nature-based tourism industry to achieve sustainability is a major concern. Further research into the characteristics of nature-based/ecotourism operations and their capacity to adopt ecologically sustainable practices is needed. This will be important not only to provide a greater understanding of how the industry operates and the constraints and opportunities available, but also to provide quality products for clients, to conserve and enhance natural and cultural resources, and to provide realistic, long-term benefits for operators and communities.

The findings from this study suggest a more proactive and cooperative approach is needed to improve the benefits for operators, the industry, and local and regional economies. Only through the development of a healthy nature-based tourism industry can the economic, social, cultural, and ecological benefits of nature-based tourism be realized. Given the current state of the industry, it appears sustainable nature-based tourism will continue to be the ideal that remains elusively out of reach for many rural nature-based tourism enterprises.

Biographical Notes

Jeremy Buultjens is a Senior Lecturer in the School of Tourism and Hospitality Management at Southern Cross University. He completed a Ph.D. in 2000 at Griffith University, Queensland. His thesis examined employment relations within the registered clubs sector of New South Wales. Jeremy is currently undertaking research in indigenous tourism, tourism in protected areas, and sustainable tourism.

Margaret Tiyce is a part-time lecturer within the School of Tourism and Hospitality Management at Southern Cross University. She completed a Bachelor of Business in Tourism with Honours (First Class) in 2001 at Southern Cross University. She has more than 20 years' experience in the organization, management, and marketing of community-based festivals and events. Her research focuses on the impacts of festivals and events on individuals and communities.

Deborah Gale is currently a law student and casual academic tutor within the School of Tourism and Hospitality Management at Southern Cross University. She completed a Bachelor of Business in Tourism at Southern Cross University in 1998 and is completing research for an Honours in Tourism. Deborah's main research interests include tourism in protected areas, sustainable tourism, indigenous tourism, and environmental law.

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