

25 August 2006

The Secretary
Committee on the Inquiry,
Workforce Challenges in the Australian Tourism Sector
House of Representatives
Canberra 2601
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Dear Secretary,

This submission provides the Committee with information relevant to aspects of the Inquiry's terms of reference. I hope it is useful.

Terms of Reference #1 : "Current and future employment trends in the industry"

There is widespread misunderstanding about the scale and nature of tourism-related employment. Many institutions have made grossly exaggerated statements about the number of persons working in tourism industries. Tourism Australia and many similar institutions have been stating that "tourism is a \$75 billion industry that employs 550,000 Australians". The mass media, and a proportion of teachers in TAFE, in private colleges and in some universities, have uncritically spread this nonsense which is, as a result, widely assumed to be true.

A more realistic description is that there are various tourism industries in Australia which, in combination, employ perhaps as many as 200,000 persons.

There is a mistaken assumption in the tourism booster community (this includes many executives of tourism institutions) that expenditure by tourists creates jobs. It doesn't. Jobs are created not on the demand side of the economy but by investments on the supply side. A large share of total tourist expenditure in Australia goes directly into a wide range of enterprises which need no business strategies for tourism and no investments in employees with specialised skills for serving tourists.

Thus, in addition to 200,000 real jobs supported by tourism there is expenditure by tourists in Australia, domestic and international inbound, which does not accrue to tourism industries but has a notional effect on employment in the macro-economy representing equivalent full-time jobs totalling about 300,000; these are not real jobs and the statistic has no relevance for education and training programs.

The argument explaining these points and certain implications is in an article that has been widely reviewed in academic circles in Australia and internationally (Leiper 1999). A copy is attached.

No substantial criticisms have been forthcoming about the validity of the analysis and conclusions of the article, although its message has upset a number of persons who form a cult-like collection known as "tourism boosters". After the article was published, the author received a complimentary note from the OECD's Tourism Unit in Paris. Subsequently, the analytical approach and findings in the article have been cited in a number of authoritative publications. For example, a chapter in the International Handbook on Tourism Education endorsed the view that official statistics on tourism-related employment are highly misleading and it noted the need for

“new ways of recording tourism employment as a means of reducing exaggerated statistics, as put forward by Leiper” (Ladkin 2005, p 441).

Detailed analysis of tourism-related topics and, in particular, its partially-industrialised nature and the implications arising from this condition, can be found in a textbook, Tourism Management (Leiper 2004). Research providing evidence of the partial industrialisation of tourism can also be found in two post-graduate theses: one based on field research in Sydney (Firth 2002) and the other on field research in the Blue Mountains (Maior 2005).

Terms of Reference #2: “Current and emerging skills shortages and appropriate recruitment, co-ordinated training and retention strategies”

Australia has a huge range of educational and training resources supposedly focused on tourism. These have increased at a rate of growth out of all proportion to the need for specialised education and training in this field. In 1988 seven university programs in Australia focused on tourism, rising to 19 in 1990, to 32 in 1995 and up again to “a staggering 95 in 2005” (King and Craig-Smith 2005: 115). The conclusion is that this quantity “is unlikely to be sustainable” (p 116). In addition, Australia has hundreds (or thousands?) of tourism-related courses in TAFE colleges and private sector colleges.

This wasteful condition has been encouraged by the false propaganda put out by tourism boosters about the alleged size of “the tourism industry” and its capacity to support jobs, an issue noted earlier. For more than twenty years, Australia has had an institution known as Tourism Training Australia set up supposedly for the purpose of co-ordinating training for persons employed in “the tourism industry”. No doubt some of its work is useful, but is it handicapped by a boosterist mentality and a consequential failure to grasp the real nature of tourism industries?

Some educational institutions with tourism courses see the great majority of their graduates go into jobs in tourism industries. At Southern Cross University for example, records in the Internship Unit of the School of Tourism and Hospitality Management show that almost all graduates are employed in this field soon after graduation. Some other universities are known to have similar success. Whether this is the case across the spectrum of universities, TAFE and private colleges is not known.

Tourism and hospitality overlap in several ways. The latter is a far larger phenomenon and while its industrialised dimensions (restaurants, pubs, etc.) serve a mix of tourists and non-tourists (i.e. locals), there is little doubt that in general, tourism is largely irrelevant for the education and training of the majority of employees in “hospitality” businesses.

Readers of this submission might have noticed its use of the plural expression, tourism industries, which differs from the common term, in the singular. Referring to “the tourism industry” in contexts that imply that there is one giant industry behind all tourism in Australia (or indeed in any city) is misleading habit for anyone wanting to understand the topic in any detail. An explanation of the case for using the plural generic can be found in a recent publication (Leiper 2006). A copy can be supplied if required.

Problems stemming from the false idea that “tourism is an industry”, that one giant industry supports all tourism, include not only the one noted earlier – exaggerating the number of persons employed, but a more complicated problem. It leads designers of training programs to imagine that a generic syllabus will be relevant to employment in “the industry” whereas in fact there are

major differences between and within different tourism industries, differences salient to the knowledge and skills desirable in employees.

Conclusion

The terms of reference for this Inquiry deal with complex issues. This submission has not attempted to deal with all of these complexities, but might help the Committee see some of the complexities in the context of the Inquiry. The writer can, if asked, freely provide more information on various topics relating to tourism.

sincerely

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Appendix:

A CONCEPTUAL ANALYSIS OF TOURISM-SUPPORTED EMPLOYMENT WHICH REDUCES THE INCIDENCE OF EXAGGERATED, MISLEADING STATISTICS ABOUT JOBS

Neil Leiper

1999

Summary

People in many countries are encouraged to regard tourism as a very large industry with huge opportunities for jobs and careers. They have been misled to some extent. The mass media, feeding on flawed information distributed by tourism-boosters, have created exaggerated images of job numbers. In Australia a mythical image has spread of tourism as a "million-jobs industry" where 694,000 persons are directly employed while another 334,000 jobs are fully supported indirectly by multiplier effects. Certainly many are employed but the number of real jobs in tourism industries is below the widely-quoted statistics. In Australia it is probably around 200,000. Misinformation about jobs on the global scale, issued by the World Travel and Tourism Council, can be deflated too. This article explains how and why the exaggeration has occurred. It identifies problems created as a result: among the general public, in government, education, industry. Misinformation leads to inefficient use of resources and other problems. This article concludes in a positive way, by contributing a new conceptual model for analysing tourism-related employment, one that will present realistic information. **Keywords:** tourism jobs, employment, economic impacts, partial-industrialisation, education, policy.

INTRODUCTION

A common perception is that many jobs are involved with tourism. An eager agent spreading this image is the World Travel and Tourism Council (WTTC) whose reports and press releases proclaim "The World's Largest Industry and Generator of Jobs". The early campaign to promote the image globally said that in 1991, tourism supported "118 million direct employees" plus "295 million indirect and induced" (WTTC 1992: 1). Recent reports from the same source have targeted specific countries, including Australia where tourism is said to support "950,000 or one in every nine jobs" (WTTC 1996: 1). In that country several groups, noted later, have made similar claims, stating that in 1995-6 about 700,000 jobs were directly supported, plus 300,000 indirectly.

A primary objective of the present article is to review claims about the quantity of "direct jobs", the 700,000 in Australia and 118 millions world-wide. The review suggests that the claims greatly exaggerate the truth and have created a mythical image of tourism as a major source of jobs and careers. The error has been caused by WTTC and other tourism boosters confusing two superficially similar but factually different concepts: (a) equivalent full-time jobs across macro economies and (b) real jobs in functioning industries. The confusion is dense because the research from which the boosters take their statistics measures tourists' expenditure but never focuses on industries, which is where jobs exist. It is made denser because the theoretical assumptions behind that empirical research ignore the concept of partial-industrialisation, a concept with particular relevance for understanding the impacts of tourism.

The discussion below is arranged as follows. First is a remark that the argument does not hinge on how one defines "tourist". Next the creation of a mythical million-job industry in Australia is described. To help illustrate how the myth distorts perceptions of reality, a case study about dentists is analysed. Then three cloned industries are described, as an analogy revealing another dimension of the myth. This leads into remarks about partial-industrialisation and an explanation to back up an estimate that tourism industries in Australia support 200,000 jobs, not 700,000. Broadly comparable adjustments can be made to the global data. Consequences of the exaggeration are described. The possibility that tourism satellite accounts might clarify the issue is considered, and rejected. A new model is proposed to describe and analyse categories of employment affected by tourism.

While other researchers have already disputed the claim that global tourism industries support a great many employees (Hansen and Jensen 1996), this article takes a different approach. Moreover its ultimate aim is positive, as it presents a new conceptual model for analysing tourism's impacts on employment. It is a more realistic, less misleading and more useful model than the simplistic one used in the past by the WTTC and similar groups. A feature of the new model is that it distinguishes real jobs from notional jobs. This has particular relevance for educational institutions and governmental agencies involved in planning, financing and administration of vocational education programmes for tourism industries. It also affects broad questions of governmental tourism policy.

DEFINING TOURIST AND TOURISM: A SIDE ISSUE

Three sets of definitions exist for "tourist" (Leiper 1995: 7-12). One set applies in common usage, another in qualitative research and a third in the technical contexts of quantitative research. Variations exist between and within sets. None of this should be seen as problematical for tourism researchers since a similar condition, multiple definitions for a core concept, occurs in many other fields.

The technical definition of "tourist" followed by the WTTC, the World Tourism Organisation (WTO) and many other institutions embraces virtually all travellers visiting a place for one or more nights. The definition includes visitors with quite diverse purposes. They might be on holiday or vacation, or visiting families, or working, on business, or students, pilgrims, hospital patients, conference delegates and so on. Obviously this definition goes far beyond common sense meanings of tourist and tourism. If it were narrowed to something reasonable for common sense, for example by restricting surveys of tourists to visitors whose behaviour reflects recreational leisure, the scale of impacts attributed to tourism would be reduced to a fraction of the scale now reported. Hansen and Jensen's (1996) criticism of exaggerated claims about tourism employment followed this line, criticism which an anonymous defender of the institutional policy tried to deflect (WTTC 1997a). Another way that "tourism employment" has been inflated is blurring links between tourism and hospitality. Stear and Griffin (1993) have cleverly dissected this ploy.

In the present discussion, neither of these issues will be pursued. They are a side issue. The facts of a misleadingly wide definition of tourist and a blurring of differences between tourism and hospitality are not needed in an analysis showing that claims about job numbers supported by tourism are exaggerated. If those facts were brought into the exercise, the deflation of the claims would be greater.

AUSTRALIA'S MYTHICAL "MILLION-JOB INDUSTRY"

Statements inflating job quantities supported by tourism began appearing in the media in the 1960s and multiplied in the following decades. A milestone was reached in 1997 with a story in *The Sydney Morning Herald* headed "Tourism Now A Million-Job Industry". It noted how "two studies by the Bureau of Tourism Research established that in 1995-6 the industry (across Australia) accounted for 694,000 jobs in direct employment and 334,000 jobs in indirect employment" (Wainwright 1997, parenthesis added).

Subsequently the same statistics appeared in many publications. Sources spreading the news include representatives of tourism industries and associated lobbyists, publicists, governmental agencies and other booster groups. Institutions involved include the Tourism Task Force, Tourism Council Australia, Australian Tourist Commission, Tourism Training Australia and the Federal Ministry of Tourism. Camp followers include many educators, as well as journalists in the mass media. Many derive the statistics from a *Monthly Facts Sheet* distributed by the Office of National Tourism. Under the header "Employment", successive issues have broadcast as facts (sic) that "in 1995-6 the industry was directly responsible for the employment of around 694,000 persons (8.4% of all those employed) and indirectly for a further 334,000 (a total of 1,028,000 or 12.4% of all those employed)" (Office of National Tourism 1998: 1).

Exceptions should be noted. Individuals in several categories noted above would not dispute the primary message in this article. For example, among interviews about tourism on ABC Radio National's "PM" current affairs hour on 20 January 1998, Geoff Carmody from the Canberra consultancy Access Economics summarised an argument similar to the one in this article. In universities, some academics specialising in tourism give students a similar challenge, questioning common claims about job numbers. Also, reports from the Bureau of Tourism Research (Skene 1996; O'Dea 1997a, 1997b) are not misleading, if read with care.

Those were the reports from which the "million jobs" myth was derived. They have the normal high standard of Bureau of Tourism Research (BTR) reports but regrettably, many people who have broadcast their top-of-line statistics have ignored a warning. The preface in the first report has a cautionary paragraph, which ends "more important than the actual numbers is an understanding of how they are obtained" (Skene 1996: i-ii). The importance of the caution was reinforced when the next report repeated it, with emphasis (O'Dea 1997a: 2).

THE CASE OF THE MISSING DENTISTS

A visit to the dentist for a study on data analysis can illustrate the method used by the BTR and similar agencies to measure employment supported by tourism. The measuring stick is tourists' spending, from which estimates are calculated about full-time equivalent jobs (EFTJs). This method leads many readers of the reports to misinterpret the estimates, conjuring up exaggerated images about job numbers.

A small percentage of tourists visits dentists and, as a consequence of them paying bills, some employment in dental clinics is counted, when analyses are conducted by institutions such as the BTR, as EFTJs of "direct tourism employment". The BTR allocates EFTJs in dental clinics to "Industry Number 107 Health" where an estimated 50,200 EFTJs were supported directly by tourism in 1995-6 (O'Dea 1997a: 12). This is the effect of tourists' expenditure at dentists, medical doctors, pharmacists, physiotherapists and other sub-categories in Industry 107.

Finding dentists who have fixed the teeth of individuals who happen to be tourists is not difficult. However, finding dentists whose jobs have any significant dependence on tourists, or a business relationship to tourism, is a more elusive challenge. The BTR's estimates of "direct

tourism employment" include EFTJs in dental clinics but these EFTJs comprise, almost entirely, an aggregated sum of minute fractions evenly skimmed off every job in every dental clinic around the country. The phrase "almost entirely" allows for a handful of dental jobs that might exist in large-scale, isolated resorts where virtually all the dentists' patients are tourists or resort workers. Nothing in the BTR reports sought to identify such jobs.

Besides Industry 107, there are many other industrial categories where the same analytical process has been applied. Research findings include 113,900 EFTJs in retailing directly supported by tourism; 39,000 in education; 33,000 in personal services; 3,200 in publishing and printing and so on; there are 45 industrial classifications where more than 100 EFTJs are reported as having direct tourism employment (O'Dea 1997a: 12).

EFTJs AND REAL JOBS

What is meant in the present discussion by "real jobs" and how do they differ from EFTJs? A real job can be defined as a position that an individual occupies, on a full-time or part-time basis; when a vacancy occurs, a real job can be described in terms of its roles and the characteristics of suitable applicants. Many positions require job-specific and industry-relevant knowledge and skills or, at least, are offered with an expectation that appointees will develop those qualities via training. Thus "real jobs supported by tourism" are identifiable positions where individuals' knowledge and skills normally are related, in a conscious way, to attributes of tourism. In contrast, EFTJs are broad measures of employment patterns across an economy, on a national or regional scale. A quantity of EFTJs is often a mix of real jobs and notional EFTJs. The dentists' case illustrates that mix, heavily weighted to the latter category.

Here is another illustration. Consider two sets of tourists, all of whom spend \$1,000 per visit. One set is confined to resort hotels, where they spend all their money, while the second set stays in the homes of friends or relatives and all their spending occurs in neighbourhood shopping centres. By analysing the first set's expenditure, the direct employment impacts would be measured as EFTJs in the resort industry. The EFTJs estimated from that demand-side perspective would equal the quantity of real jobs identified by looking at the resort as a supplying organisation.

Analysing the VFR (visiting friends and relatives) expenditure would also produce an estimate of EFTJs directly supported by tourism. However, while supply side research in the shopping centres would find evidence of extra income, most probably it would find no jobs aligned with tourism, unless the number of VFR tourists and the scale and nature of their shopping were such that they affected the business strategies and the employment trends in the shops.

As a final illustration, consider the 39,000 EFTJs in Australia's education industry that are directly supported by tourism (O'Dea 1997a: 12). Very few are real jobs. (Exceptions include International Student Liaison Officers in many universities and colleges.) Most of the 39,000 are notional EFTJs, calculated by aggregating fractions skimmed equally from every teaching and administrative position across all schools, colleges, universities and libraries. Because students from overseas spend a lot, mostly on fees and on living expenses over many months, this category of "international tourist" is responsible for a bizarre research finding: the education industry receives a larger economic impact from international tourism than the combined hotel, restaurant and club industries (Skene 1996: A1). This is one of the sillier outcomes of the contorted methods widely used to measure and describe tourism's impacts. The contortion has two twists: one in the definition used for "tourist" and another in the meaning implied or inferred for "jobs".

Across modern economies like Australia's there are many notional EFTJs directly supported by tourism. This is because the range of goods and services supplied to tourists in general is as diverse as the range supplied to consumers at home in routine lives. There is nothing purchased or consumed by individuals in general during their everyday routines that is not consumed or purchased by tourists in general. Of course the mix varies. Compared to ordinary consumers, relatively few tourists buy computers or household furniture for example.

In Australia everyone involved with supplying goods and services to consumers has at least a fraction of their employment supported directly by tourism. When all the fractions and whole jobs are combined, they amounted to 694,000 EFTJs in 1995-6 (O'Dea 1997a: 11). Real jobs only represent a minor proportion of that total, as indicated above and explained, with statistical support, later in this article.

THREE CLONED INDUSTRIES: A FANTASY?

The following story shows what could happen if the conventional approach used to measure tourism industries and their economic impacts were copied by highly innovative entrepreneurs. The story also serves as a way of introducing partial industrialisation into this discussion.

To be recognised as "an industry" employing many people can be a powerful asset, especially when seeking government subsidies (Horne 1976; Drake and Nieuwenhuysen 1988). Following that formula, a sinister fraternity of entrepreneurs decided to develop a left-handed industry. Since about 10% of people are left handed, expenditure by left handers directly supports a lot of employment. But what sorts? Do left-handers have distinctive expenditure patterns? Modern governments do not hand out subsidies without solid statistical information and of course, left-handed persons' expenditure is not classified as such in Australia's National Accounts which means that the left-handed industry overlaps many others. Special research would be required to analyse its impacts.

Consultants were engaged to survey left-handers and measure their expenditures. Findings were scaled-up with carefully weighted indices to give a fairly reliable estimate of total expenditures by all 1,800,000 left-handed persons in Australia. Next, using the Orani model data base prepared by the Industries Commission, which includes matrices of employment in 115 industry classifications, along with recent data from ABS Labour Force Surveys, input-output analysis was used to estimate the employment created by left-handedness. The conclusion was that 695,000 jobs are directly attributable and 335,000 indirectly, a total of 1,030,000.

Armed with the statistics, a submission went to the Government, requesting subsidies for the industry's development. The fact that the left-handed industry supports more jobs than the tourism industry was noted. The Government acknowledged that the left-handed industry plays a very important role in the economy but was unwilling to give it any tangible support, saying that subsidies would decrease the natural level of competition between left-handed and right-handed people and reminding everyone that competition was a dominant virtue in economic policy. Worse news loomed for the left-handed entrepreneurs. A band of right-handers was developing another industry. It comprised all resources favoured by 16 million people and market research showed that the other 2 million in the country could be induced to tolerate those resources designed for the majority. The right handed industry was creating economic benefits of such magnitude it was sure to get government support.

The purpose of these hypothetical allusions is to point out that fantasies about left and right-handed industries are based on precisely identical concepts, survey methods and analytical models as those used to define, measure and analyse the "the tourism industry" according to the conventions established by its boosters. "The left-handed industry", "the right-handed industry" and "the tourism industry" (as conventionally measured) are clones. To some extent all three are imaginary, pseudo industries, fantasies.

To what extent? In fact, in some countries there is a left-handed industry. In Australia it employs a handful of persons in special places where tools and other goods designed for left-handers are sold. Examples of "The Left Handed Shop" can be seen in cities such as Sydney.

PARTLY INDUSTRIALISED SYSTEMS

Left-handedness is partly-industrialised. A specialised industry serves a few distinctive needs of a few left-handed persons, but most needs of every left-handed person are not met by that industry. Broadly, in terms of other industries' business strategies and employment policies, left-handedness is an irrelevant characteristic of a proportion of consumers. Tourism is partly-industrialised in the same way, except that the level is higher than in left-handedness. This characteristic of tourism has been discussed elsewhere (Leiper 1990, 1995) and its relevance is recognised in the literature (Hall 1998; Tremblay 1998). Tremblay's research had findings which "support Leiper's claim that tourism is at present only partially, but perhaps increasingly, industrialised" (1998: 855).

In a partly-industrialised system, real jobs are in its industrialised part, while any notional EFTJs directly supported by the system are in other parts. Thus left-handedness supports jobs in The Left-Handed Shop. That micro-economic impact of left-handedness is smaller than the macro-economic impact of spending by left-handed persons. The latter has an impact measurable as notional EFTJs, about 1 million in Australia.

The slogan "*Tourism is Everyone's Business*", seen on posters and other promotional items, disguises the fact of partial industrialisation and impedes clear thinking on a range of topics. These include business strategy and government policy besides impacts on employment. The slogan can be regarded as misleading propaganda spread by naive enthusiasts and irresponsible manipulators. Tourism is not everyone's business. It is not and need not be the business in every enterprise serving general markets where a proportion of consumers happen to be tourists. Even enterprises which seem to focus on tourists are sometimes found, from close investigation, to be not in the business of tourism at all (Leiper 1995: 282-302). The fact that tourists might be contributing a sizeable proportion of total expenditure in a market is necessary but not sufficient to make those tourists a feasible market segment. (In many places left-handed consumers contribute more revenue than tourist consumers, but this fact does not lead entrepreneurs to regard left-handed consumers as a market segment.)

The ratio of jobs to notional EFTJs supported by tourism is associated with the level of industrialisation, which varies among different places, changes over time and varies with different forms of tourism. To estimate job numbers a direct supply-side perspective is needed, surveying resources used by tourists to discern whether and to what extent organisations and their component SBUs (strategic business units) and jobs are strategically related to tourism. So far as is known, research along those lines has never been attempted in reference to any tourism region. However a rough estimate of job numbers on a national scale can be attempted, by looking at data from surveys of tourists in Australia and making reasoned assumptions about suppliers of the services, goods and facilities consumed.

Surveys over the years have shown that most tourists in Australia are relatively independent of tourism industries. This indicates (but does not prove) that Australian tourism has a low level of industrialisation. More than 80% of domestic tourist trips are privately organised and use private vehicles while more than 60% use private accommodation (BTR, *Domestic Tourism Monitor*, annuals). This indicates that relatively little expenditure by domestic tourists goes to the types of business enterprises that normally focus on tourism, where real jobs supported by tourism are generally located. These types include travel agents, tour operators and wholesalers, airlines, coachlines, resorts, hotels, motels, theme parks. A reasonable assumption is that 80% of expenditure by domestic tourists avoids that category, going directly to myriad enterprises for whom tourists are normally incidental in terms of strategies and job orientation.

International inbound tourism in Australia has similar characteristics, though not to the same extent (BTR, *International Visitor Surveys*, annuals). A reasonable assumption is that 60% of expenditure goes directly to enterprises which supply a wide range of services and goods to the general public, enterprises where tourists are normally incidental in terms of strategies and job orientation. Overall, weighting the mix to recognise that domestic tourism expenditure nationwide is four times that of inbound international (O'Dea 1997b: 8), about 76% of employment directly supported by tourism is in the form of notional EFTJs and 24% is in the form of real jobs.

Extra evidence supporting that estimate is in itemised data on expenditure. Within total spending of \$60 billion in 1995-6 by all tourists in Australia (O'Dea (1997b: 8) the largest items are shopping (\$7,720,000); meals (\$7,560,000); and fuel for private vehicles (\$6,960,000). Expenditure by foreign students totalled \$2,860,000 which was more than other international visitors spent on accommodation and meals (\$2,840,000).

Thus in 1995-6 there seems to have been 166,560 full-time jobs (that is 24% of the 694,000 EFTJs estimated by O'Dea, 1996a) directly supported by tourism in Australia. Allowing for a part-time incidence, this can be adjusted up to about 200,000 real jobs, full-time and part-time combined. The estimates are tentative. As explained earlier, the best way to calculate jobs directly supported by tourism is to survey a wide range of organisations, besides surveying tourists.

CONSEQUENCES

The consequences of widespread acceptance of exaggerated job numbers are what is predicted by economic theory when gross misinformation exists and affects both demand and supply. Markets are misled. Wrong decisions are made by consumers of certain items and by investors and business managers involved in supply. Wrong decisions might also be made by governments, when politicians and their advisers read misleading signals. As a result in all those areas, inefficiencies and frustrations occur because resources and efforts are wasted. Two areas of consequence are discussed below. One is education, the other is government policy.

A primary effect of many people assuming that large numbers of jobs exist in tourism industries is high demand from prospective students for places in specialist courses. Exaggerated assumptions can cause demand to increase to levels exceeding vacancies. With that effect in mind, consider how information (sic) has been presented and used.

Magazine inserts with weekend newspapers such as *The Weekend Australian*, *The Age* and *The Sydney Morning Herald* periodically contain glossy advertisements, for fee-based courses in tourism, featuring claims about large number of jobs. Is the feature designed to give

prospective students and their parents a sense of extra security if they decide to pay the tuition fees? Imagine a 17 year-old reading an ad alongside her mother who remarks, "Good on you Kylie, it's a great industry for a career. There are so many jobs you're sure to find one if you get that Diploma."

Later, Kylie gets reassurance for her belief that tourism is an industry with vast opportunities. At college she sees, lying around, a trade magazine titled *Australian Tourism & Hospitality*. Recently, successive issues have contained articles titled "Training for Real Jobs" (sic) alongside "Pathways to Your Career" which states "There are more than 950,000 people employed ... This is expected to increase to more than 1.2 million by the year 2000" (Wright 1997: 5). Kylie also sees *Hospitality Training: Australian Hotelier* where similar messages are found (Anon. 1997).

Now consider the supply side. The same statistics appear in reports of educational institutions to help justify the spread and expansion of tourism and hospitality courses. Institutions have been encouraged in this by governmental agencies responsible for advising on education policy. At a time when an up-surge in the number of tourism courses was pending, Australia's Department of Employment, Education and Training reported that in 1987-8 "about 430,000 jobs, or 6% of the total workforce, are ... attributable to tourism" (DEET 1988: 4). Seven years later when even more universities and colleges were launching tourism courses, the agency remarked that "in 1993, there were 523,725 people in Australia employed in the tourism industry" (DEET 1995: 6). Presumably the trend is about to be amplified, via an image of a million-jobs industry.

Craig-Smith's research (Illing 1997) found that in 1997 there were 25 universities with tourism courses in Australia (a country with 18 million residents and currently recording 4 million visits annually by international tourists). When courses are planned or reviewed, statistics on employment opportunities are prepared to justify the need for the courses and to justify investment in specialist staff and resources. Two examples will be given, from a plan and a review.

A plan for a course at the Ku-ringai College of Advanced Education (which soon became a campus of the University of Technology, Sydney) noted that tourism "generated 338,000 jobs or 5.2 % of the workforce" in Australia (Ku-ringai 1987: 9). Eight years later, another university included in a review of its course leading to a *Bachelor of Business in Tourism* a section headed "Tourism Industry Needs". It says "the University is particularly mindful of the need ... to keep up to date with the Tourism Industry employment and training needs ... Direct employment generated by tourism will increase to 571,000 by the year 2000, being 6.3% of the nation's workforce ... The average annual growth rate of tourism employment is 4.6%, three times the projected growth rate in overall employment in Australia" (Southern Cross University 1995: 36).

One can imagine, particularly in new universities needing more students, senior administrators reading those statistics and nodding positively while their minds formed a supportive attitude. University administrators, typically risen from fields well away from the complexities of econometrics, let alone the eccentricities of tourism, could assume, naturally and comfortably, that the data referred to jobs in the focal zone of the university's department of tourism. In fact the data cited above refer to EFTJs, not jobs.

According to Craig-Smith's research (Illing 1997), Australian universities are over-supplying the job market by producing too many tourism graduates, too many young adults with industry-specific training and career aspirations. A year later, Ashenden and Milligan (1998)

found evidence of the same problem. What are the effects? On the supply side, by processing too many students, universities' resources are not being used efficiently. On the demand side, a proportion of students will suffer dashed hopes, disappointment, a sense of wasted effort. The responsibility can be placed partly with administrators and also with academics specialising in tourism; both parties should attempt to deal with and provide information which is not likely to mislead.

To date some universities have seen virtually all their tourism graduates find jobs of the sort desired. One has recorded 95% of graduates with a *Bachelor of Business in Tourism* (around 100 annually) finding jobs of the sort intended (Southern Cross University 1997). In some universities the percentage is similar (Ashenden and Milligan 1998) but in others it is rumoured to be much lower. Across the spectrum it is likely to fall when much larger numbers of tourism graduates begin looking for jobs. If that condition exists for 25 universities, the problem is probably much greater for students coming out of TAFE and other colleges, where many more students are enrolled in tourism courses.

Besides education, another area of consequence is governmental policy. The WTTC's role in broadcasting claims about job numbers is relevant to this area, discussed in the next section.

EXPLAINING DATA ABUSE

Why have many persons and institutions accepted and spread misleading data about jobs in tourism industries? Some individuals can be excused because they are incompetent or careless with statistics. Possibility others are being devious, deliberately using exaggerated data to mislead, as strategic ploys.

Presumably institutions like the WTTC have personnel who are moderately competent in statistics, so the second possibility can be explored. Its members, listed in its reports, are all multinational corporations involved with tourism. Its reports indicate that WTTC's main purpose is pressuring governments with the aim of changing governmental policies in ways that favour members' interests. The lobbying is supported by public relations aimed at the mass media and opinion leaders. By emphasising the idea that very large number of jobs are generated by tourism the strategy is, presumably, to convince opinion leaders and governments that if job creation is desirable, WTTC's proposals should be adopted. These include lowering taxes for hotel corporations and airlines, replacing national interest with free markets ("open skies") as the first principle in airline governance, and so on.

Lobbying of this sort is normal and there might be benefits for the common wealth if WTTC's proposals were implemented. That issue is irrelevant in the present discussion. What is relevant is the truth in the argument. If the argument is seen to rely on misleading data about jobs, the case could be seen as weak. The analysis in the present article suggests that WTTC's position would be less misleading if it avoided references to "jobs" and "persons in employment" and instead made clear that the data refer to EFTJs across the broad economy. Data on jobs or persons in employment are relevant to micro economic policy while data on EFTJs are useful in macro economic governance. Mixing them up, failing to recognise the difference, is not conducive to effective policy.

TOURISM SATELLITE ACCOUNTS

A tourism satellite account (TSA) is a recently-invented device for use as an adjunct or satellite to a country's national accounts (Obst 1996; Tourism Policy Unit 1997a, 1997b; WTTC 1997b). It shows certain data about a tourism sector in a national economy which can be related to broader data about that national economy. The WTTC has been pushing national governments to introduce TSAs, a push resisted by some economists who say they are a needless public expense. Following lobbying from WTTC and its local allies such as Tourism Council Australia, the Government of that country announced that it would allocate \$920,000 to develop procedures for introducing a TSA (Ministry of Industry, Science and Tourism 1997).

An argument put in favour of TSAs is that they can provide detailed statistics about the economic impacts of tourism. That is a valid point. However, if TSAs measure employment in exactly the same way that led to mythical claims of Australia's million-jobs tourism industry, in precisely the same way followed by the hypothetical consultants who measured an even larger left-handed industry, TSAs might provide more details on employment, but the misleading nature of the data will remain. Moreover, the flaws would now be disguised under an aura of greater authority - a Satellite of the National Accounts.

To avoid that problem, to avoid misleading readers, to provide better quality information on employment, TSAs can be structured to incorporate the following model.

A MODEL FOR ANALYSING TOURISM EMPLOYMENT

A new model is needed to provide more realistic and less misleading information about the employment impacts of tourism. The discussion in the present article leads to a model comprising four categories of employment and three types of tourism, totalling twelve nodes of tourism-based employment:

(i) The first category can be termed jobs in tourism industries. They currently total around 200,000 in Australia for inbound international and domestic combined.

(ii) The second category can be termed notional EFTJs directly supported by tourism. Currently these amount to around 500,000 in Australia for inbound international and domestic tourism combined. These are not real jobs but composite EFTJs, the sums of fractions of jobs skimmed from organisations which are directly involved in supplying goods or services to tourists but not functionally active in tourism industries.

(iii) The third category is the sum of the first and second and can be termed EFTJs directly supported by tourism.

(iv) The fourth category can be termed EFTJs indirectly supported by tourism, a flow-or multiplier effect. Currently this category comprises around 300,000 in Australia. Virtually all are notional EFTJs.

(v) The third and fourth categories combined gives the total impact of tourism on employment in the macro-economy, expressed as EFTJs.

Across all categories a complication is notable. If comprehensive data are desirable, impacts of outbound flows should be counted. In Australia there are several thousand jobs in travel agencies, tour operators, airlines and other organisations servicing residents going abroad for tourism. In many of these organisations, more than half the work involves servicing outbound

flows. Pre-trip expenditure by residents going abroad also leads to employment multiplier effects in the economy of the traveller generating country.

Figure 1 shows the four categories analysed by three types of tourism in a national context, producing twelve items. The figure represents a conceptual model, so no data are shown.

Figure 1 : A model for analysing tourism's impacts on employment

Employ- ment categories \	i	ii	iii	iv	v
Tourism types	Real jobs in tourism industries	Notional EFTJs directly supported by tourism	EFTJs directly supported by tourism (i + ii)	EFTJs indirectly supported by tourism	Total EFTJs supported by tourism (iii + iv)
Domestic					
Inbound					
inter- national					
Outbound					
inter- national					
Totals					

Estimates for several items in Australia's case are already on hand, in BTR reports (O'Dea 1997a, 1997b). Research on the three missing nodes forming the real jobs column can be conducted using methods outlined earlier in this article. In that research, precise lines of demarcation cannot be made in every organisation between real jobs and notional EFTJs supported by tourism, but that should not be seen as a major problem. Research on other missing nodes in the outbound row can be conducted using the methods followed by O'Dea.

The new model's practical value comes from its main feature: it dissects total employment supported by tourism into different categories of employment and different types of tourism. This analysis can reduce the confusion and inefficiencies that currently occur as a consequence of EFTJs being portrayed and interpreted as representing real jobs. Major beneficiaries of the realistic information available by applying the new model will be various parties with interests in education. These include governmental agencies responsible for planning and funding education, besides students, universities and colleges. Also, governments will benefit in relation to tourism policies, by having better information with which to assess policy. Tourism industries too will benefit from having better information.

CONCLUSIONS

The analysis in this article has shown how and why the conventional method used to describe employment patterns supported by tourism is misleading. By suggesting all EFTJs represent real jobs, the method allows gross exaggeration of the true facts. The consequences are misinformed decisions, waste and inefficiency. The BTR is not responsible for the problem. The faults are with people who misread or misuse BTR reports and who prefer simplistic ideas, to play up tourism.

EFTJs and real jobs are two measurable concepts, and since both are relevant to a clear understanding of tourism's impacts, there are advantages in preparing estimates for both on a national and regional level. However, as the two concepts are different in theory and in practice, they involve different magnitudes, realities and implications. Therefore they should be distinguished clearly when policies are being framed or reviewed by governments and by planners and administrators involved with vocational educational for tourism industries.

The aim of the BTR's work on employment is probably misunderstood by many persons. The aim was not to estimate how many jobs are supported by tourists, nor how many jobs exist in tourism industries. The aim was to measure the employment-related and other impacts of tourism on the macro economy. EFTJs used in that measurement are macro economic items. In contrast, real jobs like real industries are micro economic phenomena, which can only be identified if one looks directly into organisations that comprise functioning industries.

In practice, there is some correspondence between tourism's macro economic and micro economic impacts. It depends on the degree to which tourism is industrialised. The naive assumption that all resources used by all tourists comprise "the tourism industry" does not accommodate the idea that tourism, like other phenomena such as education, recreation, entertainment, sexual activity and sport, is partly industrialised.

An alternative model for conceptualising and analysing tourism-supported employment in a national or regional economy has been proposed. Its main features are a detailed analysis of employment that distinguishes real jobs from notional EFTJs and a recognition of employment impacts linked to the three types of tourism found in national and regional contexts.

Future research could include work on three related themes with particular value. Methodological research is required to develop and refine ways of estimating job quantities in tourism industries. Flowing from that theoretical research, applied research could be conducted in selected regions and countries. Thirdly, the concept of partial industrialisation has much potential for more research, theoretical and applied.

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