

The importance of sustainable tourism in reversing the trend in the economic downturn and population decline of rural communities

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Abstract: Across the world there is an ever increasing trend of human migration from rural areas and in particular small settlements to urban centres. Migration to urban centres is most prevalent in the young adult age groups, which affects traditional industries such as agriculture and associated services, and thus threatens the sustainability of rural settlements. In some rural towns, a decline in population and agriculture has led to their social and economic deterioration. This paper presents small settlements, two in Italy and two in Australia, which have leveraged locality very effectively to develop a thriving tourist industry. The study provides a comparison and evaluation of data on visitor numbers and tourism expenditure in these regions demonstrating success and growth trends. It is shown how various industries other than tourism often in conjunction with unique characteristics or assets of an area create a major draw card for tourists. Thus providing significant economic, social and environmental benefits to these areas.

Key Words: rural tourism, population trends, sustainable tourism, resilient communities, rural economic growth, socio-economic sustainability, rural assets

La importancia del turismo sostenible en la reversión de la tendencia de la desaceleración económica y la población declive de las comunidades rurales

Resumen: A nivel mundial existe una tendencia cada vez mayor de desplazamiento de personas en zonas rurales, particularmente en pequeños asentamientos, a los centros urbanos. Este desplazamiento es más común en grupos de edad jóvenes, afectando industrias tradicionales como la agricultura y sus servicios asociados, amenazando por ende la sostenibilidad de asentamientos rurales. En algunos pueblos de zonas rurales, la disminución de población y reducción de la agricultura ha conducido a su deterioro social y económico. Este artículo presenta el caso de pequeños asentamientos, dos en Italia y dos en Australia en los cuales se ha eficazmente fortalecido la localidad para desarrollar una próspera industria del turismo. Este artículo provee una comparación y evaluación de los registros del número de visitantes y el aporte del turismo en estas regiones, demostrando su éxito y tendencias de crecimiento. También se presenta como a menudo otras industrias, aparte del turismo en conjunto con características únicas o activos de una zona, crean un atractivo importante para los turistas. De este modo se están proporcionando beneficios económicos, sociales y ambientales significativos a estas áreas.

Palabras Clave: Turismo rural, tendencias demográficas, turismo sostenible, comunidades sólidas, crecimiento económico rural, sostenibilidad socio-económica, valores rurales.

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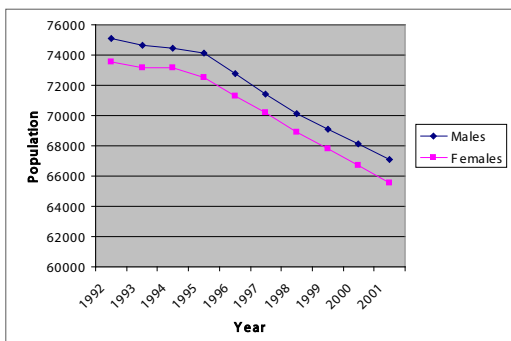
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1. Introduction

Across the world there is an ever increasing trend of human migration from rural areas and in particular small settlements to urban centres. A paper by Tozzi and Horan (2012) details the trend of human migration from rural areas to cities and the drain on human capital and associated socio economic stresses on rural regions and small towns, with a particular focus on trends in Europe and Australia.

Tozzi and Horan (2012) explain that ‘broad demographic trends across Italian and French regions reveal that many, which have historically featured a large number of small rural settlements and towns, have experienced depopulation at various times post World War Two, driven by migration to larger urban centres. This has been due to the declining viability of traditional agricultural activities and a lack of alternative employment opportunities (Kneafsey, 2000; Philips, 2003, p 465) Furthermore, Tozzi and Horan (2012, p 465) describe a similar trend in Australia with small towns experiencing population stagnation or decline over the last several decades. Possible reasons for this decline are listed in Regional Victoria’s Trends and Prospects 2010 (McKenzie and Frieden, 2010, p 3) and include: ‘capital intensification of agriculture requiring fewer workers; rationalization of services into fewer, larger centres; increased personal mobility allowing people to access goods and services further away; and increasing economic and social attractiveness of urban lifestyles.’

Figure 1. Population of 18-30 years old in Umbria, Central Italy.

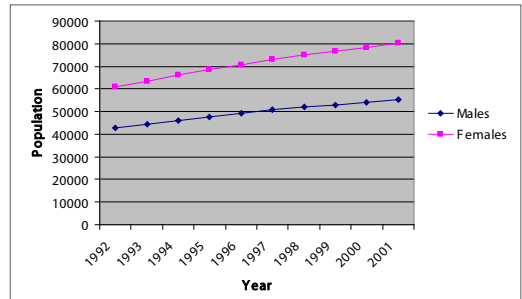


Source: Italian Institute of Statistics (2009)

Population loss from small towns is often most prevalent in the young adult age groups. An example of this trend in the region of Umbria in central Italy, a mountainous area containing many small towns and villages, is presented in Tozzi and Horan

(2012). Umbria experienced a 10 percent decline in the number of young people 18 to 30 years of age (as shown in Figure 1) up to the year 2001, compared with an increase of more than 30 percent in people over 70 years of age (refer to Figure 2).

Figure 2. Population of 70+ year olds in Umbria, Central Italy.



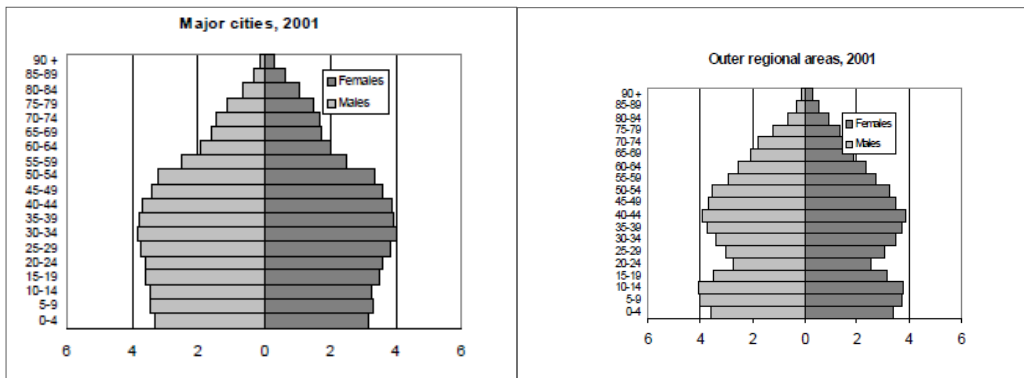
Source: Italian Institute of Statistics (2009)

A similar trend can be seen in Australia. This is demonstrated in Figure 3, which shows the hollowing out of the 20 to 34 year age profiles for outer regional areas in Australia. On the other hand, major cities within Australia have a much higher youth retention and thus proportion of young adults. This trend of youth migration out of rural settlements has serious implications to the sustainability of these townships. The loss of traditional services such as agriculture is under threat and a large reproductive potential, associated with young adult groups, is lost to rural populations (McKenzie and Frieden, 2010; Tozzi and Horan, 2012).

1.1. Impacts and Benefits of Rural Tourism

In some rural settlements, a decline in population and traditional services such as agriculture has led to the social and economic deterioration of these settlements. Tozzi and Horan (2012) describe how some small settlements in Europe have leveraged their unique characteristics through tourism and successful primary production industries unique to an area to create sustainable socio-economic townships. In Australia, with the decline of many traditional industries, tourism is becoming a major contributor to rural and regional economies.

Cities, particularly international gateway cities, are often the dominant destinations for many tourists. For example, Sydney, Australia’s largest city, is the country’s most visited tourist destination (Hunt and Prosser, 1998). However, often prominent

Figure 3. Population Pyramids for Broad Regions of Australia, 2001.

Source: (Australian Research Council Research Network in Spatially Integrated Social Science, 2007)

tourist attractions and landscapes are located outside major cities. Furthermore, many niche tourism markets such as agri-tourism, eco-tourism, wine tourism, health and wellness tourism are also centered in regional areas. For example, 72% of wellness tourism services in Australia are located in regional areas (Voigt et al., 2010).

The development of tourism surrounding these unique characteristics and attractions in rural areas provides major assets to these settlements through the potential to increase economic activity (Carlsen et al., 2008). Additionally, tourism can have other flow on effects on a township, such as the requirement to improve communication infrastructure and training facilities and the development and maintenance of transportation (Bolin and Greenwood, 1998).

When tourism is well planned and managed, rural areas can benefit not only economically but also socially and environmentally (Hunt and Prosser, 1998). The latest regional tourism strategy for regional Victoria, Australia (Tourism Victoria, 2009, p 17) suggests that social benefits may 'include generating community cohesiveness, facilitating regional pride and contributing to the revival of regional towns'. Furthermore, the strategy explains that 'tourism also promotes sustainability through communicating the value of natural and built heritage, providing the incentive for environmental improvements or rehabilitation of areas and raising awareness of environmental issues.' A summary of some potential economic, social and environmental benefits is outlined in Table 1.

The economic benefits of rural tourism can be seen in a new form of development, which has recently been put into practice and is reversing rural decline in some villages of Italy. The concept of 'albergo diffuso' is a simple but radical approach to revitalising impoverished and derelict villages.

As the Italian term suggests, it involves a hotel distributed or scattered throughout the village – the village becomes a hotel. Without changing the historic built environment of the village, individual homes and buildings are transformed using traditional materials.

The concept is the brain child of Daniele Kihlgren and company Sextantio Albergo Diffuso, which involves purchasing whole villages and two have already been developed. One village, Santo Stefano di Sessiano in the Abruzzo region, is a traditional hilltop village established in the middle ages. It once had a population of 3,000 which had dwindled to 100 at the turn of the century (Bain, 2013), when Kihlgren commenced purchasing property. In the Basilicata region of southern Italy the village of Sassi di Matera has also been transformed by Sextantio Albergo Diffuso. In some instances in this village, caves formerly used for habitation by cave dwellers or as pens for stock have been converted to expensive hotel accommodation.

The economic benefits for the village and region are significant. The emphasis on the use of traditional materials means that local builders and craftsmen are engaged in the renovations. The hospitality industry employs local people. Local agricultural produce is used in restaurants. Local food produce and craft are sold to tourists. Historical backdrops for staging and theatre provide employment as well and in turn bring more tourism to the district.

Rural tourism, whilst it has the potential to provide significant benefits to rural communities, if managed poorly can negatively impact on the socio-economic sustainability of townships. For example, the form of development applied by Sextantio Albergo Diffuso raises fundamental questions such as aesthetic integrity and even the *raison d'être* of the practice. These villages

Table 1. Potential Benefits of Regional Tourism

Economic	Social	Environmental
Increased non-agricultural income	Use of visitor facilities for community purposes	Preservation of the natural landscape
Diversification of the region's economic base	Greater community cohesion	Increased interest in repairing environments
Improved employment opportunities	Opportunities for cultural exchange	Enhancement of the built environment

Source: (Commonwealth Department of Tourism, 1994 referenced in Hunt and Prosser, 1998)

are being transformed far beyond any original expectations. Established as basic habitation for peasants over centuries, they now offer high level accommodation and cuisine for tourists. Fallen into decay and deserted by most or all of the inhabitants, now only wealthy tourists reside for one or two nights for leisure. The question can also be asked as to what type of experience is being formed. And can the risk of these developments becoming excessive caricatures of a now non-existent lifestyle be avoided. As this type of tourism development is very new, only time will tell if an appropriate balance can be maintained.

Rural tourism impacts on the environment through the consumption of goods and services. Ecologically, we are aware of the issues of urbanisation such as the use of non-renewable energy, the need for conserving resources such as water and the huge waste generation from a society and economy based on the production and consumption of goods and services. Nowadays, the rural townships enjoy similar infrastructure for energy, water and waste and living conditions to those in larger conurbations.

One activity which creates a major environmental impact is the production and consumption of food. However, only in rural areas can food produced in the region be consumed locally. In addition, many villages have access to small garden plots in the vicinity. Here produce can be grown including olives, grapes, fruit and vegetables. Consequently, it could be assumed that food transport impacts would be less. However, in regard to mass produced and distributed food, a limited range of food is available from the local mini-markets in rural areas and then residents as well as tourism suppliers must travel to the conventional supermarkets at the larger urban centres thus increasing the transport burden for those particular products.

In regard to waste, the generation of waste is a result of the production and consumption economy of our society which has also permeated the rural areas. All modern day products purchased from regional centres find their way to the remotest

settlement and the packaging and discards are disposed of into wheelie bins and dump master bins for collection as in the large cities. So waste is collected in the same manner as in the cities. It is trucked away and disposed of in landfill. The recycling of waste can be limited in rural areas, as the major recycling plants are usually located in larger regional centres.

Traffic congestion and parking problems are among the most common negative aspects of rural tourism reported. In fact transport in general contributes significantly to the environmental impact of rural tourism. As a society we have embraced the choices that mobility affords us. Transport now is a vital component of developed economies. While we rely on low environmental impact services such as IT and telecommunications as a vehicle for purchasing and booking rural tourism, these are but a catalyst for physically participating in rural tourism. Rural tourism employees can reside in regional centres and travel to work in the countryside. Conversely, employees living locally in the village or town travel to regional centres to purchase at department and specialty stores. They need to attend medical, legal, financial services. Visiting the library or municipal offices can require an extensive transport commitment.

So, the car has become an essential component of everyday village life and rural tourism. Fortunately, in most cases, the internal street and passageway system of rural villages and towns has remained intact. Largely due to their isolation, through traffic had no reason to pass through most villages, especially the hill-top villages, and so many villages escaped the carnage of having a main road constructed through their centres.

Even so, the car is shaping the geography of the village and rural town. Rural tourism and hospitality operators and employees own cars. However, parking availability is often restricted especially in the hilltop villages where there is little space for cars or even gardens. Also the land can be on such a slope that, to gain sufficient flat land for parking cars, parking areas are grafted around

Table 2. Potential Negative Impacts of Rural Tourism

Economic	Socio-cultural	Environmental
Encourages dependence on industry prone to uncontrolled change	Creates feeling of invasion by tourists: overcrowding and traffic	Increases wear and tear on landscape features
Encourages part-time, seasonal or low grade employment and public service costs	Increases crime	Creates need for new development which may not be in keeping with local area
Incurs development	Reduction in local services e.g. food shops replaced by gift shops	Increases pollution (noise, visual, air, water, litter, traffic)
Leads to local land and house price inflation	Import of new cultural ideas-challenges existing way of life	Affects local biodiversity

Source: (Page J and Connell, 2006)

the edge of the hilltop village cantilevered out over the edge of the village. Often these unsightly car parks provide the initial visible perspective on approach to an historic village.

Public transport connects rural areas and regional centres. However, as an area is more remote, the availability of these services becomes scarcer and the resourcing implications are too large for the smaller demand compared to large cities.

Other commonly reported negative impacts from rural tourism include rising house prices, disturbance and litter. A summary of some other negative impacts, which may result from rural tourism are provided in Table 2. It is important to keep in mind that the impact of rural tourism is diverse, just as in large urban centres, and there can be considerable variations in impact for different rural areas. It is a very complex issue and certainly an area which would benefit from data collection, industry surveys and further research.

In order for rural tourism to be beneficial it needs to be managed appropriately balancing the economic benefits with the conservation of the environment and the needs of the community. Tozzi and Horan (2012) discuss key factors which underpin the successful socio-economic turn around and prosperity of small settlements in Europe. Some of the critical factors discussed included a high level of local government support to develop and leverage locality, and high levels of both bonding and bridging social capital. Tozzi and Horan (2012) go on to present the 'Associations of the Most Beautiful Villages' as an example of an effective bridging platform that has facilitated the sustainable development across many culturally significant small settlements in Italy and France. The not-for-profit 'Association of the Most Beautiful Villages' of France was created in 1982, with the objective of both stimulating tourism and promoting sustainable development with respect to cultural

heritage and quality of life. The 'Associations of the Most Beautiful Villages' innovatively and creatively marketed small rural settlements in France and Italy, playing a pivotal role in developing a thriving tourist industry in these rural townships and enhancing the socio-economic sustainability of these communities.

However, Tozzi and Horan (2012) describe that there were also some tensions inherent in these small rural settlements competing for tourism in the international market place. The local population acknowledged the positives the presence of international tourists meant for the enhanced reputation of their villages, however they are also concerned that attracting too many international visitors would dilute and break down traditions and heritage (Gülümser et al., 2009).

Tozzi and Horan (2012) additionally show various Australian rural settlements where attempts at improving rural tourism and the socio-economic status of townships have not been successful. This was largely where the focus was on marketing a particular image of the town by a few motivated individuals without the backing of a strong and united community vision, and without the support of bonding and bridging social networks. More successful were those rural towns which emulated rural settlements in Europe focusing on their unique locality features, which have strong support across the community. They effectively leveraged their networks with local, state and federal governments, local and regional businesses and other rural towns and institutions to sustainably develop their communities – socially, environmentally and economically.

2. Case Studies

This section presents several case studies of rural communities in Europe and Australia,

which have successfully leveraged their unique characteristics to improve the socio-economic sustainability of their townships or districts. These include the district of Val d'Orcia and the township of San Gimignano in Siena Province, Italy and the townships of Castlemaine and Daylesford in Victoria, Australia. Common to these localities is the development of cultural identities and industries, which are a major draw card for tourists, and at the same time, provide significant economic support to rural settlements in their own right. The role of tourism in revitalizing and sustaining these locations is discussed along with other key success factors including: differentiating the area from other rural destinations, development of robust industries and services often unique to the area, and innovative community and government promotion of townships and districts.

There are many important factors, which can be measured to assess success in tourism. In this paper details on visitor numbers, which are a direct and objective means of assessing success in tourism (Dupeyras and MacCullum, 2013), and visitor expenditure are focused on and provided in this section. Overnight stays, which better reflect the impact of tourism on the economy than visitors' arrivals or day trips (Dupeyras and MacCullum, 2013) are included. A comparison of one year's figures with the next is used to convey growth or decline.

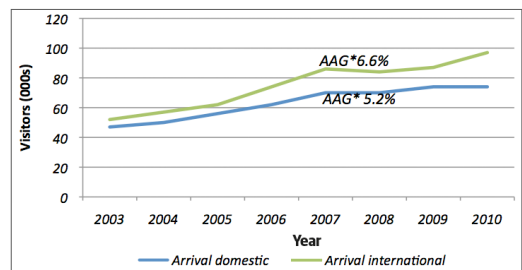
2.1. Siena Province, Central Italy

This section has principally been adapted from Tozzi and Horan (2012). Siena Province is in the region of Tuscany in central Italy. It has significant cultural, historic and economic value, as demonstrated by the four UNESCO world heritage recognised sites located here. Yet like Umbria and other agricultural regions of Italy, the province was subject to progressive depopulation and abandonment of agricultural activities in the 1970's, particularly by young people as they migrated to the industrial lowlands and regional plains of Tuscany (Alessandro Sorbello, 2010; Philips, 2003). However by 1999, Siena province was ranked 9th among 103 Italian provinces for quality of life (Pulselli et al., 2006), and in 2009 boasted the highest wine production in Tuscany, producing 35% of the region's total wine volume (99 million litres). Siena province also specialises in cheese making (pecorino di Pienza) and olive oil production, and had the highest number of registered agri-tourist farms in Tuscany in 2009: 1,034 out of a total of 4,046 (Italian Institute of Statistics, 2009).

The rise of the agri-tourism industry in Siena has seen an increase in international and domestic

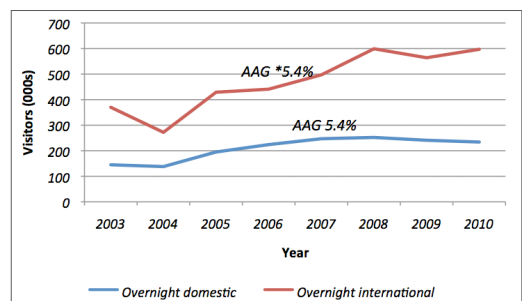
(Italian) visitors to agri-tourist farms in the province. Figure 4 shows that from 2003 to 2010 the average annual growth rate of arrivals or day trip visitors to agri-tourist destinations was 6.6% and 5.2% per annum for international and domestic visitors respectively. Figure 5 shows a much higher number of visitors, particularly international visitors staying overnight in these establishments. The number of overnight visitors also grew between 2003 and 2010, with a growth rate of 5.4% per annum for both domestic and international tourists.

Figure 4. Number of domestic (Italian) and international arrivals to agri-tourist farms in Siena, Italy from 2003 to 2010



Source: Osservatorio Nazionale del Turismo, 2009b
*AAG=average annual growth

Figure 5. Number of domestic (Italian) and international visitors staying overnight at agri-tourist farms in Siena, Italy from 2003 to 2010

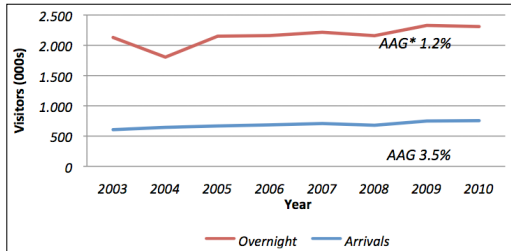


Source: Osservatorio Nazionale del Turismo, 2009b
*AAG=average annual growth

Figure 6 shows the number of domestic arrivals to all accommodation establishments in Siena between 2003 and 2010. The number of domestic arrivals grew in this period at a rate of 3.5% per annum. The growth in the number of overnight visitors was smaller at 1.2% per annum. These

growth rates were less than those for visitors to agri-tourist farms alone (refer to figures 4 and 5).

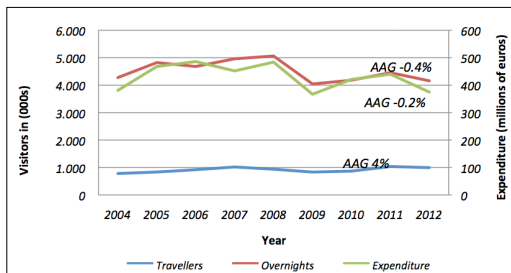
Figure 6. Number of domestic (Italian) arrivals and overnight visitors to all accommodation establishments in Siena, Italy



Source: Osservatorio Nazionale del Turismo, 2009b
*AAG=average annual growth

Similarly, the growth of international visitors to Siena was below that of visitors to agri tourist farms. In fact, figure 7 shows a small decrease in the growth rate of overnight international tourists of 0.4% per annum between 2004 and 2012. Figure 7 shows that expenditure by international tourists follows a similar trend to the number of overnight visitors. Hence, between 2004 and 2012 there was a small decrease in overnight expenditure of 0.2% per annum. The similarity in trends between overnight visitor numbers and overall expenditure points to the importance of attracting overnight visitors to an area, as they provide a much larger economic contribution than daytrip visitors.

Figure 7. Number of international travellers, overnight visitors and total expenditure for Siena, Italy between 2004 and 2013



Source: Osservatorio Nazionale del Turismo, 2009a
*AAG=average annual growth

The healthy growth of visitors to agri-tourism farms, despite a more moderate growth in domes-

tic visitors, and the recent plateau in growth of international tourists demanding accommodation units in the region, highlights the popularity of these farms. Therefore, the ability of these farms to attract visitors suggests they can provide great benefits to an area associated with all the flow on effects of a healthy tourism industry. The following case studies refer to some of the areas in the province, which have benefited from the development of agri-tourist farms.

2.2 Val d'Orcia

A 2011 study by Lorenzini investigated the role of culture in the socio-economic sustainability of the world heritage recognised Val d'Orcia district, a regional park located in Siena Province (shown in figure 8) of just under 67,000 hectares and a population of 13,500. It found that since the late 1980's the area had adopted a strategy of valorising culture-based goods and services linked to local history or traditional local customs. Civil organisations such as Cooperatives, Consortia and professional associations collaborated closely with public authorities and community groups to develop and manage territorial brands such as the DOP and DOC for local wines like Brunello, which is now a significant contributor to the local economy. Productive partnerships with organisations such as the not-for-profit 'Associations of the Most Beautiful Villages in Italy' has helped Val d'Orcia build an attractive image and leverage synergies with other culturally significant areas to creatively market their appeal at a global level.

The result of this approach was that instead of younger generations leaving the Val d'Orcia district, they stayed to carry on local traditions because of the national and in some cases international status achieved by certified products and brands. Producers now took great pride in the businesses they developed through their craft as part of the global market value chain. The markets' increasing interest in traditional local products and the link with a notable cultural area has contributed to a more positive image of farm life. The spread of agri-tourism, such as holiday farms, has helped diversify farmers' activities which has further attracted young people (Lorenzini, 2011).

Lorenzini suggests that Val d'Orcia has experienced a high rate of inter-sectoral integration with many links forming in the last twenty years between tourism, agriculture, handicrafts, the construction industry and services. Holiday and agri-tourist farms required qualified builders and furniture which stimulated local firms, craftsman found a market for their products in

visiting tourists, and agricultural products were served in the many restaurants, inns and wine bars which sprang up. A good proportion of the inputs to the tourism and export industries as well as community services, are supplied locally, thus building resilient socio-economic networks which foster a strong sense of local identity and self-sufficiency. The study concludes that this social capital has been essential in strengthening the authority of local institutions, such as the Val d'Orcia s.r.l. (the organisation that manages the area), which have promoted an integrated identity for Val d'Orcia and that, in turn, these institutions have strengthened Val d'Orcia's social capital. Nonetheless Val d'Orcia's success as a premium tourist destination has not been without its problems. The study found that a lack of cooperation between private enterprises, government and civic institutions has weakened participation in planning processes leading to variable quality standards in holiday farm development and rising real estate prices creating affordability issues for locals. These trends could impact the socio-economic sustainability of the region in the future (Lorenzini, 2011).

Figure 8. Location of Val d'Orcia and San Gimignano in Siena Province, Tuscany, Italy.



Source: Adapted from: http://en.wikipedia.org/wiki/File:Italy_provincial_location_map.svg

2.3. San Gimignano

San Gimignano (shown in figure 8) is another of the Siena Province world heritage listed sites which has a unique regional cultural character and identity that its citizens are passionate about. Philips (2003) studies San Gimignano in her book investigating what characterises 'sustainable place' as an example of a small village economy which has benefited from the growth in Europe of agri-tourism associated with traditional specialty food industries. Similar to other towns in the Siena province, San Gimignano was a peasant farming town prior to World War Two. However, in the 1940's and 50's, poor returns on crops and higher taxes forced peasants off the land. Over the last four decades, properties and surrounding small farms have been bought by wealthy northern Europeans (Swiss, Germans, English) and Italians who had become disillusioned with the quality of life in the industrial towns. By the 1980's the area attracted artists, craftsmen, academics and wine producers, bringing an influx of revenue and better farming methods. An exclusive wine variety, Vernaccia, was developed which earned the prestigious DOCG (Denominazione di Origine Controllata & Garantita) label in 1993. Strict building conservation regulations have ensured historic buildings in the town are sensitively renovated using traditional materials, protecting their heritage. These are primarily used to sell high quality luxury arts, crafts and food delicacies to tourists. Tourists are also attracted by the unique and attractive appearance of San Gimignano as a walled, hilltop conurbation, little changed from when it was built in 1100 – 1300, and surrounded by villas, farmhouses and a lush landscape of Cyprus pines, olive groves and vineyards (Philips, 2003).

However Philips notes there are signs that tourism is increasingly monopolising the township leading to detrimental effects which may threaten the ongoing social and economic health of the community. While tourist numbers have increased significantly (in 1993, 233,845 foreign and Italian tourists visited and stayed; by 1995 this number had increased to 381,116), the permanent population decreased from 4121 in 1971 to 1760 in 1996. This appears to be due to the increasing ownership of residential buildings by non-permanent residents – those who use the property as a holiday home or who rent it to tourists. Local residents, including those earning their living as producers and artisans, have come under pressure to sell their properties at the greatly inflated prices offered by newcomers, or are under threat from ever increasing rents demanded by landlords. While the existing town facilities do accommodate some public or community needs, such as a library and a

small hospital, the trend has been to move health, welfare, education and social services out of San Gimignano to larger centres, which acts to exclude some community members particularly the young and the elderly from the town. There are strong social bonds within local community groups that have formed around common concerns, however these can be narrowly self-interested, elitist and lack alignment with other groups and the general community. In addition, incentive structures and collaboration between local government and the community to support resource saving and environmental preservation is weak. This lack of balance between the economic benefits generated by tourism with other important social and environmental needs could ultimately erode the very regional character and identity that the tourism industry in San Gimignano has been founded on (Philips, 2003), therefore requiring a careful integrative planning approach.

2.4. Victoria, Australia

This section has principally been adapted from Horan et al. (2013). Victoria is located in the south east of Australia and is the country's smallest mainland state - roughly the size of the British Isles. The state's major city, Melbourne, continues to have a faster growing population than regional Victoria. However, there is a wealth of diverse regional areas and attractions, which can be leveraged through tourism and other industries to ensure a sustainable future for rural settlements. Daylesford and Castlemaine are two examples of rural towns in Victoria that have achieved this successfully.

2.5. Daylesford, Australia

The rural townships of Daylesford and Hepburn Springs are located in central Victoria just 90 minutes from Melbourne (refer to figure 9). The region contains 80 percent of Australia's natural mineral spring reserves. The Hepburn area is also renowned for its natural beauty and character, which reflects its early Victorian heritage when Swiss-Italian miners and other immigrants settled in the area (Hepburn Shire Council, 2013). The region has a history of agriculture, timber cutting, and goldmining. It has also been a popular tourism destination for over 130 years when people would travel to Daylesford and Hepburn Springs to "take the waters" (Voigt et al., 2010). An icon of the region is the Hepburn Bathhouse and Spa, which was developed in 1895, and caused the area to be known as the spa capital of Australia.

Figure 9. Location of Daylesford in Victoria, Australia



Source: Adapted from http://en.wikipedia.org/wiki/Daylesford,_Victoria

A decline in visitors and population in these townships occurred from the 1930s due to the popularity of other tourist destinations. At this time regional Australia was experiencing higher levels of unemployment in the traditional sectors of agriculture, forestry, mining and clothing manufacturing. By the 1970s these hardships showed with empty shops and rundown buildings in the region (Voigt et al., 2010).

In the 1980s, the unique character and attraction of the area and the tourist draw of the mineral springs prompted entrepreneurial development of high quality tourist and hospitality operations including the award winning Lake Resort. So began the revitalization of the township and overtime a diverse range of health and wellness practitioners were attracted to set up services in the area, cementing the town as a health destination. Tourism Victoria (2005), referenced in Voigt et al. (2010, p143) confirmed that 'the region has more than 85 different therapies available and a community of practitioners unlikely to be found anywhere in Australia'. Resident and visitor population expanded and services to meet the growing population increased. Agriculture also revived with a demand for locally grown produce to supply local businesses (Voigt et al., 2010) and today Tourism Victoria has identified food and wine as a strength of the area (Tourism Victoria, 2009). Daylesford has also developed a unique cultural identity and is known for its festivals and arts and culture (Tourism Victoria, 2009). Victoria's Regional Tourism Action Plan 2009-2012 (Tourism Victoria, 2009, p 27) has found 'in recent years sectors such as the arts, retailing, food, wine and health and community services are rapidly growing components in the local economy'. The population of the region continues to grow today with a growth rate of 0.5 percent (Department of Planning and Community Development, 2012). Several significant re-development

and improvements to the existing iconic bathhouse including most recently in 2008 has also helped promote economic growth in the area.

The economic importance of tourism to Daylesford and Hepburn Springs (Spa Country) is 14.3 percent of the local economy, which is well above the Australian benchmark of 3 percent, highlighting that tourism is important to the region's economy (Tourism Research Australia, 2011). The economic importance of tourism to the Daylesford and Hepburn Springs region was determined from the ratio of the region's total tourism expenditure or output to its total output. The benchmark for Australian tourism regions was derived by dividing the tourism output across all tourism regions by the total output across all tourism regions (Tourism Research Australia, 2011). In Daylesford and Hepburn Springs, tourism employment grew by 49.7 percent over the period 1997-1998 to 2002-2003, by far the largest growth in regional Victoria (Regional Tourism Research Centre, 2008). Since the 1990s the key economic sectors supporting Daylesford and Hepburn shifted from primary production to service activities supporting tourism according to the 2001 census (Gibson and Connell, 2011). Today the top two industries of employment in the Daylesford and Hepburn Springs area are cafes, restaurants and takeaway food services and accommodation both of which would be heavily supported by tourism (Australian Bureau of Statistics, 2011).

Table 3 shows the region received an estimated 485,000 domestic overnight visitors for the year ending December 2012. This was an increase of 15.2% from 2011 to 2012. The average annual growth of overnight domestic visitors from 2000 to 2012 is 0.6 % per annum. Visitor numbers since 2008 still increased however growth slowed slightly to 0.3% per annum. This is less than regional Victoria generally, which since 2008 had an increase in domestic overnight visitation of 0.9% per annum. Although visitor numbers for domestic overnight

tourists have remained fairly stable, with small growth over recent years, the figures are a marked increase on those for the previous two decades or so.

The region received an estimated 9,700 international overnight visitors for the year ending December 2012. Despite a decline in international overnight visitor numbers from 2011 to 2012, international overnight visitors to the region have grown at an average annual rate of 2.1% since 2008, compared to a decline of 0.4% per annum for regional Victoria overall.

The vast majority of tourist expenditure in Daylesford is derived from domestic tourists. Therefore, domestic tourist expenditure is a good measure of the performance of the tourism industry in the region. Table 4 shows that overnight expenditure from domestic visitors has increased from 2012 to 2013 by 3.9 %, however there has been a decline in the average annual visitor spending since 2008 of 2.2 % per annum. The daytrip visitor spending from 2012 to 2013 has had a marked decrease of -14.1%. The average annual growth rate of visitor spending since 2008 has increased by 2.9% per annum. This coincides with a healthy growth rate per annum in visitor numbers over this period (refer to Table 3). Total visitor spending since 2008 is slightly down due to a decrease in overnight spending. As early strong growth appears to be plateauing, a challenge for the area may be to attract more international and domestic overnight visitors. It is particularly important to increase overnight visitors, which provide a greater economic contribution than day trip visitors (Dupeyras and MacCullum, 2013).

The Victorian Government has recognized 'tourism as one of the most important contributors to the growth and character of the region' (Regional Tourism Research Centre, 2008). Consequently, it has supported the ongoing development and marketing of the region as an attractive tourist

Table 3. Domestic and international visitation to Daylesford and the Macedon Ranges

Year Ending December	2008	2011	2012	AAG 00/12	AAG 08/12	% change 11/12
Domestic						
Overnight Visitors (000s)	480	421	485	+0.6% p.a.	+0.3%p.a.	+15.2%
Daytrip Visitors (000s)	1365	1566	1677	+1.0% p.a.	+5.3% p.a.	+7.1%
International						
Overnight Visitors (000s)	8.9	10.9	9.7	+3.0% p.a.	+2.1 %p.a.	-10.8%

(Adapted from Tourism Victoria, 2012a) *AAG=average annual growth

Table 4. Domestic tourism expenditure in Daylesford and the Macedon Ranges campaign region

Year Ending December	2008	2012	2013	AAG 2008/2013	Yearly Change 2012-2013
Domestic					
Overnight Expenditure(million AUDs)	164	141	147	-2.2% p.a.	3.9%
Daytrip Visitor Expenditure	91	123	106	2.9%p.a.	-14.1%
Total Domestic expenditure	255	264	253	-0.2% p.a.	-4.4

(Source: Tourism Victoria, 2013a) *AAG=average annual growth Castlemaine, Australia

destination. In particular, it seeks to leverage the region's unique wellness and rejuvenation strengths. Daylesford has been picked as the hero destination in a new major interstate regional campaign. Launched in 2009, the 'Daylesford. Lead a Double Life' campaign focuses on positioning regional Victoria as a leading destination in spa and wellbeing (Tourism Victoria, 2009). As part of the campaign in 2013, a new destination iPhone app for the region, Discover Daylesford, was launched to provide visitors with accessible tourism information. Wellness tourism is one of the fastest growing tourism sectors (Voigt et al., 2010). Due to the depth of the mineral springs, world class resort and spa facilities and high number of wellness services in this the region it is likely it can increase its share of this market.

Castlemaine is a township located in the goldfields region of Victoria, Australia, 120 kms northwest of Melbourne (refer to figure 10). The town began as a gold rush boomtown after gold was first discovered in 1851 (Mt Alexander Shire Council, 2013). The area contained the richest shallow alluvial gold diggings the world had ever seen (Frost, 2002). A year after the discovery of Gold in 1851 there were 20,000 diggers working the alluvial beds (Mt Alexander Shire Council, 2013). At its height it was briefly larger than Melbourne, as the city's population moved to Castlemaine to seek for gold. The alluvial gold soon began to peter out and as the area lacked the gold-rich quartz reefs of other centres such as Bendigo and Ballarat (The Age, 2008) underground mining never developed. Therefore, after the gold rush, there was not much development and as such the town has retained much of its early heritage dominated by civic and commercial buildings form the mid to late 19th century (Frost, 2002).

Following the gold rush the population declined, however the town did not decline drastically due in large to secondary industries at the time such as breweries, iron foundries and a woollen mill (The Age, 2008). Today Castlemaine still has a strong manufacturing industry some of which are endowed

from its mining past where many took the opportunity to locally supply the miners and their families with all their needs (Mt Alexander Shire Council, 2013). The ability of these businesses to adapt to the changing requirements of the community over the years has meant they are still going strong today. Some of the main manufacturers include small goods, foundries and carpet spinning mills (Mt Alexander Shire Council, 2013). Castlemaine is the business centre of Mt Alexander Shire and in addition to its manufacturing industry is well serviced by a vigorous retail sector and many wholesalers and artisans (Mt Alexander Shire Council, 2013). Unemployment is 3.2 percent, which is lower than regional Victoria's rate of 5.2 percent (i.d consulting Pty Ltd., 2013a). The population of the greater Castlemaine area today is 9112 (i.d consulting Pty Ltd., 2013b); this is an increase of 623 people since 2001. The Victorian population bulletin cited a 0.1 percent increase in population for the year ending 2011 (Department of Planning and Community Development, 2012). Therefore, in recent times the population is increasing, but slowly.

Figure 10. Location of Castlemaine in Victoria, Australia

Source: Adapted from http://en.wikipedia.org/wiki/Castlemaine,_Victoria

Castlemaine is renowned for its art and cultural scene. The Mt Alexander Shire describe the arts industry as the heart and soul of the region and list it as one of its key industries supporting the local economy (Mt Alexander Shire Council, 2013). Artists include world-renowned musical instrument makers, sculptors, furniture makers, glass blowers and authors. There are many galleries that show the local works and live performance from musicians, actors, singers and dancers are also prominent and often perform at historic venues such as the Theatre Royal in Castlemaine. This theatre was first established in gold rush times to provide entertainment for the miners and their families. Castlemaine is home to the oldest regional arts festival in Australia and attracts performers and audiences from around the country and internationally. In addition to its economic value, the arts industry provides important social benefits to the community. Artists have expressed how the many artistic hubs become vibrant gathering spaces for the community (Australian Centre for Moving Image, 2010)

Unsurprisingly, the art culture in Castlemaine has long been a major draw card for tourists, attracted both for the art itself and the vibrant atmosphere that surrounds it. In addition to the allure of its art, since the 1960s Castlemaine has developed as a heritage tourist destination with much of its appeal lying in its intact landscape (Frost, 2002). More recently it is developing a reputation as a fine food destination (Tourism Victoria, 2013b). Castlemaine has been described as having a thriving tourist industry (Cegielski et al., 2000) and the level of employment in retail trade and accommodation and food services is testament to this. Retail trade is one of the main industries of employment and accommodation and food services is the 5th highest industry of employment in the Castlemaine area (i.d consulting Pty Ltd., 2013a). Retail trade and accommodation and food services are the two industries likely to be supported greatly by tourism. For instance Tourism Victoria found cafes, restaurants and takeaway food services accounted for the largest share of direct tourism employment (27 percent), followed by retail trade (19 percent) and accommodation

Table 5. Domestic and international visitation to Goldfields region

Year Ending December	2008	2011	2012	AAG 00/12	AAG 08/12	% change 11/12
Domestic						
Overnight Visitors (000s)	1,117	1,346	1,435	-0.6% p.a.	+6.5% p.a.	+6.6% p.a.
Daytrip Visitors (000s)	3186	3649	4024	+0.3% p.a.	+6.0% p.a.	+10.3%
International						
Overnight Visitors (000s)	34.2	36.8	40.0	0.5 %p.a.	+4.0%p.a.	+8.9%

(Adapted from Tourism Victoria, 2012c) *AAG=average annual growth

Table 6. Domestic tourism expenditure in the Goldfields campaign region

Year Ending December	2008	2012	2013	AAG 2008/2013	Yearly Change 2012-2013
Domestic					
Overnight Expenditure (million AUDs)	307	421	392	+5.0% p.a.	-6.8%
Daytrip Visitor Expenditure	315	421	455	+7.6% p.a.	8.2%
Total Domestic expenditure	622	842	847	+6.4%p.a.	0.7%

Source: Tourism Victoria, 2013a *AAG=average annual growth

(13 percent) (Tourism Victoria, 2012b). A study aimed at assisting communities to develop heritage tourism opportunities, found much of the economic contribution occurs through spending on meals and accommodation whilst staying in the region (Jones et al., 2007).

Table 5 shows there were an estimated 4.0 million domestic daytrip visitors to the Goldfields region in the year ending December 2012. The number of domestic daytrip visitors increased by 10.3% from 2011 to 2012. Since 2008, domestic overnight visitation to the region has grown at an average annual rate of 6.0%. The Goldfields region received an estimated 40,000 international overnight visitors for the year ending December 2012. This was an increase of 8.9% from 2011 to 2012. Since 2008, international overnight visitors to the region have grown at an average annual rate of 4.0%, compared to a decline of 0.4% per annum for regional Victoria generally.

As with Daylesford, the vast majority of tourist expenditure in Castlemaine is derived from domestic tourists. Therefore, domestic tourist expenditure is a good measure of the performance of the tourism industry in the region. Table 6 shows that domestic visitor expenditure has also grown in the region. Since 2008, domestic overnight and daytrip expenditure in the region has grown at an average annual rate of 5.0% and 7.6% per annum. This has led to an annual average growth rate of 6.4 % for total domestic expenditure since 2008.

3. Conclusion

In recent times rural areas around the world have experienced sometimes dramatic decreases in population as people migrate to urban centres. Migration to urban centres is most prevalent in the young adult age groups, which affects traditional industries such as agriculture and associated services, and thus threatens the sustainability of these settlements. In some rural settlements, a decline in population and agriculture has led to their social and economic deterioration, as particularly visible in the here presented case studies.

On the other hand, rural areas can leverage unique characteristics, landscapes and attractions to develop vibrant tourism industries targeting new markets attracted to the particular features of many rural areas (Lane, 2009). Furthermore, rural areas have the features needed to create niche tourism markets such as agri-tourism, eco-tourism, wine tourism, adventure tourism and health and wellbeing tourism. With the decline of many traditional industries, the potential for tourism to provide increased economic activity

is particularly important to rural and regional economies. Tourism may also have other indirect effects on a township, such as the requirement to improve communication infrastructure and training facilities and the development and maintenance of transportation (Bolin and Greenwood, 1998). Tourism can also provide important social and environmental benefits to rural areas such as improving community pride and cohesion, providing opportunities for cultural exchange and increasing preservation and awareness of the natural environment and heritage (Hunt and Prosser, 1998).

Rural tourism, whilst it has the potential to provide significant benefits to rural communities, if managed poorly can negatively impact on the socio-economic sustainability of townships. Some of the most common negative aspects of rural tourism reported include traffic congestion, parking problems, rising house prices, disturbance and litter (Page J and Connell, 2006).. In order for rural tourism to be beneficial it needs to be managed appropriately balancing the economic benefits with the conservation of the environment and the needs of the community (Philips, 2003) The small settlements of Val d'Orcia and San Gimignano in Siena province of Italy have leveraged locality very effectively to develop a thriving economy based on tourism, however both need to ensure that the tourism industry is sustainable and does not lead to the social and ecological degradation of the local area. Daylesford and Castlemaine in Victoria, Australia are also thriving tourist destinations. In each of the four settlements vibrant and successful industries were created using the strengths of the local area. It was shown that the creation of successful industries often in conjunction with other unique characteristics or assets of an area are a major draw card for tourists. Subsequently, the benefit to the rural settlement is twofold with both the industry and the tourism generated as a result of the industry contributing to the socio-economic sustainability of the area (Horan et al., 2013). Other key factors for a successful tourist industry, which each of the case studies possessed included a unique identity and being renowned for this, development of robust industries and services often unique to the area, and innovative community and government promotion of the area.

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