

# [Explain and highlight the impact integrated resorts tourism essay](https://assignbuster.com/explain-and-highlight-the-impact-integrated-resorts-tourism-essay/)

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Since the 1980’s, the tourism industry has critically influenced the world economy. Since then, the tourism industry was said to become a global trend (Wong, T. C. 2008). In the Singaporean and Asia Pacific Regional context, it has been recognised that the service industry that includes travel, leisure and tourism, are keys to boost the local economy. In this respect, institutions spare no effort to define the problems and limitations a country might face as hurdles to boost the tourism industry. It is in that line of thought that this essay seeks to explain and highlight the impact Integrated Resorts (IRs) have on the countries which already do have them. To do so, it starts by examining Singapore’s case as background information, followed by Australia’s experience. It will conclude by examining the political, economic, social, technological, environmental and legal aspects of the impact of IRs. In Singapore’s case, the Singapore Tourism Board (STB) noticed early that Singapore’s small size might cause a decrease of international travellers to Singapore as the city-state simply cannot compete with other countries in the region in terms of natural attractions. Indeed, Table 1 shows that the number of international traveller’s expenditure decreased drastically from 1994 to 2003 which means the number of travellers has decreased remarkably. Faced with declining figures, the Singaporean authorities are tasked to figure out other ways to boost the numbers. As a result, the government announced Integrated Resorts plans to attract international tourists. (Devashish, D. 2011). Thus, in a parliamentary sitting on 19th April 2005, the Singapore cabinet unveiled a proposal to develop integrated resorts in Singapore. Inspired by the Macau Special Administration Region with tourism in mind, it proposed to legalise (and therefore) build two casinos with facilities that included museums and hotels, benchmarking the success of the Sands group in Macau (Da Cunha, D. 2010). This was an about turn in domestic policy as prior to 2005, legalised gambling was limited mostly to lotteries and horse racing. Undoubtedly, such a u-turn in policy to approve the IRs was controversial at the time when the project was first proposed. Critical studies were carried out to determine if they really were in Singapore’s national interest or benefit to the country. A fierce debate ensued with religious groups and social workers being the most vocal of opponents. Amongst economists, it was said that Singapore was verging on desperation in resorting to casinos to boost tourist arrivals (Da Cunha, D. 2010). Despite the debate and vocal opposing forces, today, Singapore has two successful Integrated Resorts, the Marina Bay Sands which gleams at the edge of the Singapore River and Resorts World, Sentosa, on an offshore southern island, contributing to Singapore’s Economy. Together, the two IRs are expected to contribute to 1% of Singapore’s Gross Domestic Product. Furthermore, in the long-run, Resorts World Sentosa itself is projected to be able to contribute approximately 0. 8% to the economy by 2015. (Da Cunha, D. 2010). According to the Singapore government, the Integrated Resorts have created 22, 000 jobs, and attracted a 36 per cent increase in international tourists since opening in 2009. (Ng, K. L. and Wong, T. 2012). While the twin IR projects in Singapore has given the tourism economy a much needed boost, it has brought about other negative effects too. According to the National Council for Problem Gambling, its statistics show that low-income gamblers are growing steadily year after year. Before the IRs’ grand opening in 2008, low-income gamblers were only 0. 8 percent. However, after the opening of IRs’ and by last year, the number shot up to 2 percent. The number of pathological gamblers also simultaneously rose up slightly from 1. 2 percent to 1. 4 percent. (Low, I. 2012). The debate on how best to tackle the problem of gambling addiction is ongoing. Currently, there are two social safeguards to prevent casino entry: Excluding a person from entering, as well as an entrance levy for Singaporeans and Permanent Residents. The levy is charged at $100 per day or should the individual chooses, pays $2000 for a year of unlimited entries. To prevent the rise of gambling addicts in Singapore, the government decided to introduce much tougher policies for people who are financially vulnerable Singaporeans. In a November parliamentary sitting, Hougang Member of Parliament Png Eng Huat asserted that the $2, 000 levy for a year’s entry must be removed to deter Singaporean from negative effects. His charge was that a gambling addict would actually be encouraged to do the math and visit the casino more than 20 times to fully recoup and benefit from the yearly levy as opposed to paying the $100 daily levy to protect vulnerable citizens (Tan, W. Z. 2012). Australia’s experience however, differs a little. While it is generally known as an agricultural country, its mining and gas industries has seen its economy grow exponentially. Not to be overlooked too is the fact that it actually yields a few hundred million dollars from its tourism industry every year. According to a statistic by the Australian government’s Department of Resources, Energy and Tourism, nearly half of the visitors in Australia are there for holiday purposes with the bulk of visitors from the Australasian region, with New Zealand in the lead. China is listed second, followed by the United Kingdom and the United States of America. In Australia, tourism’s Gross Domestic product registers a total of AUD 73. 3 billion, which makes up 5. 2 percent of Australia’s GDP. This is reflected in the fact that tourism has created a lot of jobs. For example, the number of employees who are involved in the tourism industry numbers at 907, 100 persons, or 7. 9 per cent of total employment across the country. (Tourism Research Australia 2012). As recent as 2009 and 2010, the Australasian Casino Association officially announced that Australian casinos generated over AUD 4. 4 billion in revenue. As illustrated in Table 2, most of these casinos report that gambling activities contributed 78% of their revenue. The second biggest generator was Food and Beverage.  (Australasian Casino Association 2011). By 2003, gross gaming revenues were equivalent to 1. 9 per cent of gross domestic product in Australia. (Orford, J. 2011). Australia’s gambling history does not stretch as far back as most would think. Public and legal gambling started in 1810 with the introduction of horse racing games in New South Wales. In 1861, the now internationally-recognised Melbourne Race (horse racing, was held for the first time in Melbourne, Victoria. Next, lottery was introduced firstly in Queensland. (Fabiansson, C. 2010).  By 1973, the first Australian casino was introduced in Wrest Point Hotel Casino in Hobart, Tasmania. (Hsu,  C. H. C. 2006). The Australian government then decided to develop casinos to boost Australia’s tourism and local economy. In 1990, the government unveiled another 4 casinos in major cities across the country: The Crown Casino in Melbourne, Star City Casino in Sydney, Conrad Treasury Casino in Brisbane and Reef Casino in Cairns.  In the 1990’s, Australia was in the throes of a severe economic crisis, which spurred the government into picking up and promoting Melbourne in order to revitalise Victoria state and thus Australia’s economy. (Hsu,  C. H. C. 2006). However, gambling in Australia is slightly different from Singapore. In Singapore, Singapore Citizens and Permanent residents are still allowed to play in the casinos but have to pay either entry levy or annual levy. The government is forcing the IRs not to encourage Singapore Citizens or Permanent Residents to gamble. In Australia, residents of New South Wales, are able to access gambling places quite easily across the state since casino regulations towards Australian Citizens and Permanent Residents are not strict as Singapore. Neighbourhood Clubs and Hotels have gambling facilities in their premises.  Long opening hours attract more local neighbours in Australia these days. People usually induced into the world of gambling through their colleagues and friends. (Fabiansson, C. 2010). Thanks to the ease of accessibility in Australia, nearly 50% of Australian have visited casinos in recent years. (Chambers, K. 2011). There are 13 casinos currently in operation. Amongst the most well-known, is The Star, in Sydney. Known as the state’s biggest gambling place, this multi-complex place is under Echo Entertainment Group, which itself runs 6 integrated resort related businesses across Australia. (Echo Entertainment Group Limited Annual Report 2012). The Star is located in Pyrmont, Sydney, a central location just a few steps away from Darling Harbour. This is not an insignificant fact as the 25-year-old darling harbour will be undergoing renovation to compete with regional competitors such as Hong Kong and Singapore. The New South Wales government in implementing the most expensive facelift in Sydney’s history. (Ten Australia, 2011). Amongst the upcoming projects, the New South Wales government has approved an 8000-seat theatre, a 40, 000 sq metre convention centre and 900-room hotel, The Darling, all of which will be quite close to the Star. (Pearlman, J. 2012).   The Darling is known as Sydney’s first five star rated hotel since Sydney’s Olympics, and has, in its facilities, a luxury spa and also, a 4000 Capacity Event hall which can be transformed for conferences, exhibitions and others. (Echo Entertainment Group Limited Annual Report 2012). Besides being considered by Sydney residents as one of the most popular destinations when it comes to entertainment and recreation, The Star is also a favourite destination of international tourists, being awarded internationally as Australasia’s leading casino resort. (The Allen Consulting Group 2009). Its award-winning Lyric Theatre too has the same characteristics as Marina Bay Sands Theatres hosting most major performances. Features and awards aside, The Star is an important business player in Echo group compared to other casinos. While other businesses are struggling with the current global economic crisis, The Star made a profit that has managed to increase Echo Entertainment Group Limited’s revenue by nearly 13 per cent. (The Sydney Morning Herald 2012). The Star itself contributes to New South Wales’ region economy greatly. Closer to Singapore, the first integrated resort in the Southeast Asian region was in Bali, Indonesia, which opened in 1971. After the commencement, the first hotel opened in 1973. Hotel was built close to Conference Centre, Spa and Shopping mall.  This integrated resort may have brought in jobs for the locals but because of the resort development, Roads were so crowded and packed, gigantically piled solid rubbish and even water got contaminated. (Smith, R. A. and Siguaw, J. 2011). Due to Severe Water Contamination, now, the resort is continuously monitoring on rehabilitation especially on Water quality these days. (Mimura, N. 2008). The Star Sydney made some extraordinary marks to Sydney’s Society just like Bali, Indonesia in terms of Economy, Society Environment and Legalisation. With 13 casinos across the country, Australia benefits in having a capital inflow and Gross Domestic Capital from visitors and citizens. International visitors who visited Australia for their holiday spent more than 4. 9 billion Australian dollars in Australian Casinos. (The Allen Consulting Group 2009).  The Casinos’ VIP players spent significant money, 553 million Australian Dollars, in Casinos. The high rollers spent significantly not only in casinos, but a further 121 million Australian Dollars for other tourism-related expenditure in the years 2007 and 2008. This supports a prior statement that the tourism industry consists of a sizable portion of Australia’s Gross Domestic Product. With the increase in the number of international tourists, the probability of increasing revenue is almost definite. (The Allen Consulting Group 2009). According to a statistic done by the Allen Consulting Group, Table 3 shows that Asian nationals, especially those who are from emerging countries such as China and India, tend to spend more than any other nationals. The economy also helped the job market in Sydney. The Star City itself makes prominent contributions to Australia’s labour market.  In 2002, approximately 20, 000 staff have been recruited by all 13 casinos across the country. (Cooper, C. H. and Michael, C. 2005). However, during 2009-2010 period, Australia’s three largest casinos in terms of largest recruiters, The Crown Casino Melbourne, Burswood Entertainment Complex Perth and The Star Sydney have hired 24, 714 people in this industry which is 66 per cent of the industry, of which 16, 300 jobs are casino-related. (The Australasian Casino Association 2011). The contribution of The Star to Sydney’s Environment is outstanding in terms of energy savings.  The Star has been through water recycling trials with Sydney Water and is currently is implementing a water recycling program making 100, 000 litres of recycled water available per day.  The Darling, which is in The Star’s Complex, also has a system which is quite similar to water recycling in purifying seawater for use in chilling systems. In addition, they also do have a rainwater harvesting plant which holds 475, 000 litres for use.  The complex puts a lot of effort to be an environmentally friendly company. In the premise, the complex is equipped with LED lighting. The Star is, now going through an energy saving audit as part of its ongoing commitment to the environment. (Echo Entertainment Group Limited Annual Report 2012). While The Star encourages people to spend money in their multi-complex premises such as their casino, restaurants, shopping centre and so on, they also do offer care programmes for customers who find themselves in trouble with overspending money while gambling. The self-exclusion programme is designed to keep away people who are addicted with gambling and functions, much in the same way as Singapore’s exclusionary measures. The Star has also its own policy mentioning that customers who are undertaking this programme will be banned to step into The Star Casino for a minimum of 12 months. (The Star Self Exclusion Programme 2011). There is no denying that The Star has contributed to Sydney’s economy and made numerous jobs available to unemployed persons. However, it has not always been smooth-sailing or problem-free. The last year saw it rocked with a controversy. According to Australia’s Channel 7 News, The Star’s Luxury Spa colleagues had to face situations that often bordered or considered as sexual harassment and bullying. Four staff members of the spa interviewed on Channel 7 News, claimed that they had to do everything to suit the needs of the high-rollers and VIPs - many of which at times were regarded as questionable. Spa Colleagues additionally said they had been forced by management to do untrained massages one of colleagues confessed that I just had to make it up just for high-rollers and VIPs. (Channel 7 News 2012). To understand the difference Integrated Resorts and traditional resorts, the definition of traditional resorts is crucial to begin with. The first known resort started back in the Roman Empire, with its roots in the public baths. The first baths started in the second millennium B. C. where it started on a small scale. After a few years of operation, the baths gained popularity in Roman society allowing it to expand. At this stage, the baths started to sell food and drink in their premise for customer’s social life. The baths became not only a social place but also a health treatment place.  (Mill, R. C. 2008).  Today, different types of resorts exist to suit different tastes. For example, Destination Resorts and Non-destination Resorts. Destination Resorts are the ones with magnificent natural sceneries, such as the ones located in the Caribbean. Guests who stay in this type of resorts are mostly infrequent guests. However, Non-destination Resorts are not as far away as destination resorts and are often two or three hours away distance by land transports. Guests who stay in this type of resorts visit more frequently. (Barrows, C. W. and Powers, T. 2009). In recent days, tourists are not looking for old-school tour packages such as mass tourism. Tourists, are now seeking a variety of offers.  Tastes are evolving with a higher level of discernment.  That was one of the crucial rationales that the Singaporean Government decided to develop Integrated Resorts in Singapore. The Singapore government originally wanted to develop the marina area to strengthen Singapore’s financial status. However, the government changed its decision to develop the country to be sustainable and competitive with other cities, sparking the proposal to build two casinos in Singapore (Wong, T. C. 2008). The same can be said for Sydney where The Star is located. As mentioned in this report’s preceding pages, one of Sydney’s popular destinations, Darling Harbour, is undergoing renovation to sustain and compete with other cities especially their biggest regional competitors, Hong Kong and Singapore. The Star itself was a multi complex destination in New South Wales.  Integrated Resort’s Synergy is too attractive to resist. One of Integrated Resorts’ benefits is create lots of activities in the city to attract tourists and it helps to boost up local economy and social benefits. (Gössling. S. 2003). Nearly 20 years of operation of The Star has made it a popular destination in Sydney. The change of tourism trends is a fast-paced and sensitive one. Once, international tourists were content with just a guided tour for holiday purpose, but are now asking for more. Nowadays, they are looking for more active and unique activities, such as Integrated Resorts. Indeed, Integrated Resorts have been developed rapidly to meet the demands of tourists. Now, Integrated Resorts can be more active place since they can enjoy shopping, entertainment and dining nearby. Integrate Resort is a trend now globally and this is not deniable. However, during last 20 years, The Star showed Sydney’s society a number of social controversies too. In spite of controversy over Integrated Resorts in Australia, no easy solutions have been found yet in Australia for the long-run. AppendixTable 1Total Expenditure of visitors in Singapore by region, 1994 - 2003Source: Wong, T. C. 2008Table 2Source: Australiasian Casino Association 2011Table 3Tourist Expenditure Upon Gambling, 2007-8Source: The Allen Consulting Group 2009