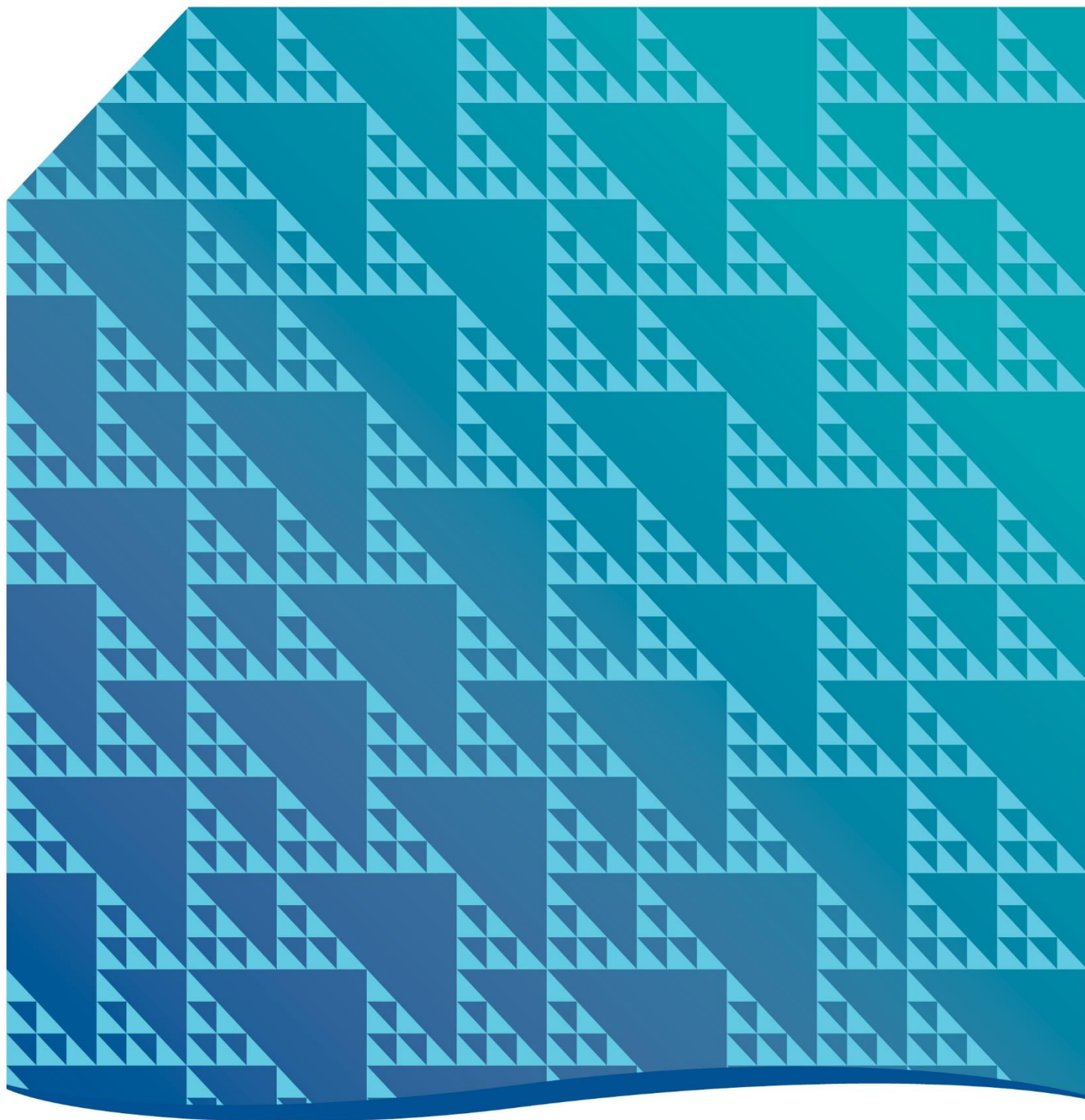


# Agri-tourism





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# Introduction

The Tasmanian Government has a clear focus on job creation and growing the state's economy. Tasmania has significant natural advantages that underpin economic growth. In order to maintain this growth, create jobs and increase prosperity, it is vital that these advantages are understood in the changing global marketplace.

For many generations of Tasmanians agriculture has been a cornerstone of their prosperity and farms sit at the heart of our rural communities. Looking to the future, our visitor economy has been identified as a sector with enormous growth potential, and Tasmania's strengths as a destination are increasingly recognised locally and internationally. The importance of agriculture and tourism is reflected in the ambitious targets set for growth.

The Tasmanian Government plans to grow the value of agriculture ten-fold to \$10 billion per annum by 2050. The Government and industry also plan to grow Tasmania's visitor economy, by attracting more visitors and visitor spending, delivering more direct and indirect tourism employment in Tasmania, sustaining a high level of regional visitor dispersal and achieving greater visitor satisfaction.

A factor common to meeting these agriculture and tourism targets is the strength of Tasmania's brand, as highlighted in the Tasmanian Visitor Economy Strategy 2015-2020. The strength of Tasmania's brand is the authenticity of place and its people and it must be fostered, promoted, leveraged and protected through strategic investment, creative marketing, events and partnerships across industry sectors.

Agri-tourism operators are well positioned to capitalise on Tasmania's natural advantages and the opportunities that will arise from increased agricultural output, higher visitation and a stronger brand. There are already a number of actions planned and underway in Tasmania that support this important sector.

- Ten Tranche 1 irrigation schemes have been delivered allowing agricultural expansion, and a number of proposed Tranche 2 schemes continue to be progressed.
- Annual funding has been increased to the four Regional Tourism Organisations (RTOs) that cover the north west and west coast, southern, northern and east coast regions, to boost regional tourism.
- The Tasmanian Government Events Strategy 2015-2020 plans to grow and diversify the number and range of local events, a key aspect of Tasmanian agri-tourism.
- AgriGrowth Tasmania has been established to implement the government's AgriVision 2050 agenda.
- A statewide planning scheme is being implemented, complemented by Tasmanian planning policies that promote sustainable development and accommodate emerging opportunities, including agri-tourism.
- The \$650 000 Tasmanian Brand Project will develop further insight into the Tasmanian brand and how it can best be supported and promoted.

A recently refreshed Tourism 21 (T21) agreement highlights the importance of agri-tourism in maintaining a strong Tasmanian brand and bringing visitors to the state.

The sector is growing and creating new employment opportunities while reflecting and enhancing Tasmania's global reputation for premium produce and fresh, high-quality and contemporary visitor experiences.

# Agri-tourism in Tasmania

Tasmania has an increasing offering in premium food and beverage related experiences. This paper takes a broad definition of agri-tourism which includes all “on farm experiences” and associated community/industry activities.

There are three categories within agri-tourism.

- **Fixed attractions in regional areas.** Examples include farm stays, oyster and mussel farms, chocolate and cheese factories and other food processing facilities, breweries, wineries, whisky distilleries and pick your own fruit experiences.
- **Events based on an agricultural theme.** These include food and wine festivals, farmers markets, cider/beer festivals and events such as Agfest.
- **Services based on a regional food/beverage experience.** Cooking schools, fishing trips, beer making classes, and food and beverage tours are considered services.

## Current agri-tourism trends

Agri-tourism has been successfully integrated into the regional identity of many places nationally and internationally for some time. Businesses such as farm stays and farm gate sellers have been operating in Australia for many years and align closely with visitor expectations of the country. Research shows that for those international visitors that have already visited Australia, the country ranked second for its food and wine experiences with only culinary giant France ranking higher. Visitors from China, the United States, France, India, Malaysia, South Korea and the United Kingdom ranked Australia the number one food and wine destination in the world<sup>1</sup>.

With visitors from Tasmania's key tourist markets rating Australia so highly, there are many opportunities for local operators to realise. Agri-tourism is an emerging combined industry and its growth locally has been driven by a number of factors including:

- farmers increasingly looking at diversification options to increase their viability and broaden their customer base
- an increasing emphasis on lifestyle shift for professional couples
- an increased consumer understanding of food safety and health options which has sparked greater interest in understanding where food comes from and how it is grown
- a growing trend among urban communities to 'forage' by sourcing quality locally grown and produced ingredients, beverages and produce
- a growing interest in the slow food movement and authentic, educational and premium food experiences.

The profile of agri-tourism consumers tends to be older, wealthy, educated and ethnically diverse. They have a focus on eating less, making healthy food choices, and wanting accountability from food producers<sup>2</sup>. These consumers are increasingly demanding authentic regional food products and experiences that are not necessarily gourmet but are unique and memorable.

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<sup>1</sup> [http://www.tourism.australia.com/documents/Statistics/TA\\_Factsheet\\_CDP\\_FoodandWinereport.pdf](http://www.tourism.australia.com/documents/Statistics/TA_Factsheet_CDP_FoodandWinereport.pdf)

<sup>2</sup> The Agri-tourism Market: Drivers and Demand in a growing industry, Agricultural Marketing Resource Centre USA.

Successful agri and food tourism experiences reflect the cultural, historical and agricultural heritage of the region and provide authentic tastes of place. There is also an emerging young, very discerning, customer base which is seeking clean and healthy food that is prepared with passion and a dining or tasting experience which uses locally sourced food.

Greater access to accommodation, appropriate infrastructure and proximity or easy access to nearby urban areas attracts customers and supports agri-tourism investment and expansion. The key attractions for visitors are appealing 'lifestyle draw cards' which include food and wine production and tasting opportunities, beautiful environmental surrounds, rural culture and farm-based recreational activities<sup>3</sup>. Contributing to the aesthetics of agri-tourism experiences, Tasmania has a strong reputation for green pastures, clear skies, fresh water and rich soils.

## Demand for agri-tourism

A 2013 international survey of Australia's target markets shows food, wine and local produce are very important motivators for visitors when choosing travel destinations<sup>4</sup>.

Nationally there are a number of regions that have been successful in positioning as food and wine destinations. Places such as Margaret River, The Barossa Valley, the Hunter Valley and the Yarra Valley have built a reputation for food, produce and wine experiences and benefit from their close proximity to large urban markets and were largely established on the success of the wine industry.

For international visitors arriving in the larger mainland cities, travelling from interstate into regional Tasmania is a greater time commitment and involves the additional cost of airfares. However, Tasmania has the competitive advantage of offering a diverse range of quality experiences in a fairly compact area which has great appeal with the shorter-stay visitors.

Tasmania also has a strong association with premium wine production, and the Tamar Valley, Southern, East Coast and North West wine trails are popular with tourists. In recent years Tasmania has become known for its strength in beverage production (for example beer, cider and whisky) that provides further foundation for the development of agri-tourism.

Tasmania's temperate climate, distinct seasons, clean water, reliable rainfall, clean air, and rich, fertile soils have seen it develop a reputation for world-class livestock and aquaculture. Alongside this there is increasing recognition of the state's dairy produce, seafood and niche gourmet cooking products such as seeds, honey, ginseng, olives, nuts, berries and truffles.

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<sup>3</sup> Drivers of Regional Agri-tourism and food tourism in Australia, ABARES, October 2010.

<sup>4</sup> Tourism Australia, Australia Consumer Demand Research, Tourism Summit 2013.

Tasmania's reputation for quality produce is demonstrated by Tasmanian Visitor Survey results for recent years with increasing numbers visiting a food producer, winery, brewery or distillery.

<b>Activities undertaken in Tasmania<sup>5</sup></b>					
Category	Jul 2012 - Jun 2013	Jul 2013 - Jun 2014	Jul 2014 - Jun 2015	Jul 2015 - Jun 2016	Growth
Visit wineries	148 280	176 530	210 849	236 044	+11.90%
Visit breweries (from July 2013)	-	103 149	124 253	132 457	+6.60%
Visit distilleries (from July 2013)	-	57 441	77 868	91 916	+18.0%
Visit local food producer	248 812	285 226	316 657	346 895	+9.50%

While future demand for agri-tourism is difficult to forecast, these figures clearly indicate an increasing awareness of and desire to experience Tasmanian produce at source. Anecdotal evidence suggests increasing attendance at food and wine festivals, tasting events and an increase in the number (and size) of farmers markets. There are also industry reports of good visitation at pick your own experiences, lavender farms and tour activities.

A 2014 survey by Tourism Research Australia<sup>6</sup> showed that 87 per cent of Australians had travelled domestically in the previous two years, with over half visiting regional destinations and almost one quarter attending at least one event in a regional area during the same period. The survey also found that in those two years:

- respondents had attended an average of three events, which was largely consistent across different demographic groups from regional areas and capital cities
- the most popular events were food and wine related followed by music festivals or concerts and then botanical or garden events
- three quarters of the attendees would not have gone to that destination if it were not for the event
- the vast majority of attendees indicated that they were likely to come back to the destination again in the next three years
- respondents are more likely to attend an event in their own state
- 58 per cent of respondents indicated they would travel up to two hours from home
- 42 per cent would travel more than two hours from home.

This survey highlights the important role of local residents as customers supporting agri-tourism operators. As well as local patronage being critical, particularly in the low season to support events, operators and producers, locals also act as great ambassadors.

With social media playing an ever growing role in people's lives and in how businesses operate, local opinion and visitor reviews are highly valued. Visitors seek recommendations from local residents and consider "what and where locals eat" as an important element of the visitor experience as this indicates authenticity and a meaningful connection to the local area<sup>7</sup>.

<sup>5</sup> Tasmanian Visitor Survey - <http://ttas.webreporter.com.au/>

<sup>6</sup> Tourism Research Australia, Events: Drivers of Regional Tourism Summary, August 2014.

<sup>7</sup> Southern Queensland Country regional Food and Wine Development Plan

## Market supply

Tasmania's agri-tourism sector is largely made up of smaller scale business operators with a focus on niche markets and benefits from the state's strong branding. There are a number of agri-tourism businesses that derive their principal income from their food and/or agricultural activities with their farm gate or cellar door facilities offering additional income and an additional outlet for their product range.

Anecdotal evidence suggests there has been considerable investment in a range of agri-tourism experiences in Tasmania in the last 10 years, along with the establishment of a range of food and beverage themed events. The Tourism Investment Monitor 2016 reports a tourism investment pipeline worth \$509 million, a significant increase on the previous year<sup>8</sup>. Some small business operators indicate the rise in events and farmers' markets has facilitated connections with a broader range of customers, building brand awareness and generating revenue.

In recent years, growth in agri-tourism has been buoyed by growing awareness of premium Tasmanian produce highlighted through achievements such as the global awards received by Tasmanian wine and whisky producers. This includes Sullivans Cove being named as Craft Whisky Producer of the Year in the 2015 World Whiskies Awards, the multi award-winning Pennicott Wilderness Journeys including the new Tasmanian Seafood Seduction, and Heidi Farm Gruyere winning 2016 Grand Champion Cheese award for a third time. Publicity generated by these awards and other recognition has contributed to the increased awareness of Tasmania's agri-tourism offering both domestically and overseas.

Global travel authority Lonely Planet named Tasmania as one of the world's top 10 regions to visit, and the Bobby the Bear phenomenon was triggered in 2014 when a Chinese pop star posted a photo of herself with the lavender bear from Tasmania's Bridestowe Estate. Now one of our leading agri-tourism operators, Bridestowe Estate was named 2016 Telstra Tasmanian Business of the Year. This recognition is a clear indication of an increasing sophistication in the agri-tourism products visitors are offered and a growing understanding among local operators of the opportunities for expansion and diversification.

Agri-tourism in Tasmania comprises a diverse group of generally small businesses which are widely dispersed across the state. The range of businesses in this sector includes agricultural producers who have farm gate or cellar door sales, homestays, cooking schools and tourism operators located in regional areas. The agri-tourism sector also includes events which range in size and regularity from weekly markets to annual food festivals.

In addition to the Tasmanian Government, RTOs and local governments, the agriculture and tourism sectors and their respective peak bodies are supporters of agri-tourism growth across Tasmania. This has seen the establishment of a range of successful alliances including:

- The Tasmanian Whisky Trail
- The Tasmanian Cider Trail
- The Tasmanian Beer Trail
- Cradle to Coast Tasting Trail
- Wine Tasmania wine trails

Perhaps due in part to this diversity, there is no champion or a single organisation which engages with agri-tourism businesses and represents their interests on a statewide basis. Within regions there is coordination and cooperation around promotion, events and activities, largely through RTOs and councils, but on a statewide basis there appears to be less cohesion.

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<sup>8</sup> [https://tra.gov.au/documents/Economic-Industry/Tourism\\_Investment\\_Monitor\\_2016.pdf](https://tra.gov.au/documents/Economic-Industry/Tourism_Investment_Monitor_2016.pdf)



# Our approach

## Tasmania's brand

Tasmania has a strong brand and is increasingly recognised for its liveability and as a place to do business. The Brand Tasmania Council is the custodian of the Tasmanian master brand and promotes the advantages of living, working, learning, visiting and doing business in the state. Brand Tasmania members include leaders in the public and private sectors and the Council collaborates with leaders in various industry sectors.

The food and agricultural industry has largely built its branding around premium quality and its reliability as a safe food source. These values are underpinned by the state's biosecurity status and regulatory framework. At an enterprise level, food and agricultural businesses have used the Tasmanian brand as a mark of quality that denotes place of origin. It is used to differentiate product in the market, it enables positioning at the high end and in niche markets and generally attracts premium prices.

Over the years Tasmania's brand capital has been built in different markets around the world and around different aspects of Tasmania's industry base. To consolidate this, considerable work has been done in the development of the master brand identity that reflects the state's unique mix of economic, cultural, community and environmental attributes. The success of this generic branding is important to business and industry growth and is seen as part of Tasmania's competitive advantage.

In 2016 the Tasmanian Government announced \$650 000 in funding to support a Tasmanian Brand Project. The project will see community, stakeholders, industries and Brand Tasmania evaluate the state's brand attributes and look at how best to support and promote the brand in the future.

Tourism Tasmania is the Tasmanian Government's tourism marketing agency. It's role is to create demand for travel to Tasmania and attract more leisure visitors through its domestic and international marketing programs. The very successful Go Behind the Scenery campaign has run for several years with the eighth campaign running throughout July and August 2016<sup>9</sup>. Quirky storytelling by locals is a central element of the campaign, and agri-tourism operators feature prominently including Ashgrove Cheese, Brockley Estate, Zulu Fishing Charterz, Masaaki's Sushi, Willie Simpson, Seven Sheds Brewery and Hobart's farm gate market.

Marketing of regional tourism areas, undertaken by four RTOs supported by Tourism Tasmania, draws on the attributes that highlight their distinctive features as a destination. This approach ensures consistent messaging and provides a platform for individual brand development.

There is a shared narrative of the Tasmanian story that comfortably accommodates both agriculture and tourism and applying the existing Tasmania brand and its associated attributes, will ensure those brand messages that align most closely with agri-tourism, are leveraged to best effect.

## Agrivision 2050

The Tasmanian Government's 2014 Cultivating prosperity in Agriculture policy and the Supporting a World Class Tasmanian Fisheries and Seafood Sector policy laid down the approach it is taking to grow the primary industries sector. AgriVision 2050 sets a strong target for growing the value of the agricultural sector in Tasmania tenfold to \$10 billion per year by 2050. The government also recognises that the seafood sectors, including aquaculture,

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<sup>9</sup> <http://www.tourismtasmania.com.au/marketing/campaigns/behind-the-scenery-spring-2016>

make a significant contribution to the Tasmanian economy and have potential to grow in response to market demand. Abundant water, a premium brand, island biosecurity and excellent growing conditions will ensure Tasmania continues to benefit from the opportunities presented by growing demand in major export markets.

In 2014, to drive AgriVision 2050, the Tasmanian Government announced the creation of AgriGrowth Tasmania, a division of the Primary Industries, Parks, Water and Environment Department. AgriGrowth Tasmania, harnesses expertise from the Department of State Growth, and is connected to Tasmania's primary industries' leaders. It develops and implements agricultural policy to support industry development and growth and Tasmania's rural communities.

AgriGrowth Tasmania provides direct links between industry and government to enable more responsive and targeted support to growing Tasmania's agricultural industries.

## Tourism in Tasmania

Tourism in Tasmania directly and indirectly contributes around \$2.55 billion or 9.9 per cent to Gross State Product with a direct contribution of \$1.17 billion (around 4.6 per cent) and an indirect contribution of a further \$1.38 billion (around 5.3 per cent). Tasmania's tourism industry is made up of around 2 100 separate businesses and directly and indirectly supports around 36 700 jobs in Tasmania or about 15.3 per cent of total Tasmanian employment<sup>10</sup>. More Tasmanians depend on tourism for their employment than any other Australian state or territory<sup>11</sup>.

The Tasmanian Government and tourism industry aim to fulfil five major goals for Tasmania's visitor economy by the end of 2020. These goals include attracting 1.5 million visitors and \$2.47 billion in visitor spending annually, delivering more direct and indirect tourism employment in Tasmania, sustaining a high level of regional visitor dispersal and achieving greater visitor satisfaction.

Reaching this target encourages greater capital investment and will increase direct tourism employment to around 20 000.

Tasmania has outperformed domestic and international visitation forecasts over the past five years, and the outlook for future demand appears positive, with strong visitor appeal and consideration of Tasmania for a holiday in the coming years,

The Tourism Info Monitor Insights from the April – June 2016<sup>12</sup> survey period indicates:

- around 73 per cent of travelling Australians consider a Tasmanian holiday appealing, and
- around 33 per cent of travelling Australians are considering a visit to Tasmania in the next two to three years.

The Tasmanian Tourism Snapshot Year ending June 2016<sup>13</sup> indicates:

- for the year ending June 2016, there were 1.17 million visitors, up two per cent from 1.15 million for the previous year
- total nights spent by visitors in the state increased by five per cent to 10.20 million

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<sup>10</sup> <http://www.tourismtasmania.com.au/about>

<sup>11</sup> <http://www.t21.net.au/partnership>

<sup>12</sup> [http://www.tourismtasmania.com.au/\\_\\_data/assets/pdf\\_file/0017/44027/TIM-Survey-Insights-Apr-Jun-2016.pdf](http://www.tourismtasmania.com.au/__data/assets/pdf_file/0017/44027/TIM-Survey-Insights-Apr-Jun-2016.pdf)

<sup>13</sup> [http://www.tourismtasmania.com.au/\\_\\_data/assets/pdf\\_file/0003/43662/TVS-Snapshot-June-2016.pdf](http://www.tourismtasmania.com.au/__data/assets/pdf_file/0003/43662/TVS-Snapshot-June-2016.pdf)

- visitor expenditure increased by nine per cent to \$2.05 billion
- the number of interstate visitors to Tasmania increased by one per cent to 997 800 million
- Tasmania received 224 000 international visitors during the year ending June 2016, up 13 per cent from 198 300 the previous year.

As well as supporting Tourism Tasmania, the Tasmanian Government also supports tourism growth through various departments funding infrastructure, targeted training and supporting tourism supply. Funding has also been provided to develop 32 action plans for key destinations across Tasmania. Many of the areas selected already have strong reputations for agri-tourism such as Bruny Island, King Island and the Tamar River region.

## Tourism 21

T21 is the partnership agreement between the Tasmanian Government and the Tasmanian tourism industry represented by the Tourism Industry Council Tasmania (TICT). T21's vision is "for Tasmania to be a world-leading destination of choice, with a vibrant visitor economy supported by our tourism and hospitality industries, strong business and education sectors and a community that embraces our visitors and all the benefits they bring."<sup>14</sup>

In November 2015, the refreshed *Tourism 21 (T21) - The Tasmanian Visitor Economy Strategy 2015-2020* was launched, underpinning the partnership between government and industry. The strategy outlines four priorities:

- growing demand for travel to Tasmania
- expanding air and sea access
- investing in quality tourism infrastructure
- building capability, capacity and community.

The *T21 Tasmanian Visitor Economy Strategy 2015-2020* identifies the importance of a strong Tasmanian brand and the role agri-tourism has to play in supporting this and delivering on broader tourism goals.

***"Tasmania's reputation for high quality produce is recognised globally. Farm gate and agri-tourism experiences highlight our strength in the production of wine, whisky, cider and beer, along with our agriculture and aquaculture industries. These elements contribute strongly to the Tasmanian brand. With international research showing food and beverage to be a key factor in people's travel decisions, Tasmania is well positioned to capitalise on this through its unique combination of people, produce, place and proximity."***

The Premier's Visitor Economy Advisory Council and the T21 Steering Committee both contain representatives from the TICT, Tourism Tasmania and the government departments responsible for growing agricultural output and job creation through increased tourism supply.

Under the T21 agreement Tasmania's progress towards the government and industry's priorities and visitor economy goals will be updated and reported every six months and with representation from this broad range of stakeholders, it is an ideal avenue to monitor the progress and needs of Tasmania's agri-tourism market.

In both its agricultural produce and tourism industry, preserving Tasmania's international reputation for excellence is paramount as the sectors grow and the government strives to meet its goals. The Tasmanian Government is working to modernise biosecurity legislation and practices to provide an appropriate level of protection for Tasmanian producers, businesses and the environment, while at the same time supporting

<sup>14</sup> [http://www.t21.net.au/\\_\\_data/assets/pdf\\_file/0004/37723/T21-Strategy-web.pdf](http://www.t21.net.au/__data/assets/pdf_file/0004/37723/T21-Strategy-web.pdf)

improved visitor experiences. For example, the newly introduced TT Line off-shore clearance process during the summer of 2015 resulted in significantly more material of a potentially high risk nature being seized off-shore and much quicker disembarkation by visitors in Devonport. The Future Directions for a new contemporary biosecurity legislation framework is expected to be released for public consultation by the end 2016.

## Next steps

This draft position paper will be available on the Department of State Growth's website at [http://www.stategrowth.tas.gov.au/home/sectors/cultural\\_and\\_tourism\\_industry](http://www.stategrowth.tas.gov.au/home/sectors/cultural_and_tourism_industry) until February 2017.

Agribusiness, tourism and agri-tourism industry stakeholders are invited to provide submissions to further develop the position paper and identify priority areas of focus to grow the agri-tourism sector.

Issues that stakeholders may wish to comment on these or other issues.

- Regulation issues.
- Market expansion.
- A framework for collaboration between new and existing operators.
- Public and industry-specific agri-tourism events.
- The role T2I has to play in growing agri-tourism.

Following the consultation period this position paper will be finalised and published, and will lead future planning for growing this important sector.

Submissions should be lodged by Tuesday 28 February 2017, and may be emailed to: [THSU@stategrowth.tas.gov.au](mailto:THSU@stategrowth.tas.gov.au)

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