



A U S T R A L I A N  
**REGIONAL** TOURISM  
L T D

**PRE-BUDGET SUBMISSION  
2024-25**



Tourism Australia, Barossa Valley

The Hon Dr Jim Chalmers MP  
Treasurer  
PO Box 6022  
House of Representatives  
Parliament House  
Canberra ACT 2600

Dear Treasurer,

Thank you for the opportunity for Australian Regional Tourism (ART) to offer a submission to the Australian Government Treasury Office for the 2024-25 Federal Budget.

The submission offered is based on insights developed in close consultation with the Australian regional tourism industry, and agricultural industry.

The following submission seeks long-term support for sustainable Australian farming through agritourism diversification. ART recommends funding to support farmers to diversify into tourism be considered in the development of the next federal budget allocations.

The proposed funding considers long-term outcomes and deliverables for regional Australia and provides clear direction to support a strong and resilient visitor economy for the future.

Kind regards,



**Lauren Douglass**  
Chief Executive Officer  
Australian Regional Tourism

This submission has been endorsed by the following regional organisations:



**National  
Farmers  
Federation**



**Australian  
Chamber of Commerce  
and Industry**



**DESTINATION  
PERTH**



**Tourism  
Midwest**  
Victoria



## POLICY RECOMMENDATION AND FUNDING

### Supporting long term sustainable Australian farming through agritourism diversification

#### Cross portfolio policy position

*Minister for Trade & Tourism: Senator the Hon. Don Farrell*

*Minister for Agriculture Fisheries and Forestry: Hon. Murray Watt*

*Minister for Regional Development & Local Government: Hon. Kristy McBain*

#### Submission Entity

Australian Regional Tourism Ltd (ART) is the peak industry body representing the regional tourism industry. ART promotes sustainable regional development through regionally focused research, destination management planning, product development, marketing, and the development of skilled human resources.

ART is the leading authority in supporting and developing agritourism. In October 2022, ART launched Australia's first [National Agritourism Strategy Framework](#) and [Agritourism 2030 Action Plan](#) at the inaugural Agritourism Conference. Support for the agritourism sector contributes to the long-term target set within THRIVE 2030, providing diverse opportunities for growth of tourism and agriculture and the benefits associated with strengthening the sector.

#### Proposal

This proposal seeks \$14 million (\$10m in direct-to-farm grant funding + \$4m in industry development) over four years to support farmers to diversify into tourism, increase high-yield export ready product, strengthen Australia's regional economies, and grow on-farm agritourism from \$7.4B<sup>i</sup> to \$18.6B<sup>ii</sup> by 2030.

#### Key Messages

- ***Australia's agriculture sector has been hit hard***  
Since 2018, drought, fire, floods and the COVID-19 Pandemic have called for the agriculture industry to be increasingly resilient. Diversification of farm income and skills is necessary to address volatility in farm viability.
- ***Diversity of visitors to regional communities will support social impact of isolation***  
The proposed funding will support farmers to create new visitor experiences, by welcoming people to their farms and increasing connectivity for remote and regional Australians.
- ***Export market tariffs, foreign policy and the war in Ukraine have affected key trading partners***  
There is fierce international competition for many of our export markets. Agriculture has been hit hard by China import tariffs and bans on Australian products, interruptions to export freight, fuel prices and growing access to inputs and equipment.
- ***Australia has a growing competitive advantage in Agritourism***  
Agritourism is a growth market of tourism, with Australia recognised as #2 in our tourism markets for on farm experiences. Other international markets, such as the USA and UK, are investing in supporting farmers, increasing our competition to attract visitors.
- ***The industry wants support to grow sustainably and invest long term***  
The proposed funding will underpin the growth of hundreds of new Australian farm experiences and encourage aligned investment by the private sector.

## **Agritourism industry overview**

### ***THRIVE 2030 identifies diversified tourism experiences to achieve long-term targets***

In 2022, Australian tourism contributed \$143b to our economy. Tourism is one of Australia's largest export industries, employing nearly 670,000 people across 330,000 businesses. In regional Australia, there are 100,000 tourism-related businesses, and around 57 cents in every visitor dollar is spent in regional areas (year ending September 2022). For Australia to achieve the long-term target set within THRIVE 2030, \$230b by 2030 with regional Australia capturing approximately 40% of this spend, Australia will need new, distinctive, sustainable experiences that are export market ready.

The release of Agritourism 2030, the first ever national sector strategy framework, encourages collaboration between agriculture and tourism sectors to grow on farm business opportunities. The strategy framework is designed to:

- Support farmers to diversify into tourism
- Support community capability and capacity building with a focus on regional employment
- Develop high quality distinctly Australian Agritourism experiences
- Promote the sector responsibly with an alignment to food and drink
- Encourage genuine collaboration and enduring partnerships and
- Provide leadership to support inclusive growth.

Agritourism may provide opportunities for collaboration between farmers and Traditional Owners, to support new, diversified agritourism offerings and the sharing of culture through agritourism.

The ATDW listed 4490 agritourism operators in September 2020. In November 2023, this figure increased to 6714, reflecting a 50% increase in the number of agritourism operators listed on ATDW. Categories include wineries, breweries & distilleries, food & wine events and tours, produce and farm stays. There have been notable increases to the number of tourism operators listed in the food and wine category (92%) and farms stays (240%)<sup>iii</sup>.

Methods of managing biosecurity risks are being considered by tourism operators, to ensure the protection of their land, along with the development of clear strategic plans to ensure longevity of their business. By supporting agritourism, these processes can be improved, enabling more farmers to offer agritourism experiences.

### ***Agritourism compliments Tourism Australia's position that international visitors want to come and say G'day to Aussies***

International visitors are seeking unique and authentic Australian experiences and looking to meet and engage directly with locals to understand the Australian way of life. Agritourism provides opportunities to deliver these experiences, by connecting local people and driving visitors to our regions to stay longer and spend more.

Growing the quality and quantity of experiences that appeal to high yield international overnight visitors has a disproportionate impact on spending in regional communities. Taking a long-term view to 2030 and investing in farmers to develop new, diverse and distinctively Australian experiences that appeal to international visitors encourages tourism yield and dispersal into regions.

Growing farmer skills capability in tourism, distribution and digital and providing high quality marketing assets means we put our best foot forward to the world.

### ***Diversification into agritourism creates regional employment opportunities***

Agriculture represents 1.9% of GDP and 2.0% <sup>iv</sup>of Australian employment, and in recent times, the sector has faced unprecedented drought, floods, bushfires, and export market fluctuations. Pre COVID, Australia's Agriculture and Tourism industries combined employed more than 700,000 Australians and represented Australia's 3rd and 6th largest export categories respectively. Agriculture's reliance on working holiday markers became apparent during the pandemic with a reduction between 2020 and 2022 of 86% of visa holders in Australia.

Agritourism 2030 focusses on initiatives that support community capacity and capability building, seeking to cross train and upskill locals in tourism, support farms to expand and offer new opportunities to next family generations. Since 2019, Australia has committed over \$6B to help farmers build resilience and access new markets across the world.<sup>v</sup> However, none of this innovation was in tourism. Investing in tourism innovation has the potential to return to 2019 visitor numbers and unlock a further \$11.2B in growth between now and 2030.

The promotion of the agricultural sector through a tourism lens provides opportunity to change the perception of the agricultural industry. Agritourism facilitates the development of a tech savvy sector that will attract a skilled workforce, and new employment opportunities provide options for families to stay together on the land or in the region.

### ***Tourism offers Australian farmers opportunities to improve economic & social resilience***

Associated labour and input supply disruptions, worsening trade relations with China and the war in Ukraine placing pressure on export market access. In 2020, Australian tourism had 7.6 million fewer international arrivals, 45 million fewer domestic overnight trips and 84 million fewer day trips than in 2019. This represents a combined loss of around \$78 billion in visitor spend, a 56 per cent decline in tourism receipts and a loss of around 600,000 jobs<sup>vi</sup>.

Pre-COVID, Agritourism had been growing strongly at 15% cumulatively from 2015-2019. Agritourism 2030 delivers a roadmap for the agriculture and tourism sectors to work together to recover this growth and thrive. The plan supports the creation of new businesses on farm, delivering a range of in demand visitor experiences including accommodation, farm tours, farm shops and behind the scenes farming experiences. The plan also works collaboratively with Tourism Australia and the States and Territories to grow demand and deliver more visitors to farms in regions, providing a vital social outlet for regional Australians.

Investing to support farmers to innovate their on-farm offering to include tourism will grow farm income, bring visitors to farms to experience rural way of life and support regional communities with jobs and new skills.

### ***Collaboration and diversification drive export market growth***

Australian agritourism is distinctive and diverse and has the opportunity to become a major export sector of tourism. Agritourism includes farmers, makers and Indigenous land managers and appeals to domestic visitors and a growing number of international high yield travellers. Pre-COVID, in 2019, Australia saw 15.6m visitors to farm/farm gates and wineries. Only 1.1m of these were international overnight visitors with an average trip spend of \$5,060 pp compared with 6.2m domestic day visitors who spent an average of \$161 pp per trip.

Agritourism 2030 calls for investment in a range of initiatives designed to provide sector leadership, grow farmer participation, grow skills and jobs in regional areas and provide the platforms to underpin marketing of the sector through Tourism Australia and the States and Territories Tourism Organisations.

The outcome would be readying the Agritourism sector for export market growth, attracting growing numbers of international high yield visitors to regional Australia between now and 2030.

### ***Agritourism is maturing overseas***

The research undertaken in developing Agritourism 2030 identified many countries active in Agritourism marketing to visitors including New Zealand USA, Canada, Italy, France, England, Ireland, Scotland and South Africa.

Additionally, several of our competitors have developed long range sector growth strategies. For example, Scotland has set a target of having 500 new on farm visitor shops and experiences by 2030, a doubling of their current offering in 2019.

Although in its infancy, there have been two International Agritourism conventions, bringing together global interested parties in growing the sector: 2021 in Italy and 2022 in Vermont, USA. Australia held its first National Agritourism Conference in Ballarat, Victoria in October 2022, supported by an Australian Government Building Better Regions Fund grant.

Agritourism 2030 is endorsed by all States and Territories of Australia.

### **Who would be affected?**

Agritourism includes **farmers, makers and Indigenous land managers**, and appeals to domestic visitors and a growing number of international high yield travellers.

**Rural and regional communities** would be positively impacted through an increase in new digital, marketing, tourism and business skills and jobs for locals and farm families. Agritourism provides rural communities with a “pride in place”, connection to people, and better social outcomes.

The **tourism sector** would be positively impacted by having new, diverse and distinctly Australian experiences to share with the world.

**Indigenous Australians** would be positively impacted through the development of new agriculture and land management businesses with a path to sharing their culture and stories to visitors as agritourism.

### **Key risks**

The key risks associated with this proposal are:

**Risk:** Agriculture and Tourism industries pursue different initiatives

**Mitigation:** Agritourism 2030 has been co-designed with Agriculture and Tourism and endorsed before its launch in October 2022.

**Risk:** Agriculture yields and revenues are high, so there's currently no need to diversify

**Mitigation:** Developing tourism experiences require planning, and investing is during the good times ensures readiness for a downturn.

### **Financial implications**

The financial commitment to the Agritourism sector will focus on:

- Three years of resourcing to implement the first years of the strategy framework
- Development of Farm Gate Infrastructure Grant Program to support new and improved visitor experiences on farm
- Create high quality marketing assets to make experiences more appealing online to visitors
- Targeted agritourism training programs for farmers and the agriculture sector
- Develop relevant high quality marketing platforms to take Australian Agritourism to the world.

**Initiatives Total:** \$14 million

	2024-25	2025-26	2026-27	2027-28	Total
Leadership resource for ART to support industry development as outlined in the Agritourism 2030 Roadmap.	\$200,000	\$200,000	\$200,000	-	\$600,000
Agritourism and Farm Gate Grant Program to encourage new farm experiences. Administered by a relevant government agency.	\$5,000,000	\$5,000,000	-	-	\$10,000,000
Additional budget allocation for Tourism Australia to support the development of high quality and export ready agritourism specific marketing assets		\$2,000,000			\$2,000,000
Targeted agritourism capability building training programs in partnership with agriculture and tourism industries		\$300,000	\$300,000		\$600,000
National Agritourism conference – 2 additional year commitment		\$200,000	\$200,000		\$400,000
Australian Tourism Data Warehouse distribution support	\$80,000				\$80,000
Agritourism Website to support demand and grow awareness	\$250,000				\$250,000
Agritourism Information Hub	\$70,000				\$70,000
<b>TOTAL</b>	<b>\$5,600,000</b>	<b>\$7,700,000</b>	<b>\$700,000</b>		<b>\$14,000,000</b>

### Impacts

Type of impact	Description of impact
Financial	\$14m financial commitment over 4 years to support Agritourism to return to 2019 level of \$7.4B and grow to \$18.6B by 2030
Regulatory	Nil.
Legal	Constitutional risk: Low. Legislation required: Nil.
Regional	Positive impact on regional economies due to increased regional development; long term positive impact due to increased visitation of high yield overnight travellers to regional areas.
Digital	ART will use digital channels to deliver services to regional areas and share programs nationally.
Other (specify)	Indigenous impact: will encourage Indigenous community support and engagement, development of new programs and businesses and farmer engagement with regenerative Caring for Country land management practices.  Social impact & rural mental health: delivering domestic and international visitors to farms providing vital self-esteem building programs and social contact for isolated rural Australians.

## **Summary**

### ***ART stand ready to provide agritourism leadership***

Representing all levels of the agriculture and tourism sectors, ART has collaborated to produce Agritourism 2030 and stand ready to provide leadership for the agritourism sector to obtain export market growth, and to meet the targets set within THRIVE 2030.

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<sup>i</sup> Data represents Tourism Research Australia International Visitor Survey and National Visitor Survey Year End 31<sup>st</sup> December 2019 as the most recent and reliable complete year of Australian Tourism Visitor Data.

<sup>ii</sup> Wynn, K., & Sebastian, B. (2019). Growth opportunities for Australian food and agribusiness – Economic analysis and market sizing. CSIRO Futures.

<sup>iii</sup> 2023, Ag-tourism operators listed in ATDW provided by Tourism Australia

<sup>iv</sup> ABARES year end June 2021 employment figures as published by the Australian Bureau of Statistics

<sup>v</sup> \*[https://www.agriculture.gov.au/agriculture-land/farm-food-drought/innovation/research\\_and\\_development\\_corporations\\_and\\_companies](https://www.agriculture.gov.au/agriculture-land/farm-food-drought/innovation/research_and_development_corporations_and_companies)

<sup>vi</sup> Deloitte Access Economics for Tourism Australia, Value of Tourism analysis, 2021

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