

## Response to the Agricultural Competitiveness Issues Paper

Agricultural Competitiveness Taskforce  
Department of the Prime Minister and Cabinet  
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Dear Sir/Madam

The Victoria Tourism Industry Council (VTIC) welcomes the opportunity to respond to the *Agricultural Competitiveness Issues Paper*.

VTIC is the peak body for tourism and events in Victoria, representing around 450 tourism and events operators and businesses. VTIC provides leadership for Victoria's tourism and events industry through 'One Voice' advocacy and representation, and provides business development services and networking opportunities to members.

VTIC stands for and works to support a professional, sustainable and globally competitive tourism industry in Victoria.

Around half of VTIC's members are based in regional Victoria, and we pride ourselves on our engagement with the regional tourism industry.

While not all nine issues outlined in the *Agricultural Competitiveness Issues Paper* are relevant to tourism, we will make some general points on improving farm gate returns and enhancing agriculture's contribution to regional communities.

In order to improve farm gate returns, agricultural tourism (agritourism) must be recognized as a legitimate and lucrative supplement to more traditional farming activities. VTIC believes that recognition of tourism as a major economic driver should also be reflected in planning policy language. The transition of the Victorian economy from a goods-based economy, reliant on manufacturing and primary produce, to a services-based economy has seen traditional sectors such as farming evolve into niche segments such as farm-gate tourism.

A study into agricultural tourism and food tourism by the Australian Bureau of Agricultural and Resource Economics – Bureau of Rural Sciences highlights the

economic impact for farmers who have diversified their business to incorporate tourism:

*"Agritourism and food tourism enterprises can allow farmers to increase their farm-related income, through various forms of enterprise. Enterprises may feature or add value to traditional food and fibre products. Alternatively, some may have little to do with agriculture directly and provide recreation, nature-based, or educational experiences and products. Some can be labour and resource intensive, while others require few inputs. They can operate seasonally or year-round. They all have a common theme: they help farmers stay on the farm... [The survey findings revealed that] income from agritourism was generally 'supplementary' rather than fully supportive; however, 21 per cent of survey respondents reported earning over 90 per cent of their income from agri-tourism." [1]*

This demonstrates the impact of tourism at both a micro- and macro-economic level. At a time when income from primary industry is declining and depopulation of rural and regional areas around Australia is creating pressures on capital cities and regional centres, agritourism provides a means for farmers to stay on the land, as well as an opportunity for local employment.

Recent reforms by the Victorian Government allowing more flexibility in the commercial enterprises in which farmers can engage (for example, selling olive oil as well as olives) were strongly welcomed by Victoria's tourism industry.

Further, industry must work with both Federal and State and Territory Tourism Organisations (such as Tourism Australia and Tourism Victoria) to ensure our fantastic agritourism and nature based experiences are promoted formally as a key part of Australia's most compelling tourism experiences.

Yours sincerely,



Dianne Smith  
Chief Executive

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[1] Ecker, S, Clarke, R, Cartwright, S, Kancans, R, Please, P and Binks, B., p. iii, 2010, *Drivers of regional agritourism and food tourism in Australia*, Australian Bureau of Agricultural and Resource Economics – Bureau of Rural Sciences