Response to Tasmania's Draft Economic Diversification and Investment Strategy

Cross-strategy alignment: Agriculture Strategy and whole-of-economy enabling conditions

Who is Agritourism Tasmania?

Agritourism Tasmania is a network of approximately 500 stakeholders, connected by a shared interest in developing and elevating agritourism as a distinct industry sector in Tasmania. At its centre are farmers, primary producers and agritourism operators, supported by a broader network of stakeholders with an interest in creating the conditions for agritourism to develop, invest and grow across the State.

Agritourism Tasmania has worked with government and industry to build Tasmania's agritourism sector through farmer and operator business development, knowledge exchange, regional collaboration, advocacy and work to improve the enabling environment for agritourism. This experience gives Agritourism Tasmania direct insight into the opportunities, investment needs and practical barriers facing farmers seeking to establish, develop and grow agritourism as part of a productive and resilient farm business.

Overview

Agritourism Tasmania welcomes the Tasmanian Government's Draft Economic Diversification and Investment Strategy and supports its focus on unlocking private investment, accelerating innovation, lifting productivity, building skills and capability, supporting regional growth and strengthening infrastructure. We also support its intention to create a more integrated approach to economic development, with clearer priorities and more coordinated government decision-making.

Agritourism provides a practical example of how these objectives can be achieved by connecting strengths Tasmania already possesses.

Tasmania has highly productive agricultural industries, premium food and beverage, distinctive regional landscapes, a strong visitor economy and a recognised place brand. Agritourism connects these assets by enabling farmers and primary producers to create additional value from agriculture through authentic visitor experiences, direct sales, accommodation, food and beverage, education and other forms of farm diversification.

Agritourism should therefore not be considered simply another tourism product. It is a form of **agricultural diversification, value-adding and regional private investment**.

The economic benefit can also extend beyond the individual farm. Agritourism has the potential to contribute to regional visitor expenditure, employment, local supply chains, markets for Tasmanian produce, farm resilience, agricultural understanding and more diverse regional economies.

Tasmania has already invested in developing foundational agritourism capability[1]. The opportunity now is to build on that investment by creating the enabling conditions that allow viable businesses to progress from capability development to commercial readiness, private investment and sustainable growth.

Aligning the Economic Strategy and Tasmania's Agriculture Strategy

Agritourism Tasmania considers that one of the key roles of the Economic Diversification and Investment Strategy should be to provide the **whole-of-economy enabling conditions that allow sector strategies, including Tasmania's Agriculture Strategy, to be implemented successfully**.

This is particularly relevant to agriculture.

The Tasmanian Government's developing long-term Agriculture Strategy is focused on boosting productivity and unlocking opportunities across freight, agritourism, education, infrastructure and workforce development. Its consultation has identified seven strategic themes: innovation and adoption; easier agribusiness; people and skills; freight, logistics and infrastructure; resilience and biosecurity; sustainability; and markets and value-adding. The consultation findings specifically identify growing Tasmanian agritourism within markets and value-adding.

Agritourism Tasmania also contributed a formal submission to that Agriculture Strategy process.

These agricultural priorities cannot be delivered through agricultural policy alone. Their successful implementation depends on broader economic settings across government: investment conditions, regulatory systems, infrastructure, workforce and skills, markets, innovation, regional development and coordinated decision-making.

These are the areas in which the Economic Diversification and Investment Strategy can provide an enabling framework. **The Agriculture Strategy identifies the opportunity - the Economic Strategy creates the enabling conditions - farmers and businesses make the investment -Tasmania's regions and economy capture the wider benefit.**

[1] Includes Opening the Gate, Agritourism Accelerator

For agritourism, this cross-strategy alignment is particularly clear.

Investment readiness

Farmers need the commercial capability to determine whether diversification is viable, what to invest, how to price appropriately, what return is required and how investment should be staged.

Easier agribusiness and regulatory navigation

Farmers need development and regulatory pathways that can be understood early enough to make informed investment decisions. The Agriculture Strategy consultation itself heard a clear desire for streamlined processes and flexible regulation that works for farms of different sizes.

Agritourism Tasmania's recent engagement has also received positive feedback on the concept of practical, regionally delivered Masterclasses that bring farmers and agritourism proponents together with local government and other relevant stakeholders. There is interest in a format that moves beyond written guidance to build shared understanding of development pathways, explore practical scenarios and strengthen relationships between those investing in agritourism and those involved in enabling and assessing development. This provides an opportunity to build greater confidence on all sides and support more locally informed pathways for appropriate agritourism investment and growth.

Markets and value-adding

Agritourism provides a direct mechanism for connecting consumers with Tasmanian producers, products, provenance and place, creating value beyond the conventional farm-gate transaction. It also provides an opportunity to convert Tasmania's existing visitor demand into greater value for agricultural businesses and regional communities. Visitors seeking authentic food, farm and place-based experiences can purchase directly from producers, participate in higher-value experiences and develop stronger connections with Tasmanian products that can extend beyond the visit itself.

Agritourism can also provide new reasons for visitors to travel into and through regional Tasmania, stay longer and spend across multiple businesses. As the number, quality and connectivity of agritourism experiences grows, so too does the potential to strengthen regional itineraries, increase visitor dispersal and create additional expenditure across accommodation, hospitality, retail, transport and complementary experiences. Agritourism therefore represents both a market and value-adding opportunity for agriculture and a growth opportunity within Tasmania's visitor economy, with benefits capable of extending well beyond the individual farm gate.

Productivity and Resilience

Agritourism can increase the total economic value generated from farm assets and capabilities while retaining primary production at the centre of the enterprise. It enables farmers to create additional value from assets they already hold - including land, buildings, produce, agricultural knowledge, provenance and the story of the farm - by applying them across complementary visitor, direct-sale and value-adding activities.

This is not about replacing agricultural production with tourism. It is about improving the productive use and economic return of the farm business **as a whole**. Agritourism can create additional revenue streams, increase margins through direct-to-consumer sales, make productive use of existing or underutilised infrastructure, and provide opportunities to capture more of the value associated with what the farm produces.

Where commercially successful, this additional income can also strengthen the underlying agricultural enterprise by supporting reinvestment in production, infrastructure, technology, people and resilience. Agritourism therefore provides a broader lens on productivity, not only producing more, but generating greater value from the farm's existing assets, capabilities and production while maintaining a strong and viable agricultural base.

People and skills

Agritourism introduces additional commercial, hospitality, marketing, digital, customer service and management capabilities into farm enterprises. For farmers, diversification into agritourism often means developing a broader skill set alongside the capabilities required to operate the underlying agricultural business.

These capabilities can include experience development, pricing and financial management, digital marketing and booking systems, visitor servicing, food and hospitality, risk management, workforce planning and business leadership**.** As enterprises grow, farmers also need the skills to determine when to employ additional people, outsource specialist functions, introduce new systems or invest in further infrastructure.

This creates opportunities to broaden employment and participation within farm businesses, including roles that may attract different skills, interests and generations. It can also create stronger connections with skills and services already present in regional communities, from hospitality and marketing to trades, professional services and tourism.

Building these capabilities is therefore important not only to establishing agritourism experiences, but to ensuring they are commercially viable, professionally delivered and capable of sustainable growth. It reinforces the need for the next phase of capability

development to move beyond introductory programs towards deeper, practical learning that combines specialist expertise, peer experience and real-world application.

Infrastructure and regions

Agritourism relies upon regional infrastructure and creates economic activity in the places where agricultural production occurs. Roads and access, digital connectivity, water and wastewater, energy, transport, signage and other visitor infrastructure can all influence whether an agritourism opportunity is commercially viable and able to grow. These enabling conditions are particularly important in rural and regional locations, where infrastructure constraints can have a disproportionate impact on smaller private investments.

At the same time, investment in agritourism can help generate greater economic value from existing regional infrastructure by attracting visitors into agricultural areas, supporting local businesses and services, and creating stronger connections between farms, food and beverage producers, accommodation, hospitality and other regional experiences. As clusters of complementary businesses develop, they can also provide clearer evidence of shared infrastructure needs and where targeted investment could unlock broader regional benefit.

Agritourism therefore provides a practical opportunity to demonstrate how the Agriculture and Economic Strategies can work together rather than operating as separate policy processes. The Agriculture Strategy can identify the agricultural diversification and value-adding opportunity, while the Economic Strategy can help address the broader infrastructure, investment, workforce, regulatory and regional conditions required to enable it. Connecting these settings can help translate opportunities identified within agricultural policy into viable private investment, stronger farm businesses and wider regional economic outcomes.

Response to the Economic Strategy priorities

1. Unlocking private investment

Agritourism Tasmania strongly supports the Strategy's focus on unlocking private investment.

Agritourism is predominantly a privately funded form of economic diversification.

Farmers and primary producers may invest in accommodation, adaptive reuse of farm buildings, visitor facilities, farm-gate retail, food and beverage facilities, access, parking, wastewater, processing and value-adding, visitor experiences and digital systems.

Government does not need to be the primary investor in these businesses.

Its higher-value role is to help create the **conditions that give viable businesses confidence to invest**.

Agritourism growth should primarily be driven by commercially viable private investment, complemented by targeted and occasional investment injections, such as innovation and diversification grants, that can help businesses test new approaches, overcome barriers, leverage further private investment and strengthen business resilience.

Well-designed support can act as a catalyst for innovation and adaptation, helping viable farm businesses diversify and progress to their next stage of sustainable growth.

Recognise agritourism as a viable investment pathway

Agritourism should be recognised as a viable and increasingly important pathway for agricultural diversification, enabling farmers and primary producers to create new income streams, add value to existing farm assets and production, strengthen business resilience and invest in future growth.

Where an agritourism opportunity is commercially viable, businesses need access to appropriate capital and investment pathways to move confidently from feasibility to implementation.

Agritourism should therefore be visible within Tasmania's broader investment agenda as a legitimate form of agricultural and regional investment, with the potential to generate benefits for both the farm business and the wider regional economy.

The cumulative value of this investment is also important.

Individual agritourism projects may not have the scale of Tasmania's major investment projects, but multiple farmers investing across regional Tasmania represent **distributed private capital investment** capable of generating significant cumulative economic activity.

Investment readiness

Tasmania has already invested in building foundational agritourism capability through initiatives such as **Opening the Gate and the Agritourism Accelerator**, helping farmers and primary producers explore agritourism opportunities, develop business concepts and build confidence.

The next phase should build on, rather than replicate, this investment.

Farmers and established operators are now seeking deeper capability in areas including:

- pricing and profitability;

- financial management;
- workforce;
- markets;
- investment readiness;
- feasibility and return on investment; and
- sustainable scaling.

An enabling framework is now needed that supports practical, regionally delivered **Masterclass formats**, combining specialist expertise with farmer-to-farmer learning and real business experience.

These formats can also bring local government and other regional stakeholders together with farmers and agritourism proponents to develop a deeper shared understanding of the opportunities, requirements and practical pathways for agritourism development in their region.

This can strengthen relationships, build trust and create new collaborations around locally appropriate solutions, investment opportunities and the enabling conditions required for growth.

The objective is therefore not simply further training. It is to help businesses progress:

Regulatory navigation is an investment-enabling condition

Farmers and agritourism proponents need to understand how planning, building, food regulation, accommodation, wastewater, access, fire, insurance, biosecurity and other requirements intersect early enough in the development process to make informed investment decisions.

Regulatory navigation is therefore not simply a compliance issue; it is an important **investment-enabling condition**.

Tasmania has already developed useful foundations in this area, including recently developed Business Tasmania agritourism flowchart tools.

Agritourism Tasmania brings complementary applied experience supporting proponents as they navigate development pathways, engaging with local government, and developing recommendations for the Department of State Growth Small Business Team following consultation with councils on enabling pathways for agritourism.

The opportunity is to leverage these existing investments rather than create another stand-alone information product.

Recent Agritourism Tasmania initiatives, including the Open Gate Series, have reinforced the value of practical, locally delivered Masterclass formats that bring together farmers, agritourism proponents, local government and other regional stakeholders.

These forums can build shared understanding of development pathways, strengthen connections between proponents and decision-makers and support collaborative, locally appropriate solutions that provide greater confidence for agritourism investment and growth.

Agritourism Tasmania is therefore well placed to work with Government and local councils to develop regional **Investment Readiness and Regulatory Navigation Masterclasses** that move from guidance to applied navigation.

This approach also creates a valuable feedback loop. Where recurring problems result from lack of information, guidance can be improved. Where interpretation is inconsistent, greater coordination can be considered. Where practical experience demonstrates a structural barrier, policy or regulatory reform can be considered on the basis of evidence.

2. Accelerating innovation

Agritourism Tasmania supports the Strategy's focus on innovation but encourages a broad understanding of what innovation means within Tasmania's economy.

Innovation is not limited to technology. It can also involve new business models and new ways of creating value from existing assets.

Agritourism allows an agricultural business to create additional value from its land, buildings, produce, knowledge, provenance, landscape and relationships with consumers.

A farmer can continue producing food or fibre while developing complementary revenue through experiences, direct sales, accommodation, education or hospitality. This is innovation through diversification. It is also an example of cross-sector innovation at the intersection of agriculture, tourism, food and beverage.

This directly complements the Agriculture Strategy's focus on innovation, markets and value-adding.

3. Lifting productivity

Agritourism Tasmania supports the Strategy's focus on productivity.

Tasmania already has an ambition to grow the annual value of agriculture to $10 billion by 2050. Agritourism can contribute to the broader value generated from agricultural

businesses by allowing farms to derive additional economic value from assets and capabilities already within the enterprise.

This does not mean substituting tourism for agriculture. Genuine agritourism retains agriculture and primary production at its centre. The opportunity is to create additional value around the productive farm.

Agritourism businesses themselves must also be productive. This reinforces the importance of deeper commercial capability around pricing, profitability, workforce, capacity, markets and investment decisions.

For many small and regional businesses, improvements in management capability, pricing and investment decisions can be as important to productivity as technology adoption.

The Economic Strategy should therefore recognise **commercial and management capability as an important productivity enabler**.

4. Activating Tasmania's regions

Agritourism Tasmania strongly supports the Economic Strategy's focus on activating Tasmania's regions and better connecting regional strengths with investment, infrastructure, workforce and economic opportunity.

Agritourism is inherently regional and place-based. Its foundations already exist throughout Tasmania in productive farms, vineyards, orchards, livestock enterprises, food and beverage businesses, agricultural landscapes, festivals, local knowledge and communities.

Agritourism creates an opportunity to generate greater economic value from these existing strengths while retaining agriculture at the centre.

From farm investment to regional economic value

The economic contribution of agritourism extends beyond the individual farm business.

A visitor drawn into a region by an authentic farm experience may also stay locally, eat at restaurants and cafés, purchase Tasmanian products, visit other attractions and businesses and travel more widely through the region.

Investment by an individual farmer can therefore contribute to a broader network of regional economic activity.

This makes agritourism a form of **distributed regional economic development**.

The opportunity will not look the same everywhere. Tasmania's regions have different agricultural industries, landscapes, visitor flows, infrastructure, communities and market opportunities.

The objective should not be to impose a uniform agritourism model across Tasmania. It should be to enable regions to identify and develop opportunities appropriate to their own productive strengths, markets and communities.

From individual businesses to regional ecosystems

Agritourism Tasmania's emerging cluster[2] (knowledge exchange) approach provides a practical foundation for this next stage.

The purpose of clusters is not simply to create another tourism network. Their greater potential is to connect **farm businesses with the wider economic ecosystem required for investment and growth**.

Regional clusters can help identify:

- businesses seeking to invest;
- complementary products and experiences;
- gaps in the regional visitor offering;
- shared infrastructure requirements;
- workforce and skills needs;
- common development constraints;
- market opportunities;
- improved understanding with local government on regulatory pathways; and
- opportunities for collaboration between businesses.

They can also strengthen commercial relationships between agritourism businesses and accommodation, hospitality, food and beverage, retail, transport and other regional businesses.

The regional economic objective is therefore not simply to increase the number of agritourism businesses. It is to develop **networks of complementary businesses that generate, retain and circulate greater economic value within Tasmania's regions**.

Building regional understanding

Clusters also provide an interface between private investment and regional development.

They can bring farmers, operators, local government, tourism organisations, regional development partners and other stakeholders together around a shared understanding of

[2] An emerging alternative to 'cluster' is **hub**. Agritourism Tasmania has recently trialled knowledge exchange and an Open Gate series communication approach as an alternative engagement approach

emerging opportunities and constraints. This complements, rather than duplicates, the Masterclass model.

Masterclasses can address particular commercial, investment or development issues. **Clusters provide the longer-term regional framework through which relationships, collaborations and opportunities continue to develop.**

This can help regions better understand:

- where investment is emerging;
- what infrastructure may constrain growth;
- what products or services are missing;
- what workforce capabilities will be required;
- how agritourism can complement existing agriculture and tourism;
- and which recurring issues should be elevated for broader consideration.

Regional Development Australia, regional tourism organisations, local government and other regional development organisations can contribute to these connections. Their role should be complementary rather than the organising focus.

Agritourism Tasmania provides the specialist sector connection, bringing together farmer and operator perspectives, agritourism knowledge, emerging clusters and practical understanding of the investment environment.

Public benefit

There is also a public-benefit rationale for supporting these shared regional enabling conditions.

The commercial return from an agritourism investment appropriately belongs primarily to the business taking the risk and investing the capital.

However, benefits can extend to:

- other regional businesses;
- local employment;
- regional visitor expenditure;
- local procurement and supply chains;
- markets for Tasmanian products;
- regional identity and place;
- community understanding of agriculture; and
- broader regional economic resilience.

Government's role is therefore not necessarily to subsidise individual agritourism enterprises. It is to consider the **shared enabling conditions, connections and infrastructure from which multiple businesses and communities can benefit**.

5. Growing capability

Agritourism Tasmania strongly supports the Strategy's focus on skills and capability. However, the capability requirement for agritourism is evolving.

Tasmania's earlier investment[3] has helped farmers understand the opportunity and develop foundational business capability. The next phase needs greater depth. It should combine:

farmer-to-farmer knowledge exchange + specialist expertise + practical application + commercial analysis.

Agritourism Tasmania's recent Open Gate Series provided feedback on this and emphasised that Masterclass-style formats provide a particularly useful mechanism because they can address real business decisions rather than generic training.

Priority areas include pricing, profitability, financial management, investment readiness, workforce, market development, sustainable scaling, risk and regulatory readiness.

Capability development should increasingly connect to outcomes. The question should not simply be how many businesses participated in a program. It should be whether businesses subsequently became more commercially capable, investment ready, productive and resilient.

What should be strengthened in the final Economic Strategy?

Agritourism Tasmania identifies four areas where the final Strategy could be strengthened.

1. Make cross-strategy implementation explicit

Where sector strategies identify opportunities for diversification, productivity and growth, implementation of the Economic Strategy should identify and address the whole-of-economy enabling conditions required to convert those opportunities into sustainable private investment.

Agritourism provides an immediate opportunity to demonstrate this between the Agriculture Strategy and Economic Strategy.

[3] Opening the Gate, Agritourism Accelerator

2. Recognise distributed private investment

Tasmania's investment agenda should recognise the cumulative economic contribution of smaller investments by farmers and SMEs across regional Tasmania alongside major projects.

3. Treat navigation and coordination as investment-enabling functions

Smarter regulation is important, but so too are early understanding, clearer pathways and stronger coordination between proponents, local government and government agencies.

For agritourism, existing tools and practical experience provide a strong foundation to move from information to applied regulatory navigation, with regionally delivered Masterclasses and the emerging cluster model bringing farmers, operators, local government and other stakeholders together to build shared understanding, strengthen relationships, identify recurring barriers and develop locally appropriate solutions that can inform evidence-based improvement over time.

4. Recognise public benefit arising from private diversification

When considering government intervention, the Strategy should recognise that some forms of private investment create wider spillover benefits.

For agritourism these can include regional expenditure, employment, local procurement, markets for Tasmanian produce, stronger business networks, agricultural understanding and more resilient regional economies.

Where can government have greatest impact?

For agritourism, Government does not need to determine which businesses farmers establish. Those are commercial decisions for farmers and the market.

Government can have greater impact by improving the environment in which those decisions are made.

Agritourism Tasmania identifies four areas of particular leverage:

1. **Commercial and investment capability**: deeper support around pricing, profitability, feasibility and investment readiness.
2. **Applied regulatory navigation**: leveraging existing Business Tasmania tools, Agritourism Tasmania's proponent experience and engagement with local government.
3. **Regional cluster development**: connecting individual farm investment with complementary businesses, regional opportunities and shared enabling conditions.

4. **Evidence and benchmarking**: developing better information about investment, performance, barriers and wider regional economic contribution.

These are shared enabling functions that individual businesses cannot efficiently provide alone. For example, Agritourism Tasmania's cluster model can provide a practical mechanism to gather operator insights, identify regional trends and build benchmarks that support better business, investment and policy decisions.

Proposed priority action

Agritourism Tasmania recommends that the final Economic Diversification and Investment Strategy include an action along the following lines:

Support implementation of Tasmania's Agriculture Strategy through the Economic Diversification and Investment Strategy by addressing the whole-of-economy conditions required to enable agricultural diversification, value-adding and private investment. For agritourism, build on existing government and industry investment to deepen commercial and investment readiness, improve navigation of development and regulatory pathways, strengthen regional clusters, improve market capability and develop the evidence base required to support sustainable growth.

Agritourism Tasmania is well placed to work with Government, local councils and industry to demonstrate this cross-strategy approach in practice.

This can include regional investment-readiness and regulatory-navigation Masterclasses that leverage existing Business Tasmania tools, applied proponent experience, local government consultation and farmer-to-farmer knowledge exchange, alongside further development of regional clusters.

What should success look like?

Success should ultimately be measured through economic outcomes rather than program activity.

For agritourism, relevant measures could include:

- increased private investment;
- more businesses reaching investment readiness;
- growth in income from agricultural diversification;
- improved profitability and productivity;
- employment and workforce participation;
- regional visitor expenditure and dispersal;
- collaboration and trade between regional businesses;
- stronger markets for Tasmanian produce;

- improved confidence navigating investment and development pathways; and
- measurable wider regional economic benefits.

Better data and benchmarking will be important to understanding these outcomes.

Concluding remarks

Agritourism Tasmania supports the overall direction of the Economic Diversification and Investment Strategy.

Agritourism provides a particularly useful example of what economic diversification can look like in practice. It starts with productive businesses and assets Tasmania already has.

The Agriculture Strategy has identified agritourism as an opportunity.

Tasmania has already invested in foundational agritourism business development. Farmers and operators are now identifying the next requirements: deeper commercial capability, investment readiness, clearer development pathways, stronger markets and conditions that support sustainable growth.

Business Tasmania has developed pathway tools. Agritourism Tasmania has developed practical experience supporting proponents, engaging with local government and building farmer and operator networks. Regional clusters are beginning to emerge. The opportunity now is to connect these pieces.

Agritourism Tasmania can help connect farmers, tourism, local government, regulators, regional stakeholders and markets. Government can create the whole-of-economy enabling conditions.

The resulting benefit can extend well beyond the individual enterprise: stronger and more resilient farm businesses, private investment, regional employment and expenditure, stronger markets for Tasmanian products, greater value-adding and more diverse regional economies.

Agritourism is therefore a practical point of alignment between Tasmania's agricultural ambitions and its broader Economic Diversification and Investment Strategy. It is an opportunity to turn existing Tasmanian strengths into greater and more widely distributed economic value.

Agritourism Tasmania would value consideration of this submission and can provide additional clarity on any component as required.

Submitted by:
Allison Clark
Lead Innovator
Agritourism Tasmania
Email: aclark@agritourismtas.com.au
Mobile: 0408 146 750