



## PROJECT BRIEFING | Agritourism: 'Unlocking New Opportunities'

*Reaching the full potential of regional economies - the next steps*

### Introduction

In October 2022, the NSW Department of Planning and Environment (DPE) released updated information on planning reforms aimed at making it easier for farmers to use their land for agritourism activities that complement their existing business operations. Such activities include, farm experiences, cellar doors, cafes, retreats, roadside stalls, fruit picking and hosting small scale weddings. The new land use definitions and simplified planning rules will help landowners to diversify their businesses by adding value to their existing agricultural operations. The changes will also support succession planning by encouraging the next generation to farm the land.

The announcement follows a series of consultation processes undertaken by the Department. This engagement is summarised as follows:

- In March 2021, an Explanation of Intended Effect (EIE) for [Agritourism and Small-scale Agriculture Development](#), was released outlining the proposed amendments and new definitions. Councils, landowners, and the community were encouraged to provide their feedback by completing an online survey and/or by providing a written submission during the public exhibition period from 9th March until 19th April 2021. A total of 239 responses were received by DPE, a summary of feedback received is available in the [submissions report here](#).
- In December 2021, the DPE released a draft Standard Instrument LEP Amendment Order and accompanying information sheet, detailing the process for the roll out the proposed changes outlined in the EIE.
- Updated information was provided in October 2022, including information sheets for landowners, such as ['5 things you can do on your farm'](#) and [agritourism case studies](#). The DPE also worked with councils to determine the zones appropriate for the new land uses in their local areas.

### Overview

Agritourism is a fast-growing sector, that is providing direct and indirect benefit to regional economies. Being driven by consumer demand as visitors seek to better understand where their food comes from and where it is produced, agritourism plays an important role in providing the direct link between the primary producer and the end consumer. For these regional businesses the development of agritourism products and experiences, provides primary producers with opportunities to supplement their income, diversify their business, and have valuable direct contact with end customers, so they can better understand consumer preferences and demands. For destinations, agritourism provides an alternative means of showcasing the region and potential to attract new visitor markets.

[Research undertaken by Deloitte](#) highlights the opportunity of the sector and while current visitor data is not available to demonstrate the full potential, the following is offered as an indication – in 2015-16 visitors who participated in agritourism activities spent \$9.4 billion on their total trip. This includes domestic daytrip expenditure of \$600 million, \$4.1 billion domestic overnight visitor spend and \$4.7 billion spend by international visitors (expenditure outlined is total spend, not just spend on agritourism activities).

For further information and links to the DPE website, refer to the [agritourism page on the DSSS website](#).

### DSSS Context

DSSS are working to develop an education initiative to increase awareness of the opportunities available to property owners and to facilitate product development opportunities so farmers can take advantage of these planning reforms. The collaborative project is being delivered in conjunction with Illawarra Shoalhaven Joint Organisation (ISJO).



## Objectives

To leverage the full potential of this opportunity, a structured education program is essential to support product development and industry investment in this sector. DSSS is proposing a series of activities to be undertaken in a phased approach, it is envisaged this will include the following:

### PHASE ONE | Research and Engagement

- Undertake **industry focused stakeholder research** to better understand the current challenges, perceptions, and opportunities, for those already working in the agritourism sector and those intending to develop new products or experiences, as well as what operators need (resources, support, funding, etc.) to grow these offerings for their business.

### PHASE TWO | Planning

- Based on insights gathered via the research, **develop a blueprint** of what agritourism could look like in the DSSS region, this should include opportunities and considerations such as:
  - » *Best practice case studies*: understand and showcase the opportunity that can be achieved based on consumer demand and investment to develop quality offering, this could include farm stay, tours, tasting rooms and cellar doors (not necessarily from the DSSS region, but also across regional Australia).
  - » *Regional branding, appellation, and quality food production*: led by strong visitor demand agritourism can provide the full paddock-to-plate offering and support increased consumer awareness of food origin labelling. Case studies could also be used here to demonstrate success (i.e., Manning Valley, NSW and Barossa Valley, SA).
  - » *Reducing red tape*: engagement with Local Government is key to success for the development of agritourism, red tape is currently and even with the planning amendments, will continue to be a barrier to sector growth. This could also include best practice agritourism destinations that enable the development of such activities, such as the Yarra Valley, VIC and areas of Tasmania.

- » *Green visitor economy*: the diversification provided by agritourism can contribute to the viability of farms and on urban fringes (i.e., Wingecarribee and Wollongong LGAs) this can avoid farms being developed for housing, and thus keeping the 'green in between towns and villages' and providing enhanced environmental sustainability.
- » *Utilisation and redevelopment of showgrounds*: to become hubs that support visitor attraction and local community engagement through activities such as markets, events, community gardens, etc.

### PHASE THREE | Resource Development and Implementation

- Implementation of the blueprint would require structured industry development programs and resources; these could include the following:
  - » *Industry development program*: a dedicated agritourism focused program to support property owners to develop new and grow their existing offering. Supported by the Commonwealth Government's Recovery for Regional Tourism program, a website has been launched in Tasmania called '[Opening the Gate](#)', this concept should be further investigated with the potential to replicate for the DSSS region.
  - » *Online portal and development resources*: bringing together all the resources to provide operators and industry stakeholders (including council planners and councillors), with a central location to access resources to develop agritourism experiences and offerings, including case studies, data and insights, consumer research, expert videos. This should be integrated with the industry development website, rather than the two resources being standalone.

Delivery of this project could be viewed as a pilot, with the ambition of working collaboratively with the six other Destination Networks, to offer the program across the whole of regional NSW.





## Strategic alignment

The project aligns and will directly contribute to achieving objectives outlined in various state, regional and local plans and strategies, by:

- developing diversified regional economies, to support job creation and resilient communities
- supports key engine industries - tourism and agribusiness - for economic growth
- recognising regions' strength and underlying endowments
- supports private sector investment in the visitor economy
- providing simplified regulatory processes to make investment and business expansion easier
- supports consumer led product development and industry best practice



## Project partners

The collaborative project is being delivered in conjunction with Illawarra Shoalhaven Joint Organisation (ISJO).

Various industry groups are continuing their work to support the development of this important sector, including [Australian Regional Tourism](#), who have developed a [National Agritourism Strategy Framework](#) and series of industry resources through their partnership with Airbnb and supported by funding from the Commonwealth Government. DSSS will continue to work with these stakeholders to identify opportunities for collaboration, avoid duplication, and maximise benefit for the visitor economy.

## Next steps

With the limited resources available at DSSS and due to the specialised nature of the project, it is proposed that DSSS in collaboration with ISJO seek to engage a suitable skilled and experienced consultant to undertake the activities. Phase one will begin with a survey of key industry stakeholders, across the five key LGAs of Wollongong, Shellharbour, Kiama, Shoalhaven and Wingecarribee.

The targeted research will be aimed at operators, including those established in their business and new business owners intending to develop agritourism offerings, to understand the industry support needed. It is anticipated that a select number of planners at local councils could also be engaged, to also understand their perspective of the changes, the opportunities and challenges presented by the new amendments.

## Key contacts

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