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Agriculture and Tourism - regional economic contributions and links: A case study of the wine and tourism industries in the Granite Belt region.

Project Report

Rural Economies
Centre of Excellence

This report is the final **Project Report** for a research project that looks at how economic understanding of the linkages amongst rural / regional industries can add to economic resilience, in the face of ongoing challenges for regional areas.

Three complementary reports that detail original data collection and results support this Project Report. All reports are listed below.

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Reports for this Research Project

1. Tourism in the Granite Belt Destination Report
2. The Granite Belt Visitor Survey Report
3. The contribution of the grape and wine industry to the regional economy of Queensland's Granite Belt
4. Agriculture and Tourism – regional economic contributions and links. A case study of the wine and tourism industries in the Granite Belt region. Project Report

Executive Summary

This project had three principal aims. Firstly, the main aim was to provide a better understanding of the potential for regional industry diversification by taking a close look at economic and other links between two rural/regional industries, in this case agriculture and tourism. To this end a case study of the Granite Belt (GB) region[1] wine and tourism industries was selected as this is a relatively mature example in Queensland of an agritourism setting. Secondly the project aimed to develop and pilot a data collection methodology for wine producers, that will provide sufficient data for this study but also provide a format for future data collection and analysis on an ongoing basis, not only for wine producers but also adaptable to use for other small regional agricultural industries, particularly those with tourism links. Thirdly, the project aimed to provide a better understanding of regional tourism attraction clusters by exploring the interactions between wine, national park, and other attractions in providing a 'critical mass' of attractions for tourists.

This is the first study to provide detailed economic information about the linkages between the wine and tourism industries in the GB region.

The broader project consists of three main reports in addition to this overview report: **Tourism in the Granite Belt Destination Report; Granite Belt Visitor Survey Report;** and a report on **The contribution of the grape and wine industry to the regional economy of Queensland's Granite Belt.** These studies present a considerable amount of detailed information produced by this research.

In looking at a relatively small region and industries within it, it is often necessary to conduct original data collection because there is no reliable source of already collected data at this sub-regional level. This study took a pragmatic approach of utilising available but unpublished tourism data combined with a survey of visitors and a survey of Granite Belt grape and wine (GBGW) industry participants. The results of the surveys provide detailed information that was not available for that region.

[1] The Granite Belt is referred to in this report as a region and/or destination. The boundaries selected for the destination are statistical areas level 2 (SA2) of Stanthorpe and Stanthorpe Region. The Granite Belt as defined, therefore is a sub-region of the Southern Queensland Country region for tourism and the Southern Downs Local Government Area for other statistics.

The economic survey of the GBGW industry was developed in consultation with industry representatives and the questionnaire was piloted with industry representatives. This survey could be modified for any small, regional agricultural industry.

Linkages occur in the form of direct participation by GBGW businesses in the tourism industry through offering cellar door attractions and sales, food and beverage, accommodation, and events. The survey found that the GBGW industry offers a critical attraction for tourism to the GB region, with over 80 per cent offering on-site cellar door facilities (with 75 per cent of these open year-round), and 30 per cent offering on-site paid accommodation facilities for tourists. Thus, tourism-generated income is part of the income to these businesses.

Linkages also occur through wineries being the number one attraction to the GB destination. Tourists to the destination attracted by the opportunity to visit wineries, also spend money in other businesses while in the GB region.

In effect, the economic value of the GBGW industry is more than simply measured by sales and employment in the GBGW industry itself. And the economic value of the tourism industry relies on the GBGW as a major attraction.

The use of Input-Output (I-O) analysis as the main economic modelling tool applied in this study provided useful information about the strength of the linkages between industries in a region; information that is not available otherwise. Looking at a small region posed other methodological challenges, especially as I-O tables are not available at the sub-regional level. This study demonstrated how such sub-region I-O tables can be constructed by combining original survey data with existing, larger-scale I-O tables.

In terms of quantification of the strength of these linkages, it was estimated that the GBGW sector generates $2.26 worth of additional output in other sectors, for every $1 worth of gape/wine output, making it the sector with by far the strongest forward linkages in the GB regional economy. In addition, in terms of backward linkages, it was found that for every $1 of wine supplied, a further $1.23 in output was generated in other sectors of the GB economy supplying inputs, which also places it among the region’s strongest sectors in terms of backward linkages.

It was estimated from the analysis of Tourism Research Australia (TRA) data that expenditure by visitors to the GB destination was $79 million per annum and conservatively $19 million was spent by visitors who visited wineries. The Visitor Survey found that 40 per cent of respondents nominated the presence of wineries essential to their decision to visit the GB destination and this points to a higher amount of around $30 million in visitor expenditure that could be attributed to the wineries as attractions.

As one would expect, the research confirmed that the wine and tourism industries are clearly complementary rather than substitutes. From a policy perspective this indicates that it would not be feasible for the wine industry to expand to completely make up for lost tourism revenue if a disaster just affected tourism, or vice versa. The complementary nature of the industries does contribute to economic resilience in the region by diversifying its economic base. But this also means that policy approaches to improve economic resilience need to consider both industries together.

This being the case points to the need for the GB tourism sector to diversify the range of attractions it offers tourists which would strengthen its resilience to economic impacts affecting the wine industry, without weakening the strength of the linkages between wine and tourism sectors in in “good times”. There are three main recommendations for Granite Belt tourism, arising from the Visitor Survey and the opinions of GBGW industry respondents, provided in Section 4 of this report.

Additionally, policy options to benefit the GBGW industry should also consider implications for tourism. For example, given the issues identified with water shortages in recent times, improvement of water certainty will benefit both sectors. This will be a particularly important issue in the face of climate change challenges.

Extending the findings of this research to broader observations for regions developing agritourism as an economic activity, several of the approaches of the GB region can provide guidance.

- Firstly, the GBGW provides a point of attraction and distinctiveness compared with other tourism and even other wine regions. The cluster of wineries is definitely part of the attraction and the collaboration of GBGW industry in developing a wine trail, wine tourism organisation and marketing of the region is also important.

- Secondly, collaboration is important both within the agricultural industry and with the broader tourism industry in a region. Collaboration of the GBGW industry with the broader tourism industry will be important to future destination attractiveness. Notably, visitors called for more attractions to be open during the week, and for information on what was open, to be made available in real time.
- Thirdly, for a region to mature beyond agritourism and become a more developed and mature tourism destination, supplementary attractions and activities need to be developed. While wine tourism continues to be a major attraction in the GB region, in order to extend tourism to weekdays and across seasons, other attractions have been suggested by both visitors and industry representatives.

Contents

1. Introduction

The aims of this project

Rural and regional areas are often subject to fluctuations in economic conditions due to a range of external forces such as climate variability, natural disasters, financial and commodity markets, and currently, a global pandemic. As less diverse economic systems, rural and regional areas can be more vulnerable to negative changes in any of these variables. These types of disruption seem to be occurring with increasing regularity; the Queensland Government notes there have been 50 disaster events in Queensland since 2011 (Queensland Reconstruction Authority, 2019). A solution often offered to improve economic resilience is to diversify the industries that underpin rural and regional areas to increase opportunities for economic growth and to increase economic resilience to downturns and disasters. A key to this will be to gain a better understanding of the nature and strength of the intra-regional economic linkages between key sectors.

The main aim of this project was to provide better understanding of the potential for industry diversification by taking a close look at economic and other links between two rural/regional industries, in this case agriculture and tourism.

A case study of the Granite Belt region wine and tourism industries was selected as this is a relatively mature example in Queensland of an agritourism setting. The research included understanding the supply side of the industries of wine and tourism, particularly focused on economic contributions and links that have developed at a business and regional economy level. Central to this understanding is exploring the opportunities and barriers to wine producers offering farm-based tourism, accommodation, and cellar-door wine sales in providing farm income and in stabilising returns across years. The demand side for tourism to the destination, including the significance of wine industry attractions, was examined through a visitor survey. The research methods developed and employed are replicable to other regional agritourism settings. Findings relevant to the Granit Belt region are reported here. Many of these findings are also relevant to developing agritourism regions in other areas of the state.

A second aim of the project was to develop and pilot a data collection methodology for wine producers that will provide sufficient data for this study but also provide a format for future data collection and analysis on an ongoing basis. This methodology is also applicable to other small regional agricultural industries, particularly with tourism links,

A further aim of the project was to provide a better understanding of regional tourism attraction clusters by exploring the interactions between wine, national park and other attractions in providing a 'critical mass' of attractions for tourists.

The purpose of this report

This Project Report presents results and discussion for the entire research project, based on the three supporting reports, including observations for broader regional agritourism development.

Original research undertaken for this project includes a survey of visitors to the destination, secondary data analysis of a tourism data base to extract destination level data and a survey of grape growers/wine producers in the region and economic modelling of the industry links and reginal contribution. Key results are summarised in Appendices to this report, with detail presented in three supporting reports (see below).

This report integrates findings from the original research in the Research Questions and Results section. Observations for the Granite Belt region and for more general agritourism development and research are then presented in the Discussion section.

Supporting reports

This Project Report is supported by three stand-alone reports which document and present original research and analysis undertaken for this project:

The **Tourism in the Granite Belt Destination Report** includes three elements which focus on the supply side of tourism. The Granite Belt destination setting for tourism is described in terms of the range of attractions and facilities available in the destination and relevant government and industry organisations and plans. Previously unpublished data on tourism to the destination was presented following secondary data analysis of Tourism Research Australia's data base at the local destination level. This includes visitor numbers, origin, activities, and economic contribution. A third element of this report is a summary of responses by wine tourism providers to open ended questions about challenges and opportunities for wine tourism. The Executive Summary of the Tourism Report is reproduced in Appendix 1 of this Project Report.

The **Granite Belt Visitor Survey Report** describes a survey of visitors to the Granite Belt destination undertaken from July 2020 to May 2021. This survey sheds light on visitor demographics and activities, visitors' expectations and satisfaction with the tourism attractions and facilities in the destination and also includes responses to open ended questions including about memorable experiences and recommendations to tourism authorities. The Executive Summary of the Visitor Survey report is reproduced in Appendix 2 of this Project Report.

The report entitled **The contribution of the grape and wine industry to the regional economy of Queensland's Granite Belt**, describes an economic survey of grape growers and wine producers. The background to the development of the GB region grape and wine industry is summarised in this report. Meeting an aim of this project, a data collection methodology for wine producers, that provides sufficient data for our study but also provides a format for future data collection and analysis on an ongoing basis, was developed and piloted. The report reveals strong economic linkages within the region as a characteristic of this industry sector. The Executive Summary of the Grape and Wine Industry report is reproduced in Appendix 3 of this report.

Impacts of the COVID 19 pandemic on the research

This research project started in late 2019, before the COVID 19 pandemic struck. However, the region's resilience to impacts of drought and bushfire were being tested even before the added challenge of the pandemic. The region was declared to be in drought in May 2018 (Southern Downs Regional Council, 2018), following a period of low rainfall which led to increased costs for irrigation and water shortages for irrigated and non-irrigated wine growing. Stanthorpe ran out of water in its local dam and water had to be carted in from January 2020 (Southern Downs Regional Council, 2020). This not only had an impact on agriculture, but also on the image of the destination for tourism. Bushfires in 2019 came close to some wine growers (pers com). Closure of the Warrego Highway and negative publicity led to a downturn in tourism. The Visitor Information

Centre in Stanthorpe recorded a 30 per cent to 50 per cent drop in visitors registering there for the last four months of 2019 (Southern Downs and Granite Belt Tourism, 2021).

The impact of the pandemic has been mixed. The banning of travel during local lockdowns brought tourism to a stop for periods of time between March 2020 and late 2021. However, the region ‘s reliance on Southeast Queensland for most of its visitors (see Appendix 1) was a strength once people in that region were allowed to travel. The Granite Belt was within the distance that Brisbane residents were able to travel once the initial lockdown was eased in mid-2020. Denied access to areas further afield, many Southeast Queensland residents chose to visit this region for a day or short trip over the past two years. While official (Tourism Research Australia) data are not yet available for this period, the Southern Downs Regional Council reported that visitor numbers at the Stanthorpe Visitor Information Centre the last six months of 2020 ‘eclipsed’ previous years (Southern Downs Regional Council, 2021). High visitor numbers have continued for some months in 2021 (Southern Downs and Granite Belt Tourism, 2021).

The main impact of the pandemic on the tourism research component of this project was that it took longer than originally planned. The visitor survey was planned before the onset of the pandemic and was going to be an in-person survey conducted during 2020. This was changed to an online survey using postcards placed in the Visitor Information Centre, accommodation establishments, and other places where visitors could see them and pick one up. The survey was extended to run from June 2020 to May 2021. A solid number of responses was achieved over a whole year, so the revised survey strategy was successful. The analysis of TRA data was limited to the five-year rolling average to 2019 to reflect the more stable pre-pandemic situation.

The survey of grape growers and wine producers was also delayed due to COVID-19 but was also timed to fit in with respondents’ busy times with increased tourists and seasonal farming and wine producing commitments. The survey was conducted, mostly in-person but with some online responses, during the second half of 2021.

2. Literature Review

How can the economic resilience of rural and regional areas be increased?

Rural and regional areas are often subject to fluctuations in economic conditions due to a range of external forces such as climate variability, natural disasters, financial and commodity markets, and currently, a global pandemic. As less diverse economic systems, rural and regional areas can be more vulnerable to negative changes in any of these variables. A solution often offered is to diversify the industries that underpin rural and regional areas to increase opportunities for economic growth and to increase economic resilience to downturns and disasters.

Tourism has developed to be an industry that can be complementary to the traditional industries of agriculture and even mining in rural and regional areas. Tourism has been credited with adding to economic development (Shapley & Vass 2006), at least in some regions (Fleischer & Felsenstein, 2000), and with revitalising areas with declining rural productivity (Su, 2011). However, Thompson and Prideaux (2016) warn that tourism is not always successful as a panacea for declining regional economies. Tourism can occur simply alongside traditional rural industries or can be integrated to different degrees within businesses in these industries.

A key question for policy makers and industry advocates is how to develop these different industries to be complementary and add to the economic resilience of rural and regional areas.

Rural Tourism and Agri-Tourism

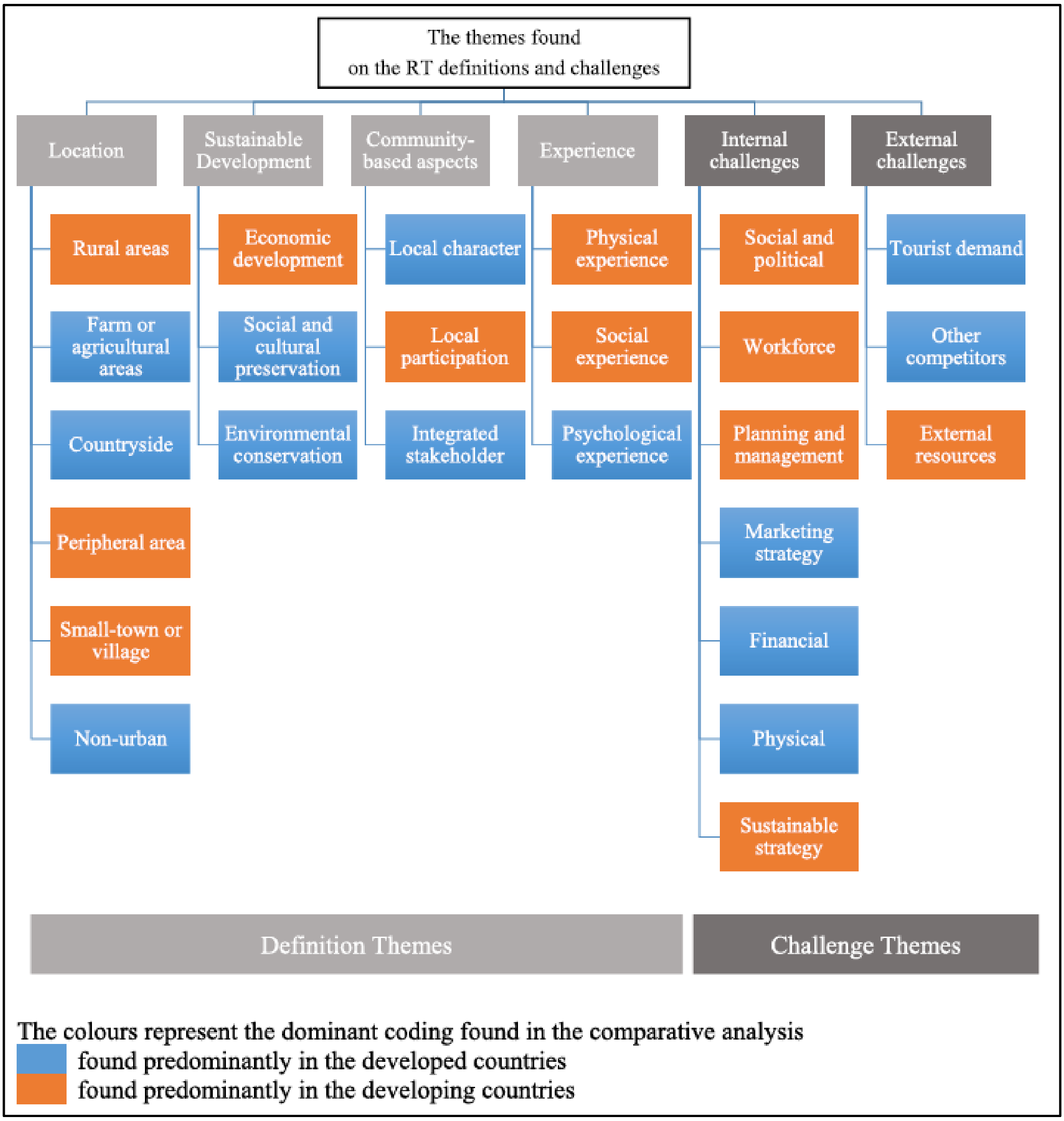
Rural tourism has been researched for many years and a recent classification of 125 published studies revealed several prominent themes and challenges covered in the rural tourism literature. The authors of this research proposed a definition of rural tourism as “a type of tourism located in areas within a destination that are characterised by rural functions (such as traditional, locally-based, authentic, remote, sparsely populated and mainly agricultural areas) where the tourists can physically, socially, or psychologically immerse themselves in this specific destination” (Rosalina et al., 2021, p.137). The range of themes and challenges is shown in Figure 4. While nearly 40 per cent of the papers surveyed focussed on economic development, many other themes are also seen as important in the rural tourism literature (Rosalina et al., 2021).

As agriculture is usually a mainstay for rural and regional areas, the specific activity of agritourism (a subset of rural tourism) is also relevant to this research. An Australian definition of agritourism takes quite a broad rural community approach but also recognises integration of tourism into a farm business: “Agritourism can be characterised as a business or activity that invites visitors to come on-farm or into a rural community to enjoy agriculture, its produce and the natural environment in which it exists. Agritourism is generally an additional enterprise added to the farm, integrating tourism into agri-business” (Australian Regional Tourism Research Centre, 2009, cited in Ecker et al., 2010, p. 2).

Based on case studies of six Australian regions where agritourism features, Ecker et al. (2010), complied a summary of the key personal and institutional drivers, contextual influences, and barriers to agritourism, see Figure 5. In this case, the personal and business motivations/ drivers were those of the agricultural operators, (and included diversifying income), while the institutional drivers were about the form of the tourism industry, indicating the integrated nature of the system.

From the agricultural producers’ point of view, the level of income contribution of the agritourism component of their enterprise contribution ranged widely, from 10 per cent (25 per cent of respondents) to 90 per cent (21 per cent of respondents) with other respondents evenly distributed across other income percentages).

Figure 4. Themes identified in rural tourism research



Source: Rosalina et. al., 2021.

Figure 5. Summary of key drivers, contextual influences, and barriers to agritourism and food tourism

Personal and business motivations	Contextual influences	Institutional drivers	Barriers
Diversifying income	Declining terms of trade	Clustering and linkages	Regulatory issues
Lifestyle drivers	Labour shortages	Tourism networks	Lack of institutional understanding of agritourism
Wanting to educate about rural/farming issues	Changing land use and values	Marketing and market research	Lack of skills or perceived lack of skills
Retirement options	Drought and climate change	Integration and support—coordination at regional and local scales	Lack of farmer or agriculture industry involvement
Part or full transition from agricultural production	Industry restructure		Small business resourcing issues

Source: Ecker et. al. (2010)

Tourism Destinations: clusters, competition, and collaboration

The concept of a tourism destination is widely used in tourism planning and marketing. Destinations can be countries, states, regions, or smaller entities based around a small group of population centres or attractions. A brief review of concepts important to destination attraction and competitiveness follows.

From the consumers perspective, the demand side, the attractiveness of a destination will in part be determined by the range of tourism services and experiences offered. The essential role of clusters of attractions and services is commonly found in the tourism literature, for example in wine tourism regions in Queensland (Sparkes and Maladay, 2006), and in the rural Danube region in Serbia (Pejanovic´, et al. 2017). After studying regional agritourism destinations, Ecker et al. (2010, p.30) found that “successful agritourism and farm tourism businesses require clusters of development that complement one another and have the capacity to provide a diverse range of experiences to satisfy visitor expectations….They include linkages between agritourism and food tourism businesses, as well linkages to other types of tourism enterprises, to provide an authentic regional tourism experience”.

Considering the supply side, a tourism business in a destination is competing with not only other businesses in that destination but also all other destinations offering services to the (usually) highly mobile population of tourists. Destinations can host a variety of businesses that are horizontally and/or vertically linked in providing tourism and associated services.

Destination competitiveness (against other destinations) has been the focus of research and model development for many years. Ritchie and Crouch (2003) are often credited with being the pioneers in identifying the factors underpinning Tourism Destination Competitiveness (TDC) (Azzopardi & Nash, 2017). They organised 36 factors under five dimensions: *supporting factors and resources, core resources and attractions, destination management, destination policy planning and development and qualifying and amplifying determinants* (Ritchie & Crouch, 2003). Using this model to consider how a region can transform from agriculture to include a successful tourism sector, Thompson and Prideaux (2016) observe that this process involves converting a region’s comparative advantages (supporting and core resources) into a competitive advantage; “a destination’s ability to effectively utilise all its resources in the long term”.

As destinations can be an “open system of interdependent multiple stakeholders” (Jamal & Getz 1995, p.193), collaboration of tourism businesses and other stakeholders such as local governments in destinations is very often undertaken to facilitate tourism destination planning and marketing. Much has been written about the need for collaboration, different forms, and different challenges and levels of success of collaboration in destinations, from the seminal work of Jamal & Getz (1995) to more current times (e.g., McCombe et. al., 2017).

Wang and Xiang (2007) developed a four stage model applied to collaboration for destination marketing, but which could be equally applied to collaboration for planning or sustainability. In this model, destination *preconditions* such as a need for to be competitive, or even a crisis, drive the initiation of collaboration. The different *motivations* of stakeholders also drive the collaboration. The actual *process* of stakeholders working together requires communication, trust, and commitment. If the collaboration is successful, *outcomes* can include strategy realisation, organisational learning and building of social capital.

Case study of the Granite Belt wine and tourism region

This region was selected for a detailed case study that focusses on the economic contribution of the wine industry and the tourism industry and integration of the two in the small regional economy based in the Granite Belt, centred on Stanthorpe.

There has been much academic research on wine tourism worldwide and also some focussing specifically on the Granite Belt region. Three papers, that focus on the Granite Belt region that look at the themes of collaboration and clusters, are reviewed here.

Robinson (2019) discusses the collaborative nature of the wine and tourism industries in the Granite Belt Region. The range of stakeholders involved in promoting wine tourism in the region was noted in the Background section of the **Tourism in the Granite Belt Destination** report. Robinson observed that “These stakeholders, though diverse, are indicative of a collaborative and destination, rather than individual business, approach” (2019, p. 374).

In conducting recent research into collaboration in the Granite Belt wine tourism destination, McGregor and Robinson (2019) employed the model of Wang and Xiang (2007) discussed above, with a focus on the *process* stage and the elements of communications, trust, and commitment. The researchers interviewed a range of grape growers, wine producers and tourism associations. Findings were that where collaborations were positive, “strong leaders, experience and expertise” contributed to this, but there were some “internal politics, cliques and tensions” at times (McGregor & Robinson 2019, p. 374). Also, many participants felt inherently connected to wine tourism whether directly involved or not, whereas a small portion did not consider their business as involved in wine tourism.

In studying strategies adopted in the Queensland wine industries (including the Granite Belt region), Bramberry and Wickramasekara (2012) identified that two of seven strategies specifically engaged tourism. The first of these strategies was a high focus on cellar door sales, which are mainly to tourists, amongst these predominately small wineries. The other strategy was to develop links with tourism. The authors found these links have helped wineries to expand sales of food and other products and to develop wine tourism clusters in geographic locations (such as the Granite Belt).

Robinson (2019) focussed on one product of collaboration in the Granite Belt, being the *Strangebird Wine Trail*, developed since the 2000s (described in the Background section of the **Tourism in the Granite Belt Destination** report). The author points out that this wine trail has fostered tours to facilitate wine tasting as well as other businesses offering specialist foods - cheese, olives, jam - and micro-breweries. The wine trail creates differentiation from other wine destinations in Australia as well as a cluster of attractions featuring wine and other products and experiences.

This current research is complementary to the Granite Belt studies reviewed above, having a focus on the economic dimension of the grape and wine industry and wine tourism and also on what is shaping the demand by visitors to the region.

3. Granite Belt Case Study: Research Questions and Results

A set of relevant research questions was developed to focus the research for this project. This section poses the research questions, summarises the methodology of the research and discusses results.

The Granite Belt Grape and Wine Industry.

The economic research on the Granite Belt Grape and Wine (GBGW) industry, which has not been analysed in detail in economic terms (at least in the recent past), focussed on two main research questions:

1. What are the economic characteristics of the GBGW industry?

Methodology

As there was no information published at the level of detail required to provide a robust description of key economic characteristics of the GBGW industry, an economic survey was designed by the UQ researchers, with input from local industry representatives. The survey was conducted face-to-face and online with a sample of GBGW industry respondents. This survey design and administration were also aimed to serve as a pilot for future data collection by the industry itself. Descriptive statistics are reported in the report **The contribution of the grape and wine industry to the regional economy of Queensland's Granite Belt**

Results

As detailed in the report, the GBGW industry is comprised of around 59 operations, with around half operating on small land areas of 3 hectares or less. The mean output of grape production is 12.8 tonnes/annum, ranging from 1 to 90 tonnes. The estimated value of gross output was estimated at around $15.2 mill per annum, over 77 per cent of which contributed directly to income (value-added) in the GB region.

In terms of wine production, 71.4 per cent of survey respondents had on-site wine-making facilities, while a larger proportion, 85.7 per cent, sold wine from their vineyards – with approximately 14 per cent contracting-out the wine-making processes to other growers. The average tonnage of grapes crushed for wine was 11.9 tonnes/annum (ranging from 1 to 90 tonnes) and 8.9 tonnes for the small wineries with a land area of 3 Ha or less.

The average grower utilises around 8 full-time equivalent (FTEs) employees per annum including ‘paid’ wage and salary earners and some ‘unpaid’ labour (mainly the owners themselves and family members, where renumeration is the form of business returns after costs and tax). If average labour utilisation is extrapolated across the entire sector it would amount to 440 FTE positions in the GB region, including the owners’ and their families’ labour.

The grape and wine industry offers a critical attraction for tourism to the GB region, with over 80 per cent offering on-site cellar door facilities (with 75 per cent of these open year-round), and 30 per cent offering on-site paid accommodation facilities for tourists.

The survey also revealed that by far the greatest share of both capital and operating costs were incurred within the GB region (around 80 per cent in both cases). The balance was incurred mainly in other regions of Queensland with only 5 per cent incurred outside Queensland. This suggested that the GBGW sectors provides strong economic linkages to other sectors within the GB region.

The strength of such ‘backward’ and ‘forward’ linkages, and flow-on effects from the GBGW sectors were investigated in the context of the second research question.

2. *What is the economic contribution of the GBGW industry to the Granite Belt economy?*

Methodology

Data collected in the survey was further analysed using Input-Output (I-O) analysis to estimate the strength of linkages and economic contribution to the GB region. This research is detailed in the report **The contribution of the grape and wine industry to the regional economy of Queensland’s Granite Belt**.

Results

Apart from its significance in terms of its *direct* contribution to the local economy, it was found that the GBGW industry makes a highly significant *indirect* contribution through its strong backward and forward linkages into the local economy, indicating that other sectors are highly reliant on it both as a source of demand for their outputs, and, as inputs into their economic activities.

It was estimated that the GBGW sector generated $2.26 worth of additional output in other sectors, for every $1 worth of gape/wine output, making it the sector with by far the strongest forward linkages in the GB regional economy. For every $1 of wine supplied, a further $1.23 in output was generated in other sectors of the GB economy supplying inputs, which also places it amongst the region's strongest sectors in terms of backward linkages.

The Granite Belt Tourism Industry.

The tourism research component in this study focussed on two questions which sought to understand the current types and economic status of GB tourism and the demand by visitors for GB tourism experiences.

3. *What is the economic role of tourism, and specifically wine tourism, in the regional economy?*

Methodology

This was researched using secondary data on tourism accessed from Tourism Research Australia's (TRA) database. This is the first such analysis of data at the SA2 level of detail for this region. Data at this level are not published by TRA so need to be accessed specifically by researchers. A range of visitor statistics drawn from the database describe the characteristics of tourism to the region, expenditure by tourists and specifically expenditure by tourists who visit wineries. This research is detailed in the **Tourism in the Granite Belt Destination Report**.

Results

Analysis of the TRA data revealed that the GB destination had a fairly constant stream of visitors over the last 10 years. Pre COVID-19, the main source of visitors was domestic visitors, mainly from Southeast Queensland, travelling on day trips or short overnight trips of 1 to 3 days. Around 250,000 people visited the destination in 2019. This was made up of domestic overnight visitors 59 per cent, domestic day trip visitors 39 per cent and international visitors 2 per cent. The destination attracts an older demographic (36 per cent of visitors are over 55 years of age), and couples with no children in all age groups, and a smaller proportion of families with young children (10 per cent of visitors).

The ‘economic value’ of tourism is measured as the expenditure by tourists in a region. Tourism as an industry is spread across the sectors of accommodation, food and beverage, transport, and retail where tourists generally spend the most money but also includes all other expenditure by tourists made in other sectors. According to our analysis of the TRA data, expenditure by tourists in the GB destination was approximately $79 million per annum (five-year average to 2019). Tourism supports approximately 60 accommodation establishments in the region as well as other attractions in the form of cafes and restaurants, winery cellar doors, retail outlets for local food and produce, markets, and events.

Analysis of TRA data also suggested that at least $19 million is spent in the GB destination by visitors who visit wineries. However, this may be an underestimate if results of our Visitor Survey are extrapolated to the broader population of visitors. It was found in the Visitor Survey that 92 per cent of respondents visited a winery whilst in the GB destination. Significantly, around 40 per cent of respondents nominated the ability to visit wineries as essential to their decision to visit to the destination. Adopting the Visitor Survey result of 40 per cent of visitors being ‘wine tourists’, a higher amount of around $30 million could conservatively be attributed to the wineries as attractions. While data are not available on employment in tourism at the GB destination level, it is worth noting that tourism will be supporting important employment opportunities across the GB region.

4. What do visitors value and want from tourism, and specifically wine tourism, in the region?

Methodology

A Visitor Survey was employed to assess what visitors think about what the GB destination has to offer and what enhancements could be made. For part of the survey, a contemporary approach, using an adaptation of the Importance/Performance model of Rašovská, Kubickova, and Ryglová (2020), was chosen. These researchers had applied their model in a wine region in the Czech Republic, making it particularly relevant to this case study. Views of visitors on the importance of attractions to them and how well they found those attractions performed are collected in this approach. The survey covered wine tourism attractions, national parks and other tourism facilities and setting in the destination. The results provide a general assessment in terms of importance and performance of these attributes in the Granite Belt destination and opportunities for further improvements. This research is detailed in the report **Granite Belt Visitor Survey Report.**

Results

The Visitor Survey was conducted during the COVID-19 pandemic. Notably, the visitors who were able to make it to the destination represented the main source of visitors in 'normal' times, namely overnight visitors from Southeast Queensland. Thus, the survey responses are indicative of usual circumstances with respect to the composition and characteristics of tourists, although it is conceivable that the quality of their visits could have been negatively affected by the pandemic. Respondents however rated most of the attributes and sub-attributes of the destination highly during this period. Most respondents indicated that they were satisfied (35 per cent) or very satisfied (61 per cent) with their overall experience in the destination and would return to the GB region within a year (74 per cent).

The most common activities that survey respondents participated in were: visiting wineries and national parks (around 92 per cent of respondents visited each of these attractions); and, 86 per cent visited other tourist or local attractions: (e.g., breweries, farms, going to street/weekend/art &craft markets, going on guided tours). This indicates that there is a clustering of attractions in this destination.

As noted above, 92 per cent of respondents to the survey had visited a winery during their stay and around 40 per cent of respondents nominated the ability to visit wineries as essential to their visit to the GB destination, making visiting wineries the number one attraction to the destination. The second most popular attraction was national parks with around 30 per cent of visitors nominating national parks as essential to their visit to the destination. Respondents rated seven sub-attributes of ***Wineries***, with five achieving high and equivalent rating on expectations and satisfaction with performance. Two attributes, quality of wine and price of wine, rated well but expectations rated higher than performance, indicating a need for the industry to consider whether changes need to be made. However, written comments by respondents on wine experiences were overwhelmingly positive, with no criticism about wine quality or price.

Conversely, respondents indicated a desire for more variety and quality in food and dining offerings, more attractions open during the week and better real time information on what attractions and activities are open. Suggestions for additional attractions were not about wine or wineries but focussed on perceived gaps in destinations offerings, including family friendly attractions, art and music events and night-time entertainment.

Linkages between the GBGW industry and tourism in the GB destination.

Finally, three research questions focussed on the linkages between the GBGW industry and tourism in the GB destination.

5. How are the GBGW industry and tourism industry economically linked within the Granite Belt?

Methodology

The economic survey of the GBGW industry included questions on the contribution of tourism in its various forms of accommodation, hospitality, and cellar door wine sales, to the income of the GBGW businesses, and the costs associated with providing tourism services. This provides a quantitative insight into the economic significance of tourism to this agricultural activity. Data on tourism spending and the importance of wineries as a tourism attraction from the tourism research and visitor survey are also utilised to provide a better picture of linkages between these industries.

Results

The economic study of the GBGW industry identified the economic contribution of expenditure on inputs and sale of outputs of this industry, however it was apparent that there was more to the industry linkages between GBGW and tourism than can be identified by just looking at the GBGW industry.

In effect, the economic value of the GBGW industry is more than simply measured by sales and employment in the GBGW industry itself. And the economic value of the tourism industry relies on the GBGW as a major attraction.

The study of the GBGW industry illustrated that this industry is part of the regional tourism industry through tourism services provided by the GBGW industry in the form of sales at cellar doors, food and beverage operations and accommodation provided on properties. Expenditure by tourists is vital to the GBGW industry. Accommodation and food made up around 9 per cent of sales on average. In addition, around two thirds of wine sales are via the cellar door, so can be assumed to be tourism related.

It was evident from the data gathered for this project from the surveys of both tourists and wine growers that the GBGW industry makes significant contributions to the local GB economy through the tourism attractions it offers. The growers' survey found that over 80 per cent of respondents offer on-site cellar door facilities (with 75 per cent of these open year-round), and 30 per cent offer on-site paid accommodation facilities for tourists. Thus, the grape and wine producers are a critical part of the infrastructure of the GB region tourism industry, Furthermore, the cellar doors and other facilities are key elements of the overall attraction for visitors to the GB region, who spend money at the wineries but also on other accommodation, food and beverage and attractions in the GB region.

Wineries are the number one tourism attraction to the GB region and so additional economic activity can be attributed to this attraction. Visitors attracted by the GBGW also spend money on the other accommodation, food and beverage and tourism attractions while they visit for day trips or stay one night to several nights in the region. As noted above, it was found in the Visitor Survey that 92 per cent of respondents visited a winery whilst in the GB region and around 40 per cent of respondents nominated the ability to visit wineries as essential to their visit to the destination.

It was estimated from the analysis of TRA data that expenditure by visitors to the GB region was $79 million per annum and conservatively $19 million (24 per cent) was spent by visitors who visited wineries. The Visitor Survey result of 40 per cent of visitors nominating the presence of wineries essential to their visit, points to a higher amount of around $30 million that could be attributed to the wineries as attractions.

The strength of the backward and forward economic linkages between the grapes and wine sector and all elements of tourism could not be measured directly but given that the forward linkages from the wine industry will be almost entirely into the tourism sector, it can be assumed that the GBGW industry generates approximately $2.26 worth of additional output in the tourism sectors, for every $1 worth of grape/wine output.

6. Do the linkages between of the GBGW industry and tourism industry add to economic resilience in the GB region?

Methodology

This research question was addressed drawing upon results discussed above.

Results

Unfortunately, both industries were hit by disasters simultaneously in recent years. Drought and bushfires occurred leading up to and in 2019, affecting the growing of grapes and production of wine, and a drop in visitor numbers was also recorded by the Visitor Centre over late 2019. The global pandemic hit in early 2020, and had mixed impacts over the following period, with a total stop to visits at some times and higher than normal visitor numbers at other times. This recent experience shows that the wine and tourism industries are interrelated in bad times as well as good. Neither of these industries provides a distinct alternative economic activity if the other is under pressure from external sources.

The industries are therefore complementary rather than substitutes. It therefore follows that it would not be feasible for the wine industry to expand to completely compensate for lost tourism revenue if an exogenous shock, such as a natural disaster, affected the tourism sector only, or *vice versa*. The study found that the complementary nature of the industries does contribute to economic resilience in the region by diversifying its economic base. But this also means that policy approaches to improve economic resilience need to consider both industries together, and, across all seasons of the year.

This being the case points to the need for the GB tourism sector to diversify the range of attractions it offers tourists which would strengthen its resilience to economic impacts affecting the wine industry, without weakening the strength of the linkages between wine and tourism sectors in in “good times”.

Additionally, policy options to benefit the GBGW industry should also consider implications for tourism. For example, given the issues identified with water shortages in recent times (see Research Question 7 below), improvement of water certainty will benefit both sectors.

7. What are opportunities for and barriers to the GBGW industry, tourism, and specifically wine tourism in the region?

Methodology

Open ended questions were included in the grape growers and wine industry survey specifically on opportunities and barriers for tourism. Similarly, open ended questions in the Visitor Survey collected respondents' opinions on memorable experiences, critiques of aspects of the destination and ideas for future enhancement of the tourism attractions and experiences. In addition, the researchers met with GBGW industry representatives in late 2019 and discussed issues current at the time.

Results

The study identified opportunities for increased tourism, firstly from the analysis of TRA data in the **Tourism in the Granite Belt Destination Report**. It found that the existing tourism industry is focussed mainly on short stays, weekend stays, and an older demographic group of visitors. Tourism is also seasonal, with the winter being most popular season. Efforts are being made increasingly to boost tourism at other times of the year through festivals and special events.

That study also identified opportunities to increase tourism within current infrastructure and attractions, making better use of what is already in the destination, by increasing the length of stay, utilising weekdays and increasing the number of visitors in low seasons. The analysis of TRA data also identified gaps in the market with potential opportunities to appeal to new visitor groups (e.g., families, international visitors), to expand existing popular attractions, and, to market better and possibly add new attractions (e.g., night-time entertainment, indigenous and cultural tourism).

Visitors to the GB region interviewed for this research rated the GB region ‘highly’ and most were ‘satisfied’ with their visit. Interviews with these visitors established that the main barriers to tourism in the GB region were: (i) attractions and eating establishments do not open during the week; (ii) a lack of variety and quality and local produce in cafes and restaurants; and (iii) difficulties in getting current information on which attractions and activities were available and open. Opinions on wine tourism opportunities and quality were generally very favourable.

The opportunities for better tourism experiences identified were mostly in the form of better co-ordination of, and information about, tourism offerings already existing in the GB region. In addition, respondents suggested adding new high quality restaurants, specialising in local produce. Further additional activities suggested included more walking and hiking trails, mountain biking, rock climbing and other outdoor and sport activities. Other activities suggested included indigenous tourism experiences, more festivals (music, wine, cultural etc.), art and craft shops. More family oriented and pet friendly activities were also recommended. These suggested additions are consistent with enhancing a ‘cluster’ of destination offerings, and, would contribute significantly to offering incentives for tourists to extend the duration of their visits, and to attract tourists at other times of the year, apart from the currently dominant winter season.

When GBGW industry representatives were interviewed, half of the respondents said they were interested in increasing tourism revenue from their own operations. The range of options mentioned included: using social media and online options better, add new experiences and events at the cellar door and on the property, expand on-site accommodation and travel to promote the business.

Similarly, GBGW industry respondents to the survey also identified a lack of dining options and a lack of local produce featured in restaurants as barriers to the expansion of tourism. Added to this were staff shortages (including chefs); a lack of accommodation; shops closed in the town; unstable water resources; and, poor road maintenance.

Positive aspects of the GB region put forward by these respondents included: 'friendly people’; ‘visitors meet business owners’; the national park and scenic landscape; cold weather; four seasons; wineries and quality of wine; education about wine; some good restaurants and accommodation; ‘lots to do’; and, ‘an inexpensive destination’.

On a more negative note, a discussion of barriers to both sectors would not be complete without noting the importance of water availability to the grape growers. As part of the initial preparation of this project the researchers met with a group of GBGW industry members in late 2019, at the height of the drought. It was made clear that the GB region relies on summer rain and most growers also rely on irrigation to supplement water supply to their vines during the year. At the time of the meeting there was a critical shortage of water on most properties and a number of growers were having to truck-in water at a high cost to keep their vines alive. Some also reported having to sacrifice a part of their vineyards to ‘save’ the remaining share by not watering a proportion of their vines.

Opportunities identified by this project for government intervention to support the GBGW and tourism industries, based on these surveys included:

- facilitating coordination of industry stakeholders for development, support and funding for local tourism organisations;
- marketing (destination and wine marketing);
- labour market incentives to overcome staff shortages, support apprentices and staff training; and,
- improving the quality of road infrastructure.

4. Discussion

The Granite Belt region case study

This is the first study to provide detailed economic information about the linkages between the wine and tourism industries in the GB region. Linkages occur in the form of direct participation by GBGW businesses in the tourism industry through offering cellar door attractions and sales, food and beverage, accommodation, and events. The grape and wine industry offers a critical attraction for tourism to the GB region, with over 80 per cent offering on-site cellar door facilities (with 75 per cent of these open year-round), and 30 per cent offering on-site paid accommodation facilities for tourists. Thus, tourism-generated income is part of the income to these businesses.

Linkages also occur through wineries being the number one attraction to the GB destination. Tourists to the destination attracted by the opportunity to visit wineries, also spend money in other businesses while in the GB region.

In effect, the economic value of the GBGW industry is more than simply measured by sales and employment in the GBGW industry itself. And the economic value of the tourism industry relies on the GBGW as a major attraction.

The study found that GBGW sector displays strong backward and forward linkages into the local economy. It was estimated that the GBGW sector generates $2.26 worth of additional output in other sectors, for every $1 worth of grape/wine output, making it the sector with by far the strongest forward linkages in the GB regional economy. In addition, in terms of backward linkages, it was found that for every $1 of wine supplied, a further $1.23 in output is generated in other sectors of the GB economy supplying inputs, which also places it among the region’s strongest sectors in terms of backward linkages.

The industries are complementary rather than substitutes. That is, it would not be feasible for the wine industry to expand to completely make up for lost tourism revenue if a disaster just affected tourism, or vice versa. The complementary nature of the industries does contribute to economic resilience in the region by diversifying its economic base. But this also means that policy approaches to improve economic resilience need to consider both industries together.

This being the case points to the need for the GB tourism sector to diversify the range of attractions it offers tourists which would strengthen its resilience to economic impacts affecting the wine industry, without weakening the strength of the linkages between wine and tourism sectors in in “good times”.

Additionally, policy options to benefit the GBGW industry should also consider implications for tourism. For example, given the issues identified with water shortages in recent times, improvement of water certainty will benefit both sectors. This will be a particularly important issue in the face of climate change challenges.

There are three main recommendations for tourism, arising from the Visitor Survey and the opinions of GBGW industry respondents. These recommendations were included in the **Granite Belt Visitor Survey Report,** as follows:

1. To capitalise on comments on attractions or activities that the visitors would like to see or experience to make their stay longer, especially over weekdays, the Granite Belt destination managers, tourism businesses and other stakeholders should consider making the current offering more available, through closer collaboration / cooperation among local business providers vertically or horizontally. Specifically, scheduling opening times among wine cellars and hospitality businesses throughout the week could improve the availability of these services for visitors.
2. Despite the availability of considerable information for visitors and prospective visitors on both the Granite Belt Wine and Tourism web site and the Southern Downs and Granite Belt web site, and at the Visitor Information Centre, many of the visitors surveyed either did not find this information or found that it was not up to date regarding opening times for attractions at the time when they were visiting. Uncertainty amongst operators about visitor demand during the pandemic may have contributed to this. Particularly due to uncertainty in the COVID-19 environment and to take advantage of increased regional travel interest, current information about the local businesses, attractions, facilities, and services as well as their opening hours should be made available, updated, and accessible promptly on the websites, apps and centrally available through the visitor information centre. It is

suggested that the new Southern Downs and Granite Belt App is one forum for providing this coordinated and updated information.

3. Visitors surveyed called for more diverse and local produce based food and dining options. Once travel certainty increases, Granite Belt destination managers, tourism businesses and other stakeholders should coordinate to build and publicise the food based businesses offerings in the destination to provide greater diversity of options, greater spread of opening times over the week and particularly to focus on quality presentation of locally sourced food, wine, and other beverages. A 'food trail' to complement the 'wine trail' may be attractive to visitors.

Extension of observations to other rural/regional areas

The GB region was selected for a case study due to the well-known and relatively mature example of agritourism, in the form of wine tourism. For regional areas to develop agritourism as an economic activity, several of the approaches of the GB region can provide guidance.

Firstly, the GBGW provides a point of attraction and distinctiveness compared with other tourism and even other wine regions. The cluster of wineries is definitely part of the attraction and the collaboration of GBGW industry in developing a wine trail, wine tourism organisation and marketing of the region is also important.

Secondly, collaboration is important both within the agricultural industry and with the broader tourism industry in a region. Collaboration of the GBGW industry with the broader tourism industry will be important to future destination attractiveness. Notably, visitors called for more attractions to be open during the week, and for information on what was open, to be made available in real time.

Thirdly, for a region to mature beyond agritourism and become a more developed and mature destination, supplementary attractions and activities need to be developed. While wine tourism continues to be a major attraction in the GB region, in order to extend tourism to weekdays and across seasons, other attractions have been suggested by both visitors and industry representatives. This is in line with the literature that found that clusters of attractions support successful agritourism destinations (Ecker et al., 2010).

The research approaches

In looking at a relatively small region and industries within it, it is often necessary to conduct original data collection because there is no reliable source of already collected data at this sub-regional level. This study took a pragmatic approach of utilising available but unpublished tourism data combined with original surveys of visitors and of GBGW industry participants. The results of the surveys provide detailed information that was not available for that region.

The economic survey of the GBGW industry was developed in consultation with industry representatives and the questionnaire was piloted with industry representatives. This survey could be modified for any small agricultural industry, but collaboration with industry representative to make it relevant is recommended. As a cautionary note, despite strong support for the survey from some industry members, the research team needed to put in a strong effort to persuade a sufficient number of grape and wine producers to participate in the survey to obtain a useable sample of respondents.

The use of Input-Output analysis provides very useful information about the strength of linkages between industries in a region that is not available otherwise. Again, looking at a small region poses other methodological challenges, especially as I-O tables are not readily available at the sub-regional level and must be estimated from larger scale I-O tables using primary, survey data to adapt them to the sub-regional level.

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Appendix 1: Key Results of Research: Tourism to the Granite Belt Destination

These are the key results reported in the Executive Summary of the original secondary research based on Tourism Research Australia data detailed in the Tourism in the Granite Belt Destination Report.

The Granite Belt region /destination is a well-established tourism destination with wineries and national parks being prominent attractions but also featuring other attractions centred on locally produced food and beverages, heritage and museum attractions and a program of festivals and events.

Tourism is facilitated by government and industry bodies that cooperate to support planning, marketing, promotion of visitor trails and events and a visitor centre.

Data that is not generally published at the destination scale was assembled from Tourism Research Australia's database to describe tourism in the destination.

In summary, pre COVID 19, the Granite Belt destination had a fairly constant stream of visitors over the last 10 years.

The March quarter consistently has the lowest visitor number of domestic visitors with the June and September quarters, which feature the colder weather and school holidays, the most popular.

While there are relatively few international visitors, these people contribute to the destination by staying longer and working on properties.

Pre COVID 19, the main source of visitors was domestic visitors, mainly from Southeast Queensland, travelling on day trips or short overnight trips of 1 to 3 days.

Around 250,000 people visited the destination in 2019. This was made up of domestic overnight visitors 59 per cent, domestic day trip visitors 39 per cent and international visitors 2 per cent.

The destination attracts an older demographic (36 per cent of visitors are over 55 years of age), and couples with no children in all age groups, and a smaller proportion of families with young children (10 per cent of visitors).

There is a clear seasonal element with the destination being more popular in the colder months of the June and September quarters, although efforts are being made to attract visitors in other months.

Visitors engage in multiple activities while in the destination, with an average of three activities in addition to the usual social and eating and drinking elements of a holiday. For domestic overnight tourists, the most popular local activities were visiting wineries (26 per cent), followed by bushwalking (21 per cent) and visiting national parks (19 per cent). Visiting markets also attracted 16 per cent of these visitors. The three most popular local activities for day trippers were also visiting wineries (15 per cent) and bushwalking (12 per cent) and visiting national parks (7 per cent).

Tourists spent $79 million per year in the Granite Belt Destination, on average from 2015 to 2018. This was made up of $53 million from domestic overnight visitors, $13 million from domestic day trip visitors and $13 million from international visitors. An estimate of total full time equivalent jobs supported by this expenditure is approximately 553 jobs.

The group of domestic overnight visitors who visited wineries spent $19 million in the Granite Belt destination. Due to small sample sizes, it is not possible to estimate the spending by day trip and international visitors who visited wineries. Therefore, the estimate of $19 million contribution to the region by winery visitors is conservative. Approximately 133 jobs are supported by this expenditure.

Similarly, visitors who visited national parks spent $14 million in the Granite Belt destination, supporting approximately 98 jobs. These are not mutually exclusive groups because many visitors visited both wineries and national parks.

The impact of COVID-19 on the destination has been mixed - the bushfires and then the pandemic have reduced visitor numbers at times over the past two years. There have also been times when visitor numbers have been higher than usual in the destination. The net effect on visitor numbers and expenditure by visitors to the Granite Belt destination is not available from published or unpublished statistics yet.

Several opportunities for increasing the number and spending by tourists were identified by looking at the statistics and the gaps revealed. First, are the opportunities to increase tourism within current infrastructure and attractions, making better use of what is already in the destination by increasing the length of stay/ utilise weekdays and increasing visitors in low seasons. Second, the visitor statistics suggest gaps in the market with potential opportunities to appeal to new visitor groups (e.g., families, international visitors), expand existing popular attractions, market better and possibly add new attractions (e.g., night-time entertainment, indigenous and cultural tourism).

A survey of 16 grape growers and wine producers included questions focussing on tourism in their operations and the destination. While only half of the respondents said they were interested in increasing tourism revenue from their own operations, the range of options mentioned included: using social media and online options better, add new experiences and events at the cellar door and on the property, expand on site accommodation and travel to promote the business.

Looking to the broader destination, many positives were noted: friendly people, visitors meet business owners, the national park and scenic landscape, cold weather, 4 seasons, wineries, wine, quality of wine, education about wine, some good restaurants and accommodation, lots to do and an inexpensive destination.

Negative perceptions and identifying barriers focused on: lack of dining options, lack of local produce featured in restaurants, staff shortages (including chefs), lack of accommodation, shops closed in the town, unstable water resources and poor road maintenance. Suggestions for useful government actions included: facilitating coordination of industry stakeholders for development, support and funding for local tourism organisations, marketing (destination and wine marketing), assisting to overcome staff shortages, support apprentices and staff training, fix the roads.

Appendix 2: Key Results of Research: The Granite Belt Visitor Survey

These are the key results reported in the Executive Summary of the original research detailed in the **Granite Belt Visitor Survey Report**.

It is important to place all discussion in the context that this visitor survey was run during the COVID-19 pandemic. As reported in the *Tourism in the Granite Belt Destination Report*, the destination lost all visitors for periods of time during 2020 and 2021 but also experienced high levels of visitation at other times. The visitor survey respondents represent the largest group of pre-COVID visitors, that is visitors from Queensland, mostly southeast Queensland, who stay overnight. Overall, respondents reported positive experiences and high satisfaction with their visits to the destination during this time period. Findings regarding businesses not being open and respondents needing more information may all be exacerbated due to the difficulties of the tourism sector operating during this time.

Overall, wine tourism was confirmed as the most important destination attraction, with 92% of survey respondents visiting a winery and 40% of respondents saying that the ability to visit wineries was essential to their decision to visit to the destination. Other attractions were also important, indicating the benefits for a destination of providing a cluster of attractions.

A survey of visitors to the Granite Belt destination was conducted between July 2020 and May 2021. The survey was administered via postcards and an online questionnaire, to comply with COVID safe requirements. A sample of 279 respondents was achieved, which was sufficient for the planned analysis.

Due to COVID restricted travel, the respondents were mostly from Queensland and there were no international visitors. The sample of respondents does represent the group of visitors who were the majority of visitors pre COVID, namely overnight visitors from Queensland (mainly southeast Queensland.). It is noted that the day tripper perspective is underrepresented in the survey.

The socio-demographic and travel characteristics of respondents are very similar to data from Tourism Research Australia on visitors pre COVID, but slightly skewed to female and older respondents. The destination continues to predominately attract local Queensland visitors, mostly of mid to older age groups, travelling as couples for short visits (2 to 4 days).

The most common activities that survey respondents participated in were visiting wineries and national parks (around 92% of respondents visited each of these attractions) and 86% visited other tourist or local attractions: (e.g., breweries, farms, going to street/weekend/art &craft markets, going on guided tours). This indicates that there is a clustering of attractions in this destination.

Importance Performance Analysis (IPA) was undertaken, where respondents rated 40 sub-attributes of 6 destination attributes on a scale of 1 (*Not at all Important/ Very dissatisfied)* to 5 (*Very important/Very satisfied)*.

- ***General environment & accessibility*** (10 sub-attributes)
- ***Wineries*** (7 sub-attributes)
- ***National parks*** (5 sub-attributes)
- ***Other activities, attractions, and events*** (7 sub-attributes)
- ***Accommodation*** (6 sub-attributes)
- ***Dining*** (5 sub-attributes)

Overall destination rating was high – over 4 out of 5 for most sub-attributes. Overall Mean (average) Importance was 4.2 and overall Mean Performance was 4.6. Importance refers to how important a respondent thinks an attribute was in choosing to visit to the destination and Performance rates how satisfied respondents were with the experience.

IPA allows sub-attributes to be grouped for management purposes into those meeting expectations (Category 1), those needing improvement due to expectations exceeding experience (Category 2) and those where it is best not to devote scarce resources (Categories 3 and 4).

Over half the sub-attributes fell in the Category 1 “Keep up the good work” = important attribute and good/high performance reported.

Six sub-attributes fell into Category 2 “Concentrate here” = important but rated as not performing as well. While ratings for these sub-attributes were high, expectation exceeded experience for around 30% of respondents. Thus, it is recommended that destination managers and businesses consider how visitor experience can be improved for these sub-attributes: quality of wine, price of wine, price of accommodation, diversity of cuisine and beverage, food and beverage quality and services in the restaurant/ café.

Visiting the Granite Belt was the prime reason for travel for the majority of survey respondents, with more than two-thirds of respondents indicating visiting the Granite Belt destination was the only reason to make their trip away from home (that is, no other destinations were important on that trip).

Using hypothetical scenarios - of either or both wineries and national parks being closed - it was found that wineries being open was essential for around 40% of respondents to visit the Granite Belt destination and national parks being open was essential for around 30% of respondents. However, 42% of respondents would visit the Granite Belt anyway even if these attractions were closed,

Most respondents indicated that they were satisfied (35%) or very satisfied (61%) with their overall experience and would return to the Granite Belt region within a year (74%). Of those respondents who indicated possible future visits in the next 12 months, most respondents would return to the region once (86%).

Using the Net Promoter system (Hotjar, 2021), respondents were categorised into three groups—promoters (highly likely to recommend the destination to others), passives (somewhat likely to recommend the destination) and detractors (not likely to recommend the destination). Around 94% of total respondents were found to be promoters (68%) and passives (26%) while only 6% were detractors.

Four open-ended questions asked respondents to comment on **memorable experiences**, **activities** that visitors would **like to see** or would encourage respondents to **stay longer** as well as **comments to the** Granite Belt destination **tourism authorities**.

Written comments received for the open-ended questions included many very positive **memorable experiences** associated with visits to Girraween and other national parks, the wineries, and many other attractions and also the friendliness and helpfulness of locals and staff.

Additional activities suggested included more walking and hiking trails, mountain biking, rock climbing and other outdoor and sport activities. Other activities suggested included indigenous tourism experiences, more festivals (music, wine, cultural etc.), art and craft shops. More family oriented and pet friendly activities were also recommended.

Respondents became more critical when it came to dining offerings in the destination. There were many comments calling for more dining options and more variety and noting difficulty in finding places open when respondents were visiting. This is consistent with the IPA which found a need for improvements in ***Dining:*** Diversity of cuisine and beverage; food and beverage quality; and services in the restaurant/ café.

Alternatively, cellar door or wine offerings did not attract such criticism and most written comments on wine experiences were positive. This is despite the IPA finding a need to consider improvement in ***Wineries***: quality of wine; and price of wine.
A notable number of comments cited difficulties from the respondents' perspective in getting coordinated and timely information, especially online, on what was open or not open. Respondents also noted that there was a lack of businesses being open during the week, businesses did not coordinate opening times and that opening hours seemed to be inconsistent (although several respondents recognised COVID-19 uncertainty could have been a factor). In written comments, respondents advised tourism authorities to assist in business coordination, promote the destination through marketing and improve information for visitors, including about national parks.

Recommendations

1. To capitalise on comments on attractions or activities that the visitors would like to see or experience to make their stay longer, especially over weekdays, the Granite Belt destination managers, tourism businesses and other stakeholders should consider making the current offering more available, through closer collaboration / cooperation among local business providers vertically or horizontally. Specifically, scheduling opening times among wine cellars and hospitality businesses throughout the week could improve the availability of these services for visitors.
2. Despite the availability of considerable information for visitors and prospective visitors on both the Granite Belt Wine and Tourism web site and the Southern Downs and Granite Belt web site, and at the Visitor Information Centre, many of the visitors surveyed either did not find this information or found that it was not up to date regarding opening times for attractions at the time when they were visiting. Uncertainty amongst operators about visitor demand during the pandemic may have contributed to this.

Particularly due to uncertainty in the COVID-19 environment and to take advantage of increased regional travel interest, current information about the local businesses, attractions, facilities, and services as well as their opening hours should be made available, updated, and accessible promptly on the websites, apps and centrally available through the visitor information centre. It is suggested that the new Southern Downs and Granite Belt App is one forum for providing this coordinated and updated information.

3. Visitors surveyed called for more diverse and local produce based food and dining options. Once travel certainty increases, Granite Belt destination managers, tourism businesses and other stakeholders should coordinate to build and publicise the food based businesses offerings in the destination to provide greater diversity of options, greater spread of opening times over the week and particularly to focus on quality presentation of locally sourced food, wine, and other beverages. A ‘food trail’ to complement the ‘wine trail’ may be attractive to visitors.

Appendix 3: Key Results of Research: The contribution of the grape and wine industry to the regional economy of Queensland's Granite Belt.

These are the key results reported in the Executive Summary of the original research detailed in the report: **The contribution of the grape and wine industry to the regional economy of Queensland's Granite Belt.**

This study reports the findings of the first comprehensive survey of grape and wine growers in the wider Granite Belt (GB) regional economy undertaken during the second half of 2021. The main purpose of the survey was to gather information to assess the direct and indirect contributions and impacts of the Granite Belt Grapes and Wine (GBGW) sector on the regional GB economy. Of the 59 growers in the region, a representative sample of 16 growers across the full range of farm sizes was interviewed in depth. (A copy of the questionnaire is reproduced in Appendix 1.)

The results reveal that the sector makes a significant contribution to the regional GB economy, both directly and indirectly. Directly it accounts for approximately $15.2 million in income per annum and generates employment for 440 full-time equivalent employees per annum.

The GBGW sector can also be considered a very high 'value-adding' industry, with value added accounting for over 77 per cent of gross revenues, compared with an average of around 35 per cent for the GB region as a whole. Most of value added in the GBGW industry consists of salaries and wages to paid employees, with owners' profit margins being relatively low, estimated here at around 12 per cent of gross revenue on average.

By far the greatest share of both capital and operating costs in the GBGW sector were incurred within the GB region itself (around 80 per cent). The balance was incurred mainly in other regions of Queensland with only 5 per cent incurred outside Queensland. This suggests that the GBGW sector provides strong economic linkages to other sectors within the GB region, which is explored further in some detail in this study.

The survey data were used to adapt a regional input-output model for the GB region, to quantify the backward and forward linkages from the GBGW sector into the rest of the local economy. It was found that for every $1 of wine supplied, a further $1.23 worth of output is generated in other sectors of the GB economy supplying inputs into the GBGW industry, which places it among the region's strongest sectors in terms of backward linkages. Furthermore, the GBGW sector generates $2.26 worth of additional output in other sectors for every $1 of gape/wine output, making it the sector with by far the strongest forward linkages in the GB regional economy.

Moreover, the GBGW sector has strong links to, and participates directly in, the GB tourism industry, providing significant on-site cellar door and restaurant facilities, accommodation for tourists, as well as venues for functions and special events. Over 80 per cent of the sample offer on-site cellar door and/or restaurant/café facilities, with 75 per cent of these offering year-round operations, and around 30 per cent of the sample also providing on-site paid accommodation.

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