



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

**PRE-BUDGET SUBMISSION
2025-26**

Tourism Australia, Blue Mountains National Park, Blue Mountains

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31st January 2025

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

Dear Treasurer,

Thank you for the opportunity for Australian Regional Tourism (ART) to offer a submission to the Australian Government Treasury Office for the 2025-26 Federal Budget.

The submission offered is based on insights developed in close consultation with the Australian regional tourism industry, to ensure our regional communities thrive.

The following submission seeks long-term support for the sustainability and growth of regional tourism. ART recommends funding to support farmers to diversify into tourism, ensure a stronger focus on regional dispersal of key international markets and increase funding for infrastructure development programs.

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

Kind regards,



Lauren Douglass
Chief Executive Officer
Australian Regional Tourism

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

Minister for Agriculture Fisheries and Forestry, Minister for Small business: Hon. Julie Collins

Minister for Infrastructure, Transport, Regional Development and Local Government: Hon. Catherine King

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

OVERVIEW

AUSTRALIAN REGIONAL TOURISM & THE REGIONAL TOURISM INDUSTRY

Australian Regional Tourism (ART) is the peak body that represents regional tourism practitioners and acts as a hub for collaboration, cooperation, idea generation, knowledge sharing, networking and more. On behalf of its members, ART promotes sustainable regional development through regionally focused research, destination management planning, product development, marketing and the development of skilled human resources.

Tourism continues to be a crucial economic driver for Australia. According to [Tourism Research Australia](#), in 2023–24 total tourism consumption was \$198.5 billion, up 8.2% from 2022–23, and up 25% in 2018–19 (the last full financial year pre–pandemic). Tourism filled jobs in 2023–24 totalled 691,500, which accounted for 4.4% (1 in 23 jobs) in the Australian workforce. In regional Australia, there are 100,000 tourism-related businesses, and around 57 cents in every visitor dollar are spent in regional areas (year ending September 2022). Tourism is vital to many regional communities around Australia, and it is important that we continue to advocate for the success of the industry.

The visitor economy is a significant driver of growth, prosperity and wellbeing for Australia, supporting jobs and businesses, generating trade and investment, and promoting regional growth. Australia’s visitor economy has experienced a number of downturns over the past five years, with the 2019-20 bushfires and the COVID-19 pandemic greatly impacting the visitor economy due to the closure of international, state and territory borders, and restrictions on domestic movement. Whilst challenges continue, efforts to return Australia’s visitor numbers and expenditure to pre-pandemic levels remain a key focus, with a consolidated approach required.

The Australian Government [released THRIVE 2030](#), a national strategy to rebuild and return the visitor economy. The strategy sets a target of returning visitor expenditure to pre-COVID levels of \$166 billion by 2024 and growing it to \$230 billion by 2030. The Strategy also aims to achieve visitor expenditure in regional Australia of \$70 billion by 2024 and \$100 billion by 2030. THRIVE 2030’s visitor expenditure target for Phase 1 has been exceeded, and the strategy now moves into the second phase in 2025; Consolidation Phase 2025–2027, which focuses on achieving a consistent growth to meet targets.

The national strategy acknowledges and supports the critical role of regional communities in achieving the targets, noting tourism as a key driver in generating jobs and providing services and infrastructure. Regional accommodation, attractions and supporting infrastructure that improve experiences in regional areas will be vital to building back a stronger, more resilient industry (THRIVE, 2030). Governments and industry play a crucial role in investment attraction and facilitation, ensuring tourism in regional areas can be delivered to its fullest potential, and reaping the benefits of stronger regional communities around Australia.

POLICY RECOMMENDATION AND FUNDING

Agritourism

Recommendation: Support long term sustainable Australian farming through diversification into tourism to strengthen Australia’s regional economies, and grow the on-farm agritourism cross portfolio policy position

ART is the leading authority in supporting and developing agritourism. In October 2022, ART launched Australia’s first [National Agritourism Strategy Framework](#) and [Agritourism 2030 Action Plan](#) at the inaugural Agritourism Conference, encouraging collaboration between agriculture and tourism sectors to grow on farm business opportunities.

Support for the agritourism sector contributes to the long-term target set within THRIVE 2030, providing diverse opportunities for growth of tourism and agriculture and the benefits associated with strengthening the sector. In October 2024, ART held the Agritourism Forum in collaboration with Tourism Australia, to showcase the potential of the sector.

To realise the agritourism potential of [\\$18.6B by 2030](#), investment into the sector is needed to increase regional capability, and to remove the barriers for farmers seeking diversification into tourism. Promoting agriculture with a key focus on tourism can change its perception, creating a tech-savvy sector attracting skilled workers and providing new opportunities for families to remain in rural areas.

Proposal

This proposal seeks \$14 million (\$10m in direct-to-farm grant funding + \$4m in industry development) over three years to support farmers to diversify into tourism, increase high-yield export ready product, strengthen Australia’s regional economies, and grow agritourism.

	2025-26	2026-27	2027-28	Total
Leadership resource for ART to support industry development as outlined in the Agritourism 2030 Roadmap.	\$200,000	\$200,000	\$200,000	\$600,000
Agritourism and Farm Gate Grant Program to encourage new farm experiences. Administered by a relevant government agency.	\$5 million	\$5 million		\$10 million
Additional budget allocation for Tourism Australia to support the development of high quality and export ready agritourism specific marketing assets		\$2 million		\$2 million
Targeted agritourism capability building training programs in partnership with agriculture and tourism industries		\$300,000	\$300,000	\$600,000
National Agritourism conference – 2 additional year commitment		\$200,000	\$200,000	\$400,000
Australian Tourism Data Warehouse distribution support	\$80,000			\$80,000
Agritourism Website to support demand and grow awareness	\$250,000			\$250,000
Agritourism Information Hub	\$70,000			\$70,000
TOTAL	\$5.6 million	\$7.7 million	\$700,000	\$14 million

Funding for regional dispersal

Recommendation: Dedicated funding for Australian Regional Tourism to have a stronger focus on regional dispersal of key international markets

Despite the good work being undertaken by Tourism Australia and Austrade, regional dispersal of key international markets in Australia remains a critical issue. Factors such as limited regional awareness among international tourists, inadequate accessibility and infrastructure in regional areas, quality products and experiences and varying levels of readiness among regional operators to cater to international visitors are amongst the key challenges.

Guiding visitors from key growth markets towards regional destinations is a key focus, impacting the potential economic benefits to Australia’s appeal as a tourism destination. Increased funding to support regional dispersal, particularly domestic travel, would enable ART to lead the development of a new, sustainable structure for cross-border travel, in collaboration with key regional tourism stakeholders.

Domestic tourism accounts for a large majority of Australia’s total visitor economy, emphasising the need for more effective promotion of cross border travel. There is a growing need to focus on facilitating more effective cross border travel, as competition with international travel continues to grow.

Currently, Australia lacks a cohesive strategy aimed at guiding visitors from key growth markets towards regional destinations, impacting the potential economic benefits to Australia’s appeal as a tourism destination. Dedicated funding would facilitate the establishment of a strategy that enables regional dispersal and provide support to meet the regional targets set in THRIVE 2030.

Proposal

The following proposed funding focuses on the growing need to facilitate more effective cross border travel and dispersal of key international markets.

	2025-26	2026-27	2027-28	Total
Provide funding to support regional dispersal of key international and domestic markets over a three-year period.	\$2 million	\$2 million	\$2 million	\$6 million

Enabling infrastructure

Recommendation: Funding for infrastructure development programs increases for the regions through open and transparent grant funding programs. Increase the regional Precincts and Partnerships Program grant funding program from \$150 million to \$198 million in 2025-26.

In Australia, regional tourism infrastructure faces significant challenges due to inadequate funding and investment. Key issues include:

- Transportation networks (roads and public transport)
- Accommodation availability
- Visitor facilities (including visitor centres and amenities)
- Digital connectivity (internet and mobile coverage)

Poor infrastructure impacts visitor experiences and accessibility, limiting the potential reach of tourism activities in regional areas. In the regions, community and visitor infrastructure is limited and in poor quality, impacting liveability for residents and limiting a destination's ability to attract visitation. The cost to maintain infrastructure mostly depends on regional local councils, who lack capacity to adequately attract and maintain critical visitor infrastructure, due to the limited or smaller ratepayer base.

To address these challenges, increased grant funding for tourism is essential. By focusing on enhancing infrastructure, Australia can better accommodate tourists, stimulate local economies, and promote sustainable development practices that benefit communities across the country.

Proposed funding aligns with the National Tourism Australia Strategy THRIVE 2030, Priority 5: Enhance visitor infrastructure, by supporting the provision of relevant visitor economy assets and infrastructure, including monitoring for particular features such as accessibility, environmental friendliness, and use of sustainable development practices; number of airline routes/seats; communications connectivity levels and quality.

All grant funding should continue to align with National, State and Regional priorities, to ensure viability and community liveability remains a priority. By increasing funding for the regional Precincts and Partnerships Program (rPPP), precinct development in regional areas, projects in regional, rural or remote locations are prioritised. The program has facilitated many integral projects so far, and funding will enable the program to continue to contribute greatly to regional areas.

rPPP is an always open funding opportunity supporting both precinct development proposals and the delivery of construction-ready precinct projects. Two streams are available; Stream One, which provides project funding of between \$500,000 to \$5 million for master planning, consultation, design, business cases and partnership establishment, and Stream Two, which offers \$5 million to \$50 million for the delivery of one or more elements of a precinct.

Proposal

Currently, \$150 million is available for both 2024–25 and 2025–26. This proposal seeks \$778 million over the course of three years, for the continued delivery of the regional Precincts and Partnerships Program (rPPP).

Stream one - Precinct development and planning: to activate partnerships and to deliver an investment-ready precinct plan

Stream two - Precinct delivery: to deliver a specified project or projects as part of a precinct.

	2025-26	2026-27	2027-28	Total
Increase funds for the continued delivery of stream one and two	\$195 million	\$254 million	\$329 million	\$778 million

Tourism Australia funding

Recommendation: Funding for Tourism Australia should be increased to \$190 million to support the promotion of tourism to a global audience

Tourism Australia is a world leader when it comes to international destination marketing, and it is critical that it remains so given the highly competitive international tourism market. Tourism Australia drives economic benefits by increasing visitation, greatly contributing to the growth and sustainability of Australia’s economy. It is imperative Tourism Australia has adequate, and indexed funding to account for increased real costs to operations, to deliver on key initiatives and continue to market Australia to a global audience.

In 2024-25, the Australian government allocated \$170 million to Tourism Australia. By increasing funds to \$190 million in 2025-26, and approximately 3% per year thereafter, Tourism Australia can continue to promote Australia as a holiday and business events destination for consumers around the world.

Domestic tourism accounts for a large majority of Australia’s total regional visitor economy, emphasising the need for more effective promotion of cross border travel. There is a growing need for Tourism Australia to focus on facilitating more effective cross border travel, as competition with international travel continues to grow.

Proposal

The following proposed funding focuses on continuing to support the integral role of Tourism Australia in promoting tourism to a global audience.

	2025-26	2026-27	2027-28
Increase Tourism Australia’s funding (indexed annually) for demand driving activities	\$190 million	\$196 million	\$202 million

Summary

ART’s pre-budget submission is informed by consultation with the Australian regional tourism industry and aims to ensure the sustainability and growth of regional tourism, a critical sector for Australia.

Key recommendations include proposed funding for the continued development of agritourism, prioritising the regional dispersal of key international markets, and increased funding for infrastructure development programs. This proposal is designed to deliver long-term benefits, strengthen regional economies, and build a resilient visitor economy for the future.

Enquiries:

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