



**Wednesday 26 March 2025**  
**Media Release**

**Federal Budget 2025: positive steps for Tourism, but more investment  
needed for International Recovery**

The Federal Budget 2025 has landed with several positive initiatives aimed at supporting small businesses, regional communities, and infrastructure. However, a key area still requiring attention is increased investment in international marketing to aid recovery in the tourism sector.

The Treasurer highlighted that Australia's economy is projected to grow by 1.5% this financial year and 2.25% in 2025/26, despite forecasts of a slowdown in the world's three largest economies. Inflation is decreasing faster than expected and is likely to stay within the Reserve Bank's target range of 2% - 3%, setting the stage for potential interest rate cuts this year.

While continued funding of \$153 million for Tourism Australia is a steady commitment, international visitor numbers remain 13% below pre-COVID levels. To accelerate recovery and help maintain Australia's competitive edge as a destination, additional investment in global tourism promotion is essential. We also welcome the freeze on the Passenger Movement Charge and visa fees, which will provide some stability and ensure international travellers don't face any new cost burdens.

Of note, the budget includes several measures that will benefit the tourism industry, particularly in New South Wales:

- **Indigenous Tourism Growth:** An increase to \$11.2 million for Indigenous tourism initiatives (up from \$5.8m in current financial year) will help develop new First Nations tourism experiences and create supply chain opportunities for First Nations businesses.
- **Improved Accessibility:** \$17.1 million over four years will enhance infrastructure in national parks, beaches, and public spaces, supporting more accessible tourism experiences.
- **Regional Infrastructure Investment:** New South Wales will benefit from funding commitments to critical infrastructure projects that improve accessibility for visitors, including road upgrades and investments in transport connectivity to better link regional tourism destinations.



- **Regional Aviation Connectivity Fund:** While no new investment has been made in regional aviation, the government has reaffirmed its continued commitment to provide up to \$80 million in secured loans. These funds will support regional airline services, helping maintain operations and ensure air routes and connectivity to regional areas. This ongoing investment is vital for sustaining tourism and supporting local economies in regional and remote communities across New South Wales.
- **Small Business Support:** One million small businesses, including those in tourism and hospitality, will benefit from energy bill rebates, totalling \$300 over two quarters to December 2025.
- **Income Tax Cuts:** Most workers will benefit from income tax cuts of \$268 in 2026-27 and \$536 in 2027-28, in addition to the existing tax cut schedule. The budget also forecasts real wage growth of 0.5%, which could positively influence discretionary spending in the tourism and hospitality sectors.
- **Reduction in Net Overseas Migration:** as a target for both parties, this will have a serious impact on the number of international students coming to Australia, which in turn will have big implications on the workforce this cohort provides for our industry.
- **Alcohol Excise Freeze:** A \$165 million support package has been allocated to the hospitality and alcohol industries. Bringing a much-needed relief for hospitality venues across New South Wales, the support includes freezing the excise tax on alcohol from August 2025 until August 2027. In addition, small winemakers and craft spirit producers will benefit from a \$50,000 increase in rebate schemes, bolstering local employment and regional tourism and helping pubs, restaurants, and bars remain competitive while keeping costs down for visitors.
- **Tourism Workforce and Training Initiatives:** An investment of \$48 million to attract and upskill workers in the tourism and hospitality sectors will benefit the tourism industry across the state, with funding for training programs and support for tourism businesses to drive international travel to and from Australia. In addition, around 3 million students and graduates will have 20% of their student debt wiped along with plans to make student loans easier to pay off.
- **Disaster Recovery Assistance:** \$1.2 billion provision for disaster response will ensure affected tourism regions, like the many affected communities across regional NSW, can rebuild and recover quickly following natural disasters.



**Quote from Natalie Godward, CEO of the NSW Tourism Association.**

*“These initiatives provide a strong foundation for growth, particularly in regional and Indigenous tourism. However, to fully capitalise on these investments, it is crucial that Australia prioritises international visitor recovery by enhancing global marketing efforts. Without a robust global marketing strategy, Australia risks falling behind as other destinations ramp up their efforts to attract international visitors. It’s vital that we build on the momentum created by these initiatives and invest more in showcasing Australia’s unique experiences to the world, ensuring we draw the international visitors needed to drive the next phase of recovery and growth in the tourism sector.”*

With the right focus on attracting visitors and supporting tourism businesses, Australia’s visitor economy is well-positioned for a strong future. NSW Tourism Association will continue to advocate for strategic investments that ensure sustainable industry growth.

**ENDS**

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