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Media Release

NSW Budget delivers targeted tourism But falls short on meeting growing regional and industry needs

The NSW Government's 2025–26 Budget delivers a modest and targeted investment in tourism, with new announcements primarily focused on infrastructure and public space activation in Sydney, as well as limited support for regional events. While the NSW Tourism Association welcomes these initiatives, it has cautioned that more strategic and substantial investment is urgently needed to drive visitation, support struggling tourism operators, and ensure the state keeps pace with national and global competitors.

Key Tourism Budget Highlights:

- *\$324.5 million allocated to Destination NSW* to support tourism marketing, events, and visitor economy development programs. While this matches last year's allocation, it does not account for inflation or the need for expanded support to help the sector recover and grow—particularly in regions still facing widespread challenges.
- *\$1.66 billion investment* in the state's broader creative economy, including arts, festivals, museums and night-time activation.
- *\$30 million committed* to a new ferry wharf at the \$836 million Sydney Fish Market, improving access and attracting visitation.
- *\$50 million allocated* to convert part of Moore Park Golf Course into public parkland, enhancing green space and liveability in Sydney.
- *\$1.5 million boost* to the Regional Event Fund to support destination events and overnight visitation across regional areas.

"We welcome new infrastructure and public space investments, particularly those that improve access to key visitor precincts like the Sydney Fish Market," said Natalie Godward, CEO of the NSW Tourism Association.

"However, with tourism businesses in regional NSW still grappling with workforce shortages, cost pressures, regulatory increases and declining visitation, the budget needed to go further in providing targeted relief and marketing support."

"This is barely a status quo budget for tourism," Ms Godward added. "As costs and competition increase, it will mean Destination NSW will have to do more with less."



Calls for Enhanced Aviation Connectivity

Aviation connectivity remains critical to driving visitor numbers, yet the 2025–26 Budget includes no new funding for the Aviation Attraction Fund. Previously managed by Destination NSW, the fund has been instrumental in securing international routes—such as Turkish Airlines’ direct service from Istanbul to Sydney, which added 68,620 inbound seats in its first year.

Newcastle Airport—the second busiest in NSW and the 14th busiest in Australia—welcomed over 1.2 million passengers in 2024. Its \$250 million terminal upgrade, supported in part by Destination NSW, aims to expand international access and drive regional economic development.

With Sydney serving as Australia’s primary international gateway and Western Sydney International Airport set to open in 2026, sustained aviation investment is vital to ensure tourism benefits are spread across the state.

“As other states across Australia use tourism to grow their economies, it’s critical that NSW can keep pace,” said Ms Godward. “We need to be at the forefront of route development and visitor attraction, not playing catch-up.”

Need for More Targeted Regional Support

Despite the additional funding for regional events, operators in regional and rural areas have received minimal direct assistance. According to the latest data:

- Regional NSW welcomed *64.8 million domestic visitors* in the year ending December 2024, generating *\$25.3 billion* in spending.
- International visitors to the regions totalled *710,000*, staying *17.2 million nights* and spending *\$1.1 billion*.

Yet many communities continue to deal with the lingering impacts of natural disasters and shifting visitor patterns post-COVID. More targeted and sustained support is needed to ensure regional destinations remain competitive and viable.

“There is a significant opportunity to drive economic uplift by better supporting regional operators with infrastructure investment, marketing, and business development,” said Ms Godward.

“This is more than just recovery—it’s about ensuring NSW remains attractive and competitive in a dynamic global tourism market.”



The Gaps

NSW Tourism Association has identified four key areas where the budget falls short:

- No new destination marketing campaigns to directly stimulate visitation to regional NSW.
- No targeted support package for tourism businesses grappling with rising operational costs.
- Limited investment in visitor infrastructure, experience development, or digital capability across the regions.
- No renewed funding for the Aviation Attraction Fund to support route development and visitor growth.

The Association is calling for a more comprehensive and future-focused approach to destination development, regional investment, and aviation access to unlock the full potential of the state's visitor economy.

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