



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

**Inquiry into Financial
support for state and
territory infrastructure
projects**

**ART Submission
30 January 2026**

Submission to the Finance and Public Administration References Committee Inquiry into Financial support for state and territory infrastructure projects

Introduction

Australian Regional Tourism (ART) is the peak body representing regional tourism operators, local governments and industry stakeholders. ART leads national work to promote sustainable regional development through regionally focused research, destination management planning, innovation and policy advocacy that strengthens Australia's visitor economy.

Australia's regional tourism sector faces ongoing infrastructure challenges driven by inadequate investment, including gaps in transport networks, visitor amenities, and digital connectivity across many regional communities. Federal financial support is critical for infrastructure development, but there continue to be various factors constraining effective infrastructure delivery in regional Australia.

This submission responds to the Committee's inquiry into federal infrastructure funding, focusing on assessment and allocation processes, oversight mechanisms, transparency and accountability, project viability, impact considerations, and improvements to governance and reporting.

Key Recommendations

Review and broaden the criteria of the Regional Precincts and Partnerships Program (rPPP) and consider making ongoing maintenance costs eligible for support for smaller regional and rural councils.

Require federally funded projects to demonstrate clear alignment with local, regional and state strategies, ensuring investment is targeted, strategic and reflective of regional priorities.

Strengthen assessment frameworks so business cases explicitly incorporate social impact, regional liveability and rural and regional distribution impacts, ensuring evaluations capture the full value of infrastructure for regional communities.

Adopt a clearer and more consistent method for assessing and weighting economic, social, cultural and community impacts, ensuring these outcomes meaningfully influence decisions on federally supported regional visitor infrastructure.

Establish clear and transparent oversight mechanisms for public reporting that enable scrutiny of funding decisions, project performance and outcomes, and support accountability for the use of public funds.

Continued funding for infrastructure development through open and transparent grant programs, including the ongoing delivery of the Regional Precincts and Partnerships Program beyond 2026-27.

The role and importance of regional visitor infrastructure

High-quality visitor infrastructure is essential to the growth, resilience and liveability of regional Australia. It supports tourism operators, strengthens local economies, and enables regions to attract and accommodate visitors in a way that aligns with national priorities such as THRIVE 2030. For many communities, visitor infrastructure is also shared community infrastructure, improving amenity, public spaces, accessibility and local pride.

However, while federal funding programs often support the construction of new infrastructure, the ongoing maintenance and lifecycle costs sit almost entirely with local councils. In regional areas, particularly those with small ratepayer bases and limited revenue, the financial capacity to maintain visitor infrastructure is often insufficient. This creates long-term sustainability risks, with assets deteriorating faster, reducing visitor readiness, and limiting the broader economic potential that federal investment aims to unlock.

Current programs such as the Regional Precincts and Partnerships Program (rPPP) play an important role, but the criteria remain too narrow for many regional circumstances. Greater flexibility is needed to ensure the program can respond to genuine visitor economy needs, accommodate varying local capacities, and support both delivery and ongoing viability of regional visitor assets. Without this, regions struggle to fully leverage federal investment or maintain the infrastructure needed to meet visitor expectations over time.

Recommendation:

Review and broaden the criteria of the Regional Precincts and Partnerships Program (rPPP) and consider making ongoing maintenance costs eligible for support for smaller regional and rural councils.

Transparency, consistency and accountability in federal funding decisions

Improved transparency, consistency and accountability in federal infrastructure funding decisions are critical to strengthen industry confidence and ensure public investment delivers long-term value for regional Australia. Clear decision-making frameworks help to reduce uncertainty for applicants and support more equitable outcomes across regions.

Greater transparency can be achieved through the publication of clearer assessment criteria, evaluation factors, and rationale for federal funding decisions. This would enable regional stakeholders, to better understand how projects are assessed, and would strengthen funding processes.

Furthermore, consistent reporting would help regional stakeholders understand how projects are prioritised and ensure there is transparency and clear alignment with local, regional and state strategies.

Recommendation:

Require federally funded projects to demonstrate clear alignment with local, regional and state strategies, ensuring investment is targeted, strategic and reflective of regional priorities.

Assessment of viability and appropriateness of funded projects

Insufficient and poor-quality community and visitor infrastructure in regional areas adversely affects liveability for residents and weakens the attractiveness of destinations for visitors. Inadequate

infrastructure constrains accessibility, detracts from the visitor experience, and suppresses the broader economic benefits of regional tourism.

Independent assessment is important, but current frameworks often overlook how critical infrastructure is to regional liveability. In regional communities, infrastructure frequently delivers shared economic, social and community benefits beyond tourism outcomes alone.

Assessment criteria should therefore recognise rural and regional distribution impacts, including connectivity, access, tourism readiness and the broader value delivered when infrastructure underpins regional liveability. Business cases must be able to demonstrate these benefits clearly to ensure regional projects are assessed on their true contribution, not just metropolitan-style return metrics.

Recommendation:

Strengthen assessment frameworks so business cases explicitly incorporate social impact, regional liveability and rural and regional distribution impacts, ensuring evaluations capture the full value of infrastructure for regional communities.

Considering economic, social, cultural and community impacts

Infrastructure in regional Australia delivers a wide set of benefits that extend beyond the immediate project footprint. Visitor infrastructure supports local businesses, activates town centres, strengthens cultural identity, and creates shared spaces that improve day-to-day life for residents.

However, federal assessment processes do not consistently or transparently show how these wider economic, social, cultural and community impacts are weighted in decision-making. In many regional areas, these impacts define the long-term value of a project, particularly where infrastructure enhances liveability, cultural connection or community resilience. A clearer and more consistent method for weighting these outcomes would ensure regional proposals are assessed fairly and on their full merit, rather than through narrow economic indicators that favour metropolitan contexts.

Recommendation:

Adopt a clearer and more consistent method for assessing and weighting economic, social, cultural and community impacts, ensuring these outcomes meaningfully influence decisions on federally supported regional visitor infrastructure.

Improve governance, oversight and public reporting

Governance, oversight and public reporting can be strengthened through improved transparency of performance metrics and clearer public disclosure of project assessments and decision rationales.

Recommendation:

Establish clear and transparent oversight mechanisms for public reporting that enable scrutiny of funding decisions, project performance and outcomes, and support accountability for the use of public funds.

Continue funding for infrastructure through the rPPP

Increased grant funding for regional tourism infrastructure is essential to address ongoing challenges in regional Australia. Grant funding should continue to align with National, State and Regional priorities, to ensure viability and community liveability remains a priority.

The proposed funding aligns with the National Tourism Strategy *THRIVE 2030*, Priority 5: *Enhance visitor infrastructure*, by supporting the delivery of visitor economy assets and infrastructure. Key outcomes include improved accessibility, environmental sustainability, connectivity and visitor experience quality.

The regional Precincts and Partnerships Program (rPPP) supported both precinct development proposals and the delivery of construction-ready precinct projects. The program was successfully run from 2023-24 to 2026-27. Two streams were available; Stream One, which provided project funding of between \$500,000 to \$5 million for precinct development and planning: to activate partnerships and to deliver an investment-ready precinct plan, and Stream Two, which offers \$5 million to \$50 million to deliver a specified project or projects as part of a precinct.

By reinstating funding for the rPPP, precinct development in regional areas, projects in regional, rural or remote locations are prioritised. The program has already supported many essential projects, and continued funding will ensure it remains a significant driver of growth and development in regional areas.

ART recommends investment of \$198 million to continue the program in 2027-28, and further funding increasing to \$254 million in 2028-29, and \$329 million in 2029-30. This will enable regional precincts, councils and operators to co-invest in projects that improve accessibility, sustainability and visitor experience quality.

Recommendation:

Continued and increased funding for infrastructure development through open and transparent grant programs, including the ongoing delivery of the Regional Precincts and Partnerships Program beyond 2026–27.

Conclusion

The submission recommends broadening the Regional Precincts and Partnerships Program criteria, alongside continued investment in regional infrastructure through open and transparent grant programs, including the ongoing delivery of the rPPP beyond 2026–27. Clearer, consistent methods for evaluating these outcomes of grant programs should be adopted, and improved public reporting on funding.

ART stands ready to support the Committee with further evidence or to appear as a witness.

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