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**THE HON MARTIN FERGUSON AM MP**  
**MINISTER FOR RESOURCES AND ENERGY**  
**MINISTER FOR TOURISM**



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CANBERRA ACT 2600

24 MAY 2010

C10/1417

Mr Evan Moorhead MP  
Chair  
Economic Development Committee  
Parliament House  
George Street  
BRISBANE QLD 4000

Dear Mr Moorhead

Thank you for your letter of 15 April 2010 inviting me to make a submission to an inquiry into developing Queensland's rural and regional communities through grey nomad tourism.

Tourism is a major contributor to the Australian economy. According to the Australian Bureau of Statistics' Tourism Satellite Account tourism directly employed 497,800 persons in 2007-08 and contributed \$40,639 million to Gross Domestic Product. The tourism share of total exports for the same period was 10.1 per cent. A significant component of Australia's tourism industry resides in rural and regional Australia, making invaluable contributions to the regional economies and communities within which they operate. In 2009, 46 cents of every tourism dollar spent in Australia was spent in regional areas. As at June 2007, there were 193,290 tourism related businesses located in regional Australia.

In December 2009 I launched the National Long-Term Tourism Strategy (the Strategy). In so doing I noted that the success of Australia's tourism industry depends on both the supply and demand sides of the equation. It is pointless to create new demand if Australia's tourism industry does not have the productive capacity to meet it. Supply-side issues must be given a heightened importance in shaping the future of tourism to ensure Australia's competitiveness.

The Strategy, which was endorsed by all state and territory government tourism ministers, will increase the industry's productive capacity and long-term resilience by addressing the structural supply-side issues that affect industry growth. The Strategy is being implemented in collaboration with industry and state and territory governments and is being overseen by the Tourism Ministers' Council (TMC) to address cross-jurisdictional barriers to industry growth.

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The Strategy is designed to:

- improve labour and skills outcomes and remove impediments to labour mobility;
- reform regulation that impedes tourism investment and facilitate tourism investment;
- better integrate tourism into transport access and infrastructure planning;
- improve industry's access to market information needed by operators;
- accelerate the uptake of on-line opportunities and smarter use of digital distribution;
- implement a national accreditation framework to drive product innovation and quality;
- improve access to Australia's natural and cultural attractions while at the same time; improving environmental outcomes; and
- improve Indigenous tourism development.

The TMC met on 30 April 2010 and agreed to provide \$2.2 million to progress the Strategy. The TMC also agreed to establish the Tourism Quality Council of Australia which will oversee the operation of the National Tourism Accreditation Framework (NTAF) and determine the granting of licenses to eligible accreditation and ratings programs. The NTAF will play a critical role in increasing the quality of Australian tourism products and experiences.

I congratulate you on your initiative to stimulate debate on the benefits of engaging rural and regional communities in grey nomad tourism. Given our ageing population I recognise that there is an opportunity for growth in grey nomad tourism in Australia.

Thank you for taking the time to write to the Australian Government. I trust this information will be of assistance to your Inquiry.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Martin Ferguson', with a stylized flourish at the end.

Martin Ferguson