



28th October 2013

Mr Ian Rickuss MP
Chairman
Agriculture, Resources and Environment Committee
Queensland Parliament
Cnr George and Alice Streets
BRISBANE QLD 4001

By email to arec@parliament.qld.gov.au

Dear Mr Chairman,

Re: North Stradbroke Island Protection and Sustainability and Another Act Amendment Bill 2013

Transit Systems is the owner and operator of the vehicle Ferry service to North Stradbroke Island and also the owner operator of a high speed water taxi service to the island. Our involvement comes from our 2005 acquisition of the Sea Stradbroke business and the purchase, in 2011 of Stradbroke Ferries Ltd. You may be aware that Stradbroke Ferries has been servicing the Island with vehicle ferry transport since 1964 and that the service has operated 365 days a year for much of that period.

Our customers include the many Island based businesses and residents plus the greater than 300,000 visitors to the Island each year. Within our customer base is sand miner, Sibelco and the many businesses that supply goods and services to the sand mining industry, either directly or indirectly. It is difficult to quantify the exact relevant customer mix, but at the macro level we estimate that up to 40% of the volume carried on our vehicle ferries is commercial traffic, as distinct from drive on tourist vehicles. This commercial traffic is involved in the supply chain replenishment for the mine and the numerous businesses that serve the mine and the associated resident community.

This traffic includes rubbish removal off the Island, petrol and diesel for the mine and community, food and dry goods plus the general cargo for a community of permanent residents and visitors.

One of the features of our ability to provide regular and frequent timetabled services to the Island is the commercial base to our business and those businesses are able to enjoy hourly departures both to and from the Island, seven (7) days per week, with the ability to layer in additional capacity to cater for seasonal demand. Our fleet necessarily includes large capital intensive vessels, manned by professional marine staff and as with any business, asset utilization is an important ratio in our business. That utilization has a direct correlation to traffic volumes. At up to 40% of the volume the frequency and capacity of our service has as its cornerstone the commercial traffic and without mining and the ancillary industries we would be unable to operate either the timetable or the fare structure currently in place.



As comparison along the Queensland coast we can see neighbour Moreton Island serviced by only one vessel and one return journey daily and a retail price structure in excess of our fare to Stradbroke. The low demand does not justify either the lift in service or economies of scale for price and as a result the level of service is capped. It is unclear whether the returns on capital will allow further investments or even maintenance of the current levels.

Visitors to our Island are able to enjoy the benefits of infrastructure that comes with volume and critical mass. Bitumen roads, grid power and water, strong telephone and data coverage, accommodation across the range from 5 star to 1 star, 24 hour Medical service, 24 hour police coverage and a complete range of food, dry goods and other services. Again, with around 40% of the traffic to the Island coming from the commercial segment and that segment being dominated by Sibelco the impact on infrastructure provision cannot be overstated.

We have made significant capital investments and employment decisions in our business and are committed to a strong on-going role however we can advise the Committee that those employment and capital decisions need time to bear fruit and we therefore fully support the reversion back to original lease conditions for the sand mine rather than the current truncated timeline.

We ask that the Committee recommends that the Bill be passed into Law.

Yours sincerely

A handwritten signature in black ink that reads "Steve Eiszele".

Steve Eiszele
Operations Manager, North Stradbroke Island

Cc Transit Systems Board and senior management team