



# CHAMBER OF COMMERCE AND INDUSTRY QUEENSLAND SUBMISSION

- ▼ *Draft North Stradbroke Island Economic Transition Strategy*  
Queensland Government

February 2016

## CCIQ Position

1. As Queensland's peak business body, the Chamber of Commerce and Industry Queensland (CCIQ) welcomes the opportunity to provide a submission to the Queensland Government on the Draft North Stradbroke Island Economic Transition Strategy.
2. CCIQ commends the State Government on taking steps to ensure the long-term economic success of current and future businesses as well as the social prosperity of residents based on North Stradbroke Island.
3. The strategy represents a significant opportunity for the continued strong economic performance of North Stradbroke Island through its transition from the sand mining industry to sustainable tourism. This is underpinned by a \$28.9 million commitment made by the Queensland Government to create more long-term employment opportunities that promote sustainable economic growth.
4. Leveraging the strength of North Stradbroke Island's existing tourism industry is a logical approach acknowledged by established businesses currently operating on the island. As mentioned in the Strategy, tourism is the largest employer with 70 per cent of small businesses on the island in the industry. The tourism economy in the Cleveland-Stradbroke region supports approximately 800,000 visitors with an average total expenditure of \$111 million each year.
5. The anticipated increase in the volume of visitors, tourism dollars, investment and range of experiences and offerings is likely to have a positive ripple effect on local businesses and the community.
6. While CCIQ supports the fundamentals of the proposal, the proposed cessation of sand mining in 2019 will detrimentally rush the transition and will result in unemployment, a stall in the local economy, flow-on effects that will impact the entire community whether or not employed by the mining company and only a limited number of new opportunities to offer.
7. This extremely short deadline is viewed as hasty and a risky decision that does not reflect economic responsibility, future job security and robust consultation with the community. It would be wrong to assume that tourism can automatically be considered a viable alternative to sand mining under these time frames. A thriving and prosperous local tourism industry takes several years to develop and mature.
8. It must be understood that the Island's restaurants, corner stores, bakeries, cafes etc. achieve their critical mass of sales through the local community, with tourism being a vitally needed but just one segment.
9. Should the local community who were employed through the sand mining operation relocate, many of these businesses who add to the Island's tourism industry will be adversely impacted and may be forced to close. This then significantly compromises the 'visitor experience' and the anticipated transition to tourism will face a more difficult uphill battle.

10. Parallels can be drawn from a case study readily available through the experience in Tasmania with shutting down of the State's Forest Industries. The closure of businesses such as cafes and restaurants as a result of decreased demand from locals has meant that there are fewer hospitality establishments for visitors. This had undoubtedly damaged Tasmania's tourism industry, particularly the drive tourism market.
11. Furthermore, the loss of an annual injection of \$130 million into the local economy by the sand mining company cannot be adequately mitigated and restored under such a short period. The trickle effect of this substantial economic contribution will undoubtedly affect the small businesses and residents on North Stradbroke Island and indeed the entire Redlands region.
12. CCIQ would recommend the State Government analyse the patronage derived by both direct and indirect employees of Silbeco and their spend on existing local businesses and ferry operations to the island. This valuable data can assess the economic impacts confronting these businesses and whether they are likely to face serious viability issues, particularly without commitment of new development in the short-term horizon.
13. CCIQ's discussions with the local Straddie Chamber of Commerce confirm that this is the view held by the majority of the businesses who currently operate on the Island. CCIQ commends the local Chamber on their consultative and diligent work to date on this issue. CCIQ provides this submission in conjunction to the position of the Straddie Chamber of Commerce and their anticipated submission to be made to the Parliamentary Inquiry in late February.

## **Extending the cessation date**

14. CCIQ is of the opinion that a more appropriate date to substantially and sustainably end mining activities in the north Stradbroke region is by 2024 (as prescribed for in the Katter Bill before Parliament, tabled by Dalrymple MP Shane Knuth) and for the rehabilitation of the land by 2029. Land remediation is expected to be of world-class standard and provide a desirable outcome for those looking to open new tourism businesses.
15. It is critical to bear in mind the technical skills of those employed in the mining industry means that tourism opportunities may not be suitable or desired by these workers. Workers are likely to leave in search of employment that better utilises their skills, meaning there could be a "mass exit" of employees at specific time points rather than a more gradual departure which will inevitably affect local business trade.
16. A longer transition period allows for new opportunities to progressively establish and sustain economic activity throughout the transition. CCIQ advocates for accelerating new opportunities on the island immediately as part of the recommendation to extend the cessation date to 2025.
17. Tourism developments which employ a large number of workers such as resorts and the Toondah Harbour redevelopment project are likely to take significantly more than four years to complete when including the time to find a proponent and prepare a development application.

The completion date of large developments of significant economic and employment impact is therefore likely to be after 2019.

18. Recognising the construction phase will also bring in a number of workers, this is a temporary workforce only for the short-medium term likely to result in another substantial “mass exit” of workers. New workers employed by the resort during the operational phase, representing a sustainable workforce, would then need to correspond to the number of visitors which in most cases would not reflect high figures in the early stages of the business.
19. There are indeed a number of tourism developments that are quicker and easier to establish particularly nature-based activities such as tours. While every new business will play an important role in the economic rebuilding of North Stradbroke Island, developments with lower capital investment generally do not yield a large number of employees.
20. CCIQ strongly recommends extending the cessation date to 2025. Notwithstanding the final date decided upon, accelerated tourism development and infrastructure projects on the Island is an absolute necessity. As seen with the recent State Government’s Accelerated Works Program unlocking 430 jobs for North Queensland following the Queensland Nickel collapse, the same initiative is required for North Stradbroke and the Redlands region to effectively mitigate the economic impacts.
21. Furthermore CCIQ welcomes the \$28.9 million commitment to assist with the transition; however this figure does not represent the total costs required to undertake education and training, accelerate development and build the necessary infrastructure to advance the tourism industry and boost the local economy.

## Further enquiries

22. We thank the Queensland Government for the opportunity to provide comment and welcome any feedback. Please contact Nick Behrens, Director - Advocacy, at [nbehrens@cciq.com.au](mailto:nbehrens@cciq.com.au) for matters relating to this submission.