

CONNECTING AUSTRALIAN ICONS AND LANDSCAPES TO THE WORLD.

SeaLink Travel Group Limited
South-East Queensland Site Tour

9 November 2016

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Overview: SeaLink Travel Group, SEQ and Gladstone

Summary - STG

- SeaLink Travel Group:
 - Founded in 1989
 - Operating in South Australia, Western Australia, Queensland, New South Wales and Northern Territory under the brands 'SeaLink' and 'Captain Cook Cruises'
 - Listed on the ASX in October 2013



Summary - TSM

- Transit Systems Marine was an Australian-owned transport company:
 - Founded in 1995
 - TSM owners divested the marine component of the business in order to focus on their bus services business
 - Purchased by SeaLink in 2015
- Passenger and barging services in Gladstone
- Both vehicular/passenger and barging services in North Stradbroke Island
- Vehicular and barging services to Southern Moreton Bay Island
- Passenger Bay Island Transit (BITS) in Southern Moreton Bay
- Moggill Ferry on the Brisbane River
- Mineral Sand barging from North Stradbroke Island
- Staff 265 (including 16 admin staff)
- 33 vessels
 - 19 passenger-only ferries
 - 10 vehicular ferries
 - 2 water ambulances
 - 1 utility boat
 - 1 cable ferry on the Brisbane River at Moggill

Overview: SeaLink Travel Group, SEQ and Gladstone

SeaLink Travel Group - 2016

- Diversified geographically with operations 5* states and the Northern Territory, servicing 10 Islands and 12 destinations
- 72 vessels (with a further 2 under construction)
- 32 coach and touring vehicles
- Over 1,100 employees
- Transporting over 8,000,000 passengers

*Includes ferry trial in Melbourne, Victoria



SEALINK
Travel Group


CAPTAIN COOK
CRUISES

Gladstone Ferries



SEALINK
Travel Group


CAPTAIN COOK
CRUISES

Gladstone Ferries

Background

- Three LNG processing plants and shipping terminals are operating in Gladstone
- The plants are on Curtis Island, therefore all personnel and any plant are transported by water, on a daily basis
- The contract for the construction phase of the Shell and Santos plants were completed in 2015-16, with the ConocoPhillips plant contract due for completion in late 2016
- SeaLink operates ferry and barge services under contract to two plants under an initial five year term commencing October 2016
- Following completion of the construction phase for the third plant, SeaLink will move to a five year operational contract to provide ferry services to the plant
- SeaLink employs a total staff of 125 to service the contracts
- The average age of the fleet for the operational contracts is 5.25 years



Gladstone Ferries

Services provided

Plants	# of Vessels	Type
Current Construction in run-off until late 2016	3	1 ambulance and 2 PAX vessels
Operational (Commenced) for 2 plants	6	1 Barge (Bruce), 5 PAX vessels including 1 Capricornian
Operational (to commence shortly)	2	2 PAX vessels



Gladstone Ferries

Capricornian Fleet Update

- Capricornian Spirit remains in Gladstone under a long term contract
- Capricornian Dancer remains under wet lease in Melbourne. Likely to be under dry lease
- Other opportunities include the potential to operate on Sydney Harbour, possibly other Australian locations and overseas



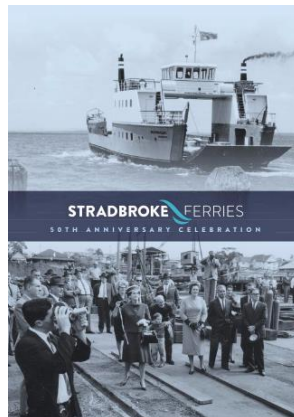
SeaLink South East Queensland North Stradbroke Island



North Stradbroke Island

Background

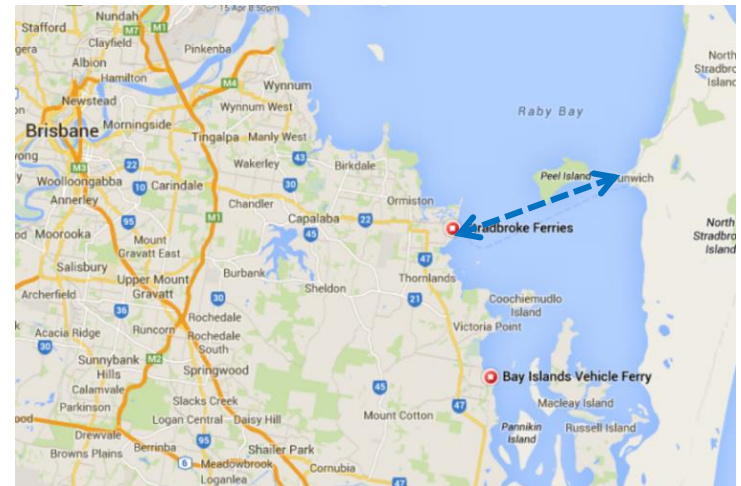
- 3 vehicular vessels (plus additional fleet for peak periods)
- Vehicular vessels take about 45 mins to cross a 13 km trip, usually operating 12 return services a day, for a fare range of between \$55 and \$95 one way for a standard car
- 2 vessels for passenger only service, operating approximately 14 services a day
- We take all fare box risk and have long term wharfage arrangements at both Cleveland and Dunwich
- Solid sales growth driven by variable pricing (introduced April 15) and increase in patronage reflecting stronger domestic demand
- Employs 150 people
- Average vessel age is 12 years
- Service started over 50 years ago



Services provided

- Service from Cleveland on the mainland to Dunwich on North Stradbroke Island
- Both vehicular/passenger and passenger only service
- Vehicular Ferries – Sea Breeze, Minjerribah, Moongalba
- Passenger only ferry – Escape to Stradbroke and Redraw
- Only operator of vehicular barges
- Competition on water taxi service

Geographic region



North Stradbroke Island Growth Opportunities

Facts about North Stradbroke Island

- North Stradbroke Island is the second-largest sand island in the world, with stunning natural features and a rich indigenous culture
- It has an area of 275 square kilometres and a population of over 2,000 (as compared with Kangaroo Island's 4,350 square kilometres and population of 4,600)
- It is located about 45 minutes by vehicular ferry from Cleveland (25 minutes by water taxi) on the mainland, which is located about forty minutes drive from the Brisbane CBD (31 kilometres)
- Sand mining, which has limited the growth of tourism development, is being phased out by 2019 with the Queensland government committing to \$23m as part of the North Stradbroke Island Economic Transition strategy
- Approximately 800,000 people visit the Cleveland-Stradbroke region each year with an average total expenditure of \$111 million. In comparison, approximately 200,000 people visit Kangaroo Island each year and spend \$105m*



North Stradbroke Island Growth Opportunities

Toondah Harbour Redevelopment Project

- Toondah Harbour (the location of the terminal for ferry services to North Stradbroke Island) was declared a Priority Development Area by the Queensland Government at the request of Redland City Council in June 2013 to revitalise the waterfront site through mixed use development
- It will enhance Toondah Harbour as a waterfront community and a regional gateway to North Stradbroke Island
- Following a competitive tender process, Walker Corporation Group was selected as the preferred developer
- This \$1.3b project has a time frame of 15 to 20 years, and approximately 6,300 new residents are expected to live at Toondah Harbour by 2031
- SeaLink is one of six key stake holders in this project and owns land within the development area
- The project is expected to support the economic transition strategy for the island after sand mining is phased out by providing upgraded tourism infrastructure on the mainland and stimulating longer term economic and industry growth



North Stradbroke Island Growth Opportunities

North Stradbroke Island Economic Transition Strategy

- The Queensland government has developed this \$23.9 million strategy with initiatives which aim to diversify and expand the current tourism industry and stimulate local business development and growth
- Initiatives will include:
 - Developing more nature and adventure-based activities through expansion of national parks and improving recreational trails;
 - Improving existing built infrastructure such as camping facilities and attracting investment in boutique accommodation;
 - Creating marketing campaigns to increase awareness of the Island;
 - Creating more cultural tourism opportunities through projects such as the Quandamooka Cultural Centre and the Quandamooka Festival; and
 - Investigating improvements to Island public transport options such as operation of a ferry service between Brisbane and North Stradbroke Island



North Stradbroke Island Growth Opportunities

SeaLink Initiatives

- Future of North Stradbroke Island = Sustainable tourism
- SeaLink a proven performer in destination marketing and connecting travellers with destinations e.g. Magnetic Island, Kangaroo Island, Tiwi Islands
- SeaLink is currently working with government to assist with the 23 points noted in the project report. Within the 23 nominated projects, many will complement our historical strengths, including:
 - City to Bay ferry service
 - Eco tours on the Island
 - Accommodation package offers
 - Target markets include both domestic and inbound international
 - ETS including research projects and destination marketing funding
- SeaLink is also considering day tours from Brisbane to North Stradbroke Island



Bay Island Transit Service (BITS)

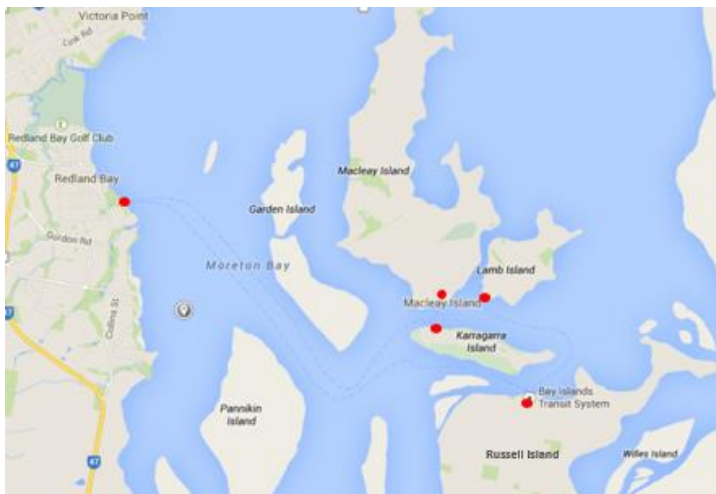
Background

- 5 passenger ferries in service under a contract with the Queensland Government expiring 31 December 2018
- Cost plus contract plus incentives for passenger growth
- Queensland Government retains the fare box
- Average fleet age is 6 years

Services provided

- Services 4 islands (Karragarra, Macleay, Lamb, Russell), with a population of 9,000
- Contracted service for Queensland Government's 'Translink'
- Operates within the South East Queensland integrated public transport network
- Operates from Redland Bay and connects with public transport - rail and bus
- Maintains and operates an ambulance boat under a cost plus contract with the Queensland Ambulance Service
- Market consists of predominantly local residents

Geographic region



Picture of vessels on the service

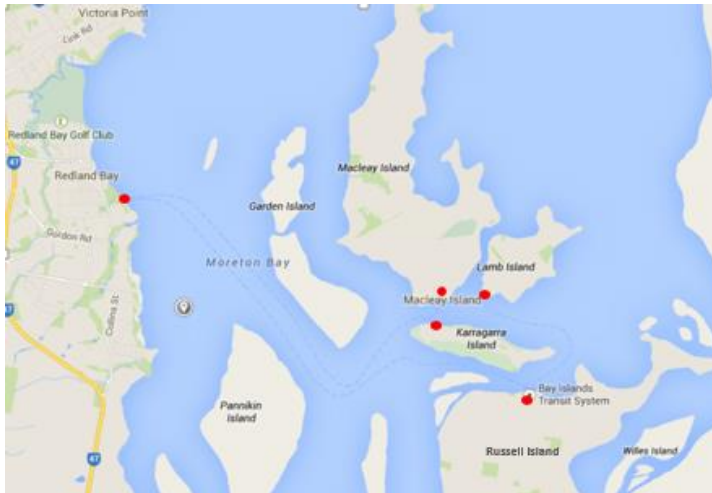


Bay Island Barging Service

Background

- Each vessel carries between 16 and 36 cars
- Vital supplies such as fuel, food and public works services
- Sole permit held to access the barge ramp at Redland Bay
- Long term lease for marine facilities due for renewal 2019
- Similar to Kangaroo Island, servicing residents and freight transport
- Operates up to 16 services a day, with fares ranging between \$49.50 and \$59.00 one way for a standard car
- Average vessel age on this service of 34 years
- Sales revenue growth is primarily attributable to capital works by Redland City Council and increased residential construction on the islands

Geographic region



Services provided

- Vehicular barge service that operates 4 vessels to the same group of islands as the Bay Island Transit service (Karragarra, Macleay, Lamb, Russell) from Redland Bay (different terminal to that used for BITS passenger service)
- Service provides the only link for the movement of vehicles, goods and services to the Southern Moreton Bay Islands
- Majority of the customers are local residents

Picture of a vessel on the service



Moggill Ferry

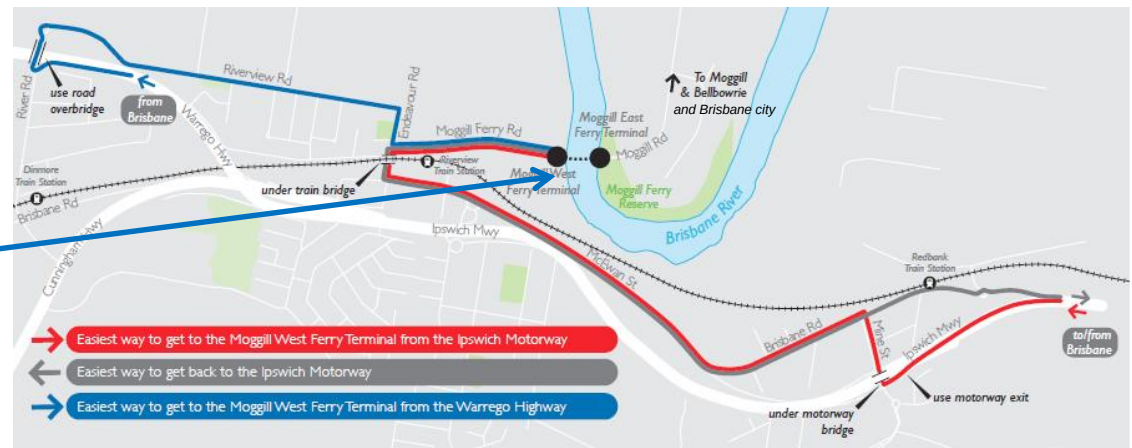
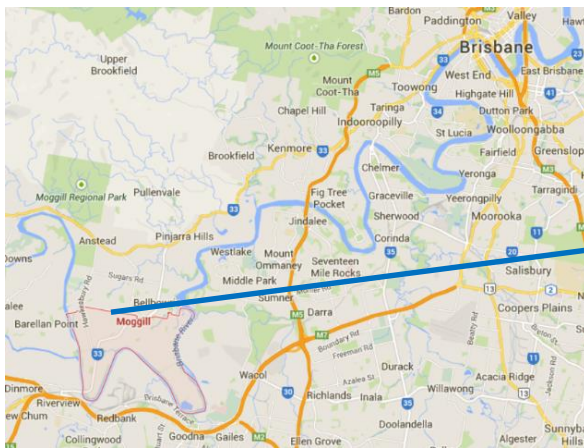
Background

- New ferry (March 2015)
- 22 cars and 65 passengers
- Cost plus contract with Queensland Government

Services provided

- 1 cable ferry, crossing the Brisbane River in the western suburbs of the greater Brisbane metropolitan area
- Connects South/West Brisbane and Ipswich with North/West Brisbane
- Closest alternative bridges are the Centenary Highway to the East and the Mt. Crosby Road to the west
- Saves time and distance for a key demographic and is an alternative route in peak hour traffic
- Contract expires December 2020 (with a 5 year option)

Geographic region



Mineral Sands barging



Background

- Sand mining operations have existed on the island for over sixty years
- SeaLink earns revenue from both a contracted barge service plus transportation of workers and freight.

Services provided

- Contract in place for a tug and barge service until 2020
- Current State Government has legislated an early end to sand mining at the end of 2019
- Approximately 150 barge trips per year

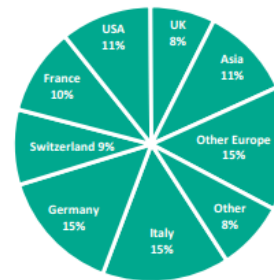
Case Study – Growth in Tourism ~ Kangaroo Island

Background

- SeaLink started operating to Kangaroo Island from mainland South Australia in 1989 with the economic impact of SeaLink on Kangaroo Island estimated at between \$70m and \$80m p.a. by the South Australian Tourism Commission
- SeaLink's strength is in its sales, marketing, holiday packaging and sales distribution systems. It is the largest marketer of Kangaroo Island, spending \$3m dollars per annum (outspending the SATC) providing professional expertise advice on the whole Kangaroo Island experience

SeaLink Kangaroo Island	1996	2016
Fleet (vessels and touring vehicles)	2 + 3	2 + 31
Staff	70	350 (137 living on KI)
Turnover	\$20m	\$65m
International tourists	35,000 (2011)	112,000

Origin of International Visitors to Kangaroo Island



SeaLink Initiatives - Services provided

- Two 50 metre purpose built passenger, vehicle and freight ferries provide a forty-five minute service to the island. The MV SeaLion 2000 and MV Spirit of Kangaroo Island are modern twin hull vessels with licensed cafes and multiple decks, capable of carrying up to 378 passengers per trip and operating up to 12 return ferry departures per day during peak times. Kangaroo Island SeaLink is the major freight service provider between Kangaroo Island and the mainland carrying freight ranging from livestock and grain to dangerous goods including fuel and gas
- Kangaroo Island SeaLink utilises a fleet of modern, air-conditioned vehicles to offer point to point transfers to & from the Cape Jervis and Penneshaw ferry terminals, as well as various tour programs and adventure experiences visiting many of the highlights of Kangaroo Island such as Seal Bay, Remarkable Rocks and Admiral's Arch. The Company also offers packaged tours and holidays to Adelaide and its surrounds including the Barossa Valley, McLaren Vale, Murray River, Fleurieu Peninsula, and Adelaide Hills

Case Study – Tourism Growth Opportunities ~Tiwi Islands

Background

- SeaLink started operating to Tiwi Islands in 2014, it was identified when starting up the operations in the Northern Territory that there was a potential to grow tourism giving clients an authentic cultural experience, with a focus on the art centre incorporating workshops with Indigenous artists
- The Tiwi Islands have few tourist facilities, with no car hire and very few places to stay with the exception of a couple of remote fishing lodges



SeaLink Northern Territory	2014	2016
Fleet (vessels and touring vehicles)	0	2
Staff	0	25
Total passengers (including domestic and international tourists)	0	182,400



SeaLink Initiatives - Services provided

- MV Tiwi Mantawi travels 2.5 hours from Darwin to Tiwi 3 times per week, carry capacity 200 in air-conditioned comfort
- 'Tiwi By Design' is a full day tour
- SeaLink Northern Territory also operates 'Ultimate Tiwi Islands' which is a 3 day 2 night package staying at the remote Melville Island Lodge, which includes all meals, Goose Creek Wilderness Fishing expedition, cultural walking tours and art workshop (seasonal operation, June to September)
- Half day tours have also started in Northern Territory which cover wetlands, WWII sites on and around Mandorah and the Cox Peninsula

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