



# ***TRANSPORT AND RESOURCES COMMITTEE***

**Members present:**

Mr SR King MP—Chair  
Mr LL Millar MP  
Mr BW Head MP  
Mr JR Martin MP  
Mr LA Walker MP  
Mr TJ Watts MP

**Staff present:**

Mr Z Dadic—Assistant Committee Secretary

## **PUBLIC BRIEFING—INQUIRY INTO THE ECONOMIC AND REGULATORY FRAMEWORKS FOR QUEENSLAND ISLAND RESORTS**

### **TRANSCRIPT OF PROCEEDINGS**

**MONDAY, 20 FEBRUARY 2023**

**Brisbane**

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**The committee met at 9.14 am.**

**CHAIR:** Good morning. I declare open this public hearing for the committee's inquiry into economic and regulatory frameworks for Queensland island resorts. My name is Shane King, member for Kurwongbah and chair of the committee. I would like to start by respectfully acknowledging the traditional custodians of the land on which we meet today and pay our respects to elders past and present. We are very fortunate to live in a country with two of the oldest continuing cultures in Aboriginal and Torres Strait Islander people, whose lands, winds and waters we all share. With me here today are Lachlan Millar MP, member for Gregory and deputy chair; Bryson Head MP, member for Callide; James Martin MP, member for Stretton; Les Walker MP, member for Mundingburra; and Trevor Watts MP, member for Toowoomba North.

On 21 February 2022 the Transport and Resources Committee resolved to conduct an inquiry into the economic and regulatory frameworks for Queensland island resorts. The committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament. As parliamentary proceedings, under the standing orders any person may be excluded from the hearing at the discretion of the chair or by order of the committee. Only the committee and invited witnesses may participate in the proceedings. Witnesses are not required to give evidence under oath or affirmation, but I remind witnesses that intentionally misleading the committee is a serious offence. You have previously been provided with a copy of instructions to witnesses, so we will take those as read. I also remind members of the public that they may be excluded from the briefing at the discretion of the committee.

These proceedings are being recorded and broadcast live on the parliament's website. Media may be present and are subject to the committee's media rules and the chair's direction at all times. You may be filmed or photographed during the proceedings and images may also appear on the parliament's website or social media pages. I also ask that for any questions taken on notice today the answers be provided to the committee by 4 pm on Friday, 24 February 2023. That would be really appreciated.

**BARTLETT, Ms Tanya, Executive Director, Land and Surveying Services, Department of Resources**

**CAMBOURN, Mr Neil, Executive Director, Queensland Parks and Wildlife Service, Department of Environment and Science**

**HINRICHSEN, Mr Lyall, Executive Director, Lands Policy and Support, Department of Resources**

**MEDDICK, Mr Robbie, Director, Tourism Policy, Department of Tourism, Innovation and Sport**

**CHAIR:** This morning from 9.15 to 10.15 am we are hearing from witnesses from the following: Department of Resources, Department of Environment and Science, and Department of Tourism, Innovation and Sport, and I welcome the representatives from these bodies. Thank you all for your attendance today. I invite you to make short opening statements before we go to questions.

**Mr Hinrichsen:** Thank you, Mr Chair. We do not intend to make any opening statement.

**CHAIR:** Thank you. We will go straight to questions.

**Mr MILLAR:** Thank you for coming along. My first question relates to Keswick Island. As you would be aware, the committee went over to Keswick Island, and getting over there on a cat in 20-knot winds and then having to get a tender to get on the island did prove difficult. When is the long promised and legally binding public jetty being built? The Department of Resources has a deed of agreement with the head lessee to have it built and a public ramp by, I think it was, 2014, but please correct me on that. What is your response? This has not been enforced on the head lessee.

**Mr Hinrichsen:** I might pass to my colleague Tanya Bartlett.

**Ms Bartlett:** The department is working with Keswick and Oasis Forest. They have recently changed the design of that jetty. That has actually had approval of GBRMPA just recently and the department provided ministerial consent for that work to go ahead. That ministerial consent has a six-month time frame on it. That has now lapsed, but they can come back and ask again. We understand that they will be commencing work on that very shortly.

**Mr MILLAR:** Is it concerning that it has taken so long and that the head lessee has not provided what is basic infrastructure not only for the island's residents but also for safety. I guess I am coming from a situation where we had to jump onto a tender to get to the island. Surely this would be urgent, wouldn't it?

**Ms Bartlett:** Yes, it is, and we are working with them within the legislative framework that we have in place currently.

**Mr MILLAR:** Do you have any ways of getting this done, as in: are there any legal requirements? You might have an option of saying, 'If it's not going to be done, we'll have to change.'

**Ms Bartlett:** We do have a regulatory statutory framework to follow in terms of our regulatory and enforcement options and we are working through those as a department. I am not at liberty to talk in terms of detail of what compliance action we may or may not be taking against any lessees at this point.

**Mr MILLAR:** Is the head lessee up to date with time lines regarding the development of the marina?

**Ms Bartlett:** I would need to confirm that. Just in terms of the interest over that marina, that would be one that I would have to get back to you on.

**Mr MILLAR:** Yes, you can take it on notice.

**Ms Bartlett:** Yes.

**CHAIR:** Thank you.

**Mr WATTS:** Is there any regulatory and/or legislative assistance the department might need to be able to in future expedite this kind of noncompliance? Has there been any thought given to that or advice that the committee could receive as to either a regulatory change or a legislative change that would ensure this level of noncompliance over an extended period of time could be dealt with in a more effective and efficient way?

**Mr Hinrichsen:** I guess getting into questions of regulatory change are matters of policy that might be better directed towards our minister, but we do have regulatory powers already under the Land Act, as my colleague mentioned. We are applying those, but there obviously needs to be procedural fairness and there needs to be an understanding of the constraints under which the leaseholders are operating as well as the needs, views and interests of sublessees in the various circumstances.

**Mr HEAD:** So far, how long and by how much can lessees not abide or not follow the conditions of the lease before action will be taken on either resuming that lease or compliance action of some description? Is there a line in the sand with this?

**Mr Hinrichsen:** I guess compliance is compliance, so no line in the sand per se that goes beyond their obligation, but obviously lessees do have opportunity to seek amendments to the time lines in their lease and they are considered in accordance with the statute as well. Otherwise, we expect lessees to comply. If they have a good reason to not comply, then obviously they can talk to our department about the reasons for their noncompliance and what remedial actions might be appropriate.

**CHAIR:** I understood there was a ministerial direction about Double Island resort and there was a date in March, I think, by which they had to comply, and it goes to this line of questioning. I know we have not reached that date yet, but I am just wondering if it is looking like there will be action taken, because I think that will illustrate what we are going to.

**Ms Bartlett:** Yes. Yes, there will be action taken. The department is considering what that action may look like, but that will be dependent on a report submitted from the lessees of Double Island and the department's assessment of whether they have made substantial inroads on meeting those requirements.

**Mr MILLAR:** I just want to go back to Keswick Island. You mentioned compliance and that they can give reasons they have not complied. What are the reasons they have not built a jetty? What is holding this up? What are they coming back to you with?

**Ms Bartlett:** There have been, as you would imagine with many of the island resorts, anything from the economic downturn to COVID related and financial issues, and in amongst that as well is: while the department requires them to have that infrastructure there, they also need to seek approval from other government agencies. We can only hold them to compliance if they now have those approvals in place and they still have not done anything, so if they require other approvals they need those still first.

**Mr MILLAR:** Are there any outstanding approvals with Keswick? What are the outstanding approvals?

**Ms Bartlett:** As I mentioned earlier, they have recently received those approvals from GBRMPA for the design of the new jetty. Now that they have those, we would be looking for them to actually start taking some action.

**Mr MILLAR:** So nothing is stopping them now from building this jetty?

**Mr Hinrichsen:** Specifically, member for Gregory, they do need to receive a development approval from the Mackay city council. As Tanya mentioned, previously they had a ministerial consent—so, if you like, owner's consent—for that application that was issued in April. There is a six-month sunset on those owner's consents that expired. They had not sought to renew or extend that, but in recent correspondence they have indicated that they intend to this month and that a development application would be lodged within the month.

**Mr WATTS:** The department has provided the committee with information about the process by which a financial management capability assessment is applied prior to the transfer of the lease. With everything that is now known about Keswick, has there been a review of the information that was received from China Bloom as part of its application to acquire the lease in order to reappraise its suitability as a leaseholder and/or is the department confident in the veracity of the information received from China Bloom prior to its purchase?

**Mr Hinrichsen:** Maybe I could start and then hand to my colleague. The provision that the member refers to, section 130 of the Land Act, is currently the subject of a proposed amendment that is in the Land and Other Legislation Amendment Bill that was introduced to the parliament last year. I will not go into the detail of that unless the chair particularly would like to, but that is to provide greater consistency particularly with the process that applies when a lease is granted in the first instance—specifically, instating a provision that means that a lease cannot be transferred unless the minister is satisfied with the entity's financial and managerial capability. That is in relation to the overall framework. I might hand to Tanya to talk specifically around the Keswick Island situation.

**Ms Bartlett:** In terms of the Keswick Island situation, we would not be requiring an additional FMCA at this point; we would only be looking to do that should the lease be looking to transfer to another's hands. So while the current lessee is the lessee, we will not be requiring an additional financial management capability assessment.

**Mr WATTS:** Okay.

**CHAIR:** Still on Keswick Island, the barge has been out of order for some years, and we did see, as my colleagues have mentioned, firsthand how difficult it is not having that barge service. Does the department know anything about when the barge service will be resumed or if there are any plans? From the evidence we received, there seem to be just different excuses as to the reason, but the people there need a barge service. I understand it is probably not the department's responsibility for them to have a barge, but do you have any information?

**Mr Hinrichsen:** I do not have any further information on the barge. I presume Tanya doesn't?

**Ms Bartlett:** No.

**Mr Hinrichsen:** Whether my colleagues do have any insights into that service arrangement—

**Mr Cambourn:** No, I am certainly not aware of that, Chair.

**CHAIR:** We understood the motor on the barge had blown up or something—we heard different stories—but they need a barge, basically.

**Mr MARTIN:** Has the department ever revoked a lease for an island, for one of these offshore island resorts or an offshore island, for noncompliance? Has a lease ever been revoked—or whatever the correct legal terminology is?

**Ms Bartlett:** Certainly not in my recollection of the department. I have been in the role for shortly over 12 months so certainly not in that time and I do not have any information in front of me to indicate that that has occurred.

**Mr MARTIN:** Would you be able to share with the committee: if that was to happen, what would the process be and are there any consequences for the offshore islands in general? Does it affect the price of other islands? Is there a sovereign risk issue?

**Mr Hinrichsen:** I might be able to talk in general terms. Obviously revoking a lease is a pretty big call. It also can have, as you would appreciate, significant implications for any other interests that are held over that tenure, be it mortgages or subleases. More often than not, rather than it ending up in a forfeiture, if you like—which is the legal term used in the Land Act—more often than not we see commercial settlements where those leases are put on the market. You will see there are still quite a number of island leases in Queensland waters that are for sale that are as per normal property market processes. Where there are significant developments, they are subject to that financial and managerial capability assessment, as we discussed earlier. Like my colleague, I am not aware of any circumstances where there has been a forfeiture.

Certainly there is a framework to do that but, as you could appreciate, it is not something that the department would enter into lightly. It is subject to natural justice processes and ultimately to consideration by the Land Court in the event that there were objections to that, as you would expect if somebody had paid what could be tens of millions of dollars for a tenure.

**Mr MARTIN:** As a follow-up, I have a question in relation to the framework. We heard that the department has responsibility for a whole range of leases around Queensland and that that framework is more or less the same whether it be an offshore island or somewhere onshore. Do you think it is possible that there needs to be a different framework for these islands?

**Mr Hinrichsen:** Is the member seeking an opinion from me?

**Mr MARTIN:** Would it be easier for the department to enforce compliance if there were a different framework or if there were additional powers for compliance?

**Mr Hinrichsen:** I find that a challenging hypothetical to respond to, member. I am sorry: I am not trying to be evasive, but it does get into that policy area that is better raised with the minister and it is hard for me to comment on a hypothetical.

**CHAIR:** We might move on, then.

**Mr MARTIN:** Sure, fair enough. Thanks, Chair.

**Mr WALKER:** In relation to Keswick, we have heard from submitters that there is a lot of frustration. One person had an aeroplane there and used to be able to fly in and out, but now that has been stopped. It is hard to get a boat in and out. The rubbish has not been collected on time. There seems to be a lot of alleged provocation to make it hard to live on that island—allegedly. I would hate to think we were aiding and abetting in that area. My biggest concern is: can other departments come in and get involved in relation to people's rights and responsibilities in that space? If you cannot get off an island then I would suggest that there might be some deprivation in relation to what they can do with their asset. There are a lot of grey areas. There have been a lot of amendments to this lease, apparently, over time allowing this latest group to operate the island lease. Is there another way we could approach this in relation to giving the owners some opportunity to feel relieved or that there is some progress in relation to what they have on that island?

**CHAIR:** That is probably not a question you can—

**Mr Hinrichsen:** It is a challenging question, similar to the last one. Obviously, there are always powers that the parliament can provide for the regulators. Whether they are appropriate and how they align obviously in a case like this with the civil responsibilities of the leaseholders, who have effectively contracts with these sublease holders in relation to the services that they provide—there are always means in that space. Could there be more statutory arrangements put in place? Of course there could, but it is not my place to suggest whether or not that would be appropriate.

**Mr WALKER:** From what I can gather, the previous owner—the first person who actually created the Keswick Island concept—onsold with some conditions around some of the leases. There was an advertising campaign to sell the blocks and 'X, Y and Z will be provided', including a jetty and marina. To this day they are not there, but the advertising campaigns that we have seen would suggest that they are coming. From where I sit, we keep giving an amendment or extra time to build. At what point do we say, 'You must build'?

**Mr Hinrichsen:** I guess we are at that point of saying, 'You must comply with the terms of the lease,' recognising that there have been a number of changes to leaseholding arrangements. Obviously, just because we provide a notice does not mean that the holder of the tenure will have the economic capacity to deliver. That is one of the things that is meant to be covered by the financial

and managerial capability assessment, but, as my colleague mentioned, circumstances do change as well, with economic downturns and other impacts on the economy. Those are some of the issues that we do take into account if lessees seek amendments to their lease conditions. Obviously, the interests of the third parties, as I mentioned earlier, need to be very carefully considered in that process of making any changes.

**CHAIR:** One of the things we heard from the Keswick Island Progress Association—and we met with the members—and other island resorts for that matter, is that there seems to be, with different levels of government—I will not use the word ‘blame’ but it seems convenient for the lessees to, say, blame different levels of government and bureaucracy. We may have asked this before, but is there a one-stop shop that they can go to navigate the bureaucracy, for want of a better term?

**Mr Hinrichsen:** There are for certain aspects. For example, obtaining a development approval is through the planning framework, which means it is a one-stop approval for Queensland government requirements. Of course, it is a very complex regulatory environment when we are talking about islands that are in the midst of the Great Barrier Reef Marine Park. There are a whole raft of very significant requirements that relate to that complexity, as opposed to an area where there are more standardised land-use arrangements and planning oversight. Yes, it is a complex environment and obviously that is part of the reason that a financial and managerial capability assessment is required—not just ‘have you got the money?’ but ‘do you have the managerial capability to deal with that complexity?’.

**CHAIR:** This is more of a comment, I suppose: if it was a pastoral lease, you would not have the Great Barrier Reef Marine Park Authority saying, ‘No, you can’t do it because of X’—or the council. It seems to be that because they are islands there is this layer of complexity.

**Mr HEAD:** This is a supplementary question to Mr Cambourn on that same thing. We have heard that between GBRMPA, yourself and other state departments and local government the different layers of environmental legislation and regulation directly add to issues and delays with these developments. They have to get approval from GBRMPA and then from the state and obviously local government as well. Is your department actively engaged in discussions with GBRMPA around how we streamline these processes and have an approval system that does align so they are not having to change multiple documents at a huge cost to private companies to apply for different things throughout the process? Do you have a comment on that, please?

**Mr Cambourn:** Yes, we do have processes in place. The intergovernmental agreement that is in place between the state and the Commonwealth in regard to the Great Barrier Reef sets out that we will have complementary zoning and permissions and things like that. We have people embedded in that space together who sign off on joint permissions. We have a process in place as well where we are looking at streamlining permissions. I have a person who is appointed who reports through my network. She is seconded from Premier’s to assist in that process as well. It is streamlining permits arrangements there. We have been working down that path for quite a while now. Again, it is just next stages and any of the anomalies between state and Commonwealth legislation and things like that and policies that they are trying to work through and get both parties together on that.

**Mr HEAD:** A company has one application that covers all of the information that both you and GBRMPA need; is that the ultimate goal?

**Mr Cambourn:** That is correct, yes. This is a little different to Keswick Island, but, for example, if I take a commercial tour that is leaving from Cairns Harbour, they are travelling through state marine park waters, they are travelling through Commonwealth marine park waters and they may get onto a national park. There are potentially three permits involved in that that we have a single process for these days. It is all of these other approval processes and things for infrastructure and those sorts of things that we are trying to streamline as well.

**Mr MILLAR:** Going back to Keswick, given what you said before about the DA approvals for the boat ramp and the jetty, where exactly will the boat ramp and the jetty be built on Keswick Island?

**Mr Hinrichsen:** I am sorry, member: did you say ‘where’ or ‘when’?

**Mr MILLAR:** Where, as in the location? Where will it be built?

**Ms Bartlett:** I do not have a map with me today.

**Mr MILLAR:** I am happy for you to come back to the committee.

**Mr Hinrichsen:** Would a map be useful?

**CHAIR:** That would be great.

**Mr Hinrichsen:** I am sure we can provide that.

**CHAIR:** To illustrate where the member is going, we know that there is a concern because the current barge ramp is at the airstrip. There are some rules around planes landing on the airstrip and barges arriving at the same time and obviously there is risk there. It would be interesting to know, thank you. That was a good question.

**Mr MILLAR:** Do we have the exact price being paid for the lease of Keswick Island? Is there a document that shows how much was paid for the lease?

**Mr Hinrichsen:** The capital purchase price, do you mean, as opposed to the annual rent?

**Mr MILLAR:** Both, I suppose.

**Mr Hinrichsen:** They are both publicly available. We could provide that if the member is after that particular information in the public interest.

**Mr MILLAR:** Yes,

**CHAIR:** You can take that on notice.

**Mr MILLAR:** Take that on notice, absolutely.

**Mr MARTIN:** One of the things the committee has heard is that disputes arise between the head lessee and the sublessees. Does the department see that as something that is particular to islands or is it par for the course and happens across the whole of Queensland?

**Mr Hinrichsen:** The dispute resolution framework exists wherever there is a sublease arrangement. Those subleases are particularly commonplace with tourism operations, both on islands and elsewhere, but they equally can apply to a rural lease, for example. Obviously, the more complex the sublease agreement in terms of the services provided and the obligations of both parties, the more potential there is for a significant and, in some cases, costly dispute. The Land Act was amended in, from memory, 2020 to provide for a more streamlined dispute resolution framework both in terms of mediation and then arbitration options, as opposed to parties needing to resort to civil matters. They still can seek to enforce contracts through civil action through the Supreme Court, but there are arbitration and mediation options that are available. Where both parties are mindful of their legal costs and are wanting to resolve, mediation and arbitration can be a very useful mechanism.

**CHAIR:** One submitter was very concerned about environmental damage and basically the condition of Brampton Island. Obviously the department would be aware of that, but has any remedial action been taken or is any planned to be taken?

**Ms Bartlett:** In terms of the department taking remedial action, the process we would undertake after conducting an audit would be to send a remedial action notice requiring work to be done at a point in time. That is generally how we would approach that. In terms of where we are with different lessees in terms of our audit inspections and follow-up, we are still assessing audit reports from that as in what action we will take. Certainly, that action is available to the department.

**Mr MILLAR:** In terms of Great Keppel Island, have any developers expressed to the department an interest in the lease for Great Keppel Island following Hancock Prospecting withdrawing its interest in June 2022?

**Ms Bartlett:** At this point I have no indication of interest from any other developers for GKI. I am not aware of any.

**Mr WATTS:** I take you back to my question specifically about China Bloom. More generally, has there been a review of the information and process someone goes through when they are applying for an island lease, to take a headlease? I am trying to understand whether there are things we have learned from some of the problems we are having that can be applied going forward. Has the department done any of that work?

**Mr Hinrichsen:** As I mentioned earlier, part of that review process resulted in legislative changes being proposed to section 130 of the Land Act. That is to make it a very clear link between not meeting the requirements for financial and managerial capability and the refusal to transfer a lease. That will be clarified as a direct head of power in the Land Act, subject to parliament's consideration of that bill.

**Mr WATTS:** Is any of that information and process that was gone through available, or is that internal and not available?

**Mr Hinrichsen:** There was no external review of that. It was an operational review that identified that as an area where the provisions for a transfer were distinctly different from the provisions for granting a lease in the first instance—a much lower bar. This was obviously a point of concern when it came to that head power to use not meeting financial and managerial capability

assessment requirements and not approving the transfer of the lease. Beyond that, the financial and managerial capability assessment is a process where the department seeks external advice. It is not within the department that we assess an entity's financial and managerial capability. We use an external expert third party to perform that review and to advise. Then there are obviously natural justice processes where the result of that external assessment is provided to the proponent to provide any feedback, if there is additional information they can provide to show that they do meet the requirements.

**Mr WATTS:** Thank you. That is particularly helpful. Let's hope that the proposed changes tighten up some of this.

**Mr WALKER:** Keeping in mind that Keswick is probably one of the most high profile of all of the islands and resorts, have you considered a high-level or an urgent meeting to bring the parties together to get to an outcome that will satisfy all stakeholders? As we heard earlier, the Mackay council says, 'It's the state' or the state says, 'The Mackay council has to do something.' There is a perception that it goes around and around for 10, 15 and beyond years. Has that been considered to pull this on?

**Ms Bartlett:** There have been many meetings that the department has had with other agencies, with sublessees and with the lessee for Keswick. At this point, as you would be well aware, those meetings have not resulted in a resolution of those issues between the parties.

**Mr WALKER:** Does the department think we will see anything tangible this year where people can say, 'We have a jetty, we have a marina, we have a boat ramp or we have a barge service'? The barge service has not happened for over a year and a half. Will the leaseholders on the island—the residents—see something exciting that will make them feel that they are progressing? Do you think there will be anything this year?

**CHAIR:** Obviously the member is asking for an opinion. You can answer in any way.

**Mr WALKER:** You are managing the leases and there is some agreement to move forward.

**Mr Hinrichsen:** That is what we are working towards, certainly. As my colleague mentioned, we have had a lot of interactions in recent times particularly with the leaseholder and we want to see compliance with their requirements. That is the standard we expect. Yes, we would be expecting there to be significant progress in this space over the course of this year.

**Mr WALKER:** Thank you.

**Mr MILLAR:** This might be a question that is hard to answer, but it is something that did stick out when we went to Keswick Island with regard to the private pilot who had a plane on Keswick Island. According to him, he was told that he had to remove the plane within 72 hours. Does the department have any jurisdiction over what can or cannot land on that island, or is it entirely up to the leaseholder?

**Mr Hinrichsen:** Unless my colleague is aware of any particular conditions in the lease, it is a privately held lease. Obviously, any aviation activity is overseen by the federal regulator, but I could not see any reason for not allowing the use of those facilities by a sublease holder if that was the scenario referred to.

**CHAIR:** Further to that—this is probably a comment more than anything—Oasis Forest's town planner said that there was no reason the plane could not be there. That is my recollection of the public hearing. It was more of a safety thing—as well as the convenience of having a plane rather than shipping from a tender and everything. If there were a safety incident, to save using the Flying Doctor Service, there would be a plane there to get people on and off the island. We saw that as something that would seem really unfair.

**Mr HEAD:** In terms of contracts and conditions, and further to Ms Bartlett's comments on the ability to change those conditions and have them updated, are there ongoing checks, balances and discussions with leaseholders to ensure lease conditions, including deadlines on those conditions, are updated on the public record? I note the previous correspondence about your audit, with four of five being noncompliant. For the sake of people on those islands and those involved, it would be good for them to know that they are not going to meet this deadline for these reasons. Are there proactive discussions with those companies to ensure those conditions are actually updated?

**Ms Bartlett:** We work with the lessees all the time in terms of their conditions. Where they are not meeting a condition, we would require a demonstration of substantial development towards meeting the condition for us to provide an extension. We would certainly not just keep pushing that time frame out because they were not meeting it. We do meet with them and we do talk with them.



Our relationship in terms of the compliance and enforcement action is dealing directly with the lessee. For privacy reasons, we obviously do not make that information in detail public. Should we get to a court of law, it could jeopardise where we go if we get into that court situation. These are statutory processes.

**Mr HEAD:** We have been touching on it a fair bit, but are there ongoing discussions if they do not have valid reasons to continue extending that condition and are already past deadlines? What is the process? If you are not willing to extend the contract because they have not met conditions and they do not have valid reasons, what next?

**Ms Bartlett:** At that point we would follow on through our compliance and enforcement framework, which does provide a range of statutory processes for us to undertake including forfeiture.

**Mr MARTIN:** I have a question for Mr Meddick in relation to tourism. Initially, can you share with the committee how important these islands are for Queensland tourism? In particular, has the department seen any change in what the public are looking for in a tourism experience? We went to see Keppel and we saw the old hotel facility there which is obviously very run-down. We did see a few of the old advertising slogans—the old ‘Get Wrecked on Keppel’. It looked like people were having a lot of fun back then, in the eighties. Is there a change in the experience of what people are looking for towards low environmental impact, sustainable activities, cultural experiences and that sort of thing?

**Mr Meddick:** Firstly, these island resorts are vital for the economy in that area. The data lags, but post COVID we have been seeing some really good recovery in visitor numbers and expenditure, largely domestic—intrastate and interstate. It is difficult to get a good picture of that sort of activity actually on the islands, but it is all positive at the moment post COVID. In relation to your question about the types of experiences people are after, definitely we are seeing a real increase in natural experiences, ecotourism, sustainability and light touch—people wanting to contribute to the sustainability of the islands and reef sustainability outcomes. There is definitely a big change. In my opinion, there are some resorts that are still after that luxury escape experience, but there is definitely a surge in those seeking ecotourism and light-touch experiences.

**Mr HEAD:** Do you have any figures on the potential revenue for the Queensland economy if, for instance, a perfect world existed and all these island resorts were built and maintained to the standard of both the lease conditions and all their proposed developments? If they were all up and running and it was a perfect world, do you have an estimate of what that would look like in dollar terms for the economy?

**Mr Meddick:** That is a challenging question to answer accurately. In some of our previous statements we have put the general, broad economic value of the region and the islands, but to narrow it down to particular resorts and areas would be quite challenging with the external factors that are at play and flexibility around that.

**CHAIR:** It is a bit of a hypothetical question I suppose, but I understand where you are going with it. The benefit to tourism is great, and if they were all working—

**Mr HEAD:** In a perfect world, there is a lot of potential. It could mean hundreds of millions, if not more, to the Queensland economy. Do you have any modelling on what a better island resort industry would look like in general? I know that you talked about the regions as a whole, but have you done any research or modelling on the potential of just a few of these key islands running again?

**Mr Meddick:** I am not aware of detailed modelling that has been done. I would have to go back and check to see what sort of analysis is done on a per-resort or per-island case. I am happy to look at that.

**Mr HEAD:** If we could put the question on notice. I know that there is some data, but it would be good to provide that on notice, Chair—on the island resorts that exist, like Hamilton.

**Mr Meddick:** Noting that there may be commercial-in-confidence information.

**CHAIR:** Whatever you can provide us, understanding that there are some sensitive things there. That would be much appreciated.

**Mr MILLAR:** If someone is noncompliant as the head lessee, is there any ability in legislation or in current guidelines for the Department of Resources to take over as the head lessee until you find a suitable applicant?

**Mr Hinrichsen:** There is, to my knowledge, no provision where the Department of Resources can take over directly. There obviously are mechanisms by which the state, through our department or others, can commercially acquire tenures and then administer them in accordance with the lease arrangements.

**Mr MILLAR:** So there is no real provision at the moment—

**Mr Hinrichsen:**—to take the lease.

**Mr MILLAR:** Okay. So two years and then we are trying to find another suitable applicant?

**Mr Hinrichsen:** Not to my knowledge. I defer to my colleague.

**Ms Bartlett:** Not to my knowledge.

**CHAIR:** I do not want to ask a hypothetical question, but if, for example, a leaseholder was to walk away and say, 'We no longer want this lease' and hand it back, the department would have to be a caretaker of sorts until someone else could be found?

**Mr Hinrichsen:** There can be arrangements by which, for various reasons, including under Corporations Law, tenures or other assets can be surrendered, in which case the land comes back to the state. In a case where a lease were surrendered, it would be as unallocated state land, which the department would then be the custodian for under the Land Act. It would deal with it then in accordance with the options available through the Land Act. That might be to reoffer it to the market; it could be to maintain it as a state land tenure.

**Mr WALKER:** I put a question to the Mackay council in relation to the facilities on Great Keppel Island becoming an 'edu-tourism' or ecotourism facility—changing the nature of what the business was originally. For example, a university could take over the facility, clean it up and have international students or Australian students go there to do marine studies or other things related to tourism. Has adaptation been considered to derive other benefits from these facilities?

**Mr Meddick:** I am not aware of specific cases or work that has been done in that area, but I note that the master plan that is underway, that the department of state development is undertaking, may take those sorts of considerations into account. I am not aware of those considerations.

**Mr HEAD:** Are you aware of any significant issues that prevent leaseholders from securing finance for their developments? Has that formed part of your discussions of lease conditions? Are there significant issues that are preventing leaseholders from getting loans?

**Mr Hinrichsen:** Other than the general sorts of issues associated with finance availability more broadly, there is nothing that I am aware of that has specifically been raised. Obviously the financial situations of proponents are vastly different, from those that can virtually self-fund through to others—we identify this as part of the financial and managerial capability assessment—who rely entirely on borrowed capital. Obviously with all ventures, those that are relying on higher levels of debt find it more challenging to secure the money that they need to invest.

**Mr HEAD:** Have leaseholders ever made comments to you that the red and green tape and the process to get developments off the ground have limited their finance options?

**Mr Hinrichsen:** There are always anecdotes in that case, some no doubt more valid than others. There are regulatory approvals that are required. It is government policy to look at streamlining those where it is appropriate. Particularly in these very sensitive environments, there are minimum standards that government expects operators to comply with.

**Mr HEAD:** If leaseholders have noted a concern with securing finance because of a certain process, have you as a department then taken that to the minister? What do you do with that information if you believe their concern is valid?

**Mr Hinrichsen:** Absolutely. That would ultimately be a matter for the minister to consider, say, if there was a proposal to change a lease condition, or even in the first instance with a transfer. Particularly where there are third-party implications, natural justice processes also apply—sublessees and other interest holders, such as mortgage holders over those particular tenures.

**Mr MILLAR:** Neil, have there been any studies or investigations into the environmental damage that may have been caused on Brampton Island because of the cyclone?

**Mr Cambourn:** The site itself is a perpetual lease under the Land Act—the majority of the island. I may defer to my colleagues from the Department of Resources for this one. There are some adjoining works on national park there. You may be aware from the last time we spoke that the airstrip

on Brampton Island is partially on national park, so it is under a different tenure arrangement. We are working with the Brampton Island lessee at the moment for an authority to continue across that airstrip.

**Mr MILLAR:** I have a question on the environmental impact. There are concerns from people in that island community. We heard from Keswick that, when they went over to Brampton Island, they felt it could have environmental impacts on the Great Barrier Reef because buildings are fallen down.

**Mr Cambourn:** Sure.

**Mr MILLAR:** Has your department or the government done an impact assessment of the future risk?

**Mr Cambourn:** There would be a process where Environmental Services and Regulation look at those islands for compliance, particularly where there are sewerage systems, but that is a question I would have to take on notice.

**Mr MILLAR:** If you could take that question on notice.

**Mr Cambourn:** Sure.

**Mr MILLAR:** I am asking the question: what will be the impact? The next question—it might have to be a question on notice—is: what authority does the department of environment have in enforcing clean-up because of the environmental impact?

**Mr Cambourn:** I would be happy to take that question on notice.

**CHAIR:** I understand that the lease on Dunk Island was purchased in 2022. I am wondering if the owners intend to build a resort.

**Mr Hinrichsen:** Dunk Island is not a leasehold tenure; it is a freehold tenure. It is one of the few where the underlying tenure is freehold. We do not otherwise have any information on that particular tenure.

**CHAIR:** Thank you.

**Mr HEAD:** Mr Cambourn, we are obviously dealing with a sensitive area in the Great Barrier Reef. Is the department's approach to this broader issue from a policy, regulation and permitting process that these island resorts are of gross benefit to Queensland or that they are detrimental to the health of the Great Barrier Reef? Is there a particular position that you hold when you are approaching these questions?

**Mr Cambourn:** Overwhelmingly, the department sees the value of tourism and of attracting people to Queensland to use these islands. It is obviously a balance with the environmental situation. That is why our Environmental Services and Regulation people do get out there and make relevant inspections and assist people to comply in that space. The Great Barrier Reef Marine Park Authority also has a very strong interest in that. There is a lot of activity in that area, making sure that there is compliance but, again, not to the point of detriment whereby we are making things too difficult for operators in that space.

I note that island resorts are expensive to develop and maintain. It is similar to ranger bases in remote areas: you have to set up independent sewage treatment systems, power plants and things like that. There are a couple of really good examples of that. One is Lady Elliot Island. It is quite a sustainable operation up. They run their own power supplies with solar power and have state-of-the-art sewage treatment systems. There is definitely a shift towards more environmentally sustainable operations. That is what we are trying to assist people with, moving further down the track as well. It was part of the \$25 million package from Tourism to assist those islands to get back to a state where they could operate successfully and sustainably.

**Mr HEAD:** This is perhaps asking for an opinion, but do you believe that bringing people to the Great Barrier Reef and showing it to them firsthand might help them respect it more, which helps all of Queensland?

**Mr Cambourn:** Absolutely. How we view our portfolio is that we need to be relevant to people and we need to make the environment relevant to people as well. I am not sure of tourism numbers, but Robbie would probably know the numbers of people we bring to the reef. It is those people who certainly make a difference and publicise the benefits of the environment and so on. It is very beneficial, and we are very focused on welcoming people to Australia to enjoy what we have to offer here.

**Mr MILLAR:** I come from the seat of Gregory. We are currently involved in reef regulations. The Belyando River near Alpha is covered by reef regulations. Are islands covered by the same reef regulations?

**Mr Cambourn:** Yes, they are to an extent. The reef regulations go to agricultural processes—fertiliser and things like that—but, yes, there is a high level of scrutiny over the islands themselves, particularly in the Great Barrier Reef Marine Park legislation.

**Mr MARTIN:** Currently it looks as though lease arrangements in relation to connectivity, such as barges and jetties, are factored into the capital price. It is contained in the document and is a factor in the price. Are there any examples of connectivity being provided by either the local council or the department and then paid for via the rent?

**Mr Hinrichsen:** I think that was outlined in our director-general's response from January this year. The arrangements associated with jetties and other marine facilities are pretty varied. There are certainly examples where there is state infrastructure involved. Fitzroy Island is an example of where the Department of Transport and Main Roads actually owns and operates the jetty. There are many leases where they are a requirement of the head lessee. There are others—it often reflects the age of certain leases—where there are no specific infrastructure requirements. Some of the jetties are for private purposes; some are required to be for public access purposes. There are a wide variety of arrangements in place island to island.

**CHAIR:** We have hit the end of our time. We really appreciate your coming along and your helping us out. You will be provided with a copy of the transcript when it is available and a copy will be published on the committee's webpage. I will quickly go through the questions on notice. Could we get responses back by 4 pm on Friday, 24 February?

**Mr Hinrichsen:** Yes.

**CHAIR:** Question 1 was an update on the marina—

**Mr Hinrichsen:** For Keswick Island?

**CHAIR:** Yes, thank you. There was a question about where the jetty and boat ramp will be built. It was a map for that one. Then the purchase price, annual rent of the lease of Keswick—

**Mr Hinrichsen:** Yes.

**CHAIR:** And analysis or modelling of the potential economic benefits of successful resorts being operational—just whatever you could provide on that one. And the Brampton Island environmental impact and the department's awareness of the issues to do with the Great Barrier Reef, of any degradation damaging the reef. Those are the questions on notice. Thank you all very much once again. I declare this public briefing closed.

**The committee adjourned at 10.16 am.**