



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 PT Weir MP

Staff present:

Dr A Beem—Acting Committee Secretary

PUBLIC HEARING—INQUIRY INTO THE ECONOMIC AND REGULATORY FRAMEWORKS FOR QUEENSLAND ISLAND RESORTS

TRANSCRIPT OF PROCEEDINGS

MONDAY, 22 AUGUST 2022

Cairns

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The committee met at 1.59 pm.

CHAIR: Good afternoon. I now declare this public hearing for the committee's inquiry into economic and regulatory frameworks for Queensland island resorts open. Thank you all for your interest and for your attendance here today. 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.

My name is Shane King, the member for Kurwongbah and chair of the committee. With me here today are: Mr Lachlan Millar MP, the member for Gregory and deputy chair; Mr Bryson Head MP, the member for Callide; Mr James Martin MP, the member for Stretton; Mr Les Walker MP, the member for Mundingburra; and Mr Pat Weir MP, the member for Condamine, who is substituting for the member for Toowoomba North. I note we have received apologies today from the Hon. Curtis Pitt MP, the member for Mulgrave; the Hon. Craig Crawford MP, the member for Barron River; and Ms Cynthia Lui MP, the member for Cook, who advise they are unable to be here today due to prior commitments. We may be visited by Mr Michael Healy MP, the member for Cairns.

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 purpose of today's public hearing is to assist this committee with its consideration of the inquiry. 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. The committee will not require evidence to be given under oath, but I will 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. The instructions are also available from the secretariat.

The proceedings are being recorded by Hansard. Media maybe present—it looks like the media is present; we do not often get media, so welcome—and will be subject to the chair's direction at all times. Media rules endorsed by the committee are available from committee staff if required. All those present today should note it is possible you might be filmed or photographed during the proceedings by the media and images may also appear on the parliament's website or social media pages. I ask everyone present to turn mobile phones off or to silent mode. I also ask that we please get a response to any questions taken on notice today by 4 pm on Monday, 12 September 2022. The committee will hear from the following witnesses: from 2 pm to 2.45 pm Tropical Palm Cove; and from 2.45 pm to 3.30 pm the Cape York Land Council.

ABBOTT, Mr Clive, Coordinator, Palm Cove Precinct, Tropical Palm Cove

RICHARDS, Mr Tony, Coordinator, Palm Cove Precinct, Tropical Palm Cove

CHAIR: Welcome. Thank you for your attendance here today. Would you like to make a short opening statement?

Mr Richards: Yes, thank you. Thank you all for making this time available to catch up. We are both coordinators of the development at Palm Cove. We are here today to discuss Double Island. May I just ask: am I correct in assuming that there has been a breach notice issued to the current tenants of the island? Is that correct or not correct?

CHAIR: This committee does not have powers in that case. We would assume no.

Mr WEIR: At estimates Minister Stewart indicated that he had called on the leaseholder of Double Island to explain certain breaches on the island, but we have not got any response to that.

Mr Richards: So there has not been—

Mr WEIR: No charges or breaches—

Mr Richards: There has not been six months to show cause or anything else?

Mr WEIR: I am not sure of the time line.

CHAIR: We are not privy to that information.

Mr Richards: I thought it might have been in the public domain if it was issued, but obviously—

CHAIR: As the member for Condamine was saying, during the estimates process there were questions asked that are in the public domain. I do not have those in front of me at the moment.

Mr Richards: I did not want to sully the water, but I wanted to know if that was the case.

CHAIR: If you have some public knowledge we would really welcome it.

Mr Richards: Obviously, I have not. I will give you a brief background. I have been involved in owning property and developing property in the Northern Territory and Palm Cove, in particular. I had a couple of resorts there. I became involved with another tourism operator and we owned the lease of Fitzroy Island. We did all the development there to start with. I am well versed in the disasters and what can go wrong with all these things and I understand what needs to be done. I need to clarify, without going over a lot of things: has anybody physically been to Double Island to inspect it or anything else?

CHAIR: No.

Mr Richards: All right. Similarly with the northern end of Palm Cove, which is obviously part of the total development, has anybody had the opportunity to inspect that?

CHAIR: No.

Mr Richards: All right. I became involved with Double Island initially when I owned the resort opposite Double Island with Sean Howard. You may well know Sean. He set up OzEmail and sold that company for quite considerable money and he bought quite a few assets. Double Island was one of them. I became involved with him initially on a non-executive consultant basis. That developed quite a bit, especially when he bought the adjoining land at Kewarra and the Kewarra Beach Resort. I am giving you this as background so you understand that I have significant involvement with Double Island.

When it was taken over by the developers previous to Sean, they built a certain number of buildings there. Previous to that it was Holmes a Court who had it. He was sympathetic in terms of what he built there. It looked like a tropical island, which is what it is meant to be. The second lot was not really done that way.

Sean spent a lot of time and money getting the place back to where it was. It attracted international sportspeople and actors. For one of them he built a complete gymnasium on the beach in 30 days. It was of that standard. In about 2010, I think it was, he had a severe health issue and it was necessary for him to stand down from a lot of his tasks and being a hands-on person. I acted with his power of attorney and we worked through the process of selling the island because Sean was certainly not in the position to continue on and do all the development there. We did some initial development. Sean spent a lot of time and money on sympathetically building into the hillside 12 superior bures. We started on that, but we needed to stop because of the process of selling it.

The sale to Fortune Island Holdings in 2012 was initially deemed to be quite successful. The people who bought it had plans to do lots of things and the lease is quite extensive. I can honestly say, looking at the lease and the documentation they signed and agreed to do, that they have done absolutely nothing with it. If you had the opportunity to go across you would see that it is just a wreck. There is nothing there. There is no building or anything else. I do not want to labour the point, but it is important to know.

This has been going on six or seven years now. We have submitted many things. I have made presentations down at Parliament House. I worked closely with Kelly Reaston, the General Manager of Planning and Environment at Cairns Regional Council, and in May 2020 a complete submission went to state land asset management in the Department of Natural Resources. I think you should have received all that. Has that been circulated?

Quite honestly, that submission, with the covering pages that Clive and I put together as a separate document, covers virtually everything that you need to know about Double Island. It covers three years of different inspections by the council officers and qualified engineers and everything on the island from breaches of lease, degradation and destroying of foliage and trees, constructing things, the sewerage not working and the whole thing. That document contains everything. If you went across now you would find it is even worse.

I will raise an issue. The breach of lease is quite clear. It is within the government's and the minister's capacity to act upon that. It has been continually breached for 10 years now. The action required is obviously to fix the problem. It is a tourism lease. It is an asset that should be used and could be used.

Palm Cove is a booming place. On the land side we have a jetty and facilities that we want to expand, but until this is resolved Clive and I, as coordinators of the project, and potential investors are not going to make a move. I think that wraps up where we are at. This is not just a recent event; this has been going on for 10 years. It is a total breakdown. It seems on the part of Fortune Island Holdings to be a purchase of land or whatever to do nothing with it. That is not its purpose. Clive, is there anything you want to add?

Mr Abbott: Only to say that it is the generally held view that the completion of Palm Cove as a resort destination and tourism destination is being held back by the lack of action on Double Island. It has fingers which go in many directions. One of the more important ones is the Palm Cove jetty, which was built many years ago. It is a good and fairly sound jetty, but it has absolutely no shelter. It is open to the south-easterlies, which are the prevailing winds, which in fact make it quite unsafe to use for embarking and disembarking passengers. Various big reef operators such as Quicksilver and Sunlover tried over the years to run operations out of Palm Cove because there was business there for them, but they had to cancel more often than they could tie up. That meant putting people on buses and taking them down to Cairns and generally inconveniencing people and getting a bad name for whole the operation so they gave it away.

The overall concept for Palm Cove at that northern end incorporates protection of that jetty and turning it into a safe harbour. That then leads to many other important issues such as being able to do reef trips from there and being able to safely transport guests to and from the mainland to Double Island—it is only a 10- or 15-minute boat ride but it is highly dangerous at the moment and just not acceptable. All of those things depend upon Double Island being developed or giving somebody else an opportunity to develop it in a proper way.

That is where I guess the breaches of lease that Tony referred to come in. The fact that lease breaches are there gives the government the opportunity, we believe, to take action and push the current lessee into either doing what he should be doing or surrendering it or taking the lease from him and putting it on the market for open competition with people who are willing to get in and spend the money to do the job.

It is a shame. It appears that Double Island is the only island you are not able to visit on this particular inquiry. It would have been interesting for you all to see it, I am sure, because you really would be amazed at how bad it is. In essence, we are calling for some action and some support from government to resolve the current situation so that the whole of Palm Cove can move along, develop the safe harbour. There are proponents out there who are talking to us about doing these things, so it is not pie-in-the-sky stuff; it is real. The concept adds in a large swimming lagoon, which is another very important thing for Palm Cove because for several months of the year it is not safe to swim at Palm Cove, and that affects hotel operators and tourism operations. I am talking about the addition of a swimming lagoon several times the size of the Esplanade. We are talking three or four acres of swimming lagoon, so it is a serious project. You can only imagine what something like that combined with the safe harbour and a successful resort on Double Island would do for finishing Palm Cove as a tourism destination. I hope that all makes sense to you.

CHAIR: It does. I have some information in answer to Mr Richards's question. At the estimates hearing the minister said—

I can confirm that the leaseholder of Double Island Resort near Cairns has agreed to a notice to remediate their compliance with the lease conditions progressively by March 2023. That undertaking requires public and day-use facilities to be progressively repaired and open to the public between now and March 2023. It also requires the operation of the resort consistent with lease conditions by March 2023 and includes monthly reporting to ensure that progress continues to be made. Do you have any comment on that? That is what you did initially ask.

Mr Richards: That is interesting, because that will give us some feedback on the progress. That notice was given when?

CHAIR: At estimates we were made aware of it, which was the end of August.

Mr Richards: Obviously from then on there should be progress reports coming from Fortune Island Holdings on what is happening. Without leaping to the end result, I would suggest to you quite honestly that if you had a full engineering fleet and a specific task force you would need all that time to even get it right. I would suggest that from my experience with—not being derogatory—the team at Fortune Island Holdings there is a snowball's chance in hell of that happening. I just pass that comment.

Mr Abbott: Plus your background and experience of dealing with building on islands.

Mr Richards: Absolutely, yes. It is not an easy task. You would need all of six months to even start it, to be honest.

CHAIR: They have been given that direction and time will tell. Just before I pass over to my colleague the member for Condamine, obviously you have a lot of history with this. Have there been any directions to remediate in the past?

Mr Richards: Yes.

CHAIR: They have not been adhered to?

Mr Richards: Well, I say yes. I know that the council conducted 17, 19 and 20—and the 20 report is the one I referred to—and they gave notice for certain things to be done. No, they have not. I am pretty sure about that. Yes, I am pretty sure that is correct.

Mr WEIR: This question is along the same lines. You said that was with council. Has there been any action by the Department of Environment and Science or Natural Resources? You are talking about sewage leaks, and in your report you talk about weeds and other structures that are not safe. Has there been any enforcement action from any government department on those issues?

Mr Richards: If there has, it has not been successful because nothing has happened. I am not at all across that. No. The issues that you are addressing are all in the documentation—photographs and everything else. It is quite a detailed thing. From 2020 it was referred to Transport and whatever department by Kelly Reaston, who was in that position. What has happened from then in the two years I do not know—obviously not a lot, or if it has it has been totally ignored by Fortune Island Holdings. Is that the question?

Mr WEIR: Yes, thank you very much. Do you see anything in the actual terms of the lease that would be deemed unworkable or too difficult, or do you think it is just a lack of will to agree with the lease?

Mr Richards: No, there is nothing difficult; it was just the conditions that they took on 10 years ago. GHD wrote the attachment to the lease and they agreed with that, and as Fortune Island Holdings it was originally done by the previous owners. No, there is nothing in there that is not just normal. If that was on the mainland the whole thing would be taken over. I do not know why it escapes over there, but it seems to.

Mr MARTIN: You mentioned that you were involved in the sale to Fortune Island Holdings.

Mr Richards: That is correct; yes, I was.

Mr MARTIN: I was wondering if you could expand on that and maybe enlighten the committee on that process. What was the consideration given by the seller to the buyer that they are going to operate this as a going concern and not cause some of the issues that have happened?

Mr Richards: Well, the lease is a condition. I am not quite sure how to answer that. If I bought it tomorrow I would be obliged to satisfy all of those conditions in the lease and comply with them. Am I going in the right direction on the question?

Mr MARTIN: I guess what I was getting at is: do you have any insight as to why they have allowed this to deteriorate? What is their motivation?

CHAIR: It is hard to seek an opinion. If you have one without getting yourselves into legal trouble—

Mr Abbott: There is one factual matter, and that is that there was some uncompleted work or work underway on the island at the time of the settlement. Fortune Island Holdings was given a cash rebate of \$600,000 against the price in order to allow them to complete that work. That allowance was made. That work completion has never been done.

Mr Richards: We organised a full building inspection by a qualified engineer and building inspector and you wrote probably a 25-page document. In the period of two or 2½ years from when you inspected it to when they bought it there was not one complying building over there then, things like swimming pools and access, everything—

Mr Abbott: The actual safety of the buildings.

Mr MARTIN: Is it the case that Fortune Island Holdings does not really have the capacity to operate in this space, or did they bite off something bigger than they could chew? Be cautious about straying into opinions, but was it beyond them or do you think maybe they are purposely—

Mr Richards: I do not know. I cannot answer that. My understanding is that it would be within their financial capacity.

Mr Abbott: Evidenced by the fact that since purchasing Double Island they bought the Acacia Court Hotel on The Esplanade here in Cairns. Benny Wu himself has personally acquired around \$8 million worth of residential property in the intervening time in Cairns—one house for \$5.2 million and another one for \$3.25 million.

CHAIR: Perhaps we could put it another way. You obviously have a long history of managing resorts.

Mr Richards: Yes.

CHAIR: What would you see as a benefit to buying something and just leaving it sit?

Mr Richards: I need to be cautious in what I am saying.

CHAIR: In your experience.

Mr Richards: Talking out of school, if you were in China and you wanted to get a lot of money out, the best thing to do is buy an asset somewhere else and then see what you can do with it. I do not know; that is conjecture—speculative, I should say.

CHAIR: That helps us understand. You are not saying that they are doing that.

Mr Richards: No, I am not.

CHAIR: That is a speculative thing. I was asking in your experience. Obviously you were not doing that.

Mr WEIR: You talked about the previous owners of Double Island. The financial impact on Palm Cove and the wider area as a result of that management to where we were today must be significant.

Mr Richards: Well, it certainly is. People were employed there. I was fully involved in appointing the manager for Kewarra and Double Island. It was a significant business. It was going very well. It was whole-of-island bookings, weddings and all of that, which brings in a lot of revenue. I am not qualified at this stage to put a dollar value on it but, yes, it would be a significant thing. It should continue on, but it has been dormant now for the last 10 years.

Mr WEIR: I have seen the jetty you talked about. To protect that there would need to be a structure, a rock wall or something, which you talked about. That is not part of the agreement with Double Island. It would have to be undertaken if there was to be certainty of investment in Double Island for ferries or daytrippers, or what did you mean by that?

Mr Richards: What I mean by that is: when Sean and I were going through the redevelopment of the island back to the standard we wanted, one of the things we did identify was, clearly, access to it—and Clive has touched on that—for reef vessels. It is not just for the island; it was an access point to the reef. Instead of people getting in diesel buses to go up to Port Douglas or into town, the vessel used to pull in there and you could go to the reef. It was deemed to be an emergency harbour as well.

The wave mitigation—everybody refers to it as a rock wall. People think of a monstrous thing, but there were several devices they came up with. The weather always prevails from the south-east generally, most of the day. RPS, the engineers and the architects, spent a fair amount of time. We had a sediment engineer who came across from WA to inspect it and see what could be done. All of that calculation has been worked out and it can be done. The fish and pelagic improvement of sea life around there would be phenomenal. There were recreational fishing things deemed to be put onto it so it fits in nicely. When that was finished in 1987, Martin Tenni was the minister at the time. I had a couple of chats with Martin before he died and he ran through the whole process. The idea was that the next year the developer on the mainland was going to construct that wave mitigation rock wall. There were going to be two barriers, and that was sufficient to make it a safe harbour. That did not happen because of the financial crisis and whatever. We are still in the process 20-odd years later of trying to get it done.

Mr WEIR: I am curious: how would you see it operating? There is an island further up, Lizard Island—I turned 21 while working on Lizard Island many years ago.

CHAIR: Not so long ago.

Mr WEIR: A long time ago. Obviously that is a destination you go to and you stay there. Fitzroy Island is out here. You can obviously stay at Fitzroy Island but there are also daytrippers. With Double Island being so close, I would assume that it would be not only people going over and staying overnight or a week or whatever but also daytrippers.

Mr Richards: There was a focus on daytrippers, but we have to be mindful that on the lease—I think it is on the lease—there is a maximum capacity of people there at any one time. I think it is only about 100 people. The island itself lends itself to be boutique. I keep using that word, but it is a boutique island; there is no question about it. It is not one of the big resort islands where hundreds of people come backwards and forwards. It lends itself to being what it is. The architect, Gary Hunt, flew his team down in a helicopter. They spent two days working through it and prepared a concept plan which encapsulated all of that, including a day restaurant, swimming area and things, finishing off the bures around the island. That was done and presented to Fortune Island Holdings and nothing has happened.

CHAIR: Would there be any opportunity to reposition that jetty, or does it have to be where it is?

Mr Richards: If you do have the opportunity, it is worth looking at that area. I think Martin Tenni made the right decision putting it where it was. The only decision that did not happen was the wave mitigation. If that was there, it would be flourishing and doing its job. It has been well maintained. The council have done several upgrades to it. As Clive said, it did function very well but the afternoon prevailing weather made it useless.

Mr Abbott: There is another fringe benefit that people do not ordinarily think of. You may or may not be familiar with the cruise ship arrangements here in Cairns. At the moment, if the ship is too big to come into the port it lays off Yorkeys Knob, several kilometres out, and the people are brought in by tender, regardless of the weather. Again, you have 80- or 90-year-old cruise passengers being transhipped at some considerable danger into little tenders and taken into Yorkeys Knob, and when they are at Yorkeys Knob it is not like Palm Cove. The idea is that there is sufficient deep water immediately on the leeward side of Double Island where these large ships could actually anchor. Tenders would be used again, but we are talking about a relatively short and calm journey to a safe harbour. Then they are in Palm Cove, which we are quite sure they would prefer. It would be a better enticement for the cruise operators.

Mr HEAD: Do you have any idea what cost might be involved in making that a safer jetty and installing some of that wave mitigation?

Mr Richards: There were different concept designs at one stage. One was capitalising on a marina because there is a high demand for marina berths on this coast. The government has done a study on that and its supply is minimal compared to the demand. That has been reduced and the focus has been on capturing it into a safe harbour. There was included originally—and I do not want to digress too much—a boat transfer for recreational fishermen. However, like all of those things, the ramp and the marina was easy; it was the parking of the trailers and all the other things that go with it and there is not capacity at Palm Cove. I think the local member has moved the attention now to another location, so the boat ramp does not exist anymore as regards a problem area.

Mr Abbott: The new facility is almost completed at Yorkeys Knob.

Mr Richards: That is right. We did have an estimate of the cost of what we want to do of about \$140 million, but that was completion of a marina, berths and everything else. That has now been removed as a requirement. There will just be some moorings there. I will point out that there has been a vast amount of money spent at a place called Mission Beach. At my last inspection two weeks ago, I think it was a lot more money than we are talking here. It is a massive complex—a massive harbour has been built, there is a massive ramp and everything else. Apart from a few recreational fishermen, that is the purpose it serves. I noticed in the paper the other day that operators are having massive problems using it for the commercial use, even if there was one, which there is not at the moment.

CHAIR: Is that Mission Beach down off Tully?

Mr Abbott: Yes, the Clump Point one.

CHAIR: I am not from North Queensland.

Mr HEAD: I want to return to the question from the member for Condamine earlier in regard to the lease agreements. Do the terms of some of these agreements prevent private investment?

Mr Richards: I am not sure I grasp the question correctly.

Mr HEAD: Do the terms of island lease agreements prevent private investment? You touched on earlier that you do not believe the lease agreements stop them being maintained appropriately, but do they potentially stop investment?

Mr Richards: I think quite honestly in the right hands it would encourage it. If that was put back on the market tomorrow with a sensible operator, with the development of Palm Cove and the demand and everything else, it would be quite the opposite. I think you would be quite excited to move into it.

Mr WALKER: It is good to hear that it appears the climate is pretty good in relation to this type of industry. I worked in the construction phase of Hayman and I have been to Palm Cove and it is beautiful. I can see the vision of what you are talking about in Double Island. What level of development do you believe is appropriate on Double Island, keeping in mind you said it is capped in that leasing development at 100 people? In your opinion, what do you think would be a good, viable model?

Mr Richards: Quite honestly, the concept plan that Hunt Design and his team put together encapsulates everything you said. I could have brought it along—it is quite a large document—but I did not think it was going to come up. It is well designed, well laid out and environmentally everything is correct. Even all the suitable trees were GPSed and everything else. I probably digressed a bit there, but the answer is yes. I note that the current concept needs changing a fair bit in some areas but it satisfies everything you are talking about.

Mr WALKER: You said there is a document. Has that been submitted to government?

Mr Richards: No. I have not submitted that one. That was just a concept that was put by Hunt Design and was presented to Fortune Island Holdings, with discussion about moving ahead with it. For all the reasons in the world, it has not happened.

Mr WALKER: Is that your document or does that belong to someone else?

Mr Richards: It belongs to Hunt Design. The account was never paid so it still stays with Hunt Design.

Mr WALKER: Chair, the reason I ask that question is to see if that could be submitted.

CHAIR: No. It belongs to someone else.

Mr Richards: If the committee wants to see it, I think Hunt would be more than happy to share it.

Mr WALKER: If they want to surrender it that is fine.

CHAIR: Are you aware of any of the traditional owner groups and what their thoughts are? They are not your thoughts, but do you know what the traditional owners think of what is going on?

Mr Richards: I did not come prepared with the document. When Sean bought the island, one of the consultants he took on was an anthropologist and his team and they did a complete focus on this. I have it somewhere on file. There was no objection or anything else, as long as recognition was given that it was once used as a fishing place for the various things there. There is no dispute, no nothing. Obviously, we needed to make sure there was no impediment on any development if somebody had some rights on it.

CHAIR: I just did not know if the traditional owners had any input into that, given it has been sitting largely dormant for so long. I would like to ask the traditional owners but I was just wondering if you knew.

Mr Richards: No, other than the fact that they were involved initially and their request was that they have some recognition of what it meant to them. That is all.

CHAIR: Thank you.

Mr WEIR: From what you have said, if the lease was surrendered or removed—we have heard that there is a date set to see some compliance and let's just say there is no compliance—you would be looking then for the government to actually enforce some action?

Mr Richards: It is not my position to say what the government should do, but it is quite obvious that they can do it. It is clause 4, breaches of lease, and it has been perpetually breached.

Mr WEIR: And you believe there would be entities that would be immediately looking to invest in that space?

Mr Richards: I cannot answer commercially whether it would be immediate, but I would suggest that there are people we have been involved with who, without exposing commercial-in-confidence, would have a certain interest in the whole aspect—because the mainland thing needs to function together with it.

Mr Abbott: And that interest has been maintained for several years now.

Mr Richards: Yes, funnily enough.

Mr WEIR: So it ties into a larger plan in your head for Palm Cove: it would be Double Island, the jetty and the marina to service the island. Does the Wangetti Trail start at Palm Cove?

Mr Richards: The gentleman sitting behind me is fully briefed on that matter. It starts at Palm Cove, yes. Whether it starts at the jetty, I cannot comment. I think there was some hope that it would.

CHAIR: The big picture, from what we are gathering here, is that Double Island is the bit that needs to be fixed for the whole of Palm Cove to operate properly.

Mr Richards: It certainly is a total impediment to any development on the mainland, because if there was an interest those people are not going to progress until that is resolved. It is simple.

CHAIR: We will be expecting our monthly reports and see what happens by March 2023. You have given us an indication of how you feel that will go and that is fair.

Mr HEAD: Are you aware of any conflicting regulation or legislation that may be a contributing factor in the current state of Double Island or other island resorts—that is, if there is some confusion on what people can or cannot do with regard to development or things like that?

Mr Richards: No. In fact, it is quite the opposite. I think everything you need to develop it to the standard would be plain sailing, really. It is straightforward—even to the extending of the access point to the island. On their lease this was negotiated. That was changed and updated when Sean Howard acquired the lease originally in 1999. The jetty now is part of the lease so it is part of the outside area. It extends out probably 50 metres into the deeper eight-metre water at low tide. Large vessels could pull in there if it was constructed. In fact, the only issue that was limiting on the island was access to it, because as you get closer there is coral and whatever. With this access by the jetty on the lease, it finishes it off. There would be total access all of the time then.

Mr HEAD: A couple of submissions have suggested something with the federal legislation and state legislation.

CHAIR: I will just illuminate what I think the member is getting at, and correct me if I am wrong: it is the Great Barrier Reef Marine Park Authority over the state and then the local councils. In all three levels of government, there is some conflict. We have heard from some who say that if there was another jetty—and that is why I asked that—it would be a great idea on a particular island, but the Great Barrier Reef Marine Park Authority would not allow that so that stifled something else. Working together at different levels of government would make things better, but in this case I do not think it is that.

Mr Richards: I am not aware that there is any problem with what is on the lease at the moment. In fact, I thought it was all approved and that was the reason it is on there.

CHAIR: That is good.

Mr Richards: It is your government's lease that is on there.

Mr MARTIN: In relation to the regulations, as part of this inquiry the committee is looking into the whole regulatory framework of offshore islands. Would you say that the committee should consider additional regulations maybe during the sale period? Do you think additional regulations are something to consider, specifically for offshore islands?

Mr Richards: Certainly in the case of Double Island from what I obviously got, the lease is fairly specific. There is nothing in there that is untoward that you would not run if it were on the mainland. All the data is there and the government has the powers to remove that if you do not comply. If I am answering that correctly, no. I think there are enough checks and balances on both sides. If you comply with the lease, it operates well.

CHAIR: Time has beaten us. Thank you very much for your participation. You will be provided with a copy of the transcript of the proceedings when it is available. A copy will also be available on the committee's webpage. We have taken no questions on notice.

Mr Richards: Thank you for your time and input.

PIPER, Mr Terry, Acting Chief Executive Officer, Cape York Land Council

CHAIR: Thank you for your attendance here today. Would you like to make an opening statement that expands on your submission?

Mr Piper: The Cape York Land Council is the native title representative body for Cape York. Our main area goes from about Mossman north. There are a few island resorts off the cape, particularly off the east coast of the cape. You have Lizard Island, Haggerston Island, Albany Island and Restoration Island, which is not a resort. You have a few along the cape.

Our big focus in the land council is on bringing native title claims to fruition. At the moment we are working on a native title claim for the balance of Cape York which is moving along well. We hope to get that finished in the next two years. That includes quite a lot of coastal areas down the cape. We are also working with the Torres Strait island sea claim, which comes down to about Captain Billys Landing on the east coast and partly down the west coast of the cape. Then Wuthathi will be lodging a sea claim probably in the near future which comes down around Shelburne Bay. We are working with the Wuthathi group on that.

Slowly we will be working on native title claims coming further down the coast. It will probably be over a 10-year period. We will focus particularly on the land side of native title and then move on to the sea side. We are also involved in the state land dealing program and land transfers with the state government. Over time there have been various islands that have been transferred. Generally that relates to national parks as well. Eventually we will get to Lizard Island, for example, and the transfer of the national park there.

During that process relationships are built between traditional owners, the landholders and people who have resorts. Over the next few years we will have greater clarity on who to engage with in relation to the resorts. The outcome of these claims is to build the relationship between traditional owners and the resort owners. We have had over the years a number of approaches to us from traditional owners who keep their eyes on Restoration Island and keep on asking, 'When is the lease up on Restoration Island?' People have aspirations there.

That is our role: to assist people through that process. We work with the state government on that. Our determinations are consent determinations as far as we can. It is working with the state on that where the state assesses the information and the connection reports and consents to native title determinations.

CHAIR: We met in this room not that long ago on a different issue—the Peninsula Developmental Road. That was a good one. We were pretty impressed. I would like to expand on that with the relationship between the traditional owners and the resort managers. You said that this process is what grows the relationships. Without going into too much detail, have there been any mistakes made that have been rectified or things that are outstanding? Are there good news stories that have happened?

Mr Piper: There are mistakes that have been made. A lot of the east coast of Cape York is Aboriginal land these days. There is a matter of getting information to the resort owners about what activities are appropriate and what are not. Occasionally mistakes are made, and that needs to be raised with the resort owner. There has been cultural heritage work done on Lizard Island. I think there are positive relationships in many areas. I think David Glasheen on Restoration Island has formed a relationship with traditional owners there, although he is not operating a resort. It is more like a drop-in place. I think our main role over the years is to try to develop positive relationships and understandings between the resorts and traditional owners, particularly where resorts have been used to bringing people onto the mainland and what restrictions may apply as land gets transferred.

Mr WEIR: As I said, I was on Lizard Island many years ago. In your submission you talk about the need for engagement with traditional owners on Lizard Island. Are you talking about the resort? You mentioned the department of environment.

Mr Piper: Both. Lizard Island is national park. It is really to build that relationship between Parks and traditional owners. Parks do go to a lot of effort to build that relationship. A lot of what comes on the resort is also the relationship between National Parks and traditional owners.

Mr WEIR: That is a common thread in the islands.

Mr Piper: Yes, building those relationships, building confidence in the relationships. From our side of things it is building the confidence of traditional owners in engaging with Parks. I have been a ranger before. You almost think you own the place. There is a lot of that relationship building.

Mr WEIR: Do you think it is progressing? Do you feel positive about it?

Mr Piper: It is positive, yes. I think there have been some fantastic things happen on the cape. Improvements need to be made, and that will come over time. The whole transfer of parks to Aboriginal land on the cape has been very positive. There will always be strains in the relationship, but that is what happens.

Mr WALKER: Your submission notes the ‘unauthorised conduct of activities by resort staff and patrons in culturally sensitive areas’ as being an area of concern. Are there instances that are on the public record that you can discuss further?

Mr Piper: I do not really want to put it on the public record. It is a matter of resorts getting to understand that there are areas that are culturally sensitive on the islands and on the mainland. They need to be conscious of that in how they bring people into places. That is a matter of improving the communication between traditional owners and the resorts so they understand where it is appropriate to go and where it is not.

Mr WALKER: My question is more about an isolated case that we are not aware of that you know of that is on the public record that could be mentioned here.

Mr Piper: I would rather not name names.

Mr WEIR: You talked about the engagement with National Parks. As far as those who are interested in developing resorts are concerned, how is that relationship? You have not run into any major differences?

Mr Piper: There will be differences. I think I flagged one of them in our submission.

Mr WEIR: That is acknowledging—

Mr Piper: We have a regular problem where people on the cape, not necessarily resorts, exceed the approvals that are allowed in their leases. That is an issue where people may have a pastoral lease, for example, where they are doing significant tourism activities which are inconsistent with the lease. There are those things that come up from time to time. We are very much saying that people need to use their land consistent with their lease. It may be that they need to come back to get native title consent if they are going to change the conditions of their lease in a way that affects native title. The Wik case was all about that. Pastoral leases are for a certain purpose. Native title coexists with that. If the lease is to be extended for other purposes, it needs native title consent. One of the issues—which, again, is not an island resort issue—on Cape York is how leases are being used for carbon projects when they are pastoral leases. We see carbon projects as being a separate commercial use of the lease.

Mr WEIR: Where is the actual enforcement agency for those breaches? We just heard about the problems on Double Island because there is not enforcement of breaches of leases. You are saying the same thing with native title.

Mr Piper: Yes. I am saying that a lot of the time lease conditions are not enforced.

Mr WEIR: And the failing lies where?

Mr Piper: In government somewhere.

Mr WEIR: ‘Somewherespecifically where?’

Mr Piper: I would say the Department of Resources is probably responsible for leases.

Mr MARTIN: Terry, have there been any island resorts owned or operated by Indigenous people or groups and is that something that the Cape York Land Council has on its radar for the future?

Mr Piper: Definitely. We have traditional owners come to us expressing interest in various leases. One of the ones that I mentioned is Restoration Island. People every couple of years come to us to ask what is happening. They hear rumours that the lease is expiring, which is not the case. Certainly people have an interest in those areas. Communities are getting to be more and more interested in economic development—certainly not on islands as yet, but people have considered what kind of tourism developments they may put on the mainland along the coast.

Mr HEAD: My question is not vastly different to the question from the member for Stretton. Do you believe local ownership, and maybe more specifically local to North Queensland, could improve the management practices of our islands and island resorts?

Mr Piper: I think we are fully supportive—we are an Indigenous organisation, so we fully support local ownership.

Mr HEAD: I get it. I guess it is an opportunity for you to put on the record why you think local ownership might improve the outcomes for island resorts.

Mr Piper: Local ownership tends to keep the money in the local economy. It tends to employ local contractors. It develops a better understanding of employment of Indigenous people. Ultimately we see local ownership as being something that brings a greater benefit to the economy here. We work in environments on the cape that have a small economy. You need investment. You definitely need people with money to invest. There are probably not a lot of people with money on the cape, but somehow it needs to transfer to local ownership where it can.

Mr WALKER: Your submission notes the ‘need for engagement with traditional owners on Lizard Island’ and that ‘to date there has been little engagement’ between the department of environment and traditional owners. What would you like to see happen there?

Mr Piper: We would like to see that engagement improve on Lizard Island. That might have been a bit too critical of Parks. Parks are putting a lot of effort into their engagement with traditional owners. Lizard Island is quite a way out. It is not like a mainland park where people can come and work readily. I think there can be improvements, particularly in how much people are engaged in the park management and engagement with the resort there and the research station there.

CHAIR: There being no further questions, thank you. That was a quick one for you. Once again, Mr Piper, we really appreciate your participation. You will be provided with a copy of the transcript of proceedings when it is available. As always, a copy will be available on the committee’s webpage. On behalf of the committee, I thank all of our witnesses and guests today but also everyone who has put in a written submission for the evidence that we have before us. I declare this hearing closed.

The committee adjourned at 3.03 pm.