



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:

Dr A Beem—Acting Committee Secretary

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

TRANSCRIPT OF PROCEEDINGS

THURSDAY, 25 AUGUST 2022

Keswick Island

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The committee met at 11.28 am.

CHAIR: I now declare this public hearing for the committee's inquiry into economic and regulatory frameworks for Queensland's island resorts open. Thank you for your interest and attendance here today on Keswick Island. I would like to start by respectfully acknowledging the traditional custodians of the land on which we meet today. My name is Shane King, the state member for Kurwongbah and chair of this committee. Before I introduce our fellow committee members, I would like to thank Craig Gilberd for agreeing to host the public hearing today. It is a beautiful place and we really do appreciate it. I would also like to thank Col Wilson, who has been assisting committee staff with logistics for the hearing. The committee members 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 Trevor Watts MP, the 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's island resorts. The purpose of today's public hearing is to assist the committee with its consideration of this 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 do remind witnesses that intentionally misleading the committee is a serious offence. I saw some copies of the instructions to witnesses floating around, so we will take those as read. There are copies available here today as well.

The proceedings are being recorded by Hansard. Just on that, the level of noise is perfect at the moment, but if everyone starts talking it is difficult for Hansard to pick it up and we want every word recorded here today. We want to make sure we get all of the evidence. The media is present—welcome, media—and is subject to the chair's direction at all times. The media rules endorsed by the committee are also available from committee staff if required. All those present today should note it is possible you may be filmed or photographed during the proceedings. 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 responses to questions taken on notice today be provided to the committee by 4 pm on Monday, 12 September 2022.

GILBERD, Mr Craig, President, Keswick Island Progress Association

HAYNE, Mr Adrian, Private capacity

KANE, Ms Lesley Anne, Private capacity

McGROW, Mr Lee, Private capacity

WILLIS, Ms Julie, Sublease holder

WILSON, Mr Col, Private capacity

CHAIR: Before we get started, I just want to briefly explain the inquiry process. We are in the evidence-gathering phase of this inquiry. Once this phase is complete, we will prepare a report which will be tabled in the parliament. The committee will consider all of the evidence in the final report and submit recommendations. Any recommendations this committee makes will be addressed to the government for their consideration. The minister will have three months to provide a response to the committee's recommendations.

While obviously we have not made any decisions regarding what recommendations we will make, I want to make it clear that we are here to look at systemic issues and big problems and to fix things going forward. We are unlikely to be able to resolve small individual issues, but we do want to hear them because they add to the evidence. We are hearing from smaller groups of witnesses, but if we finish with plenty of time to spare we would like to hear from other people who also want to have

their say. We are starting at the moment with Mr Craig Gilberd and Ms Julie Willis from the Keswick Island Progress Association. We will ask each of you for a brief opening statement. Obviously we have read the submissions, but if there are things you would like to add to give it some background we would love to hear them.

Mr Gilberd: I am president of the Keswick Island Progress Association so I represent our membership, which I think is about 55 at this stage, and myself. I am also representing Dr Kerry Outerbridge, who put in a submission. He is overseas right now. There is so much information with all of that. The KIPA submission is 267 pages, so we cannot go through all of that. I have tried to break it down to five basic points. I will just read those out.

No. 1: the inaction of state and local governments to uphold their own agreements, which are the headlease, two lease deeds of agreement and the Land Act, have led to the nondevelopment and misuse of Keswick Island. That is it in a nutshell.

No. 2: how did the headlease get transferred to a Chinese company registered in Hong Kong with no tangible assets and one director residing on mainland China through whom all documentation had to be signed in hard copy, not electronically? I will state that recently a power of attorney has been appointed. You will hear more about this from Julie. This makes transferring and selling the sublease extremely difficult. I have an example here, but Julie is going to expand on that so I will leave that alone. My question here is: who authorised that transfer of the headlease when we are aware—just us—of four Australian companies that tried to buy this island?

CHAIR: We do not know and that is not for us, but your question is on the record.

Mr Gilberd: We want an answer to that. No. 3: how did the headlease clause requiring \$150 million to be spent in the first 10 years get extinguished and why? Why were interested parties—that is a title which are sublessees—not consulted? Please note that the Queensland Land Act was amended in 2007 to include written approval of all interested parties on all headlease changes. We are under the belief that the cancelling of that \$150 million development requirement has caused the stagnation of Keswick Island and is one of the major causes of our land values going down to next to nothing. As I mentioned to Lachie, what we have lost on our own house here is irrelevant because we are not going to sell it, but there are people who have had to sell due to old age and ill health. It has created bankruptcies, marriage breakups and people losing their retirement. It has been a big impact of the collateral damage in that one thing that was done in 2005 by Henry Palaszczuk.

No. 4: what is the criteria for new head lessee selection and has this criteria been rigorously followed, in particular with the last selection? We are on our fourth head lessee. All have failed to deliver on what they were legally bound to and what we bought into believing would happen. We trusted the authorities to honour these agreements. That is so important. We trusted that state and local governments would follow through with these legal agreements. Are you all aware of this deed of agreement between the head lessee and Mackay council?

CHAIR: No.

Mr Gilberd: I am digressing a little bit here.

CHAIR: Has it been included in your submission?

Mr Gilberd: It has been included.

CHAIR: We are aware of it.

Mr Gilberd: It is 70 pages long—very comprehensive. Initially when the first head lessee applied to get the lease, he got the lease and he wanted amendments to it. So it went to the appeals court, and the appeals court granted his request subject to certain conditions. These are the conditions, and these have not been followed. The system of selection of the new head lessees—and there have been four of them—for us has been a dismal failure.

No. 5: why has environmental damage not been addressed and effects identified? Why has rectification not been applied with the same rigour as if the same actions occurred on the mainland? We have had multiple meetings with the council. In one of those meetings I directly asked the chairman of that meeting, 'If I bulldozed Blacks Beach on the mainland and bulldozed all the sandhills during turtle laying season when there are turtles laying there, what would happen to me?' His answer was, 'You would go to jail.' What is your problem here? There is something amiss here.

CHAIR: That has been a theme we have been hearing in a lot of these hearings throughout Queensland— island versus the mainland.

Mr Gilbert: To summarise, if state and local governments did their job in upholding all legal agreements created by themselves, there would be no problems. That is all I wanted to say. I also have possible solutions from our perspective because I do not believe you should ever pose a problem without a solution.

CHAIR: A man after my own heart.

Mr Gilbert: I will just go to another thing quickly here. I am going to read the first two clauses of the headlease. The first states—

The lessee must use the leased land for commercial/business purposes being tourism, residential, marine facility, marine works, and aerodrome purposes.

Have you heard about the tourism that is happening on Keswick Island?

CHAIR: Very little.

Mr Gilbert: You have not because it has not happened. The second clause states—

This lease may be forfeited if not used for the purpose stated above.

Possible solutions include No. 1: the creation of a separate and distinct government portfolio dealing with Queensland offshore islands only operating under a CEO model principle where the 'CEO' is responsible to ensure the progress of developments is reviewed and followed up. If we have a problem here, let's say an environmental problem, we will go to the Department of Resources. 'It's not to do with us; it is to do with GBRMPA.' We go to GBRMPA and they say, 'It's not us; it's DES.' It goes around and around passing the buck, and it is not our job. If we had one portfolio we could go to—one thing, and let them handle that. I do not see this as a political problem; I see it as a bureaucratic problem. You guys are the bosses of the bureaucrats, right? In a business the CEO's job is to get things done, not do them. This portfolio is like the CEO of a business. We are all businesspeople and this is how we run our businesses. It is his job to get it done, not do it. We need someone like that. That is one solution.

No. 2: freeholding the residential components of the islands. With Keswick Island this will be the Basil Bay precinct. We have five precincts here. Where we are now is called the Basil Bay precinct. If that was made freehold, it might solve quite a few problems. We could run our own affairs then rather than having to go through the head lessee and the head lessee having to go through all these departments et cetera.

CHAIR: The only negotiations would be—and I know they are contentious—the airport and jetty. I understand they would be the only things.

Mr Gilbert: That would have to be another whole big discussion.

CHAIR: Of course.

Mr Gilbert: Should the head lessee fall into disrepute, the other precincts that have had nothing done to them now could be returned to national park and it becomes a residential component only.

No. 3: provide absolute transparency to interested parties—which are sublessees—to the headlease around the assessment criteria of new potential head lessees. We have had four; we believe we are going to get more. We would like transparency around the criteria they choose them on. Ensure that headlease transferees uphold existing agreements, with interested parties abiding by human rights issues and generally expected treatment of interested parties and that we be included. I am not sure if you are aware that we were treated like Third World citizens. Since the day the last head lessee came it has changed. You have met Scott down there. The new management here has changed and it is good now. In that criteria of choosing the head lessee I believe there should be a statement saying how you treat the people who are already here. It has been shocking.

No. 4: have new head lessees on a probationary period followed by annual performance review involving all interested parties—us. If breaches are found it leads to forfeiture of the lease, just like in the real world of commercial leasing. Reviews are a 'must be done' rather than a 'may be done'. If you look in the legislation, when selecting a future head lessee they 'may do' a financial review. No, you 'must' do it. If they have no money—the second head lessee who came here did not have a penny and he got the headlease—is it going to develop under that? No. What did he do? He took the headlease, slapped it on the table and said, 'Take it back.' 'Oh, we can't take it back. What do you want? We'll scrub off the \$150 million' et cetera. That is what happened. That is not good enough.

No. 5: with regard to Keswick Island, should a headlease ever be forfeited we want you guys to know there is a huge talent base of residents and sublessees from which a selected group could caretaker the island until a suitable head lessee is found. If after three years of caretaking the Keswick Island

achievements of the caretaker group exceed that of the combined tenure of the previous three head lessees combined, this could potentially become a permanent arrangement. Between sublessees in the room today and people who are not here there is a lot of talent.

CHAIR: There is obviously a lot of passion for the island.

Mr Gilberd: That is what we want to get across. We do not want to come across angry. We are passionate. We love it. This is our forever place. We would look after it like you would not believe.

No. 6—and I say this a little tentatively: should this inquiry not produce any positive results, a judicial review into government decisions may be considered. Take that as you may. We are fed up. We have been fighting this for so long. That is about it from me.

Sorry, I need to mention Kerry Outerbridge. Most of Kerry's submission was about emergency procedures. He is an orthopaedic surgeon, a medic. He is concerned about injury, illness and all of that sort of thing. We are not aware of a proper medical plan of action. He is also big into fire mitigation and risk mitigation et cetera. KIPA has handled that. We are having a local fire expert come out next month. We are doing fire drills. That has just been resurrected. There are many other things—marine accidents, air accidents et cetera. If you read the deed of agreement with the council, it is all in there how it should all be set out. It does not exist, to our knowledge. That was the basis of Kerry's submission.

CHAIR: Ms Willis, would you like to make an opening statement and then we will go to questions?

Ms Willis: My partner and I have lived on St Bees and Keswick Island since 2013. We were caretaking St Bees Island and then made the decision to move across to Keswick. We have been here since 2014, first as long-term renters and then purchasing our own home on a sublease in May 2021. The house that we bought and the sublease were on the market for some 16 months prior to us making an offer on it. There was a buyer who had made an offer. He walked away after 16 months of stalling and obstacles waiting for the purchase to be settled. Our offer took 13 months to reach settlement. By the time we actually moved into the house it was a total of 29 months for settlement on a property. I am not sure if that is the same amount of time that it would take on the mainland, but it was not satisfactory.

The reason our settlement took so long was that there were onerous conditions that were applied to the headlease holder's consent to transfer the sublease. Those conditions were eventually revoked by the headlease holder. Our experience of trying to expedite the settlement has demonstrated to me that government representatives are not aware of the grievance process or the grievance mechanism. Then when I have done further research I have found out that that grievance mechanism is a costly legal exercise for sublessees to access to try to resolve any issues that are essentially the responsibility of local and state governments to address.

It is also not mandatory for parties—being the headlease holder and the sublessees—to participate in mediation in that grievance process. In the past, two previous headlease holders have agreed to participate only to walk away and commence legal action against individuals. It has been a costly exercise and a pointless exercise because at the end of the day they have just walked away from that mediation.

As part of this inquiry, I would like to know that the committee will give serious consideration to the suitability of the grievance mechanism and what mechanism exists if the grievance is actually with the government departments. My understanding is that the government departments are not part of that grievance process or are not a party to that. In saying that, the mechanism was also not well understood by public servants or the minister administering the Land Act in relation to Queensland islands. I met with Mackay MP Julieanne Gilbert and had several discussions with Department of Resources staff to try to resolve our issues. Eventually in March 2021 I also spoke directly to the Minister for Resources. This is before settlement. I was advised by all of those parties that the only option to deal with my issues was to access the grievance mechanism, but this was not an option to me because I was not yet a sublessee of Keswick Island nor an interested party on the headlease. There was nowhere for me to go.

The grievance process, for me and historically, has not worked for the affected parties or the negatively impacted parties. There has not been any resolution. It has actually resulted in personal litigation against individuals who have initiated that grievance process.

CHAIR: That is disappointing. If someone does get to that grievance procedure, who oversees that? Is there a body or anyone who oversees that?

Ms Willis: According to the documents that I found, the Department of Resources actually appoints a mediator. In one of those instances it was actually Tony Fitzgerald. That was during the grievance process with the second headlease holder, Keswick Island Pty Ltd.

CHAIR: But you cannot access it if you are not a sublessee?

Ms Willis: You cannot access it.

CHAIR: I understand your situation.

Mr MILLAR: Craig, thank you so much for hosting us today. It is a spectacular place.

Mr Gilberd: We really appreciate you being here. We really do.

Mr MILLAR: Why did it get to this? How did it get to this breakdown in the relationship? What happened?

Mr Gilberd: I do not want to harp on about China Bloom, but we call them China Bloom because we have never been officially told of a name change—they have not had the courtesy to do that. I think it all began with the way they treated us. They closed down all the businesses. They closed down the Airbnbs. Karen and I used to commute to town. We had our own plane. We had been doing it for 13 years. They told me to get my plane off the island in 12 hours—no consultation, no reason given.

Karen lost her business. I was in the process of selling mine, so I was not as affected. We had had an agreement with the head lessee—an official legal agreement—every year to be able to do that. That was one of the reasons we came to live here. We had to make a choice: Keswick Island or our business. She had to give up her business. That has affected our future. That is a personal thing.

They had security guards here following us around. We befriended most of them. As soon as we did, they got fired. The stories that they have told us of what they were told to do to us are horrific.

CHAIR: Is that still the case?

Mr Gilberd: No. I am getting to that.

CHAIR: I was just wondering.

Mr Gilberd: Businesses were given seven days to shut down. Julie was looking after Airbnbs. They were given seven days. They had future bookings from overseas people that they had to cancel. The first clause of the headlease says 'for tourism purposes'. There weren't any. The airstrip was closed for two years. Nobody flew in here for two years. Put it this way: we do not get flat batteries in our buggies anymore because the lights were turned on by somebody. We do not get flat tyres anymore. They stay up when we pump them up. We do not get saltwater put in our fuel tanks on our boats anymore. The list goes on and on. Just ask the Mackay police because we have recorded it all with them.

We went to the media, as you are probably all aware. It was like Australia fell in love with Keswick Island. A *Current Affair* were here three times, as well as ABC, Channel 7 et cetera. The support we got was overwhelming. We are talking in the millions of people supporting us. I think China Bloom decided, 'We're not going to get rid of these guys,' so they fired the current management here which is where the crux of the problem was. They put in Scott, whom you have met. That changed everything for us. It is now very pleasant to live here. People are welcome.

You have seen all the signs in the submission. They had 'keep out' signs. They did not even know there was a 30.175-metre public esplanade around the island. They were telling people, 'It's a private island. Get off,' and they did not say it nicely. That has all changed. I want to respect Scott and the new management. They have made it very pleasant. People can come. Yachties can come. I am a yachty. We will go and pick them up and take them around. They come up here. It is very pleasant right now, so that part of it has changed. I think it was our media pressure that caused them to pull their heads in.

How did it come to this with no development? I put it down to a lot of those clauses taken out of the headlease unbeknown to us. I have a 50-foot yacht down there which is meant to be in a marina here which we signed up for 22 years ago.

CHAIR: There is no marina.

Mr Gilberd: There is no marina. We do not even have a jetty. This is a good example: here is a deed of agreement between the Department of Resources and the headlease. It was written in 2008. The requirement there was for a 'free public jetty and boat ramp to be installed within six years', which makes it 2014. Did you see it there today—eight years later?

Mr MILLAR: No.

CHAIR: No.

Mr WATTS: Do we have a copy of that?

Mr Gilberd: Yes. It is in the KIPA submission. That is what has let us down. When the headlease was passed to this last lot of people, it was passed in breach. That created a breach of the headlease. It has not been done. How can they transfer a breached lease without addressing it? The new guys, in their defence, did not even know it existed. They did not even know that a deed of agreement with council existed. That is a government problem letting us down. Why didn't the Department of Resources say, 'Hey guys, you have to build that jetty'?

Ms Willis: 'And you can't transfer the lease until the jetty is built.'

Mr Gilberd: It is the inactivity of the state and local government in not upholding the legal agreements they created that has led to this. The question was what has led to this, and that is a long way around to answer that.

Mr WATTS: If you were the minister in charge, what are the things you would do immediately and what would you do in the longer term?

Mr Gilberd: Assuming that there is someone dedicated purely to the Queensland islands?

Mr WATTS: So the first thing you would do is get a coordinator of the islands?

Mr Gilberd: A coordinator with a portfolio of just the islands, because there are a lot of them, as you know, to review all the legal documentation and fix it up—not fix up the documentation but fix up what has not been done.

Mr WATTS: So there needs to be some sort of audit of what was agreed, what was negotiated and what was signed—

Mr Gilberd: Yes.

Mr WATTS:—versus the situation you are in and what has or has not happened?

Mr Gilberd: Yes.

Mr WATTS: There may be various reasons for that—COVID, cyclones or whatever. Are you aware of any audit or anything like that that does exist that anybody has ever done across the islands?

Mr Gilberd: No, not to that degree. It is a web, isn't it? It is so complicated. There are so many departments. They all fight with each other.

CHAIR: And levels of government.

Mr Gilberd: And levels of government, yes.

CHAIR: We have heard that in previous hearings. The member has joined us from another inquiry.

Mr WATTS: I was underground in a mine. I can say the view here is much better.

CHAIR: That is what we have been hearing. Someone is needed to negotiate the levels of government and the different leases. I must say, I foolishly thought the other day, 'Council could do that.' Then I realised that different councils have their own rules and council is not the level of government to manage that. I am not mocking councils, but they all have their own resource base—their own funding and everything. It has to be done at a higher level of government. You have come not only with the problems but also with solutions, and we do appreciate that.

Mr Gilberd: I think the CEO concept of a portfolio that looks after all the islands is good. I had a business where I had multiple businesses within that business. My job was to address anything going on in Port Douglas, Innisfail and Townsville. With this guy it could be Keswick Island, St Bees and Brampton. They could say, 'They have to have a jetty in within three months. I better check to find out how that is all going,' and be on top of it.

Mr WATTS: If we had a coordinator and some sort of audit has been done, obviously addressing shortfalls in that, what else would you suggest?

Mr Gilberd: I do not want to say it, but there is a lot of collateral damage to people who trusted that they would have done that in the first place, so maybe investigate the collateral damage and how they can sort that out.

Mr MILLAR: You are talking mental health issues, divorces?

Mr Gilberd: Mental health issues, financial issues and all of that sort of thing. There is a lot of collateral damage.

Ms Willis: In terms of the people who bought here when the development first started—they may have been in their 60s—they are well into their 80s now and they have not been able to build. There is no marina and no infrastructure to enable them to build and they are never going to realise their dream in their retirement.

Mr Gilbert: And then what they have invested has gone because some of them just handed them back to the head lessee. Some blocks have sold for 25 grand when the original person paid \$250,000 for them. That is horrendous to a person who is of an older age and retired. There is a lot of impact.

Ms Willis: With regard to those punitive measures that Craig mentioned with the current headlease holder, that has been a historic thing.

Mr Gilbert: That has gone; that is fixed.

Ms Willis: But previous headlease holders have also exacted that same treatment on sublessees and used intimidation tactics, so it is almost like we have signed a sublease—not me but people have signed a sublease—and then that is it. You pay your rent and your rates to the headlease holder for the various activities, but then the headlease holder can treat residents and sublessees any way they want and the only avenue to address that is through the grievance mechanism, which has failed.

Mr WATTS: That brings me to my next point. If we had a coordinator and we had some sort of audit, you need a better, more clearly defined grievance procedure to prevent future problems. Is that something you would also suggest needs to be there?

Ms Willis: Yes, certainly from my perspective.

Mr WATTS: Yes, so that all parties that are signing up have a clear path to go down that is not financially destructive but is outcome focused?

Ms Willis: Yes, and the government should be a party to that same grievance mechanism, because too often—and certainly in my case, I was just referred by the Department of Resources by the Mackay MP, by the minister. They just told me to go to the grievance process.

CHAIR: Also, if that did have some teeth, then the head lessees may be more inclined to—

Ms Willis: More incentivised to actually develop.

Mr WATTS: Yes, so a suitable grievance procedure that has obligations and requirements on all parties too.

Mr Gilbert: Also, Trevor—and I think you touched on this—an annual performance review on the head lessees by that party.

Mr WATTS: So as part of the headlease there is obviously a contractual agreement and some sort of audit and then measuring those KPIs as to how they are tracking against that over a period of time?

Mr Gilbert: Exactly, yes, and if they are dragging the chain it needs to be addressed.

Mr WATTS: Yes, but sometimes there may be a reason. COVID is a good example. When those documents were written, nobody was expecting to have our international borders shut, so that is obviously going to change things.

Mr Gilbert: Another big problem is: when all of these deals were done, the people who did all that are long gone. You guys are all new relative to that, so it is a matter of someone who can be aware of what these people bought into.

CHAIR: With the grievance procedure—and forgive my naivety—obviously you want to follow the path of what is before you. Is there an opportunity—and I am not saying to incur costs, because obviously it would—to civilly sue or something like that or go to court about this? Obviously, why would you go and get a lawyer if there is a proper procedure to stop it?

Ms Willis: That is right. The recommendation with the existing grievance process is that you do engage a lawyer, so they—

CHAIR: So it is a civil proceeding?

Ms Willis: It is a civil proceeding, but what has happened is that in the past the grievance process has moved along and sublessees have tried to organise a meeting date to start the proceedings. That has been at great expense to them because they have engaged solicitors. Certainly the previous Basil Bay Residents Association had engaged solicitors. Then the head lessee Keswick Island

gets to the point where he just says, 'I'm not taking part in it,' and he walks away but then proceeds to take legal action against individuals in the residents association. It then costs those individuals to defend that.

Mr WATTS: I guess I am just trying to piece the puzzle together as to a path forward, so there are a couple of key elements there. Are there other key elements, apart from a grievance procedure—some sort of audit, some sort of annual measure, someone who is coordinating across? Is there anything else that would be substantive that would need to be there, from your perspective?

Mr Gilberd: Possibly if they do not uphold the agreements—the head lessee—there has to be penalties. There has to be incentive to do it, and right now there has been no incentive to do it because the whole history of the 20-odd years is that there has been no accountability and if they do not do it nothing happens and they say, 'We'll continue to not do it. We'll do it at our own pace.'

Mr WATTS: Without knowing any of the facts at all, when building a very expensive marina, anybody who invests in that is going to want to know how they are getting their money back. If that business plan is not stacking up and they can avoid investing the money, they are going to avoid investing the money.

Mr Gilberd: Yes, but do not buy the headlease if you cannot do it. That is it in a nutshell.

CHAIR: That is what we have heard in previous hearings and maybe that needs to be the case, and this committee has obviously heard that. Why would you grant a lease to someone in the future unless they can prove a demonstrated history of doing this sort of thing?

Mr Gilberd: That is it in a nutshell, Shane.

Ms Willis: During my research I discovered that the second headlease holder really only bought the majority of shares in the company that was owned by the first developer—the first headlease holder—so it was not so much a sale of the headlease; he just bought the majority of shares so then he, in effect, became the headlease holder. The Department of Resources was not aware of that, and this is the same fellow who then went in and said, 'You need to take out the \$150 million build clause or that KPI.' That is how that came about. Sublessees were not even aware of that, so there needs to be a transparent communication strategy as well.

CHAIR: For all stakeholders, and you are definitely stakeholders.

Mr Gilberd: Yes. The Land Act now does include that any change to the headlease has to have written approval by all interested parties. That was not in there then; it is in there now. Darren Moor, who used to be the head guy for Department of Resources in Central Queensland, at a meeting we had down at the Premier's office said that they put that in there because of what happened on Keswick Island with the \$150 million. He said that it should never have happened.

CHAIR: We have heard anecdotally that the headlease holder does not recognise KIPA.

Mr Gilberd: Correct.

CHAIR: And that is still the case?

Mr Gilberd: Yes.

Ms Willis: Yes.

CHAIR: Now we have that on the record. That is good; thank you.

Mr MARTIN: I just wanted to follow up on what some of the other members were talking about with regard to ownership. I was just wondering if you could provide some information to the committee. If you had an ideal head lessee, what would the ideal head lessee look like? I am assuming experience in running islands and tourism operations with significant capital behind them?

Mr Gilberd: Yes, so obviously the ability to handle it financially. Experience is the biggest thing. Developing on an island is totally different to the mainland because so many things happen. You experienced it today with just the weather, tides and everything, so experience. I will just digress. The first head lessee that was here, that put in all the roads and all of the facilities that you see right now, was brilliant. Unfortunately, he went bankrupt with another project with the Port of Airlie up in Airlie Beach. He went bust with that and he lost us. They have to have passion for the island, even though I know you cannot legislate that. You cannot run this island from a high-rise office in Sydney, which is what is trying to happen. It has to be on the ground. They have to have a track record of doing this sort of thing.

Ms Willis: Yes, and be able to build capacity in the community. That is a really key thing. At the moment there are maybe 15 to 20 residents who are here at any given time, but it can be as low as three. They need to be able to build capacity into the residential community as well and not see the residential community as a hindrance to any development. We are their biggest public relations

group. We have people come into the Airbnb and we have sold property—not ‘we’ but property has been sold off the back of people just coming into the Airbnb to stay for a week and they walk away buying a house, or someone coming over to visit people on the island walk away buying a house. They need to actually respect the residents and the community here as being a valuable asset to them that could help them develop their island instead of seeing us as a hindrance.

Mr Gilberd: That is an excellent question and we probably had not put as much thought into it as we should have. Just thinking about it now, going back to the headlease, we can almost get that idea—one that has to be financially proven and they have to have experience in tourism, residential, marine, aerodrome and flight. The guys that are down here now are doing a good job but they have no idea. They have an aviation VHF; I do not think they have licences for it. We need someone who has expertise in all of the fields that the headlease says they have to achieve.

Mr MARTIN: Craig, you also mentioned potentially residents of the island running the show here for a bit in-between head lessees. How would that work and is that something the committee should look at?

Mr Gilberd: Yes. We believe we have the expertise within our sublessee portfolio, or whatever you want to call it, just as a caretaker mode. Darren Moor, who was a pretty hard man to deal with, said that the government does not want to back it. That is where Vince Alexander sat the headlease on the table and said, ‘Take it. I don’t want it.’ They said, ‘What can we do? How can we fix it?’ They do not want it back. So we thought then that it was rushed getting a new head lessee, so they just put anyone in there who would take it on. We thought if we could be caretakers—and we do have the expertise to do that—it gives the government time to really get the right person here.

CHAIR: With regard to rates and everything, do you pay your rates to the head lessee and then on to the council?

Mr Gilberd: Yes. We pay rent and rates to the head lessee. It is on a formula of one over 1,000, so we pay one in one-thousands of that and then that is paid in a lump sum to the council and the state government for rent and rates.

CHAIR: So if there is no head lessee, there would just have to be some arrangement to shift that over?

Mr Gilberd: Yes. There would have to be a lot of discussion, but we just thought we would put that out there if the government is saying, ‘We’re not going to be left with the baby.’ We will take it on.

CHAIR: Yes.

Mr WATTS: So it is one in 1,000. That was because it was originally for 1,000 lots.

Mr Gilberd: There are 1,000 roofs.

Mr WATTS: Yes, 1,000 roofs, but at the moment there are how many?

Mr Gilberd: Twenty-three.

Mr WATTS: So the head lessee is carrying 977?

Mr Gilberd: Yes.

Mr WATTS: Okay.

Mr Gilberd: And my answer to that is ‘not our problem’.

Mr WATTS: No.

Mr Gilberd: If he had developed like it was meant to be, because as it develops that burden shifts on to us.

Mr WATTS: Shifts, yes, absolutely.

Mr Gilberd: So suck it up, guys; you did not develop.

CHAIR: That is something else that we have heard with other islands that we have been to. Once you get that set and you have your 1,000 and then you have all of the plumbing, water treatment, sewerage and everything that comes with that and then daytrippers come and overload everything, there has to be some way to manage and charge them for that because your facility is being overworked. That comes into it as well. In this case, that would be the head lessee who would manage that as well?

Mr Gilberd: Yes.

CHAIR: I do not know if a cruise ship—if you had your jetty; I do not know if it is deep enough—or something of that nature could come in.

Ms Willis: At one stage we had Megaforce bringing daytrippers out. We are not sure what the arrangement was with the headlease holder but they could bring up to 40 people out over the course of the weekend. We were not aware of what charges, if any, there were around that.

Mr WATTS: You said before—and I cannot remember what the figure was—that there is a public access strip around the island.

Mr Gilbert: It is called a public esplanade. It is 30.175 metres, which is the old 100 feet, from the highest astronomical tide mark.

Mr WATTS: Technically, under the headlease if a daytripper comes and lands within that—

Mr Gilbert: They cannot do anything about it.

Mr WATTS: There is nothing anybody can do about it?

Mr Gilbert: That is right; exactly.

Mr WATTS: Subject to the headlease being changed?

Mr Gilbert: There is nothing any head lessee can do about that. That is public land.

CHAIR: We are very interested in this. Anecdotally or factually, at one stage the head lessee was stopping anyone coming?

Mr Gilbert: Absolutely.

CHAIR: So there was not an ability for the public to come here, because they were—

Mr Gilbert: I will tell you how arrogant they were back then. They made a pontoon with a big sign that had a map on it and at Basil Bay—we would like to take you down there before you go—from point to point in the bay they put a dotted line on the map and said ‘Exclusion zone. No boats allowed. This is a private island.’

Mr WATTS: Which is not legally the case?

Mr Gilbert: It is so illegal that it is ridiculous. Darren Moor did a good job and made them take that down immediately. Who would do that?

CHAIR: They did and they are no longer—

Mr Gilbert: And it was egg on their face, I must say.

Mr HEAD: It keeps coming back to more residents on the island as far as the rating category is concerned and residents here attracting extra tourism. Answer this as you see fit—and it is good to hear that the current management is past intimidation and that that has improved a lot. Did you ever see what the intent was behind that relationship? Do you believe there was a purpose to it? To me it seems like the more people who are here and want to be here the better, but that would go against that. I am trying to understand that.

Mr Gilbert: We can only make an assumption and our assumption is that they did not want us here. They did whatever they could to get rid of us.

Mr WATTS: For what end goal? It makes no sense.

Mr Gilbert: I do not want to get racial on this.

Ms Willis: I have a theory. This treatment by the previous manager started during the tenure of the previous headlease holder. It was towards the end when he was pushing to market the island. There was a big marketing strategy into China and a lot of interest coming from potential buyers in China but they were not interested in having a residential component. They wanted a private island for themselves.

Mr Gilbert: A private Chinese island. We do not want to hammer the racial side of it.

Mr HEAD: That is not—

CHAIR: Any overseas buyer could want to have an island exclusively to themselves.

Mr HEAD: There could be local buyers who want to have it exclusively for tourists as well.

Ms Willis: They just did not want to have residents.

Mr HEAD: Thank you, because that provides a bit of insight.

Mr Gilbert: And their smartest move was changing the management and changing tack because it has worked and we are happy, but the same people who did that to us are still here.

Mr HEAD: If you are buying a headlease to an island where there are already sublease residents but you do not want sublease residents, why do you buy land with sublease residents?

Mr Gilbert: I would tend to think that they did not do their due diligence correctly and possibly the agent said, 'It's easy to get rid of them.'

CHAIR: That is the potential solution that you and others have put forward. With any future leases they have to prove that they can run this—

Mr Gilbert: There has to be strict criteria that have to be ticked off.

CHAIR: I am glad you made that point, because it has been made consistently all the way through.

Ms Willis: Including that humanitarian aspect. We struggle to get freight over here. It is expensive.

CHAIR: We saw that this morning. I do not envy you unloading freight to a tender like that.

Mr Gilbert: It is a big affair. We have a fantastic community here.

CHAIR: What is the year—2022?

Mr Gilbert: We have a shared powerboat and it is like our ute that goes to town. The whole community comes down and helps unload. We are really tight like that.

CHAIR: That is good, but you should not have to.

Mr Gilbert: We should not have to. It is not our job.

CHAIR: Or you should be able to fly it in. There is the airstrip—

Mr Gilbert: I landed on the airstrip 1,305 times and they cut me off at the knees.

Mr MILLAR: What was the sale of the lease?

Mr Gilbert: I think Col is going to mention that.

CHAIR: We will have opportunities to ask those questions.

Mr WALKER: Thank you for hosting us. It is quite impressive. I want to get a line of sight on body corporate, rates, insurance, what the banks think, water and sewerage. You have rainwater tanks and septs. How does that all work in this thousand-lot subdivision or development with such a small number of houses here?

Mr Gilbert: Between the headlease and the sublease they are meant to provide potable water to every sublease and island power. We have never had either. Consequently, we are self-sufficient when it comes to water and electricity. There are sewerage ponds down here. We have septic tanks and then our overflow gets pumped down and goes into sewerage ponds. Essentially, we are off the grid except for that.

Mr WALKER: So you are saying that when you signed your sublease you were guaranteed potable water and power?

Mr Gilbert: Correct.

Mr WALKER: What makes that lease binding?

Mr Gilbert: What makes it binding?

Mr WALKER: What makes that existing sublease binding if you are not getting water and power?

Mr Gilbert: They are in breach of that lease—yet another breach.

Mr WALKER: Is there a body corporate fee over the top?

Mr Gilbert: No, it is illegal to have a body corporate on lease land under the Land Act.

Mr WALKER: If there is community-based equipment or facilities—an airstrip, jetty or boat ramp—how is that cost shared or covered?

Mr Gilbert: We pay rent and rates, as we have explained, and then we pay outgoings. The outgoings are accumulated and then there is a formula. I will not get into that. It is a dog's breakfast right now because there are so many different formulas. Each headlease has changed the formula. We have just paid our levies for the last three years because it was such a quagmire. They have put everybody back to the original, which is one in 1,000 for outgoings. Right now it is one in 1,000 of the general running—

Mr WALKER: And you get to see all those costs?

Mr Gilbert: No, that is another big contention. That is all smoke and mirrors. The gross figure for outgoings went from \$550,000 with the previous head lessee to two point something million dollars with the current one.

Mr WATTS: And no transparency around that?

Mr Gilberd: No transparency. We have been working on it. We have made some good headway. They did agree to put everyone back on one in 1,000. On my sublease there is one open number of lots sold, which is 137. That gross figure was divided by 137. If you divide that two point something million dollars, it works out to about \$15,000 a year just in outgoings, which is unacceptable.

Ms Willis: With regard to your question about banks, banks do not see any value in any land or property on the island. There is no equity in it and they are very reluctant to loan money.

Mr WALKER: The other question was around insurance.

Ms Willis: Insurance is pretty astronomical.

Mr Gilberd: We have it, but it is tough to get. It is hard to get.

Ms Willis: And it is expensive.

CHAIR: Thank you very much for your time.

Mr Gilberd: You made it easy for us.

CHAIR: If we come up with any other questions, can we write to you about those?

Mr Gilberd: Absolutely.

CHAIR: We are going to be meeting with Oasis Forest. We deliberately did not meet with them on the same day at the same place. We will have some questions for them.

Mr Gilberd: We will direct your questions through our secretary.

CHAIR: Welcome Col and Adrian. Would you like to make an opening statement?

Mr Wilson: Thank you very much for taking the time and effort to get here. Craig covered 99 per cent of the feelings and the things that other people will be talking about today and he did exceptionally well, as did Julie. We are all part of KIPA and members of the BBRA—the Basil Bay Residents Association—which under our sublease we have to be members of. One of the issues that we have had major problems with is simple communication between government departments, the headlease and the council. They are not talking to each other. Craig highlighted all that. It is silly for me to go through it all again. That is the bottom line. We spoke about the grievance procedures. How can you go into mediation with somebody who will not talk to you? How do you go into mediation with somebody you send emails to and telephone but will not acknowledge you?

CHAIR: It certainly makes it hard.

Mr Wilson: It does. Not only is it hard from the point of view of being a resident but it is depressing too. We used to look forward to bringing our family here, having a great time and enjoying our time. You just have to look out the window to see what we have here. It is not only an asset for us as sublessees; it is also an asset for all Queenslanders. It is an asset for anyone who wants to visit the island.

The problem we were facing is that we are being forced off the island, simply by people putting boulders out. There were more boulders in Basil Bay blocking roads than if there was a quarry here. It was ridiculous. They were locking gates. Craig touched very briefly on the security guards who would run dossiers on us. I was told eventually that everyone on the island had a dossier on them, including Leigh, me, Craig—everybody. They would write down what their movements were, the houses they went to. We know this because one day, coming back from Connie Bay, where the gate was in fact locked, the security guard showed one of our members the form he was filling in and we took a photograph of it. There is evidence to say that that is the case.

CHAIR: Has that been submitted?

Mr Wilson: I am not too sure. It could possibly be in the KIPA submission. That is a very detailed submission. From my point of view and the things I have been trying to push—Craig touched on this and so did Julie—in terms of the deed of agreement between DNR and the head lessee, they do not have their heads together. The bottom line to that deed of agreement is putting in an all-tide jetty and boat ramp for the public.

Craig went through what happened when China Bloom took over. They took over with great expectations from residents. We thought that finally we were getting somebody in here who was going to spend some money and hopefully head down the path of what you would call sustainable development. We do not want development at any cost. The asset is what you can see out of that window. We were very hopeful in terms of what would happen. A week or so after they signed on the Keswick Island

dotted line, as Craig said, they closed the runway and they closed the barge ramp to us. We discussed taking you down to have a look at the boat ramp they put in and the proposed jetty area but we decided that if you fell over and we had taken you down there we could be held legally liable. That is how dangerous it is.

I am surprised somebody did not die or get seriously injured on that boat ramp. You can imagine the moss and algae that forms if it is not cleaned. It is like a skating rink. People were trying to unload boats with their goods from town. We have a share in a boat here and people were falling over and doing what I would call some fairly serious damage. However, when we spoke to the island management about it, their attitude was, 'Bad luck. We've given you a boat ramp and we've given you a jetty. If it is not good enough, too bad.' Obviously, our negotiations went further with government departments, the DNR, and we pointed out the deed of agreement and how they were failing there. Like I said, I could go back through what Craig has already said. I do not think it would be a waste of time, but time is ticking away here.

CHAIR: You have reinforced it, which is important.

Mr Wilson: The catalyst to tourism and investment on this island is access. If we do not have reasonable access or safe access, how on earth are we going to keep the island moving in the right direction? If you ask Craig what the motive was behind them not doing anything for us, their motive was pretty clear. They wanted to chuck us off. They did not want us here. They wanted to turn it into a Chinese enclave, only for Chinese people, and it made life pretty horrible for people.

Craig touched very briefly on things that may have happened here and how they happened. We had one resident who went away for a week or so, and when he came back the power to his house had been turned off. You could imagine the mess that created in his fridge and freezer. We had another one where wires of the power board had been disconnected. We had a mysterious hole in our boat that we have shares in. These things were all reported to the police so it is not as though we are making this up. It was pretty drastic and it was very depressing too.

I could go on, but the bottom line, as you found out today, is that access is one of the key issues. A few of you got a wet bottom coming across in the dinghy. Can you imagine someone with a major disability trying to get across to this island in a little rubber duckie? It excludes a large percentage of tourists and people who want to enjoy the pristine beauty of this island. This will continue until we get a jetty and a boat ramp. The jetty is once again the catalyst for this island moving forward. You may have heard about that Christmas tree that got chopped down.

CHAIR: Yes. I wanted to get that on the record.

Mr Wilson: The Christmas tree was in retaliation for people standing up for their own rights. This is Australia; this is not Beijing. It is ridiculous the things that they were doing—putting rocks on roads, locking gates and putting silly signs up.

There was one day when two superyachts came through. You could pick a value on them; I do not know what it is. The folk had a tender that came onto the barge ramp here and they were told, 'Get off. This is a private island.' These are people who probably have more money than all of us put together. They have gone away and said, 'What a disgusting mess that is. We're certainly not going to look at investing there.' You can imagine what happens when that is passed on in the yachting community. We were in the position where people were saying, 'Don't go to Keswick Island. You're not welcome.' That is the message they were putting out. Once again, it is access, as far as I am concerned.

I do not know if it is suitable or fair for me to comment on other submissions that have been made, but can I make this point: the head lessee in their submission said that they are in the predevelopment application phase, which is meant to include the various tiers of government—that is, state, federal and local government. That is fine, but in my view they are suggesting in their submission that they have been working hand in hand with residents and that we are all heading for the same goal. The same goal is true, but the issue is that they would not speak to us. They refused to even acknowledge emails or telephone calls.

This is when we engaged with a number of members of parliament. One person who did help us and who continues to help us is Amanda Camm, the member for Whitsunday. She has been really supportive of our plight. There was also George Christensen, the former member for Dawson. We tried to get Nicho Teng, who is the alleged owner of the island, to make direct contact with him because our fear was that they were only acting on the advice of the island manager at the time and they were completely wrong. They were telling us that the residents on this island were anti development. We are not anti development. Why would we be? A lot of people have put their life savings, their superannuation, into this island. Why wouldn't we want development? Once again, we want sustainable development.

This goes back to that same path of communication. They even highlighted themselves—meaning China Bloom, Oasis Forest—that there has been a lack of meaningful communication between those three tiers of government. If they had said to us early in the piece, ‘They won’t speak to us. We can’t get anywhere. Why don’t we work together?’, we would have been happy.

CHAIR: Sorry to interrupt. That is what I asked earlier. They will not deal with KIPA?

Mr Wilson: That is exactly right. Just in the last couple of weeks, KIPA has now written to the BBRA, which the head lessee does recognise because it is part of your sublease, to say that the BBRA recognises KIPA as an organisation on the island that supports and pushes the views, feelings and issues for the island in the betterment of the island on behalf of residents.

Mr WATTS: Can I ask a question to cut across there, because it is important. Is KIPA a registered statutory body of any kind? Is it incorporated, or is it an unofficial collection of—

Mr Gilberd: It is a fully registered non-profit association.

Mr Wilson: We all pay \$100 a year as subs.

Mr WATTS: And it has no legal standing in the headlease presently?

Mr Gilberd: No, it does not. The BBRA, which is the Basil Bay Residents Association, does.

CHAIR: We have that clear.

Mr Wilson: That is why the letter has just gone off to the BBRA. We are doing all the legwork. We are the vehicle that is getting some of these things done, as you can probably see, but it has to be recognised. If the BBRA recognise us, that is fine; they can then pass it on.

CHAIR: We might move on because we have questions for you as well.

Mr Wilson: I have a couple of quick things. You may have noticed in Kerry Outerbridge’s submission that he spoke about the sale process of the transfer amount of the island. KIPA, via the Queensland titles registry, came up with the actual document that shows how much the state government basically received from China Bloom. The bizarre thing about it is that the figure was written in the top right-hand corner of the transfer document, saying that they paid \$2,706,720.68 for the island. The marketing on the island originally was \$30 million. In that right-hand corner up the top, they showed the stamp duty, and the stamp duty was \$136,166. The question that residents are asking is: how did a \$2 shelf company based in Hong Kong manage to buy a pristine island in the bottom end of the Whitsundays for \$2.7 million?

CHAIR: It goes back to the point that was made earlier by Craig and others—that there needs to be a demonstrated ability.

Mr MILLAR: I have a question on that. How was it marketed and who was it marketed to?

Mr Wilson: I understand it was basically marketed to overseas buyers, meaning through China. It was marketed through Colliers International. That is my understanding.

Mr WATTS: And that marketing was the previous headlease’s marketing?

Mr Wilson: That is the marketing of the previous head lessee—that is correct—and was purchased by China Bloom. They are the questions. What DD process did they go through? What probity was involved in the purchase of a headlease to a foreign entity that has no money—that basically has no dosh and no assets? How can the Queensland government be comfortable that they would develop this in the best interests of not only Queensland but all of Australia? That is a question we all want to know the answer to.

There is some comparison that can be drawn at the moment. As you probably realised, the results came out this week of an ABC investigation into the casino development at Queen’s Wharf in Brisbane. I understand there is a probity inquiry into how the businessman involved in that project in 2015 was deemed a fit and proper person to run a casino. There is a situation where they are alleging that he has links to gangsters in China and Macau. I will not mention his name because even though we are under parliamentary privilege I do not think that is fair. The Queensland government seems happy now to suddenly look into them. It is only because the journos did the legwork and put it in front of them. The fellow we are talking about is meant to own 25 per cent of the casino and 50 per cent of the apartments there. In relation to the probity issues, they will look at and the due diligence that was adopted in 2015. In the view of a lot of residents, they should start having a look at the issues that led to the transfer of the lease on Keswick Island. It is no different; it is just a lesser value, I guess. It is still the same players in some ways.

I do not know if you have had a look at my submission; you probably have. I went through all of the atrocities—and in my view they were atrocities—from a personal point of view that the current headlease and others have inflicted on residents. The one that upset my wife and me was the fact Keswick Island

that, when we spoke to a part of the management team at one stage on the island, I asked, 'How do we move forward with all of this?' Every time we were trying to negotiate with them, we would hit a brick wall. They said, 'You shouldn't worry about it because they'll buy your place. They want to turn it into a teahouse.' Thank you very much for that! There are other things that I could go through, but they are in the submission. Craig and Julie handled them exceptionally well and clearly. Like I said, I support those six points and support what KIPA is trying to do.

CHAIR: I once again thank you for helping to arrange us to get here.

Mr Wilson: Thank you for coming here.

CHAIR: Adrian, would you like to make a statement?

Mr Hayne: Thanks again for being here today. I am sure it was very tough for you to make your way over. I am the vice-president of KIPA, the one that is not recognised. I am going to take a different approach to all of this, I think. As I am new to the island—I have been here for only a bit over a year—I can take the emotion out of everything that these guys have suffered and put that aside. If we look back at why we are here, it is basically because we have abandoned and closed resorts or islands that have actually been sold for a purpose—which is to be addressed as tourism and development and to maybe create jobs, especially now that COVID has finished.

This framework has come at a really good time. I have taken a lot of information out of what the Queensland government has written in there. We have to look at why they have purchased the island and what it was meant to be used for. We have to go back. It is not just China Bloom. We have to look past that. These guys have had problems four times in a row, so why has it happened four times in a row? We have to go back and look at it. The system has failed. We are not doing a good audit or due diligence on the people we are selling the island to. We have spoken about this I think in every conversation we have had. The government has to do a better job hiring and selling the island to the right people so they can do their job properly. In saying that, it needs to be feasible from their point of view. As a businessperson, nobody wants to go and spend that kind of money if they cannot get their money back.

CHAIR: That is right.

Mr Hayne: Exactly right. At the end of the day, it is a business. You have to start somewhere. These guys need to invest some money. They need to start growing something—tourism—so they can attract people to the island. In turn, that will generate more money. When you get more money it makes everyone else happy. The residents become happier. I think it starts from there and it grows and grows and gets better and better. We have to look back, not just at trying to blame. We have to go way back and see who has been making decisions—and bad ones.

These closed and unused islands have had a huge impact on the environment as well, as you can see with Brampton. It has affected marine life to some degree. That is something that also needs to be looked at that they need to maintain. In their lease they need to ensure there is—I think it was mentioned—a minimum spend per year. Someone needs to audit that. A governing body needs to follow through with that to make sure it all gets done. In doing so, if they do not follow through it is giving us a lot of bad international reviews. You only have to look at the internet to see the stories that have come up internationally with islands being unused and everything else. It is causing a lot of problems. After all, this is the Great Barrier Reef. It is a World Heritage listed area. We should be embracing it. We have the Olympics coming up in 10 years. This is a perfect opportunity for a 10-year plan to make sure we do everything right, use these islands to their full potential and hire the right people for the job—because I think ultimately that is where we have been going wrong—and follow some stricter tender processes when they go through with all of this.

My submission is more about what has been happening over the last 20 years, not what has happened in the last two or three. China Bloom did buy it at a bad time, just as COVID kicked in, but I am sure a lot of people use that as an excuse. Others have embraced it and started building in a bad time to be ready for a good time. It needs to be viable. A lot of islands have failed because of obvious reasons; for example, they do not get the number of people coming to the islands, so we have to look at how they gear the islands. Sustainability I think is a great idea. Embrace it. Even my wife said, 'Imagine having an international tennis court here where you could have Federer and the guys coming here for a week.' That in itself would attract people. That is up to the tourism people. They have to find the income to support these islands; otherwise, nothing is going to happen. You are not going to throw money at something that you are never going to get your money back on. That is pretty much where I am at.

CHAIR: As we have been travelling down the coast we have heard about dilapidated resorts that have been left after Cyclone Debbie and Cyclone Yasi where the leaseholder has not restored them or done anything. There is obviously a great deal of concern about that. I understand that the new jetty that was built here was destroyed very quickly because it was inadequate for purpose, but there has been no event here such as a cyclone or anything that could have hindered any of this development. I understand COVID, and you have all mentioned that.

Mr Hayne: It must be gut-wrenching when you build something and then something comes through and absolutely destroys it. If you look at how humans have evolved and how we have improved our lives, with regard to that Suncorp is a very good catalyst for now building homes to be cyclone rated. If people are going to build something, build something to last. Build it to a rating that can handle that kind of weather. Craig's house is a very good example; it survived a number of cyclones. You are right: people can just walk away from it. It only happens once. I think that is what happened with Brampton, really. It must hurt. As I say, as humans have evolved building techniques have got better. There must be ways they can embrace that and try and build something for longevity.

CHAIR: We have heard a lot about Brampton. It is a pity the committee has not had time to travel there. We fit this hearing in between two parliamentary sitting weeks so our time was limited.

Mr MILLAR: Col, thanks for picking us up and organising transport. I would like to go back to the sale of the island. Has the island ever been valued? What was the worth of the island?

Mr Wilson: I can only go on what my knowledge is, mind you. Others may have more information. As far as I know, from the marketing material that was around at the time the asking price for the island was \$30 million.

Mr MILLAR: The sale price was \$2.7 million?

Mr Wilson: The transfer price of the lease was \$2.7 million. One of the things that we will be looking at in probity is: did any dollars change hands overseas? They may have paid \$2.7 million for the transfer of the lease, but they could have paid another 10, 12, 5.80—whatever—overseas. That is part of the ABC investigation looking into Queen's Wharf. They say the MO in relation to that is the fact that that is what certain companies do. They are really ripping off Australians on stamp duty. Why should they get away with it? It is all very well, but has the government actually asked any questions? I think it is pretty clear. There is an old saying, 'If it smells like a rat, it's probably a rat.' I am not saying that China Bloom is a rat. I am just saying that generally you have to ask those questions as part of your probity and due diligence. How did they come to the understanding that this particular shelf company from Hong Kong could develop an island? Others have touched on that.

CHAIR: We have our understanding of that pretty hard and fast now.

Mr Gilberd: Could it be that the \$2.71 million they paid put it under the FIRB threshold?

CHAIR: That is on the record.

Mr Gilberd: We would like that investigated.

Mr WATTS: Going back to the transfer of this headlease for that price, on 1,000 roofs that works out to \$2,700 per roof as opposed to \$30,000 a roof if it was at \$30 million. It seems a very low price for an island. What is the price of a block here at the moment if someone was looking to buy one?

Mr Wilson: That is the travesty we have experienced through a number of head lessees. The values on this island have dropped dramatically. I can give you an example. We own a block of land. We originally bought a block of land to build on. The estimated price to build on this island was \$4,000 a square metre. You had to build a minimum of 150 square metres, so there's \$600,000 to start off with. Then you have to put in a solar system. You have to put in batteries, obviously, and water tanks. One of the attractions of the island is to live off the grid, to reduce your footprint. I would say that probably 80 to 90 per cent of the people who are here have come simply because of that. In our example, we own lot DW. We paid \$215,000 for it in 2005, I think. At the moment you would struggle, if there was a buyer, to get between \$50,000 and \$70,000 for it. I say 'if there is a buyer' because banks will not lend on the island. You have to come up with the cash.

CHAIR: That is for a house—everything?

Mr Wilson: That is a house or whatever. This is my understanding. We bought the guesthouse three or four years ago. We used our super—our savings—because I could see the potential here. Unfortunately, the island once again changed hands into the hands of China Bloom, and they were trying to force us off. They were trying to change my house, which we bought really for the family to use and enjoy, to a teahouse.

Mr Hayne: A lot of older people on the island have just had enough and they sold their blocks cheap, so it was the luck of the draw. You could pay \$25,000 for a block if you were there at the right time, right place. It has definitely dropped in value.

Mr Wilson: Not just dropped—dropped dramatically. You can see that.

Mr HEAD: Were there ever offers or conversations along the lines of offering a financial buyout from the current sublease holders?

Mr Wilson: Craig may be able to answer that. I cannot answer that.

Mr Gilberd: No.

Mr MARTIN: You both touched on development and I just wanted to ask you about that. In 10 years time or longer, what do you see as the future of the island? Is it restaurants and daytrippers, a lodge or something? What do you see?

Mr Hayne: I think you definitely do not want to overdo it on the island. Keep it a bit simple, because then it becomes affordable for the head lessee to do something on the island. Definitely, for the sustainability of the island, keep it small—even for their sake maybe a 100-room resort or something like that, self-sustainable with a tennis court, maybe a swimming pool or something. That in itself I think would be attractive not only to the residents but also to tourism. It would be good for daytrippers because it is not too far to travel. I do not think anyone would love to see the overdoing of an island. I think that would just spoil the whole area.

CHAIR: As you say, it has to be financially sustainable.

Mr Hayne: Exactly. That goes without saying. That brings up the question: why did they buy the island? What attracted them? What were their intentions? What was their thinking? They certainly did not bring in a crew of people. At best I think there are two to three staff on the island at any time running the whole show. For what?

CHAIR: Do they have a residence? Is there a corporate building, or have they just bought a house?

Mr Wilson: They own a few houses. There is also an illegal dwelling, I understand, down on the runway that was developed without a DA and normal approvals.

Mr Hayne: That was the previous headlease.

Mr Wilson: No, apparently this one too. This is the issue. It has been out of sight, out of mind for all tiers of government that have been prepared to let Keswick Island, or whoever the head lessee is, just get on and do whatever they like. There has been no accountability, no transparency.

CHAIR: That is what we are here to report on.

Mr Hayne: There is no grand plan. To date there is nothing on paper to say, 'This is what we think we should be doing.' Over years and years you would think you would have something on paper. That was the No. 1 thing that came up.

CHAIR: They have bought it and there is no—

Mr Hayne: That is right.

Mr Wilson: There is a master plan for the island—Craig, correct me if I am wrong—and there are a number of precincts. Half of the bay is meant to be an eco lodge. There are other residential precincts et cetera. There is a master plan, but I do not know whether that master plan is still relevant today.

Mr Hayne: It is not from the current head lessee. It is a plan that was devised many moons ago.

Mr WATTS: So there was a plan that had some clearly identified areas, and that was the original headlease, and, from that, that has been passed along?

Mr Hayne: Correct.

Mr WATTS: But there is no link between enforcement of following that plan and receiving the headlease?

Mr Hayne: No. I believe a lot of that was already preapproved—DA approved. Everything had been passed—especially the marina.

Mr Wilson: No. A lot of the questions you are asking here should really be directed at someone like Craig, who has been here for 15 years or so and knows the anecdotal information.

Mr Hayne: There was a proposed plan which I think you could find even on the internet. The plan is there.

Mr WATTS: What I am trying to understand is: as the headlease has changed hands, has that plan changed with it?

Mr Wilson: Not to my knowledge.

Mr Hayne: Not that we know it.

Mr Wilson: This is the issue. We have asked questions but never had a reply.

Mr Gilberd: The current master plan is the original one done in the late nineties; it has not changed.

Mr WATTS: Okay. But there is no contractual link between whoever buys the headlease and the compulsion to develop that plan?

Mr Gilberd: There is not, but there is in the deed of agreement with the council to do so.

Mr WATTS: Right. Thank you. Sorry, Chair.

CHAIR: No, that is okay. We are here to flesh these things out as they come.

Mr Wilson: Can I put one other thing forward? It is the marina. Once again, if there were a marina here it would be fantastic, but they are looking at building it down where the bay is. It runs six to seven knots through here. That is a pretty fast bit of water. The tidal range can go from 0.2 or 0.3 to six and 6½ metres. Obviously hydrologists and other people are doing the work on it, but, from a lot of residents' point of view, is that the correct spot for a marina? And that is a long way away. If I can bore you again, we have to get a jetty and we have to get a boat ramp.

CHAIR: 'Access' I have next to Col's name. I think there is not one member of this committee who would not concur.

Mr WATTS: I am in strong agreement that access is an issue.

CHAIR: Thanks, Col, for organising the transport; you highlighted the need for access!

Mr Wilson: One other little quick thing, if I could. We spoke about the Christmas tree that was cut down in retaliation. There is one—if not two—1,000-year-old cycad on this island. If we cannot ask the head lessee to look after a Christmas tree for us, how on earth are we going to let them look after a 1,000-year-old cycad? The Leaning Tower of Pisa was being built when that was coming out of the ground. That is a long time ago. They have that responsibility—not only, once again, to residents but to everybody—to look after these things.

CHAIR: A lot of these leaseholders that we have been hearing about—damage to the reef by leaving things and asbestos washing out because it has not been contained or looked after. Those trees are very important. The Great Barrier Reef is very important not only to Queensland and Queenslanders but to the world.

Mr Wilson: Exactly.

CHAIR: We understand the enormity of what you are saying, definitely.

Mr Hayne: I come back to our little boat ramp that we have. I was speaking to some of the management months ago. There was a whole bunch of rocks from the boat ramp—again, full of algae. It has been a massive health and safety issue, people hurting themselves. I made the comment, 'We've got an excavator. Why don't you move those rocks out of the way so that boats can be launched in a smooth manner and no-one slips or slides?' You get barked at, saying that you have to go through GBRMPA. All these little things come up and it is like, 'Well, we need someone to talk to.' It comes back to that portfolio thing that Craig mentioned. You have to be able to talk to one person who makes it happen. He does not do it; he makes it happen. A health and safety issue should far override—if you look at the greens or GBRMPA, it is not the Great Barrier Reef we are removing; we just want some access for safety. It is the only access we have. Those little things are just barrier after barrier. That is why Craig said it would be better if you had one person you could talk to. It is a communication thing—every time.

CHAIR: That frustration I think was put very well by the member for Whitsunday: we need the red and green tape because it is the Great Barrier Reef, but the red and green tape is also causing trouble and there needs to be someone to negotiate that. I am not putting words in her mouth—she said it better than I did—but it was understood very well.

Mr HEAD: This is something you might not be able to answer, but it is one of the underlying issues that could be part of it. Do you see financial viability in developments such as a marina, a jetty and everything on an island such as Keswick?

Mr Wilson: Isn't the saying 'Build it and they will come'? If you cannot get on this island without getting a wet bum, how on earth are you going to improve the island and develop the island?

Mr Hayne: Hamilton Island was absolutely booming and people were just screaming for places like this—maybe not so much from COVID. Going forward, we also want to try and stop people maybe from going overseas but spending more time in Australia and Queensland. I definitely think it is feasible, but it is not our job to do that. That is up to the person who is going to spend the money. They need to put that forward. They need to have a grand plan. They need to get hold of the minister for tourism and they all need to work together.

CHAIR: They have taken on the obligation to do it.

Mr Hayne: That is right. They put pen to paper and agreed to it.

CHAIR: Member for Callide, without putting words in your mouth—and stop me if I am—it has come up again and again about the viability of a corporation going in that has a return to shareholders to do these things because the expense gets so dear and people just go to Thailand and Bali. What needs to happen with these resorts—Hamilton Island is an example that was used—is that it is the boutique, the expensive and the pampered. That is where you go for that, and if you want to go on a backpacking sort of tour that is where the overseas ones come in.

Mr Hayne: We have our own niche market here, and people are crying out for that.

CHAIR: That is where you were going?

Mr HEAD: Yes. At the end of the day, I am a geologist; I am not an economist or anything like that. Maybe a lot of people have purchased islands, done the appropriate due diligence after the fact and gone, 'Oh, this doesn't work.' It has come up previously. We have been asking whether people believe the lease agreements have been an inhibitor or have restricted something as well.

Mr Hayne: It is a two-way street, because you have residents who live on the island. There is the emotional side of things. I am looking at it from a different point of view: why did they buy the island and what did they want to do with it? These guys are excited because they are going to be getting something happening to the island. Feasibility is definitely an issue. Like I said, a 100-room resort would not be out of reach. I think Brampton is about the same—100 rooms. You are not looking at big numbers. You have a lot of little islands. If everyone did their part, it is definitely a good thing.

Mr HEAD: Would a 100-room resort be big enough to be sustainable—the costs with regard to servicing people on an island?

Mr Hayne: How do you know? With daytrippers and offering excursions—remember, you are already 32 kilometres in from Mackay; you are closer to the Great Barrier Reef—they could do a little fishing village or a pit stop. Again, like I said, that is not my job; that is someone else's plan.

CHAIR: If someone takes on that headlease.

Mr Hayne: That is correct. That is business. You either do it or you don't.

Mr Wilson: Going back again to access, you need to get planes to land here at a reasonable rate. As we pointed out in our submissions, it was cheaper to fly return to Paris than it was 32 kilometres to Keswick Island.

CHAIR: It is strange. We had that come up a lot with some of our western members such as the member for Traeger—the cost of flying.

Mr Hayne: That was another good point. I think Keswick management has done a deal with Horizon Airways. A flight here is about \$660. I think Hamilton Island Air came in and said that they would also like to fly, and they were doing it for \$300. We are talking 50 per cent cheaper. They said no, because I think there has been a deal made with Horizon. They should not be allowed to do that as well. Competition is free for all. If they want to do it for \$300, why not?

Mr Wilson: Our fear was that this was part of the grander plan to prevent people from getting access to this island.

CHAIR: Thank you. Unless you have anything further we might move on, because we have some other people to hear from. We can write to you if we have anything else.

Mr Wilson: I will just add that things have improved here. We are talking about anecdotal things that have happened, but since the new management has come in things have been a lot better and people are getting on, but is this just the lull before the storm?

Mr Hayne: They have also been put on notice, which means they have to play a little.

CHAIR: We will go away, digest this and write some recommendations. Hopefully we can bring about some change for you.

Mr Hayne: Thank you for the opportunity.

CHAIR: Lesley and Lee, do you have an opening statement? Is there anything in addition to your submissions?

Mr McGrow: Previous people have just about said everything.

CHAIR: That is understandable. Is there anything you wish to add or reinforce? There are some things where we cannot just say, 'Oh, one person thought this.' If everyone thinks the same thing and you wish to reinforce it, that is good.

Mr McGrow: I will run through it quickly. First of all, welcome everybody to Keswick Island.

CHAIR: Thanks for having us.

Mr McGrow: What are we trying to achieve out of this inquiry? I see tourism, development, jobs and the reinstatement and/or repair of our Whitsunday Islands and resorts that were once the envy of the world. If it is true, I am sorry; it is true. 'Build it and they will come.' They have been ignored and passed by for far too long. Now is the time to strike. Most companies that have the leases now are all smoke and mirrors—obviously, for tax reasons or other purposes. This is my feeling. We need fast-track approvals in place to get the ball rolling and we need developers with backing and substance—not \$2 shelf companies registered offshore. Plus, I would like to see Australian developers given the chance. We have done it before; we can do it again. Look at Sanctuary Cove—built by Australians. We must harden up on these international land bankers. This is a major industry we are talking about for the good of Australia. That is my preface.

CHAIR: Thank you very much.

Mr McGrow: I will try to pass by everything that has already been gone through. It goes from the ministers who put this all in the too-hard basket right to the Premier, who is ultimately responsible. Why does every government official run and hide when more and more problems arise to do with these islands? This is their job to sort out. The incompetence is staggering. At the end of the day, it is not rocket science: if a lessor or lessee breaches or breaks their contractual agreement they must suffer the consequences, the exact same way as in any business decision. Your agreement will become null and void. The Queensland government is supposed to be run as a business yet obviously it is not when staff are not competent to do the job unless orders are coming from above.

There are many issues surrounding the state government's handling of Keswick. I will give this a miss as it is to do with the \$150 million clause again, which you have all heard about. I mention consultation, which you can see for yourself in the documents I have handed up. You all have this document that came through in my submission. There is no sense going through that one by one. I made a couple of fast notes before that were not carried through. My thoughts on all the cyclone damaged islands is that their insurance company has likely paid out major sums—much more than purchase price. Exactly the same as you go buy a home somewhere for \$500,000, you ring up your insurance company, it gets insured for \$500,000. Your house blows away, you get the \$500,000 or you take the settlement fee. You still own a \$200,000 block of land so there is a nice little nick there. Why build when they can accept a payout? That is for you to contemplate.

Also, following on Craig's report re water and power and the infrastructure, this is already in place. The water is running past our homes; the power is running past our homes. When we bought here four years ago we were promised by China Bloom's representative that we would have the water and power within 12 months. We had to apply by email, which we did. We have never seen it to this day. Craig and others on the island have been getting promised for 15 years—way before this lessee. Nothing is happening.

There is another thing I have to bring up. Quite a few years ago there was a major court case with the people from the bay islands against the council's decision down there not to allow any more pontoons for boats. That case was won partly because of health and accidents, as they could not have motor vehicles to get to medical care so they had to use boats. We want the airstrip open to anybody and be allowed to have our own planes. Craig did not mention this, but in the past he has transported many sick and injured people to the mainland, not to mention saving the lives of shipwrecked persons because management did not. I am just showing you the passion that these people have for this island. I am trying to be quick and go through this. Everything else that I had to say has already been said by Col and Craig, so I am sorry, there is not much more I can add.

CHAIR: Don't be sorry. We still have questions and you may think of some things while we listen to Lesley.

Ms Kane: Just to give you a brief history, my husband and I bought a block here 22 years ago. We built 10 years ago and we absolutely love it here, I have to say. Access is our biggest issue. We are both elderly. I know it has been reinforced by everybody before, but I would like to endorse everyone else's comments about access. I would also like to endorse everything that Julie and Craig said. Every point they brought up was quite valid and I totally endorse all their comments. I would like Keswick Island

to think that the state government would review the terms of the headlease before anyone else can lease the island. That will enable people who are willing to really genuinely want to develop the island to go ahead and to dismiss those who are not, who are just buying it for the sake of it. I was hoping, as a result of this, that the headlease conditions and terms might be changed for any future person wanting to develop, if that is a possibility.

CHAIR: That is something that has been coming through.

Ms Kane: Would you consider that?

CHAIR: We will write a report with some recommendations, but that is a strong line that has been coming through all down the coast.

Ms Kane: That has been the problem. I do not have any more to say. Thank you for coming.

CHAIR: I have some questions maybe for Craig to answer, because Craig had the plane here. Does management—Oasis Forest China Bloom—have any planes? If some emergency happens on the island, who do you call?

Mr Gilberd: RACQ helicopter is probably it.

CHAIR: I think that is a really valid safety issue for the island. You have all brought it up. The member for Callide is a geologist. We are all from different backgrounds. Mine is electricity supply. I cannot satisfy my mind unless I know: do you have generators? Is there a cable? Some, we have heard, have cables from the mainland. Obviously 35 kilometres is a big cable. You are not going to have a cable. How is power generated here?

Mr McGrow: We all have our own solar system—all off grid—but we were promised—

CHAIR: You were promised electricity, you said earlier.

Mr McGrow: The cables are already laid past our homes.

CHAIR: To put in a mini power station?

Mr Gilberd: There is a big generator down there.

Mr WATTS: Just for clarity, that is a diesel generator?

Mr Gilberd: Correct. We all have our own back-up generators. We all have them. We would not need them if that was plugged in. Now they are coming back to us again promising they will get power to us. We do not need it. We all have upgraded our solar systems. We do not even use our own generators hardly. It is not an issue for us.

CHAIR: If the development were to ever occur, obviously there would be some form of permanent baseload generation.

Mr Gilberd: Yes, but purely as a back-up to solar, in case we get a week of rain.

CHAIR: Yes, and water purification? Do you each have your own water supply?

Mr Gilberd: Yes. We have 90,000 litres here so we are fine, and all the houses have their own rainwater collection system and we survive off that.

CHAIR: No leaseholder has ever put in any infrastructure?

Mr Gilberd: There are bores on the island, but the water from those bores is not potable water.

CHAIR: They would need an RO. We went to Hamilton Island yesterday and saw their infrastructure. It was like a city. It was absolutely amazing. I just wanted to see what you had in the way of that infrastructure.

Mr WATTS: Back to electricity generation, obviously in this environment a diesel generator is probably not the first choice but would appear to be the only choice. Has the possibility of solar or wind or anything like that ever been explored in terms of trying to provide power?

Mr Gilberd: Can I put a concept out here? One of our residents, who is not here now—he is overseas—has a PhD in hydro-electrics.

CHAIR: Is that Dr Kerry Outerbridge?

Mr Gilberd: No, Shane Thesbury.

CHAIR: Yes, we saw his submission.

Mr Gilberd: The highest tides on the east coast of Australia are at Hay Point, which is just over here. The current flows north-west/south-east on the tides. Our channel here runs north-west/south-east and we have a funnel at both ends. Right down where you hopped off your boat is probably the most perfect location on the east coast of Australia for tidal generation and we have investigated it. That is another whole topic.

CHAIR: One that interests me.

Mr Gilberd: It is probably not appropriate to discuss it here right now. That is the sort of thing that we could do here. Not only that, we could even have a tidal generation farm here, not just to run here but to go to Mackay. We think that way. That could also supply a desalination plant for water. Imagine if that was done, the publicity that could create for the Great Barrier Reef.

CHAIR: It also just opens up so much more, remembering we are in the Great Barrier Reef Marine Park. Those sorts of things enhance rather than destroy.

Mr Gilberd: There are tidal power generation plants made in Australia. You might have read about them. They are testing them in Newcastle right now—and Gladstone, I believe.

Mr WATTS: I am thinking about a thousand homes and I am thinking about what that requires in terms of water, power and sewerage. To manage the sewage and the water you are going to need power as well so I am just trying to get my head around the logistics of that.

Mr Gilberd: The residents are fine because we have all upgraded our solar, put extra solar panels on. We run this house no problems at all. It is not a residential thing; it is probably more a bigger business hotel.

Mr McGrow: My belief is that this island would never run a thousand roofs—impossible. The ground just cannot sustain it.

CHAIR: We all have our backgrounds and, as he pointed out earlier, Lee is a retired plumber so you have more of an idea than most of us about that.

Mr McGrow: Same kettle of fish.

Mr WALKER: Yes.

CHAIR: Are you a plumber? I did not know that.

Mr WALKER: Yes. I worked on Hayman.

Mr HEAD: Who do you see is best placed to make final decisions on the management of leases, the enforcement of their conditions and the making of those conditions?

Mr McGrow: I could not answer that because I am new. We have only been here four years.

Mr HEAD: You have been here a lot longer than me!

Mr McGrow: We are always in discussions, but probably Julie would be the one to answer that, would you?

CHAIR: Craig and Julie have already put in an idea about the structure.

Mr McGrow: But you would need an overseer.

Mr Gilberd: We would need an overseer, a portfolio that just handles the islands. Under what department I am not sure.

Ms Kane: Is there a state and regional development department?

Mr WATTS: There are a lot of possibilities within the state structure.

Mr Gilberd: We thought that it could come under the state and regional development portfolio.

CHAIR: Lesley, did you want to add anything to that part of the conversation, about the management that the member for Callide asked about?

Ms Kane: No. I think it is a good idea to have an independent manager, as Craig and Julie have been talking about. I totally support that idea because it is a unique set of circumstances.

Mr McGrow: When I say we have been here for only four years, when you get the actual lease agreements and start reading through them, which I guess you would not have done as yet, four years is just breaking part of it, just to understand it. It is so in-depth. The average Joe cannot possibly understand it.

Ms Willis: It is actually quite complex for the various departments and layers of government to understand. We were referred to the Department of Environment and Science, and we have covered this before. Then we were referred to GBRMPA and then GBRMPA say, 'Well, no, it is state. It is not federal because you fall inside this particular zone.' Within the state government departments, their public servants do not understand the complexities of the headlease, the sublease and all the deeds of agreement. That is the frustrating thing for us. There is also the overlay of dealing with development, residential—all of the commercial aspects of that. The portfolio needs to be someone who is experienced with that. Resources just look after land; they do not really understand those other issues.

Mr WALKER: The scenario I see here with an overall master lease and usual sublessees at the whim of the head lessee—I had a scenario when I was in local government where we had a major title and there was a series of 113 blocks, I think from memory, all paying subleases internally with their rate structure. This happened in my past experience, where the company went bust. The owners set up a company and shares. If that opportunity arose tomorrow or in the near future where you all became shareholders and the lease was able to be purchased by you as the head lessee, would you consider that?

Mr Gilberd: In a heartbeat.

CHAIR: That is what Craig was talking about.

Mr Gilberd: We have mass amounts of energy and organisation and data and business plans if that ever did eventuate. We are poised to do that.

Mr WATTS: I understand in terms of management and I understand in terms of control and all of those things, but in terms of building a \$150 million investment on the island—if that headlease came up and it was bought by the residents, clearly the capacity to do that next step would be very difficult.

Mr Gilberd: Correct. However, it was the government that eliminated that \$150 million.

CHAIR: Back in 2005.

Mr Gilberd: In 2005 by Henry Palaszczuk. We all know who he is. Maybe we would need to lean on the government to correct their mistake back then.

Mr WATTS: There are two options: either bring that back and find a head lessee who is interested or take the alternatives.

Mr Gilberd: As Lesley said, do we then modify the headlease accordingly to reach whatever is the desired outcome?

CHAIR: What we are hearing quite loudly is that for any future lease, whatever the figure, the person has to show that they would have the experience. That is the crux of it.

Mr WATTS: Yes, the management capacity.

Mr Gilberd: I think as a resident I personally would like the residential component of this island to go ahead full-on. I think it is suited for that. Personally, I would be quite happy for all the other precincts that are not residential to go back to national park.

Mr McGrow: We all agree.

Mr WALKER: On that point, just to cap it off, you would be interested in a heartbeat, but the government has to know what the intent is from your group. You have raised a heap of issues. What are the different scenarios that follow?

Mr Gilberd: That is a big question. We do have answers, but that is another discussion, I think.

CHAIR: Craig quite clearly put forward several options of ways forward which we do really appreciate.

Mr Gilberd: As a group, as I said, my solution is caretaking it until that right person could be found. That takes a lot of pressure off the government.

Mr WALKER: I took it to another level. You are talking about caretaking.

Mr Gilberd: Exactly.

CHAIR: If there are no other questions, thank you all very much. We do appreciate your hospitality and your patience during this process. It is a parliamentary process and it is a bit different to anything you are probably used to. We appreciate it. Everything will be digested. On behalf of the committee, I thank you all for your participation in today's hearing. You will all be provided with a copy of the transcript of the proceedings when it is available and a copy will be published on the committee's webpage. I thank all of our witnesses who appeared today. I thank those who put in written submissions. They carry the same weight as the verbal submissions. We would also like to thank KIPA and Craig for hosting us today and all those who have helped us to get here. It has not been easy. I declare this public hearing closed.

The committee adjourned at 1.37 pm.