



TRANSPORT AND RESOURCES COMMITTEE

Members present:

Mr SR King MP—Chair
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

FRIDAY, 26 AUGUST 2022

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The committee met at 8.56 am.

CHAIR: Good morning. I now declare this public hearing for the committee's inquiry into the economic and regulatory frameworks for Queensland island resorts open. Thanks for your interest and attendance here today. I start by respectfully acknowledging the traditional custodians of the land on which we meet today and pay our respects to elders past and present. We are fortunate to live in a country with two of the oldest continuing cultures in Aboriginal and Torres Strait Islander people whose lands, winds and waters we all share.

My name is Shane King, member for Kurwongbah and chair of the committee. With me here today are Mr Bryson Head MP, member for Callide; Mr James Martin MP, member for Stretton; Mr Les Walker MP, member for Mundingburra; and Mr Trevor Watts MP, member for Toowoomba North. Our deputy chair and member for Gregory, Mr Lachlan Millar MP, is unable to attend today.

On 21 February 2022 the Transport and Resources Committee resolved to conduct an inquiry into the economic and regulatory frameworks for Queensland island resorts. The purpose of today's public hearing is to assist 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 remind witnesses that intentionally misleading the committee is a serious offence. You have previously been provided with a copy of instructions to witnesses, so we will take those as having been read. These instructions are also available here today.

The proceedings are being recorded by Hansard and media may be present. The media will be subject to the chair's direction at all times. The media rules endorsed by the committee are available from committee staff if required. All those present today should note that it is possible you might be filmed or photographed during the proceedings by media and images may also appear on the parliament's website or social media pages. I ask that any responses to questions taken on notice today be provided to the committee by 4 pm on Monday, 12 September 2022. At this public hearing we will hear from the following witnesses: from 9 am to 9.30 am Capricorn Conservation Council; from 9.30 to 10 am Capricorn Enterprise; from 10 am to 10.30 am Brittany Lauga MP, member for Keppel; and from 10.30 am to 11 am Michael Powell.

ELSON, Mr Stephen, Vice-President, Capricorn Conservation Council

CHAIR: I now welcome our representative from the Capricorn Conservation Council. Thanks for your attendance here today. I invite you to make a brief opening statement and after that we will probably have some questions for you.

Mr Elson: At the outset it is important to say that CCC does not totally oppose tourism development on GBR islands. However, GBR islands are within the World Heritage area and they are surrounded by the Great Barrier Reef Marine Park to the high-water mark—that is, Coast Marine Park to the high-water mark and Great Barrier Reef Marine Park to the low-water mark, which is the Commonwealth marine park. Many of the islands are also designated as national parks wholly or partly. For that reason, Capricorn Conservation Council believes that concept plans and business plans for development or preferably redevelopment of these islands should clearly demonstrate that the proposed development is consistent with protecting the significant environmental, cultural or landscape values of the World Heritage area in the Great Barrier Reef Marine Park. A lot of developments that have occurred have not been consistent with protecting those values and a lot of the excessive conditioning, if you like, of those developments relates to trying to protect those values from a development that maybe should not have been proposed in the first place.

Development on and adjacent to the islands requires approvals from federal, state and sometimes local government, hence the complexity of the conditioning and ongoing compliance assessment. The environmental assessments that are required for those approvals should guide decision-making which focuses initially on protecting the World Heritage area values. Having said that, these proponents need to demonstrate that they can make money—not only that they can

demonstrate that they can make money but that it can be sustainable into the future so that the state is not left a legacy. Because we have development leases over these islands, the state is ultimately responsible for that area. Consequently, the state does not like to take development leases away from developers when they fail but prefers to onsell. The need to onsell creates an additional problem—that is, a need to find somebody to take over to pick up that liability. I believe that causes some problems. In the case of Keswick Island and Great Keppel Island, I think that has been an issue. That is about all I want to say up-front. I do not want to read our full submission, which goes into a lot of detail.

CHAIR: No, we have that. Thank you.

Mr WATTS: We have met with a couple of different groups now and one of the things they have spoken about is having someone or a coordinating body that can be dealt with instead of all of these local councils and this and that and all of the different departments. What would be your view on that specifically for the islands close to the shoreline here?

Mr Elson: The Coordinator-General has the powers to do pretty much all of that and the current EIS process in Queensland can pull together all of the issues from local government through state government to federal government in one assessment and set of conditions. That works to some extent, but you still have a set of conditions that need to be complied with and those conditions I think—I have been retired for a few years now—devolve back to others for compliance, so you have multiple agencies then involved into the future that may or may not have any compliance assessment capacity supposedly looking after that compliance. I have dealt with that over 20 years of my work in state government and it is not very effective. In most cases the departments do not have any compliance capacity. Certainly, the Commonwealth government does not. The state departments may have but typically not in relation to an overall development. DES might look after environmentally relevant activities, but that is only a small component of the whole development.

Mr WATTS: So from what you have said—I am just trying to tease that out a little bit—you are saying that there potentially is but then whoever is the body that takes over the regulatory framework does not necessarily have any compliance enforcement capacity?

Mr Elson: Yes.

Mr WATTS: So therefore if someone breaks the regulatory framework or falls short on their obligations, what in your experience would normally happen?

Mr Elson: Quite often nothing happens, but I do not think I should say too much about that.

Mr WATTS: No, sure; that is fine.

Mr Elson: Yes. I have seen how it does not work in my time in government, and it is very difficult to get it to work correctly. You could think that the Coordinator-General's department could pick up all of that given that basically all of the conditioning comes out of that department, but they have no—or did not in my time—capacity at all for compliance work, but if other agencies do identify a problem they need to refer that back to the Coordinator-General's department.

Mr WATTS: Not wishing to put words in your mouth, but basically what you are saying is you can draw up whatever regulatory framework you like; if it does not come with the capacity for enforcement then it is not going to get the outcomes that you desire? Is that roughly what you are saying?

Mr Elson: That is about it, but I think the real problems start at the other end. The real problems come at the initial design concept stage even before it goes to environmental assessment. The state needs to make sure that that initial concept and business plan is consistent with protecting the values that need to be protected. EIS processes tend to be a formality. Once they go into an EIS process, normally it is accepted that they are going to be approved, and that is almost invariably the case. It is that concept business case point and the issue of a development lease or the issue of a promise for a development lease where you need to make sure that what is being proposed is consistent with not only protecting the World Heritage area values in the marine park but also protecting the liabilities of the state and the Commonwealth in the long term.

Mr WATTS: When you say 'you need to make sure', that is what we are here for. I guess I am looking for a framework or something that might be of value for us to recommend.

Mr Elson: All of those dealings are done at high levels in Brisbane typically before the bulk of that sees the light of day and as to how that really works is not my position to comment on at all, because you have Tourism Queensland, you have the Coordinator-General, you have DNR as the land manager.

CHAIR: Environmental science.

Mr Elson: There is a meeting of all those things in there somewhere that accepts that a proposal is worth allowing the developer to proceed with.

CHAIR: In the course of our travels in listening to people, I have two questions for you but one at each end of this process. People have said—and I just ask for a comment on this—that some of these leases that are granted appear to be granted to bodies that probably do not have, in the opinion of those people, the capacity to build or manage a multimillion-dollar resort. They have suggested that some terms of the lease should be demonstrated capacity in that they have done this before and they know what they are doing. Would you have any comment on that? That is the start of the process. I know that is what you have been sort of getting to.

Mr Elson: I guess I go back to what I said before. The cause of that problem, certainly for a redevelopment, is that the state is needing somebody to pick up that failed site so that the state does not pick up that liability. The second problem is that the state does not take development leases back off people because they have failed to comply with the lease conditions.

Mr WATTS: Do you think they should?

Mr Elson: The two are linked. Desirably the state does not want to pick up the liability and really needs to try to find a way out of that, but on the other hand where that really is not possible I think the state needs to take that development lease. If you are not going to take the lease back off them, it is a marketable item. They can go in and get the lease knowing that they can onsell, and in certain cases I think it has been fairly apparent that the lease was acquired and the whole EIS process gone through with a view to getting an approval that was marketable and not necessarily based on any sound business case at all.

CHAIR: We have heard the term 'land banking' and things like that a few times over the course of this week. The other thing that was suggested that I want your input on, if that is okay, is at the other end of a project like this or a resort. We have resorts that are damaged due to cyclones and disused, decaying and causing damage to our environment. Some people have suggested that maybe there be an ability at the start of the lease to show that you have the ability and finances to take all of that away at the end—to return it to nature—and I know that with mining that is the case in a lot of circumstances.

Mr Elson: If you look at any major developments that are assessed, that is the case. However, unless there is some sort of financial bonding associated with that, then you cannot have any certainty that that will occur either. It comes down to that financial risk for the state issue and the way out is complex. There are coalmines with potentially multibillion dollars in liabilities that might find it cheaper just to opt out, and that is always going to be the case in business that if it is cheaper to opt out then nothing happens and the state picks it up. If we are not holding anything against that, then somebody has to pay for it eventually.

CHAIR: I think that is the reason.

Mr Elson: There is that logic at the outset and there is that same sort of logic at the end as to whether the state is better off just biting the bullet. Wild Duck Island is a case in point. That is a failed development. I think the state might have taken it back now, but I am not sure about that. Wild Duck Island arguably should never have been developed or only developed as a low-key ecotourism type resort. The values of the island are very substantial. The Indigenous cultural values on the island are enormous and it is adjacent to a major turtle rookery and all of those things. It is a failed development—a pretty dastardly development—but it was a mess and the state did not really want to pick that back up, but I think now they have because nobody else could pick it up.

CHAIR: I have some questions about Great Keppel Island and the Iwasaki resort that were abandoned. In light of what we have been discussing, do you have any view as to what should happen with those and what obstacles are there for that? It is pretty much what you have been saying though, I suppose. Someone said the other day—and, once again, like my colleague, I am not putting words in your mouth—the red and green tape between all levels of government and all bodies of government seem so difficult to negotiate, but we do need them because it is the Great Barrier Reef we are talking about. If you would care to comment on that it would be appreciated.

Mr Elson: Yes, government regulation tends to be extraordinarily complex. I spent 20 years involved in all aspects from the smallest developments to the biggest developments and usually at the same time and, yes, it is extremely complex. The Coordinator-General's process was the best attempt to try to rationalise that, but in the case of Great Keppel Island it comes back to a business model. If you look at Kingfisher Bay they have a business model where they have a really nice island for people to come to and have a look at, so they are a jumping-off point but they are also close enough to high population centres to get a lot of people over there for short stays and they can

turnover a lot of money and they have done okay. Hamilton Island has a business case where they are a jumping-off spot to the reef—there is nothing on Hamilton Island—but they basically got into real estate and sold subleases, so they made a town on Hamilton Island as a jump-off point to the reef, so that model works there. Different models work differently in different places.

Great Keppel Island I personally always believed was a regional matter that people from the region primarily wanted to go to Great Keppel for short stays and you could build a business model around that and get enough people over there, but there is not a lot on Great Keppel Island other than going for a walk. It is not one of the Great Barrier Reef major attractions over there. The risk with Great Keppel is that to pay for infrastructure you have to have an earner. If you do not have a lot of people coming through, then the temptation is to go residential and once you go residential you are basically building a town over there and again it will cost the local government and state government a lot of money to service a new town sitting out on an island. Apart from all the infrastructure that you have to build on the mainland then to service all of that, it creates a nightmare in the long term. It is not an ecotourism development there, but trying to find a business model that works is not for me to do. That is not my area of expertise.

Mr WATTS: You mentioned residential there and I note in your submission you are putting forward that residential should not be considered. I guess I just wanted to explore that a little bit and find out—

Mr Elson: I guess not that it should not be considered but that it should be absolutely secondary to the resort. If you look at Keswick Island, Keswick Island was supposed to be a resort with a marina and an airstrip. It turned into a residential development entirely with no marina—

CHAIR: As we discovered yesterday, and no jetty.

Mr Elson: I spent a very large part of my life on Keswick Island dealing with the aftermath of all of that.

Mr WATTS: Sorry if I interrupt, but what I am trying to drag out of that is what are your key concerns about residential development, because certainly anecdotally some people who move into these things can be good stewards of the land and the environment because that is why they have gone there? I am trying to understand the nexus between no development and what happens versus some development, potentially residential, and what happens and what your concerns are.

Mr Elson: The concerns really are expansion of that residential over time. Once you have it there, where does the next development decision come from? Do you have to go through an EIS process again to expand that residential development or is there a way out whereby you can just deal with council and keep incrementally expanding? It is very hard to constrain residential once you have it there and I know that people have spent a lot of time on how to constrain it, which is one of the reasons the state has kept the subleases rather than freeholding because once you are freeholding you will lose it.

Mr WATTS: When you say ‘you will lose it’, you will lose control over the development?

Mr Elson: You will lose control over development, yes. With the subleasing, yes, you still have some controls if the state is willing to control it. In the case of Great Keppel there is a lot of land there and only a small footprint of development, but what is to stop that development expanding as residential throughout the rest of the island? The temptation is there and it is very hard to resist.

Mr WATTS: So for yourself—and, again, not wishing to put words in your mouth but just trying to pull that out—the concern over residential and/or freehold is the potential unconstrained expansion beyond the original intent?

Mr Elson: Yes.

CHAIR: From what we heard earlier, I think—once again, not putting words in your mouth—you said earlier the infrastructure that councils and state are liable for.

Mr Elson: Real estate is an easy money earner and it is very hard to contain that.

CHAIR: It is a sugar hit at the start, isn't it?

Mr Elson: It is a sugar hit all the way. With Hamilton Island they have just kept going with subleasing.

CHAIR: For governments the resources have to keep going and going and going.

Mr Elson: Do you want it to fail or do you let them—

CHAIR: Yes, that is right.

Mr Elson: You get into that. Hummocky Island, if it ever happened, would be the same.

CHAIR: There is a critical mass you would have to achieve, or I imagine there would be?

Mr Elson: It is not for me to comment.

CHAIR: Okay.

Mr Elson: The big problem with Great Keppel is how do you build an airstrip and a marina and make money? Every marina that has been built has failed. Even in Airlie Beach they have gone broke, and if you cannot make it pay in Airlie Beach how are you going to make it pay on Great Keppel Island? When it fails, somebody has to pick it up.

Mr MARTIN: The Whitsunday Regional Council advised the committee that it supports local government becoming the single assessment manager to simplify the process. I was wondering if you could comment on this. Do you think that is a feasible option?

Mr Elson: There has to be a legal framework around that to make that work to protect the state and Commonwealth interests. Offhand I cannot see how that would work and it is probably best not to comment anymore on that. I understand their concern and I understand the problems that they have had with being run over by the state, if you like, and certainly with Hummocky Island I think that is the case as well where the local government has been run over by the Coordinator-General. The state wanted it and the local government did not because they could see the problems that were going to happen, and I know that Whitsundays have a lot of problems with the islands up there and have had for a long time.

CHAIR: We have also heard on that matter that obviously different councils have different amounts of revenue to be able to facilitate that.

Mr Elson: Yes.

Mr HEAD: Could some of the environmental conditions that are around these island resorts prevent some of them being developed or maintained to an appropriate standard? If they were developed or maintained there might actually be long-term environmental benefits through access and educational purposes and even access to tourists coming here to see how great it is and want to donate as well. The core of my question is: could some of these environmental conditions be preventing the maintenance and development of these which is actually having a negative environmental impact? Sorry, there is a bit in that question.

Mr Elson: I do not think that is the case for Great Keppel. It depends on the location and what is adjacent to that in terms of values. Where you have fringing reefs maybe. Fringing reefs can strongly constrain what sort of marine infrastructure you can put in. The amount of visitation can be an issue, but that is a marine park issue, so that is more a Commonwealth issue than a state. Yes, they can be, but I would really need to see the specific issue to understand. The regulations are difficult and complex, but I do not think it is the cause of the problem and I do not think it is the cause of nobody wanting to pick these failed resorts up. I think people now are a little more astute, because if you look at the Whitsunday Islands they tend to be sold and sold and sold, with the value reducing each time, and they have got to a point where people have said, 'We can't see a business case no matter what price we pay.' That suggests that there is not a good business model that can be applied in that situation.

Mr HEAD: Further to that, rather than just environmental conditions we have discussed directly amongst ourselves the lease conditions, not necessarily in an environmental capacity but when island resort operators pick up a lease and then go through it and then realise that part of it is having to give public access and all these extra facilities, so rather than putting in a marina for just the tourist resort they have to put in a jetty that is accessible for public ferries and all the rest and that adds costs as well and that potentially has an impact as well.

Mr Elson: Yes, but that is really about the state's leasing arrangements and not so much about environmental conditioning. The environmental conditioning really looks at protection of the values and whether or not you can discharge treated sewage in the marine environment, which you cannot anymore I do not think, and whether you can put in submarine cables and water lines and what not or whether you should have everything on the island itself and do it sustainably. Yes, it does influence those decisions. I think these days it is probably cheaper to put all your infrastructure on the island and be sustainable anyway rather than spending hundreds of millions of dollars in trenching across the ocean to get it from the mainland, so I think those days might be gone.

Mr WATTS: Just to pull that apart if I may, you are saying there are the environmental regulations over here and then there is the state conditions that are trying to get some public access infrastructure paid for by someone else effectively. Am I reading that right?

Mr Elson: Yes.

Mr WATTS: Thank you.

Mr Elson: That is the complexity of the situation. Even with the failed leases, they start with lease conditions that have been locked in for the previous owner. Those lease conditions can be quite onerous, but at the same time they probably have not been complied with either.

Mr WATTS: And that is back to the lack of compliance capacity enforcement?

Mr Elson: Yes, pretty much and I do not think that has really changed over time. If you look at Keswick Island, when I first saw Keswick Island I had piles of files on Keswick Island that I had to work through because it had been approved and it was essentially failing when I started to look at it. They tried to put everything into management plans, so they tried to lock them into all of these complex management plans. When I looked at it I said, 'That's just impossible. You can't do it. There's no way anybody can comply with all of this.' That was about trying to get control over an island where that sort of development was probably not appropriate at all.

Mr WATTS: Just exploring Keswick Island for a minute, I am just interested because we heard some details yesterday but there seems to have been originally on the lease this big development plan that was included and then as that transferred across to a new headlease that condition has disappeared.

Mr Elson: That may be the case. I have not seen what has happened to Keswick for some time now.

Mr WATTS: Okay.

Mr Elson: It devolved down in my time to a sublessee taking over part of it and building units. They built some residential on the ridge line, and I was even involved in that the lessee wanted me to go over and sort out the sublessees because they were not complying with the lease conditions. It was just a nightmare—an absolute complete mess, and that was just subleasing. How you get sublessees to comply with the headlease conditions is nearly impossible.

Mr HEAD: Sorry, but what time frame were you involved in Keswick, if you would like to divulge?

Mr Elson: I would not like to say now, but I was involved over about a 10-year period, but I have been retired for four or five years now.

CHAIR: We are running out of time.

Mr WALKER: This is a very important question as well. In your role as the Vice-President of the Capricornia Conservation Council, education and ecotourism is a big part of what we are doing today to the environment. What do you think in relation to some of these resorts that are abandoned or damaged becoming university or educational facilities moving forward coexisting with tourism?

Mr Elson: I do not see a problem. Heron Island does it and it seems to work quite well on Heron Island. It adds value to the tourism experience if you can build a business case to do it, and that is the trick. You have to have something that pays, and universities are normally scratching for money as well.

Mr WALKER: Yes. I am just thinking that the facility is sitting there. There may be an opportunity for someone to pick that up as an education facility, be it federal or state or private or on a global level.

Mr Elson: Yes.

Mr WALKER: They are doing some major research in—

Mr Elson: We would support that sort of concept.

Mr WALKER: Thank you.

CHAIR: Time has beaten us. We really appreciate your participation today. You will be provided with a transcript of the proceedings and it will also appear on the committee's webpage in due course. Thanks very much for your time.

Mr Elson: Thank you for listening.

CARROLL, Ms Mary, Chief Executive Officer, Capricorn Enterprise

CHAIR: Thank you for your attendance today. If you would like to make a brief opening statement before we get into questions, we would appreciate that.

Ms Carroll: Thank you for having me. I will read a bit of my submission and then refer to a couple of points. The Great Barrier Reef is a unique selling proposition for Queensland's tourism industry, yet it costs four to five times as much to develop a resort and all associated infrastructure requirements on a Great Barrier Reef island compared to the mainland, compared to the plethora of six-star island resorts with budget prices and cheap airline access. Indonesia—Bali—the Cook Islands, Fiji and Hawaii, as our biggest competitors, continue to take market share from Queensland's Great Barrier Reef islands. Whilst we cannot compete with Third World economies on price for a Great Barrier Reef holiday due to our higher wages in Australia and higher cost of materials, we can compete on quality and service. However, unless government legislative framework and policies create an environment for investment to be worthwhile and the private sector to prosper, we will witness no new Great Barrier Reef island resorts whilst many existing resorts will continue to deteriorate.

The tourism industry offers education through commerce by offering Great Barrier Reef island resort accommodation and experiences. Visitors learn about the Great Barrier Reef and how to help protect it by thinking about their daily actions on the mainland, as well as during their holiday at a Great Barrier Reef island resort. Tourism on the Great Barrier Reef takes place on only seven per cent of this entire 2,300-kilometre World Heritage area, yet we are failing miserably as a state and nation in ensuring we have the best quality, world-class accommodation offerings on our Great Barrier Reef islands. Provision for water, power and waste on the mainland is supported by funding from all levels of government, with Great Barrier Reef island resorts expected to pay rates and state leases, yet fend for themselves when it comes to these provisions for island guests and resident communities.

It is currently extremely difficult for investors to borrow money for developments on Great Barrier Reef islands, due to the restrictions on having no permanent residents to be permitted in new-built accommodation products on Great Barrier Reef islands. These restrictions, which have been in place for some time, have a direct impact reflected in the ongoing challenges investors have with securing finance to construct. Hamilton Island in the Whitsundays allows permanent residency with the majority of property owners able to choose, if they wish, to make their accommodation available for short-term accommodation in the tourism letting pool. This should also be the case for all new Great Barrier Reef island resorts.

The development of mainland hotels and resorts is financially viable because strata titling is allowed, that is the building we sit in today, and in fact is the only way that these developments are financially possible with the support of banking and financial institutions. Body corporates ensure the upkeep of the property at large with an ability to elect committees from unit holders. Imagine if the traditional owners of a Great Barrier Reef island were able to participate in the body corporate making decisions of an island resort. The partnership and collaboration would enable a shared vision and ownership which would positively impact the experiences for visitors to the island whilst honouring the cultural and traditional teachings from the native title prescribed body corporate determinations. Whilst this inquiry has little or no control over financial institutions and their lending regulations, it can investigate and support the strata titling and residency versus short-term letting of new accommodation on Great Barrier Reef islands which would make the construction of new resorts financially possible and viable.

Whilst this inquiry is for all Great Barrier Reef islands, Great Keppel Island needs critical attention. Whilst there are a number of smaller 3- to 3½-star accommodation properties on the island, as well as wonderful day tours and experiences, this destination is desperate for the development of a resort on Great Keppel Island. The Great Keppel Island Resort, as you know, was purchased by Tower Holdings in 2007, closed in 2008 and remains closed and an eyesore. Despite this ongoing challenge, we continue to successfully promote what we have, not what we don't, and I would like to formally and sincerely thank our existing operators who have had it tough over the last 12 years. Having said that, they are all running at very high occupancy and we are desperate for new accommodation. I wanted to mention, too, the island is over 1,500 hectares in size. The approved resort development is 970.9 hectares of that.

I wanted to, if I may, touch on a couple of points that the previous speaker made. A comment was made that there is not much to do on Great Keppel Island. I would disagree with that. It is the hero experience of this destination. It is on the southern Great Barrier Reef. We have a section of the reef in the southern section that is growing faster than any other section, and it is very healthy. As I

said, we have a number of tourism operators, including Great Keppel Island Hideaway, Great Keppel Island Holiday Village, Keppel Water Sports and Keppel Dive, Freedom Fast Cats, Keppel Konnections, Keppel Explorer, Keppel Bay Marina, Pumpkin Island, Keppel Charters and others.

Another comment was made that marinas do not make money. We have the Keppel Bay Marina just down the road here which is a highly successful private business and they for one would love to see another marina facility on Great Keppel Island and do not see it as a business threat. In fact, they—and we share this view—see a marina on the island as a positive way to stop boats anchoring wherever they like and damaging our coral reef.

Access was mentioned. I know you will probably ask me questions about this, but access is key. It is not just the local market that we attract to this island; it is interstate and international. Access is critical by both air and boat. In fact, when the Rockhampton Airport every 10 years or so is closed for a few days because of floods on the Fitzroy River, the Great Keppel Island Resort airstrip could be an alternative for that.

In regards to the environment, Great Keppel Island at the moment is being infested with lantana and rubber vine. You may have heard about the goats. Some argue that the goats eat the lantana which is correct, but the rubber vine is actually choking the larger trees on the island and pulling them down and destroying them. Regulation is the biggest challenge to the development of resorts.

In summary, strata titling is key to a business case. Common user infrastructure is key and requires government support. I do not share the view that it would cost government to put common user infrastructure in because if you had resorts developed with particularly strata titling and some residential, you would increase the pool of ratepayers on the island.

We have, unfortunately, a monopolistic situation with Great Keppel Island. You mentioned Capricorn Resort before. I truly believe that if there was a way to have the Great Keppel Island leases, which are made up of the current existing resort approval, reconfigured and there were multiple smaller opportunities—and that is pending what happens with the Tower leases and the state government—then the more operators you have, the more competition you have, and the more desire to succeed. I think one of the biggest challenges is having these single ownership resorts on both islands and mainland when, as I said before, properties like this and many others in Yeppoon, Rockhampton and all over the country are strata titled and that is what makes them successful, both in a financial modelling way and also you have a number of people involved in protecting their asset and their investment. Thanks.

Mr WALKER: Thank you for coming along today. Your submission notes that Great Keppel Island Resort was purchased by Tower Holdings in 2007, closed in 2008 and remains closed and an eyesore. What outcomes do you think are likely to eventuate in regards to the abandoned resort?

Ms Carroll: It has been 12 years, if my math is right. I sit on a committee, a group that the state government pulled together to look at a master plan for Great Keppel Island and I think that is a fantastic initiative. It is possibly 10 years too late, but it is happening, which is a positive thing. On that committee, we, the community and a lot of different interest groups, have landed on a common vision which I think is fabulous, which I will read in a minute for the record. The state government owns the land so the state government is ultimately responsible. If a lessee, whether it be Tower or anyone else, has not fulfilled their lease conditions, even though they have been trying to sell that approved development, then something needs to happen. Having said that, I have been involved with Great Keppel Island for 25 years in different capacities, and I have been very involved over the last 12 years in not just doing what I could to get an approval of a resort, because that was one of our organisation's priority projects 12 years ago, but also doing what I could to assist in any inquiries that would come from potential investors.

The potential investor who came the closest to developing the Great Keppel Island Resort revitalisation was Altum Property Group. The sticking point with the financial management capability assessment, the FMCA, was there was no issue with their management capability, but the government deemed that their financial capability was not sufficient. The challenge with that is that they had to prove that they had sufficient funds to develop the resort approval in its entirety over a 12- to 15-year period to the tune of about \$1.5 billion. I don't know but, but I do not know anyone who has that sort of money. They were trying to stage it, and they were having some great discussions with the department of natural resources and mines at the state government level and they were seeing some headway, but the decision was made that, no, they did not have the financial capability to proceed. It is a crying shame because they were invested both financially and emotionally in that redevelopment. I did not know the devil in the detail behind the closed doors between the state and investors, however it is a real shame that compromises could not be made to see that come to fruition.

Mr MARTIN: Mary, following on from the member for Mundingburra's question, this committee has heard quite a few submissions about the idea of enforcing lease terms more strictly. If the state government had been tougher in this case of Great Keppel with enforcement, do you think that would have changed the outcome?

Ms Carroll: Possibly. It is a mess over there. There is going to be a big clean-up bill. I have heard whispers about asbestos involved in the rubble that was pushed over. Again, I do not know the devil in the detail. When we had the massive erosion of pretty much 40 metres over a period of a few years of Putney Beach, which is one of the main beaches that Great Keppel Island Hideaway is on—I do not know if you have visited Great Keppel recently—it is ironic that despite that sand being eroded into Putney Bay, they could not get approval from GBRMPA, on my understanding, to dredge the sand back from Putney Beach to where it came from. That is a federal issue, I get that. The state government ended up approving the operator to remove sand from Fisherman's Beach to fill the sandbags which now form a sandbag wall, if you like, to protect the property.

The most ironic thing I find with government is that you have different levels of government, you have rules and yet the same authority at the federal level that deems to be protecting the Great Barrier Reef Marine Park approved via the state government, through the department of environment, for another beach to be affected to fill sandbags. It did not make sense to a lot of people. Anyway, it has happened. It is what it is.

I guess you are asking: can government be a toothless tiger versus not? I guess government has looked at the legal ramifications of enforcing regulations but they have been trying to balance, I suspect, working with the lessee to get a new investor but there has been multiple failed attempts now so we are at that critical point. We are hopeful that by working together with a master plan it can provide the ammunition or the document that can help state government guide what is going to happen on Great Keppel Island. It does not move fast enough for my liking, but that is government versus private industry.

Mr MARTIN: To follow up on that, I think what the committee has been hearing is that the government, say hypothetically, if they took a hard line on enforcing lease terms then at the end of the day you still have to find a business that believes that they can make money and is willing to spend their own money.

Ms Carroll: That is right, but it has to be a partnership too. Government's role is to give businesses a hand up, not a handout. As I said at the introduction of my submission, why are islands treated differently in regards to common user infrastructure? I do not believe they should be if we want them to be successful and that is what this committee hearing is all about. It is a crying shame that we have the Great Barrier Reef, which is our iconic product or one of our iconic products in Australia, but we have fallen way behind the rest of the world.

Mr MARTIN: On that point, which is another one that has come up a lot, clearly providing all the infrastructure services for a residential community on an island would cost the government a lot more than in a suburb in Yeppoon or Rockhampton. Are you suggesting that that extra cost should be picked up by the taxpayer and by the state, or should it be picked up by the people who potentially live on the island?

Ms Carroll: Initially it needs to be picked up, I believe, by government. Then if you have strata titling, some residential, mostly short-term accommodation, which is how these buildings operate, the money comes back later in rates to the local government authority—water charges, sewerage charges, levies. Local government authorities have the ability now to levy anything and so does the state, for that matter. The argument that we do not want a residential community on Great Keppel is a moot point because why shouldn't someone want to live on Great Keppel? Why should it just be the 17 or 20 freehold lots that are over there now? Why should it be exclusive?

The business case that has been referred to this morning—and I am sure you have heard around the state—people are not going to develop anything if they do not make money. That is life. You do not go to work and not get paid. You are not a charity and nor are businesses. I have worked with many developers over the years and 'development' should not be a dirty word. If I did not work with developers we would not have this facility at Oshen, we would not have Salt, we would not have Echelon, we would not have Empire, we would not have Edge. We would not have a lot of developments here that are tourism developments but they are all strata titled. Some are residential but most are put into the letting pool. I do not see how Great Keppel Island should be any different to that. I hope that answers your question.

CHAIR: I have a question on Great Keppel Island. We have heard that Hancock Prospecting have ceased their discussions.

Ms Carroll: Correct. They are out.

CHAIR: Is there any background to that? I understand there may be legal things that you cannot talk about.

Ms Carroll: Their statement was very brief and polite and politically correct.

CHAIR: Anecdotally, we heard it was to do with an airstrip and GBRMPA, but I cannot remember where we heard that. We have heard from a lot of people over the week.

Ms Carroll: I cannot speak for Hancock and I will not speak for Hancock. The current approval for the airstrip is that it be extended from its current 800 metres to 1.5 kilometres. My understanding is that to make that happen there is basically a big hillside that would need to be cut into, to get the rock and to get the alignment. There are people in our local community—and I respect everyone's opinion—who say it should never have been approved, but it was though. Can the conditions change through compromise and discussion with government? Yes. But at the end of the day this is an approval. If it cannot be sold then a mature collaborative discussion between state government, who owns it, and the lessee needs to occur.

I will say for the record that access is critical by air. The reason Hamilton Island runs at 90 to 95 per cent occupancy is because you can fly straight in from Sydney and Melbourne. It is as simple as that. I recall a discussion during COVID. We had regular industry phone hook-ups with the department, key industry associations, regional tourism organisations and key operators like Hamilton Island. I remember distinctly when Queensland was open but the border was shut, the view of Hamilton Island was clearly, 'Until the borders open, we are not interested. Nothing is going to help us, basically, until the borders are opened.' That was because their market comes directly predominantly from Sydney and Melbourne.

Our market here is predominantly intrastate or within Queensland, with interstate and internationals. Ninety per cent of our market here is domestic and 10 per cent international. Would that change if we had a Great Keppel Island resort that you could access quickly from the southern states? Absolutely. We would grow our tourism market. Why should we just be stuck in what we have now? We are doing very well. We are running at 85 per cent occupancy, too, on the mainland. You have to pre book to get a room here now at any time of the year. It used to be seasonal and now it is not. We are desperate for new accommodation, both on the mainland and on Great Keppel. With elevated product of a five-star nature both on the mainland and the island, we can attract a different market that we are not getting now. We cannot appeal to the luxury market because we do not have luxury. We are limited, if you like, in what we can market to; the markets we can promote to. The more variety and the more levels of accommodation and products we have, we can broaden our horizons.

CHAIR: Before I go to my colleague from Callide, I have a final question on that. Our understanding is that GBRMPA stopped the airstrip because it is a hill and not the reef or something. Is there GBRMPA involvement in that one? We are not here to rubbish levels of government. We just want to find out.

Ms Carroll: I cannot answer that, I am sorry. I have seen a letter signed by the federal minister for environment, Tanya Plibersek, to a local group that basically suggested that the marina would not occur in its current approval, but I cannot talk about the airstrip. I do not know.

Mr HEAD: I think you mentioned briefly earlier, and it was in your submission as well, the \$25 million common infrastructure fund that was originally to supply some infrastructure from the mainland but now, I believe, is more for on-island infrastructure. Do you know if much progress has been made there or if anything has happened with that?

Ms Carroll: It is still quarantined and it is one of the discussions, if you like, with this group where we are talking about the master planning for Great Keppel. There has been consensus that it should be for access—that is, jetty and barge. When you land on Keppel, whilst it is lovely to land with the sand between your toes, it is not accessible for everyone. If you are pregnant or have a walking stick or are holding a baby, it can be dangerous if the waves are a little bit rough. There has been consensus on the fact that we, the community sitting on this group, want to see that money put into access in the form of a jetty and barge ramp because there has been so much debate, if you like, about the marina and we do not even know if it could occur now under the current federal rules or someone would have to start again possibly with the process. It is good that the group has come to consensus on that. The group has also come to consensus, as you would have seen in my submission, about the vision statement, which for the record I would like to read, is—

Woppa (Great Keppel Island) is an inclusive, globally celebrated and loved, low impact marine and eco-tourism destination, delivering world-class interpretation and experiences that support the maintaining, protecting and nurturing of the island's diverse ecosystems and cultural land and sea country of the Woppaburra.

That can be delivered with a resort. There was a comment made this morning about universities. I cannot remember who made that query. CQ University, for your information, currently work with Great Keppel Island Hideaway on a number of projects. One of them is the dune protection where all of that erosion occurred.

Mr HEAD: To follow up on that point, has it been quarantined until there is community agreement on what should happen with that or is it quarantined until there is private investment, getting the main resort up and running? Do you have an understanding of that?

Ms Carroll: I just understand it is quarantined. We would like to see it spent by the state on a jetty and barge as soon as possible, regardless of what happens with the resort, or we might be waiting another 10 years. We need that jetty and barge ramp, now. In fact, we needed it yesterday. The ferry operators that go to Great Keppel every single day have repeatedly said over the years that that is what we need. The reason it was moved from water and power from the mainland was because, when Altum were having significant discussions with government, the government did agree and they also talked to local government and Capricorn Enterprise and others: did we agree with having that money transferred to common user infrastructure on the island? We all agreed with that. Through the process of the master planning group, the committee and everyone, as I said, has landed on the agreement that it should be used for a jetty and barge ramp.

CHAIR: I would like to acknowledge Brittany Lauga, member of parliament. I have been waiting for that opportunity. Thank you for coming. I note that time has nearly beaten us again.

Mr WATTS: Mary, in your earlier testimony you spoke about strata titling and, instead of having this big monopoly where someone needs hundreds of millions of dollars and potentially enough money for the next 15 years worth of development before they can get an approval to sell one block of land, you spoke about strata titling and breaking it up into smaller blocks. Is your testimony that, for the administration of the islands, we should be looking at strata titling and less monopolistic control of one island and freeing it up to a more competitive environment? Is that what you are suggesting would potentially make the islands work?

Ms Carroll: I am, but two options within that. If there is one major leaseholder, they should be able to strata title to ensure their development is constructed. That is one option. When I spoke about potentially smaller leases, I do not mean individual unit leases. I mean still leases for the size where an operator could come in and build maybe 100 or 50, like a boutique hotel, but still have strata titling.

Mr WATTS: And that is because of the financial restrictions that are caused by the leasehold and the banks' lack of interest and other things?

Ms Carroll: Correct. Absolutely. I cannot see any other way. I speak to the industry every single day; that is my job. No-one has come up with a better idea than that. Capricorn Resort is freehold but it is one monopolistic operator and it is sitting there dying.

Mr WATTS: My last question is this: on the common use infrastructure, again you are basically saying that if government fronts that through levies and/or other rateable charges and other income sources then that could come back too, so that should actually form part of the model, if you like?

Ms Carroll: I believe so. I hope that through this master planning for Great Keppel Island we get to the point where some of those suggestions can receive endorsement by the greater group and the greater community.

CHAIR: So that I can understand before we wind up, through rates and everything the local council would receive that and be able to recoup that money. Would you assume it would be council that would fund that infrastructure or all levels of government?

Ms Carroll: A partnership between state and local, absolutely. That happens on the mainland—partnerships between state and local governments—for sewerage and water; not power, which is different on the mainland obviously but water and sewerage definitely. It needs to be a partnership between state and local governments.

CHAIR: Thank you very much for that. There were no questions taken on notice. You will be provided with a copy of the transcript and it will appear on the committee's webpage in due course. Once again, thank you very much.

Ms Carroll: Thank you very much. It was good to see you again.

LAUGA, Ms Brittany, Member for Keppel, Parliament of Queensland

CHAIR: Thank you for your attendance here today. This is rather odd.

Mr WATTS: I am looking forward to it. I move an extension of time!

CHAIR: Do you have a brief opening statement?

Ms Lauga: Yes, thank you, Mr Chair. Thanks for the opportunity to present a statement to the committee on this inquiry and thanks for visiting our beautiful Yeppoon and southern Great Barrier Reef. I know that Bill and Andrea here at Oshen are very excited to have you. I know they would have been the most wonderful hosts at Oshen.

CHAIR: They waited up to receive us last night. We got in quite late.

Ms Lauga: They are wonderful people and wonderful hosts. Before I start I do want to disclose my previous employment. I worked on the environmental impact statement as a consultant for CQG Consulting. Tower Holdings, the current lessee, was a client of CQG Consulting. I worked on the project prior to being elected and that has been disclosed in my register of interests for many years now.

In this region and the southern Great Barrier Reef we have a couple of island resorts. We talk mostly about Great Keppel, or Wop-pa Island, but we also have Pumpkin Island, which has a very successful ecotourism resort. It is a leasehold island, so it is state land leased to a private lessee who has developed an eco resort there. It was then subleased for a number of years to XXXX and became XXXX Island. It is now back in the lessee's hands. It is a beautiful resort.

Mr WATTS: Why did we not visit?

Ms Lauga: You did not visit? It is a beautiful resort and has won a number of international tourism awards. It is a great example of low-rise ecotourism that can be achieved on islands in our Great Barrier Reef. We also have North Keppel, or Konomie Island. It does not have a resort; it has a national park and also an environmental education centre that is owned by the state government. It is a very successful environmental education centre and there is also a very successful campground where people can go and camp. That is managed by Queensland Parks and Wildlife Service.

We have a number of other national parks as well and campgrounds on islands in the southern Great Barrier Reef and in Keppel Bay including Humpy Island. They are very successful and very low impact. Only a few of them have running water and only a few of them have showers or toilets but are much loved by people in the region.

Then we have Great Keppel, or Wop-pa, Island which is the second largest island—second only to North Keppel Island—in Keppel Bay. It is probably the most famous of all of those in Keppel Bay. It is only about 12 or 13 kilometres from the mainland. I think there are 17 white sandy beaches. You will see it today: the bluest of blue water. You can basically stand neck deep in water and still see your toes. It is just amazing: beautiful reefs. There is plenty to do and there is lots of history on the island as well.

The islands around Keppel Bay have only recently been native title determined. The Woppaburra people were granted native title determination late last year. That has provided some great opportunities for reconciliation and for working together with the traditional owners of the island and sea country around Keppel Bay.

Mary has gone over the history of the island—that the resort closed and that approvals have been granted from all three levels of government. I want to make note that the approvals that have been granted are not attached to the land; they are the intellectual property of the applicant. For example, on the mainland if you were to apply for a DA for a development, the approvals would attach to the land. If you sell that land, the approvals go with the sale. With EISs and approvals on islands, that approval attaches to the applicant, so Tower Holdings owns those approvals as intellectual property.

Mr WATTS: Can I interrupt? Is that because it is leasehold? Why is that different?

Ms Lauga: I believe it is the approval style. The approvals that are granted through the state and federal governments through the EIS process are the intellectual property of the applicant, whereas the development application system through the state government attaches to the land. That poses an interesting situation where approvals are existing on the leasehold area, but they are the property of Tower Holdings.

There have been multiple investors interested in taking over the leases and approvals over the years and we have pretty much seen a revolving door of investors. That is probably where the majority of the frustration in the community comes from. Every couple of years we see someone come in and Yeppoon

say, 'We're going to do this,' and everyone's hopes are built up. Then they move on and we see someone else come in and everyone's hopes are built up again and then we see someone else. That has happened a number of times over the years.

The leases that have been granted to Tower Holdings have a number of milestones and requirements that Tower Holdings must meet—milestones in terms of when they are required to develop the island resort by and also things they are required to do on the island, for example, pest and weed maintenance, demolition of the old resort—a whole range of things. The lease documents are pages and pages long, but they are very detailed about what Tower Holdings is required to do. There is a process for the state to take action if those milestones or lease conditions are not met.

On Great Keppel Island there is a variety of tenure. We have leasehold; Aboriginal freehold, which the Woppaburra people own; there are straight out freehold lots that people own outright; and there is reserve tenure. That diversity in tenure also poses challenges. When you see a tenure map of the island it is like a patchwork quilt with all the different tenures.

The most recent investor who was interested in the island and had entered into a contract to purchase the leases and approvals was Hancock. Can I say the most collaborative style of engagement with a proposed investor that I have seen over the years occurred when Hancock became interested in the leases. Every couple of weeks Hancock and the directors-general of every department that has oversight of the island would meet, and I was part of those meetings. The level of collaboration was outstanding. We certainly heard back from Hancock that they were very pleased about the level of collaboration from the state through those negotiations as well, and tenure was part of those negotiations. There is no secret in that. Tenure has been a part of the discussions and the issues that have been raised with all of the investors who have come through looking at investing on the island because it is important to the investment decisions that these developers have to make.

There are also a number of existing operators on Great Keppel Island. I want to echo Mary's comments about how grateful we are to them for persevering through some of the most difficult times over the last 10 to 15 years with the resort closure. People around the world knew about Great Keppel Island. When the resort closed it circulated around the world that Great Keppel Island was closed, but in fact there are at least 200 beds a night still available on Great Keppel Island. Those operators of the Great Keppel Island Holiday Village and the Great Keppel Island Hideaway have persevered through all of that media attention that made everyone in the world think that Great Keppel Island was closed and you could not visit there anymore. They have done a marvellous job. Thanks also go to Mary at Capricorn Enterprise and her team who have been trying to get that visitation back up after the resort closed.

Great Keppel has two main challenges: access and infrastructure—access by sea and by air. There is a runway. It has not been used for quite some time. It is deemed unsafe. There are approvals to extend the runway. Access by sea—and you will see today—is very challenging. Freedom Fast Cats and the Keppel Konnections pull up on the beach, you have to get your feet wet and it is hard to carry luggage—sorry, not sorry.

CHAIR: We visited Keswick yesterday and transferred via tender.

Ms Lauga: Then you can understand the challenges of getting off a boat and on to an island.

CHAIR: This committee is very aware.

Ms Lauga: That also means difficulty in access for people with a disability, for parents with prams, for people with an injury and also just the logistics of getting things on and off the island because there is no jetty or barge-landing facility.

In terms of infrastructure on the island, there is no mains water supply. There is a ground water supply. However, the water table has risen and now we have very brackish water that comes out through the showers and through the taps, so bottled water is pretty much necessary. They do use tanks, but water is a challenge. In terms of power, there is no mains power connection and so the island basically relies on solar and then generators. Transport of diesel to the island is also a challenge. Then you have wastewater challenges, too. There is a sewage treatment plant on the island that is many decades old and is at capacity and very much needs either replacing or fixing.

The state government started a master planning process over 12 months ago. I might give you a bit of a summary about where we are at with the master planning process because I am excited about this process. The way in which the department has been able to bring stakeholders together to form that vision that Mary read out earlier has been excellent. I am excited about the draft master plan which the department will release soon.

The master planning of Great Keppel Island was recommended on 8 August 2022 at the fifth workshop with the community-based project reference group held in Yeppoon. The government is currently working on updates to the website content to reflect the current project status and publication of the next edition of the newsletter to stakeholders who have registered their interest on the website. The last newsletter was disseminated in February 2022. The workshop of the project reference group was generally positive with aligned aspirations and community commitment to the project was reaffirmed. There were 32 people who attended: 26 face-to-face and six online. Participants comprised members of the project reference group and Queensland government representatives across key state agencies. Mr Anthony Aiossa, Chief Executive Officer of Tower Holdings Pty Ltd, participated virtually in this forum for the first time in the master planning process.

The workshop included a refresh of the draft illustrative concept plan and an update to the project reference group from the Department of Tourism, Innovation and Sport on the progress of the technical investigation into the location and design of a jetty for GKI, which was identified by the project reference group as the highest priority for common user infrastructure. The group members were updated on the project governance, noting that an executive-led project control group has been established in government with representation from DAWE, Queensland Treasury and the Office of the Coordinator-General. Project milestones were outlined to the group, noting the objectives to: finalise the draft illustrative concept plan for community consultation, deliver the draft master plan for public consultation, conduct a market sounding to test the market for investors interested in development aligned with the master plan vision, develop an investment strategy and deliver the agreed priority common user infrastructure.

Project time lines were outlined, noting that a draft master plan would be completed by December 2022 with the intention of releasing it for public consultation in February 2023. It was also noted that the master planning project would be informed by the Queensland parliament's Transport and Resources Committee inquiry into the economic and regulatory frameworks for Queensland's island resorts that commenced in February this year. DTIS advised the project reference group that it is delivering the Queensland government's \$30 million commitment for common user infrastructure for Great Keppel Island, noting that it is working closely with experts in MSQ to evaluate options for improving access to GKI, which was identified by local stakeholders as the top priority.

I note too that the Queensland government is the only level of government that has committed any dollars towards common user infrastructure, with its \$30 million commitment. At the 2019 federal election, federal Labor made a commitment to match those state government dollars. That commitment was not matched by the federal LNP government, so there is no money committed at a federal level for common user infrastructure. I strongly encourage the new federal government to consider investing and/or matching the money that the state government has committed to common user infrastructure on Great Keppel.

The options being considered include various designs and locations on GKI, with the preferred solutions and delivery time frames to be informed by further design work, technical studies, approval requirements and local stakeholder consultation. DTIS advised that MSQ would be conducting targeted consultation in the community before the end of this year on the jetty location.

The next steps include: updating the draft illustrative concept plan to incorporate the project reference group feedback; publication of the fifth workshop's consultation report prior to the next workshop, which is proposed for 5 September; and further engagement with the Indigenous stakeholders to access mapping on sacred sites and the agreed protocols on appropriate representation with the traditional owners post the 3 December 2021 declaration of native title. That concludes my statement and I am happy to take questions.

CHAIR: Thank you. That was a rather fulsome statement and probably answered a lot of our questions. You spoke about milestones from the existing leaseholder and you mentioned other things—demolition, weed control, the jetty and the airstrip extension. Are they milestones that have not been met?

Ms Lauga: That is right. There are a number of milestones that have not been met by the current leaseholder.

Mr WATTS: You have answered a lot of the questions. You spoke about the change at the federal government level and you said that the federal government committed money during the campaign. Have they followed through on that? We have heard today that common user infrastructure is important and \$60 million will buy you more than \$30 million so it would be good to see that followed through. Where is that at? What do you think that should be invested in?

Ms Lauga: Federal Labor made the commitment at the 2019 election. The LNP did not make that commitment, and they obviously won that federal election. At the 2022 federal election, neither the LNP nor Labor made any federal commitments to common user infrastructure on Great Keppel Island. If the federal government were to invest in infrastructure on Great Keppel Island, there are a myriad things that \$60 million—if it was matched with the state's commitment—could go towards. The master planning process has been excellent in bringing stakeholders together to identify what those priorities are for the common user infrastructure.

The No. 1 priority that has been identified is the jetty, so access, and that is what the state is committing to deliver. There are a whole host of options that have been identified as priorities. I think the second priority was the sewage treatment plant and then there are a number of other things, like walking trails, signage, access, all kind of things.

Mr WATTS: One thing we have heard is having closer coordination, instead of a proponent having to deal with multiple people. Do you think leadership is required around the Great Barrier Reef islands in terms of there being a person in a department who people can go to so their questions can get coordinated and answered? Do you think that sort of leadership is required?

Ms Lauga: I think the government did a great job coordinating with Hancock from the point that they entered into a contract with Tower. I witnessed that. Hancock were very supportive and complimentary of the government's coordination. I would strongly suggest that that sort of model be used again in the future.

Mr WATTS: I am talking about all of the islands now. Instead of all of the departments coming together, do you think there should be an islands coordinator position within government, for example?

Ms Lauga: The Coordinator-General's role really is to oversee the coordinated projects or what used to be called projects of state significance. That Coordinator-General role is about being a one-stop shop so that proponents can liaise directly with government at that one-stop shop. I think that works effectively. It is probably the piece after approvals are granted. I know the Coordinator-General still plays a role after approvals are granted, but it is whether proponents might see value in the Coordinator-General continuing that role.

Mr WATTS: Coordination, control and enforcement is kind of what we have been hearing. I understand that in the lead-up to getting an approval there can be a coordinated approach, but it seems to be that after that is where it starts to fall over as people get buried in the quagmire as they try to get through some of it.

Ms Lauga: It can do. I also think it comes down to the expertise of the proponent's consultants. If you have consultants who have experience working with government, you can see a much more coordinated process. If they do not have experience working with government, it can be difficult even for government to engage with them because there is that breakdown in communication and that conduit. It has to be a partnership. Government has to work with proponents and proponents have to work with government. What I witnessed as part of that coordination with Hancock was that partnership and spirit of collaboration was definitely there, and that is what you need to have.

Mr WALKER: It is great to see you here, Brittany. I love your passion for Yeppoon. We hear all the time in parliament how great this area is, and it is good to see you here making a submission. You would have heard me speaking to the Conservation Council earlier about universities, education and ecotourism. We have the Australian Institute of Marine Science in Townsville, we have James Cook University working in Singapore and in Cairns we are world leaders in some areas of marine studies. How can we do a value-add—that is, we get the federal and state governments to do more value-adding so we get a return on that investment and we educate our best minds in Australia and Queensland and get investment internationally and globally? We see international students come to James Cook University and pay fees to be a part of that world-leading research, and the Australian Institute of Marine Science is second if not first in the world on reef studies. Do you think there is an opportunity in this master planning to engage those groups to see another layer of value-adding and tourism opportunities there?

Ms Lauga: Definitely. We have seen some great success on North Keppel or Konomie Island of partnerships in research between CQUniversity, AIMS, GBRMPA, national parks and the Environmental Education Centre and then involving students from across Queensland who visit the Environmental Education Centre, and engagement with the traditional owners.

I was out at Biloela not long ago and the high school students there were telling me about how they had just visited North Keppel Island and some of them had never seen the beach before. They visited the Great Barrier Reef to do the studies on the island and then took it home to do research Yeppoon

projects on the Great Barrier Reef and climate change. It is marvellous that our students in Queensland have that opportunity. The state government run and funded Environmental Education Centre is the linchpin of that research, coordination and partnership between those agencies and our future with those students. That is a real credit to the North Keppel Konomie EEC.

We would love to see more research and partnerships, particularly from the likes of the Great Barrier Reef Marine Park Authority, the Australian Institute of Marine Science and JCU. CQU has some great partnerships in our region and is doing some work with both Great Keppel and North Keppel Island, but we would love to see more. The seagrass nursery on North Keppel Island is a great example of where we are growing seagrass in a nursery on the island and then harvesting it out in our beautiful Keppel Bay. They are developing seagrass seeds that local recreational fishers can drop off in key places when they are out fishing to grow and harvest that seagrass in our Keppel Bay. That is great citizen science involving the local community to help rebuild our environment. We would love to see more of those kinds of partnerships to help our environment and educate our students as well as to show the world how beautiful our region is.

Mr MARTIN: Brittany, this is my first time in Yeppoon and it is just as fantastic as you said so I am very happy to be here. It has lived up to the high expectations that you set. You mentioned in your submission XXXX Island, or Pumpkin Island, and how that has been successful. Could you expand on that? Are there any lessons for other tourist islands that we could get from XXXX Island?

Ms Lauga: Yes. The leaseholders there have done an amazing job in creating a low-rise ecotourism resort on Pumpkin Island. There is no jetty. It is entirely run by solar. You are encouraged to take your own food, dispose of all of your biowaste on the island and remove anything that is not compostable off the island. There is no air conditioning, but it is one of the most beautiful places and as a result it is highly sought after. It is booked out for weeks and months in advance. It was heavily impacted by COVID with the borders being closed. It is no surprise that it has won international tourism awards. It is definitely low impact and that is the way the leaseholders like it to be. That is also what makes it most attractive.

Mr HEAD: In regards to the \$25 million common infrastructure fund, if that was spent as soon as possible, how do you think that would improve the prospects of private investment and the future prospects of the island and region in general?

Ms Lauga: It is definitely needed. Common user infrastructure is absolutely needed. Like I said before, it would be great to see other levels of government come in to help fund that common user infrastructure. We are going to need more than \$30 million. There are myriad needs in terms of infrastructure on the island.

The history really has changed the dynamic and the way in which we are delivering it. We are at a point now where with the master planning process the community has come together and has identified what the priorities are. Up until then, I think there were a lot of different opinions about what the priorities were. There were opinions by previous investors. You would have an investor come in and say, 'This is what we think the priority is,' but then another investor would say, 'This is what we think the priority is.' The master planning process has brought everyone together to identify what the real priorities are.

Access to the island is absolutely necessary. That is why I think it is important that we are progressing with the jetty as the No. 1 priority to provide that important access onto the island. I believe that improving access will help attract investment into the future, so I am looking forward to the department delivering on that infrastructure. We are well on the way to doing that, especially now with the consultation that is happening with MSQ and some of the hydrographic surveys that have been undertaken to look at the options in terms of where that jetty should be located.

CHAIR: We would love the jetty to have been built yesterday.

Mr WATTS: That is right. We absolutely support that. There was some commentary by a previous witness, Mary, around strata titling and maybe changing some of the structures around how these leases operate to try to allow almost personal financing of a major project. I am curious about your view on that not just for Great Keppel but for islands generally.

Ms Lauga: We have had a bipartisan government policy for decades now around freehold on islands. In terms of whether changing the tenure would unlock investment opportunity, I think you may change something here but make problems over there. Tenure is one part of the problem. The complexity of island developments means they are dynamic and multidimensional. It is not just about tenure. I believe access and infrastructure are the two priority issues for Great Keppel. We have freehold on Great Keppel Island and that poses challenges. We have leasehold on Great Keppel

Island and that poses challenges too. I think it is probably a question for the department and also the development community how best we can structure tenure on islands to be able to unlock development potential.

I believe there is a form of tenure that has been identified called strata subleasing that has been considered as meeting the needs of development proponents but also aligned with government policy. I believe strata subleasing meets the needs of developers under the Corporations Act. It gives certainty to the developer and investors but still aligns with government policy around island tenure. I think that is probably a tenure that might have some opportunity and is worthwhile investigating.

CHAIR: Time has beaten us. Thank you for your participation. You will be provided with a copy of the transcript and it will appear on the committee's webpage in due course. I understand that our next witness, Michael Powell, is not coming. We have his submission No. 37. I thank all witnesses for their time today. I declare this hearing closed.

The committee adjourned at 10.30 am.