

Philip Greetham



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The Committee Secretary  
Transport and Resources Committee  
Parliament House, George Street  
Brisbane, Queensland 4000

Dear Sir/Ms,

I wish to make a submission to the enquiry into the Economic and Regulatory Frameworks For Queensland Island Resorts. I am just a regular citizen who has visited the islands on occasions for decades, for example renting yachts out of Airlie Beach. In 2006 I was one of the unfortunate people who swallowed the dream of living on a tropical island, namely Keswick Island. This submission is mainly about the succession of endless failures to bring this dream to fruition.

I don't want to ignore what had initially been achieved, so I acknowledge that the purchasers of these sub-leases on Keswick Island had some infrastructure that was in place at the time:

- Roads
- A small airstrip
- Telephone & wifi coverage
- Drainage

All that was perfectly suitable for the island. Everyone who bought land was prepared to provide their own electricity through solar, and water through rain water tanks, to allow the island to be largely eco-friendly and "independent". This about ends the good news.

In addition, we were promised:

- Daily ferry service to Mackay
- A marina for boats
- A small strip of shops
- A small "environmentally friendly" resort

None of this has occurred. I have made submissions previously to the Queensland Govt, which continues to lay the blame for the lack of development squarely at the feet of the master lease holder. Whilst this is, in part true, the Qld Govt also bears much responsibility for the lack of development, which it continues to deny. Two reasons why the Qld Govt bears responsibility:

1. The whole design of tenure of the land. Being leasehold, this has hamstrung development from the beginning. No-one is willing to invest or loan money for development on leasehold property. To give an example, I know of one sub-lessee who bought a double block with the intent of building Balinese-style cottages for tourist accommodation. It would have been ideal for the island. This could not occur because banks would not lend to leasehold property. (Unfortunately, I had the cash at the time to buy my property and thus did not go to banks. If I had also been refused finance, it would have saved me the years of suffering and financial loss from this disastrous decision.)
2. The Qld Govt were responsible for releasing the master lease holder from its obligations under their contract. Specifically, releasing the master lease holder from the obligation to build the marina. The marina would have been a centre for boating and tourism in the southern Whitsundays, as well as a tourism function for tourists and residents staying on Keswick Island. It would have allowed, in addition to general boating and fishing, whale-watching, snorkelling over the corals and wrecks etc. Without such attractions, there is little to bring tourists to the island. Walking the national park only goes so far.

Over the years there has been a succession of master lease holders failing to fulfil their obligations, four I think during my tenure with the island. Every one has failed to develop the island, but notwithstanding this, every one has made huge a huge profit (millions) from the subsequent sale. Meanwhile, the sub-lessees have the opposite experience - their properties have dropped so much in value as to be virtually worthless. For example, I bought my block of land for \$240 K and have spent thousands each year on rates, BBRA membership, grass mowing etc. Today I can barely give it away. I had planned to build a house there in my retirement, but it is now too late for me to do that. The tragedy is that I cannot even give it to my kids in the expectation that one day they can make use of it. If I give to my son for example, it costs almost \$8 K to transfer the title, and "oh and buy the way son, you are now obliged to pay thousands of dollars maintenance each year for a block of land that is worthless and you can't build on because the banks won't lend to you". Where else in Australia could you have such a disastrous situation? Back in 2006 if I had bought any piece of land or house anywhere on the mainland I could now enjoy some capital appreciation. This disaster is unique to Keswick Island I believe. The Qld Govt has presided over this situation, establishing the land tenure, rules and conditions for use of the islands. It has been a total failure, and it's time the Qld Govt acknowledges that and does something about it rather than just hold enquiries and talk some more.

The failure of Keswick as a tourist destination, and I suspect a great many more of the Qld islands is a failure on several fronts. It's failed the land and business owners such as myself who have lost a lot of money by investing here, but it has also failed the Qld tourism industry and deprived Australians of a great destination. I have sailed the Caribbean islands and taken photos of places and sent them back to the master lease holder, who are supposed to be developing the area, with comments of "this is what Keswick could be like". I just weep at the lost and wasted opportunity that allows such pristine and beautiful land to languish like some abandoned mining town after the gold ran out. It's pathetic, and a pathetic and embarrassing indictment of the Qld Govt's mismanagement of the islands.

I suspect that this mismanagement extends to a great many of the Qld islands, where resorts lay abandoned, undeveloped and unvisited during a time when, not only Australian, but overseas visitors should be coming here in droves. (Ignoring the Covid pandemic that has had an obvious toll on tourism in the last two years. This mismanagement of the islands existed long before Covid and will continue long afterwards unless something is done to rectify it.)

By way of comparison, the Chinese exiled from Malaysia who established Singapore on a small, muddy mosquito-infested island, have turned it into the only AAA rated economy in Asia, hosting almost 20 million visitors annually. By way of comparison, Qld has taken, arguably, the greatest natural tourism treasure on the face of the earth, and turned it into a deserted wasteland. "Well done Qld."

Lest you think that I am just harping criticism on the Qld Govt without offering solutions, here are some suggestions of what could be done:

- Turn the leasehold land into freehold. This is not unreasonable given that, 20 years of the 100 year lease has already gone in complete failure, and on Keswick only about 25% of the island is able to be developed, leaving 75% pristine national park. This would not over-develop the island.  
(The Chinese master developer is not popular at present, akin to the Darwin harbour situation. Such a move could allow an opportunity to change this.)
- Offer a Qld ferry service to the islands. This is done on the Brisbane river and would at least guarantee some certainty of transport services.
- Offer a free or subsidised barge service for a period to encourage people to build on the island.
- Offer a rates- and tax-free amnesty period for businesses to establish there.
- Decide what type of tourist destination the area should resemble, look for the best such examples around the world, and copy it. (It annoys me that Australians always feel that they need to develop everything themselves, that they can always do it better, when there is often perfectly good solutions that exist elsewhere we could emulate.)

I recognise that a lot of this is about the cost, however, there needs to be a vision and a long-term strategy. The vision for Singapore from the beginning was to have “a Swiss standard of living”. That would have sounded absurd in the beginning but they track the KPI of GDP per capita annually, and can track their progress. What is the vision for the Qld Islands?

It is now almost 10 years since Darren Moor from the Qld Dept of Natural Resources and Mines first convened meetings of the subleases and stakeholders of Keswick Island with a promise that the Qld Govt was committed "to explore whether alternate tenure arrangements for Keswick Island could create a win/win situation where all parties benefit". Everyone got excited, and here we are now, 10 years hence, nothing has been done, the primary people moved on, and unfortunately I suspect, some of the subleases involved have now died. Will this enquiry be a repeat of that?

Sincerely yours,

Philip Greetham