

4 April 2022

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

Via email: [trc@parliament.qld.gov.au](mailto:trc@parliament.qld.gov.au)

Dear Committee,

**RE: AMPTO's Submission to Inquiry into the Economic and Regulatory Framework for Queensland's Island Resorts.**

The Association of Marine Park Tourism Operators (AMPTO) welcomes the opportunity to provide a submission to the Transport and Resource Committee inquiry into the economic and regulatory framework for the Queensland's Island resorts.

AMPTO, est. 1989 is a membership-based peak-body for marine park tourism operators. We currently have over 130 members and provide reef experiences to 95% of the 2+ millions (pre-COVID numbers) tourists that visit the Great Barrier Reef (GBR) each year. Our membership extends from the Southern Great Barrier Reef – Lady Elliot Island (24°07'S) and Keppel Islands to the North – Cape Tribulation. In addition, some operators run expedition trips as far north as Raine Island (11°27'S).

AMPTO members offer a diverse range of experiences from day snorkel and dive trips, local liveaboard snorkel and dive trips, expedition liveaboard, and day trips to islands – both fringing islands and coral cays, fishing charter experiences, adventure day trips and island resort experiences.

The Australian tourism industry is a \$150 billion industry making it the 4<sup>th</sup> largest export and the largest non-consumption industry in Australia. The Great Barrier Reef contributes \$6.4 billion to the Australian economy and provides ~64,000 jobs each year, mainly through tourism. With the Great Barrier Reef being the number one reason for nature-based travellers choosing to travel to and within Australia, and in the top three reasons for all other visitors, this makes the marine tourism industry, which includes island resorts, a keystone industry and economic driver of the Australian and Queensland economy.

In 2017-18 marine-based tourism expenditure was estimated to be \$30.7 billion, with Queensland having the highest output of all states and territories at \$12.3 billion (The AIMS Index of Marine Industry 2020).

The COVID-19 pandemic has decimated the industry and continues to put significant financial pressure on the reef operators. With the international and domestic border closures (until recently), capacity restrictions, recurring outbreaks, lack of consumer confidence, skill shortages, and vaccination mandates, the industry is still experiencing downturns of between 50%-80%. The industry is in full survival and hopefully at the start of recovery, resulting in business attention being focused on those priorities. For this reason, the timing of this inquiry is less than ideal, but despite that, the industry believes an inquiry like this necessary.

Island resorts are a key part of the marine tourism industry and are iconic in the region's image and marketing strategy. Island resorts interact across many different sectors and therefore are economic drivers for coastal communities.

## Association of Marine Park Tourism Operators

After consulting with AMPTO island resort members, it is clear the Great Barrier Reef Island resort's challenges are complex. An overarching comment is that Island resorts must be on a level playing field with mainland accommodation, and it is very expensive to run an island resort on a Great Barrier Reef Island.

### Key feedback:

- 1) Not a one size fits all approach as all island resorts are unique. However, there will be some common challenges.
- 2) The competitive market has changed over the recent decades. More destinations are opening with easier access and greater marketing capacity. These destinations have a competitive advantage over GBR island resorts because of their lower running costs, particularly wages.

The increase in the cruise ship market has added a level of competition that GBR island resorts must compete against. With cruise ships being able to return to ports, they have lower costs, such as supplies and labour, again giving them a competitive advantage.

- 3) Lease tenure structures are complex and have significantly high fees based on a flawed valuation process. In addition, lease conditions need to be more contemporary to meet the changed market.

Mainland accommodations have moved to a more strata type of structure; there are fewer full-service hotels and even fewer being developed in recent years. Island resorts don't have that flexibility.

- 4) Island resorts are expensive to run. By nature, it is difficult to get to the islands, as they are out at sea. Planes and vessels come with their own significant cost, infrastructure, and more complex logistics, etc. This increases all costs of supply of services, such as servicing of equipment, food, etc.

Resorts are responsible and cover the costs for providing all amenities, water, electricity, waste disposal and more. Furthermore, these amenities not only used by resort guest but by general public too. Island resorts are charged a high-rate category than mainland accommodation. Island resort operators would welcome sustainability support to help them invest in sustainable technology.

- 5) Lack of industrial relation modern award flexibility has significantly increased wage costs for an island resort operator, especially when compared to mainland accommodation.
- 6) Insurance costs are massive, and island resort operators often cannot get insurance, so they have to self-insurance.

In summary, Great Barrier Reef Island resort operators face greater competition from other cheaper destinations, yet they have increasing costs. Together with the fact that their main market is a domestic market that is price-sensitive and doesn't have a willingness to pay our prices compared to other destinations.

Kind Regards



Gareth Phillips  
Chief Executive Officer  
Association of Marine Park Tourism Operators