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Capricorn Tourism & Economic Development Ltd
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SUBMISSION TO TRANSPORT AND RESOURCES COMMITTEE

Into "the economic and regulatory frameworks for Queensland's island resorts."

Dear Sir/Madam,

The Great Barrier Reef is the 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 GBR island, compared to the mainland.

Compared to the plethora of six star island resorts with budget prices and cheap airline access, Indonesia (Bali etc), the Cook Islands, Fiji and Hawaii as our biggest competitors continue to take market share from Queensland's GBR islands.

Whilst we cannot compete with third world economies on price for a GBR holiday due to our higher wages in Australia; we can compete on quality and service, but 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 GBR island resorts, whilst many existing resorts will continue to deteriorate.

The tourism industry offers education through commerce; by offering GBR island resort accommodation and experiences, visitors learn about the GBR and how to help protect it by thinking about their daily actions on the mainland as well as during their holiday at a GBR island resort.

Tourism on the Great Barrier Reef takes place on only 7% (seven percent) of this entire 2,300 km 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 GBR islands.

Provision for water, power and waste on the mainland is supported by funding from all levels of government, with GBR 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 GBR islands due to the restrictions on having no permanent residents to be permitted in new built accommodation products on GBR 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 a tourism letting pool. This should also be the case for all new GBR island resorts.

The development of mainland hotels and resorts is financially viable because strata titling is allowed, 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 GBR 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 culture 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 GBR islands, which would make the construction of new resorts financially possible and viable.

Whilst this inquiry is for all GBR islands, **Great Keppel Island** needs critical attention. Whilst there are a number of smaller 3 to 3.5 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 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 do have*, as opposed to *what we don't have*, and sincerely thank the following local businesses who provide services both *on* and *to* Great Keppel Island and Pumpkin Island for their dedication to our local tourism industry:

- [Great Keppel Island Hideaway](#)
- [Great Keppel Island Holiday Village](#)
- [GKI Watersports and Keppel Dive](#)
- [Freedom Fast Cats](#) (ferries, cruises, Wild Duck water taxi)
- [Keppel Konnections](#) ferry service
- [Keppel Explorer](#) day experience
- [Keppel Bay Marina](#) and a number of fishing/sailing/bareboat charters
- [Pumpkin Island](#) and Pumpkin Xpress
- [Keppel Charters](#)
- Tropical Vibes on GKI
- Island Pizza on GKI
- Keppel Lodge on GKI
- Svendsen's Beach on GKI
- GKI Holiday houses (privately owned on AirB&B)

There are currently three separate, yet very *integral*, factors surrounding the future development of Great Keppel Island:

1. Hancock Prospecting is currently undergoing due diligence for the potential purchase of a **2013 Integrated Resort Approval on Great Keppel Island** (from *Tower Holdings*) which includes an Island marina, retail and 250 room hotel, 750 villas, 300 apartments and an 18 hole Greg Norman designed golf course. *The purchase of the development approval is separate but complimentary to the transfer of the leases by the State government.*

2. **\$26 Million is quarantined** within the Department of Tourism for Great Keppel Island common user infrastructure (*an original \$25M was enhanced with an additional \$5M to make a total of \$30M, of which \$26M is remaining*).
3. A **Great Keppel Island Master Plan** was commenced last October, led by the Department of State Development, with island businesses, residents and stakeholder groups.

BACKGROUND:

Common User Infrastructure

After a [meeting in October 2017](#) with then State Minister for Tourism Kate Jones, the State government announced on the 1st November 2017 an election commitment of \$25 Million for Great Keppel Island power and water infrastructure from the mainland. After lengthy negotiations, then proponent Altum, supported by Capricorn Enterprise, LSC and the GKI Progress Association, convinced the state government that the funds would be better spent on 'on-island' common user infrastructure. On the 18th August 2020, Minister Jones announced that this funding was approved for [\\$25 Million for 'common user infrastructure'](#) for Great Keppel Island, to include:

- Cyclone rated jetty
- Barge slant boat ramp
- Solar with backup generators
- Visitor facilities including amenities, shade and seating
- Rehabilitate existing walking trails
- New walking trails
- Viewing platform
- Water treatment

This list is mirrored on the Department of Tourism, Innovation and Sport website (*excluding the last dot point – water treatment*) outlining it's [Great Keppel Island Rejuvenation Project](#)

GKI Master Plan Project Reference Group

Since mid 2021 Capricorn Enterprise has worked with the State Government Departments of Tourism and State Development and, together with an across community stakeholder reference group (*island businesses, residents, interest groups*), which is well into the process of [developing a Masterplan](#) to guide development on Great Keppel Island/ Woppa over the next few decades.

As a member of the Project Reference Group, Capricorn Enterprise, has been involved in hours of individual communication, on Island meetings and attendance at four, day-long, workshops held in Yeppoon between October and December last year (5th Oct, 25th Oct, 8th Nov, 6th Dec 2021). Four very thorough documents were recorded from each of these workshops and we look forward to reviewing a draft Masterplan for GKI. The project has taken longer than projected but it is vital to get the document right before it is released for the public submission process to begin.

Reaching consensus for a **Vision Statement for Great Keppel Island** was imperative. Many different agendas were involved but Capricorn Enterprise is confident that the final result will meet with broad business and community approval.

“Woppa (Great Keppel Island) is an inclusive, globally celebrated and loved, low impact marine and 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”

We understand the planning process is ongoing by State government and currently at the stage of expert advice being engaged in order to test the Project Reference Group’s identified priorities for the disbursement of the \$26 million dollar State Government funding still to be spent on public infrastructure to enhance tourism opportunities for the Island. We look forward to the draft masterplan being released for public submission in the near future.

Capricorn Enterprise welcomes the opportunity to present in person to this inquiry later this year.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mary Carroll', written in a cursive style.

Mary Carroll
Chief Executive Officer
Capricorn Enterprise