



**Every Queensland  
community** deserves  
to be a liveable one

7 April 2022

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

**Email:** [trc@parliament.qld.gov.au](mailto:trc@parliament.qld.gov.au)

Dear Committee Secretary,

**RE: LGAQ Submission to the inquiry into the economic and regulatory frameworks for Queensland's Island resorts**

The Local Government Association of Queensland (LGAQ) is the peak body for local government in Queensland. It is a not-for-profit association established solely to serve councils and their needs. The LGAQ has been advising, supporting, and representing local councils since 1896, enabling them to improve their operations and strengthen relationships with their communities. The LGAQ does this by connecting councils to people and places; supporting their drive to innovate and improve service delivery through smart services and sustainable solutions; and providing them with the means to achieve community, professional and political excellence.

**Executive Summary**

The LGAQ appreciates the opportunity to provide feedback to the inquiry into the economic and regulatory frameworks for Queensland's island resorts. These resorts have long been an iconic part of Queensland's tourism offering and are essential to attracting new and return visitors to the world heritage-listed Great Barrier Reef.

However, as a result of extensive cyclone damage and numerous failed development plans, many of these unique island destinations have been left languishing and falling into disrepair. Island resorts are an iconic part of the tourism offering and essential to attracting new and return visitors to Queensland.

This inquiry provides an opportunity for stakeholders to provide feedback on the current regulatory environment, as well as to propose solutions to the challenges resort islands continue to face. As a key economic partner of Queensland's island resorts, local councils welcome the opportunity to provide insight from the perspective of the local authority, but from that of the local communities too.

**Recommendations for Action**

The LGAQ has prepared detailed comments in relation to each of the terms of reference and has made six recommendations below:

**1. Role of island resorts in attracting new and return visitors to Queensland and the Great Barrier Reef**

The Great Barrier Reef is a unique natural wonder. Its beauty annually attracts two million visitors from across Queensland, Australia and the world and it is estimated to contribute \$6.4 billion in value added and over 64,000 jobs to the Australian economy (direct and indirect).



Tourism has borne the brunt of the economic impact of COVID-19 as an industry that depends on human mobility, it's no surprise that lockdowns and social distancing restrictions took a heavy toll. However, with the world re-emerging after more than two years of the COVID-19 pandemic, holidays are once again on the agenda, and people are looking for niche experiences in less crowded settings. This is the opportunity that Queensland's island resorts present.

For those who have been able to maintain employment during the pandemic, there is pent-up demand for touristic experiences matched with two years of non-spending. Island resorts represent a luxury experience in one of the world's most spectacular natural wonders and will play a role in attracting new and return visitors in a more COVID-appropriate way to Queensland and the Great Barrier Reef.

There is a need to better understand and consider the factors impacting on the economic viability of existing resorts given the number in various states of disrepair/closure and use this to inform consideration of any new proposals. Additional resorts should demonstrate economic viability and their relationship to existing similar products.

Queensland's island resorts will need stable support from state and local government and a constructive regulatory environment to help maximise the opportunity. This will ensure local communities are not let down once again.

**LGAQ Recommendation:** The LGAQ recommends any State funding for joint activities with councils in business/tourism support must be supported by 3-5-year program agreements and based on negotiated agreements which specify objectives and performance criteria, reporting mechanisms and review processes. Such agreements must commit parties for the specified period, irrespective of elections, subject to non-performance clauses or agreed variations.

## **2. Historical operational status and existing constraints that impact economic development opportunities for island resorts**

The operational status of Queensland's island resorts has varied historically. At present, there are a number of island resorts state-wide, such as Great Keppel Island Resort in Livingstone Shire, Dunk Island Resort in the Whitsundays Region and Linderman Island in the Mackay Region that have not been operational for extended periods due to changes in ownership, financial uncertainty, the impact of multiple natural disasters and failed development plans.

In many cases, these delays have resulted in significant local economic impacts, not only in the loss of income streams related to the closure of the resorts, but the ancillary business such as transport, equipment hire, and guided marine park experience operators. Key infrastructure that residents and holiday makers had been reliant on also sits unrepaired due to the languishing resorts, denying income streams for sub-letting holiday apartments, and making transport and liveability on the islands an issue. In some cases, public beaches have been closed off completely to residents while former resorts are in a state of disrepair.

Additional operating costs are also a key issue facing island resort success with:

- Resorts responsible for water, waste, electricity, sewerage, roads, lighting and parks. Street lighting and associated costs are funded by the resort. Where for mainland resorts this is part of the rates base.
- The Rating category is often higher than a resort on the mainland, without the same services (roads, rubbish, fire services)
- Island resorts pay significant lease fees to State and Federal governments based on above average valuations with no right of redress
- Those with private airports sometimes compete with local government supported airports.



Island resorts are an iconic part of the tourism offering for many Queensland coastal local government areas and communities and are essential to attracting new and return visitors to Queensland. It is acknowledged that the State Government has committed \$25 million to deliver the Great Barrier Reef Island Resorts Rejuvenation Program for eligible resort owners and operators (including leaseholders) to assist in rejuvenating the resorts on Great Barrier Reef Islands. However, much of these funds were targeted at simply “cleaning up” some of the abandoned ventures, and in some cases the demolition of derelict sites completely, such as the Cape Richards resort site on the northern tip of Hinchinbrook Island.

**LGAQ Recommendation:** The LGAQ recommends the State adopts a holistic, timely and strategic approach to the reinvigoration of Queensland’s island resorts, in close and detailed consultation with Queensland councils.

Any projects that have historically operated should be re-considered in light of contemporary legislation and environmental concerns, and include the assessment of economic, social and/or environmental significance on the islands. It is important to prioritise these redevelopments and rejuvenations to better understand the existing constraints before progressing with new approvals and development.

### **3. How the determination of native title and the aspirations of traditional owners have been incorporated into operations**

Local government acknowledges and supports the recognition, protection, and conservation of Aboriginal and Torres Strait Islander cultural heritage and recognises, acknowledges and supports the principles, processes and procedures contained within federal and state Native Title legislation.

Councils do seek to appropriately conserve and consider matters of Aboriginal and Torres Strait Islander cultural heritage when making or amending a planning scheme and integrating the state interest in cultural heritage under the State Planning Policy, and also through development assessment where applicable.

In 2019, the State Government produced guidance material<sup>1</sup> for councils to support advancing Aboriginal and Torres Strait Islander interests in land use planning, including engagement with Aboriginal and Torres Strait Islander groups in a local area and Traditional Owners.

Queensland councils seek to position culture more strongly within the broader tourism conversation by promoting the artistic, cultural, social and economic value of cultural tourism at the local, regional and state level, and there is significant opportunity for culturally appropriate approaches to shared responsibility and co-management of national parks and islands going forward.

In addition, local governments support capacity building of local individuals and groups including First Nations communities, artists, cultural organisations, businesses, community groups and other local and regional stakeholders to build a competitive visitor experience based on a destination’s authentic natural and cultural assets, events and experiences.

However, the matter of how the determination of native title and the aspirations of traditional owners have been incorporated into current/future operations of Queensland’s island resorts is largely a private matter between those affected parties.

The LGAQ notes that a review of Queensland’s *Aboriginal Cultural Heritage Act 2003* and *Torres Strait Islander Cultural Heritage Act 2003* is currently ongoing with the aim of ensuring these remain

---

<sup>1</sup> Advancing Aboriginal and Torres Strait Islander interests in land use planning: Guidance for local government (2019) – available online [here](#).



contemporary and continue to 'provide effective recognition, protection and conservation of Aboriginal and Torres Strait Islander cultural heritage' in Queensland. It is important that the aims, objectives and outcomes of this review are considered in the deliberations of the Inquiry.

**LGAQ Recommendation:** The LGAQ recommends that native title determinations, the aspirations of traditional owners and matters relating to Aboriginal and Torres Strait Islander cultural heritage more broadly, continue to be an important consideration in the development, redevelopment and operation of Queensland's island resorts, where applicable.

#### **4. Infrastructure access arrangements and other challenges for lease holders to develop or redevelop islands for tourist, residential and public purposes**

To support and strengthen local communities, further support is needed for common use infrastructure so as to maintain local economies, separate from the island resorts that have experienced significant delays to reopening. After many false starts, it is also vital for public perception and trust that there is transparency in how the leasing arrangements are negotiated with developers.

Long-term, safe and reliable infrastructure services (water, sewer, power, rubbish) often need to be self-sufficient. Adequate planning is also required to ensure safe and reliable mainland access to and from the resort and tidal issues, impacts of weather/cyclones, and ease of access to and from the landing point all need to be considered.

Land tenure and leasing arrangements from the state can impact on the ability to secure capital for initial development and renovations/upgrades. We understand that having a lease (even long term) is more difficult to seek funding over freehold ownership.

It is also important to note that impacts from climate change are extremely relevant to island developments and need to be considered as part of the leasing/tenure arrangements as well as the design of any of the facilities and the infrastructure to support them.

Granted development leases need to have strict clauses on development time frames, to ensure that local economies are protected, and existing residents and small businesses are not disadvantaged by prolonged delays, such as the Great Keppel Island, Lindeman Island and Daydream Island proposed developments.

Mechanisms need to be in place and enforced for timeframes on redevelopment of projects in the event of natural disasters to avoid derelict tourist ventures. Abandoned tourism ventures do not support the Queensland economy and can potentially restrict access to national parks and beaches. A review of the on-going viability of granted leases needs to be examined to avoid the existing situations with:

- Great Keppel Island,
- South Mole Island,
- Dunk Island,
- Hinchinbrook Island,
- Brampton Island,
- Double Island,
- Long Island, and
- coastal resorts such as Capricorn Resort and Laguna Quays.

**LGAQ Recommendation:** The LGAQ recommends that extensive consultation occurs with local councils and local communities with regards to infrastructure needs, taking climate change and self-sufficiency into consideration and balancing mainland community needs and expectations.



## **5. Co-existence with the protected area estate both onshore and within the Great Barrier Reef Marine Park Area**

The health of the Great Barrier Reef is fundamental to any consideration of tourist opportunities, including the operation of island resorts and their associated activities. It is critical that the economic benefits of island resorts do not come at the expense of the health and sustainability of the Reef.

Analysis by Deloitte Access Economics estimates the economic value of the Great Barrier Reef to be \$56 billion, supporting 64,000 jobs and generating \$6.4 billion in annual revenue. Ensuring the Reef's health is key to protecting its intrinsic environmental, cultural and economic contribution now and into the future.

While the *Great Barrier Reef Marine Park Authority* has been established to work with all levels of government and implement the Reef 2050 Long-term Sustainability Plan, it is important that the desire to maximise the tourism potential of the region does not overshadow the very real need to protect the park for future generations.

Regulatory frameworks that effectively balance the needs of local communities and the health of the Reef are critical. It is expected that those who operated within the protected area estate do so with the utmost consideration of their responsibility to protect the significant natural wonder and environment of the Reef, but also the economic benefits that a healthy Reef provides.

When tourism ventures are aligned with established pathways such as the Great Barrier Reef Tourism Management Action Strategy, long term economic benefits and park sustainability can easily be achieved.

**LGAQ Recommendation:** The LGAQ recommends that the State government recognises the contribution of local government and gives financial assistance to support its role in maintaining the health of the Reef. We continue to seek an investment of \$200 million per year for five years to match local government spending on the Reef, as well as investment to implement the Reef Councils' Rescue Plan to enable the acceleration of innovation and delivery of activities that support the conservation of the Reef.

The LGAQ recommends that any future plans for Queensland's island resorts include extensive consultation with local governments and stringent environmental standards to ensure the health and wellbeing of the Reef.

## **6. Contribution of ownership and governance models to the above issues and an examination of how these tenure arrangements could:**

- **Enable appropriate development that supports strong social, environmental, economic, and cultural outcomes**
- **Best support sub-tenancies to meet to contemporary requirements for commercial and residential occupancy**
- **Allow for open and transparent dispute resolution as well as supporting an appropriate process and service standard.**

Local governments support an effective planning system guided by appropriate legislation and balanced social, environmental, cultural and economic interests.





As the level of government closest to the local community, Queensland councils should be recognised as the sphere of government immediately responsible for land use planning and development assessment and oppose state government land use planning policy or intervention that inhibits local decision making.

Resort developments will typically be subject to planning scheme requirements set by local government and approved by the state government as part of the formal state interest review process under the *Planning Act 2016*. However, a range of other regulatory requirements at State and Federal levels may also apply in addition to and/or override local planning scheme requirements given for example, the location of these developments in environmentally sensitive locations such as the Great Barrier Reef Marine Park Area. A list of potentially applicable legislation is provided in Appendix 1 – please note this is not exhaustive and other legislation may also apply.

In some cases, major resort developments may also be declared a 'coordinated project' under the *State Development and Public Works Organisation Act 1971* (such as the Great Keppel Island Resort redevelopment and Linderman Island redevelopment Project) and assessed by the Coordinator-General if one or more of the following apply:

- complex approval requirements, involving local, state and federal governments
- significant environmental effects
- strategic significance to the locality, region or state, including for the infrastructure, economic and social benefits, capital investment or employment opportunities it may provide
- significant infrastructure requirements.

It is important that preference be given by State Government to developments that prioritise sustainable local economic development opportunities for existing communities and businesses on the islands off the Queensland coast. Any approved project should be encouraged to develop local content policies, programs and models of procurement to build local supply chains and business capacity.

In relation to dispute resolution matters, Queensland councils support the creation of alternative dispute resolution mechanisms to provide more effective, responsive, and lower cost resolution of planning disputes.

**LGAQ Recommendation:** The LGAQ recommends that Queensland councils are engaged early in any development of future plans for Queensland's island resorts and are closely consulted regarding any proposed changes to legislative requirements or dispute resolution processes for Queensland's island resort developments.

### Closing remarks

There is a real opportunity for all levels of government to work together in partnership to ensure Queensland's island resorts have a sustainable future and are part of the economic tourism solution following the COVID-19 pandemic. Multiple pieces of legislation are listed in the appendix as an inexhaustive list of primary legislation and other supporting policies/regulations that could potentially apply to the development, redevelopment, and operations of Queensland's island resorts.



The legal complexity and ambiguity in relation to multiple jurisdictional layers of legislation means it can be confusing to ascertain the legal responsibility for different parts of management when it comes to different island resorts. The LGAQ encourages the State government to consult with councils and local communities and to pursue legislative reform that will clarify and improve island management and the processes that bring about some accountability for all entities involved.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alison Smith', is written over a light blue horizontal line.

Alison Smith  
CHIEF EXECUTIVE OFFICER

## APPENDIX – Summary of potentially applicable legislation for development and redevelopment on Queensland's island resorts

Below is an inexhaustive list of primary legislation and other supporting policies/regulations that could potentially apply to the development, redevelopment and operation of Queensland's island resorts:

- State Development and Public Works Organisation Act 1971 (Qld)
- Integrated Resort Development Act 1987 (Qld)
- Planning Act 2016 (Qld)
- Land Act 1994 (Qld)
- Native Title Act 1993 (Qld)
  
- Nature Conservation Act 1992 (Qld)
- Environmental Protection Act 1994 (Qld)
- Commonwealth Environment Protection and Biodiversity Conservation Act 1999
- Queensland Ecotourism Plan 2016 - 2020
- Environmental Protection Regulation 2019 (Qld)
- Environmental Protection (Noise) Policy 2008 (Qld)
- Environmental Protection (Water and Wetland Biodiversity) Policy 2019
  
- Great Barrier Reef Marine Park Act 1975
- Commonwealth Great Barrier Reef Marine Park Regulations 1983
- Great Barrier Reef Marine Park Regulations 2019
- Great Barrier Reef Marine Park Zoning Plan 2003
  
- Coastal Protection and Management Act 1995 (Qld)
- Fisheries Act 1994 (Qld)
- Marine Parks Act 2004 (Qld)
- Marine Parks (Declaration) Regulation 2006
- Transport Operations (Marine Pollution) Act 1995 (Qld)
- Transport Operations (Marine Safety) Act 1994 (Qld)
- Marine Parks (Great Barrier Reef Coast) Zoning Plan 2004
- Work Health and Safety Act 2011 (Qld)
- Safety in Recreational Water Activities Act 2011 (Qld)
- Marine Parks Regulation 2017