

06/04/2022

The Committee Secretary
Transport and Resources Committee
Parliament House, George Street
BRISBANE QLD 4000

I write to you with my submission to the Enquiry into the Economic and Regulatory Frameworks for Queensland Island Resorts. In particular, Keswick Island of which I have been heavily involved in the real estate aspect of the island.

The Keswick Island head lease was granted to the first developer on 09/04/1966 (26 YEARS AGO)

I began selling subleases on Keswick Island in January 2002 and have continued to do so to date.

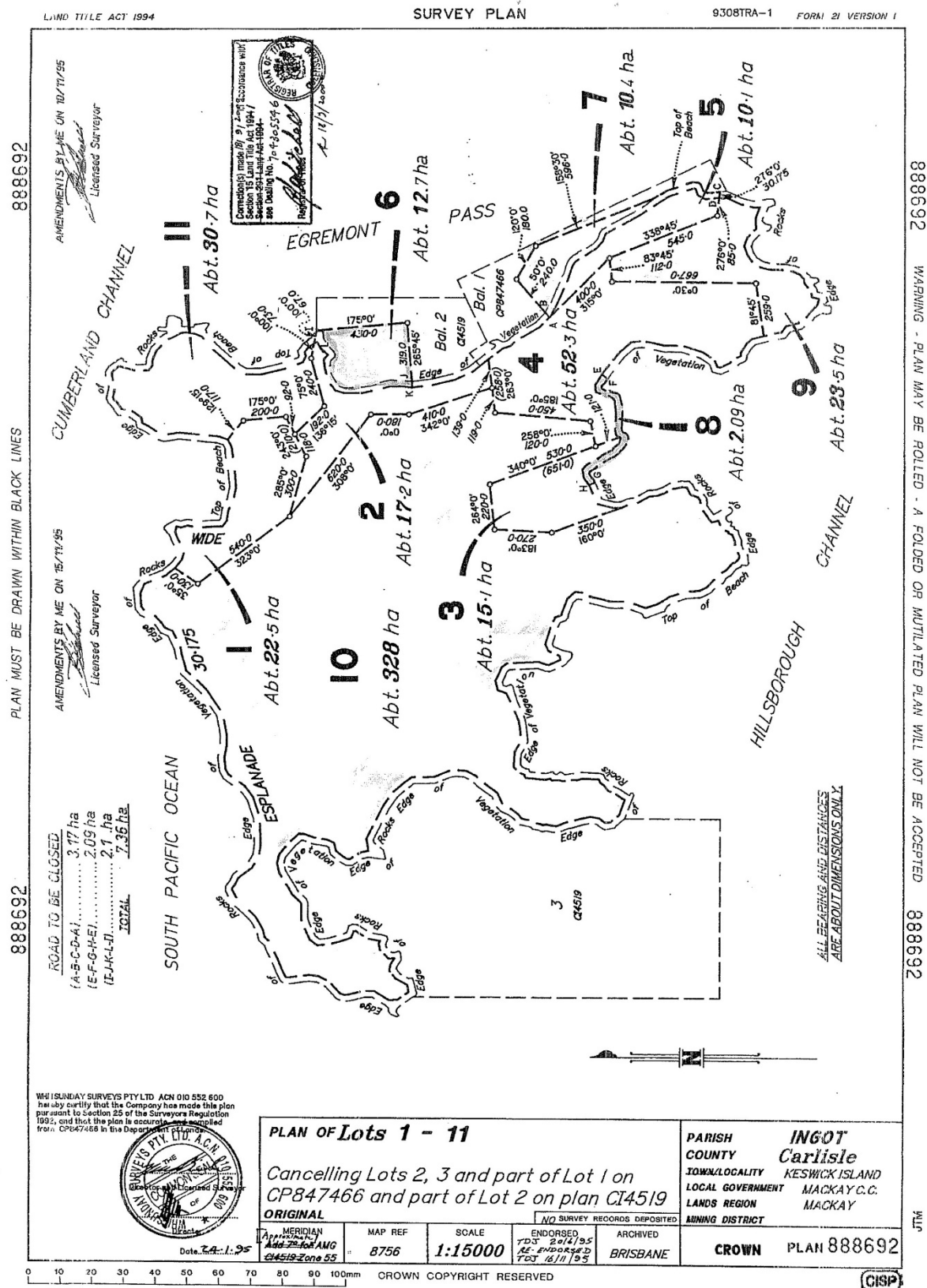
Over these years both the real estate agencies involved, and the sublessees had been guaranteed by the head lease holders (the developers), that Keswick had a rare and unique planning approval for large scale development of up to 1000 roves, with unique zoning for mixed residential, tourism, aviation and marina use. This consisted of 8 precincts and 3 national parks precincts please see below:

As per the KESWICK ISLAND PRECINCT MAP the following are the KESWICK ISLAND PRECINCTS

- 1 CONNIE BAY (to be developed)
- 2 CORAL PASSAGE (to be developed)
- 3 ARTHUR BAY (to be developed)
- 4 BASIL BAY (the existing development to date)
- 5 AIRSTRIP
- 6 SEABED LEASE FOR PROPOSED MARINA
- 7 SEABED LEASE
- 8 FORESHORE LEASE
- 9 NATIONAL PARK
- 10 NATIONAL PARK
- 11 NATIONAL PARK (Commonly known as Langdon Point)

(See attached Keswick Island Precinct Map Current with Mackay City Council)

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The first developer provided 90% of the existing infrastructure.
 Second developer – nothing
 Third developer a concrete boat/barge ramp and one road to Basil Bay
 Fourth developer – nothing
 All of this over a 26-year timeframe.

Current Regulatory Frameworks

I believe the requirements of the developer as written in the Head Lease has all the necessary regulatory frameworks to achieve a magnificent ecofriendly development.

Except for one serious issue: The Dealing No 709332483 01/02/2006 attached to the head lease made between the Department of Natural Resources and the second head lease holder Keswick Island Developments Pty Ltd. This condition was **removed** from the head lease, and it stated:

Condition D161

The lessee shall within ten (10 years) from the commencement of the term of the lease and to the satisfaction of the minister administering the Land Act 1994 establish improvements on the land in accordance with the plans and specifications approved by the Mackay City Council of the value of not less than \$150 million, construction of such improvements shall commence within two (2) years from

the commencement of the term of the lease and shall thereafter proceed at a rate of progress satisfactory to the Minister administering the Land Act 1994 and the Mackay City Council.

I see this as a huge failing of the Qld Govt to agree to the removal of this clause from the Head Lease. Hence the government and the developer had left 153 sub-lessees stranded with loss of property values and disbelief in how this could occur without their knowledge even though they are contractually tied to the Head Lease. The sublessees had nowhere to turn to and sadly watched as their property prices plummeted along with no communication at all except the head lease demanding that they pay their proportion of rent to the Government, rates to Mackay City Council and outgoings to the head lease to maintain the head lease common areas. There has been no evidence of development occurring, only maintenance of the limited facilities along with the removal over the years of what few services were available. Naturally there was an outcry and to this day this issue has not been resolved.

Role of Island resorts in attracting new and return visitors to Qld and the Great Barrier Reef

First and foremost, in the head lease for Keswick Island it states:

1. The purpose for which the land lease Lots 1,2,3,4 & 5 is granted: TOURIST FACILITY, RESIDENTIAL, RESIDENTIAL MULTI RESIDENTIAL UNITS, BUSINESS (COMMERCIAL DEVELOPMENT) & AERODROME
2. The purpose for which the marina lease Lots 6,7 & 8 is granted: COMMERCIAL/BUSINESS

Currently on Keswick Island I see no evidence of tourism other than false advertising and lack of access. For years there was no ferry service until 2.5 years ago however the recently acquired Ferry can only carry 12 passengers and operates 2 days a week spasmodically due to weather and lack of staff to run it. On these two days it comes to Keswick and turns around immediately to return to Mackay. How can day tourists use this service? The runway was shut down for almost two years and has only just been reopened to one commercial airline only, even though sublessees were sold under the pretence that private planes and other aircraft were part of the big picture and there was an airpark in the design of the aerodrome precinct. Now there is only a small 4-seater plane allowing only 3 passengers at a time to fly to Keswick Island at a cost of \$660 each way. How does a family of 4 tourists enjoy a trip to Keswick Island?

There is no evidence of tourism on the part of the developer, the only tourism achieved on Keswick Island is thanks to a private Air BnB who struggles with the limited access to bring the many enquiries to the island for holidays.

The head lease holder should provide quality access that is reliable and consistent with reasonable prices this can be done by either outsourcing or acquiring the necessary access items themselves. First and foremost, at least a Jetty for marine craft to unload on to, larger aircraft and consider a runway extension without these basic improvements to the development tourism will fail. Although there is only a limited number of people as residents, I have received constant enquiries every week for the past 20 years about buying a sublease or visiting Keswick Island. Access and accommodation are the biggest

hurdles holding back tourism and sales on Keswick. Secondly belief in the developer to fulfill his commitment to the Government to develop.

Historical Operational status and existing constraints that impact economic development opportunities for island resorts.

In my opinion other than the first developer who unfortunately had to forfeit the head lease the next three developers appointed by the Qld Government appear to have no intention to develop under the guidelines of the head lease. My opinion is that they were not fully aware of exactly what they have signed up to. Both the Qld Government and the developers have not done sufficient due diligence prior to transfer of the headlease. Once again, the biggest impact to Keswick Island was when the Condition D161 was removed from the head lease, therefore allowing the developers to land bank, and run the island as minimalistic as possible until they on sell to another approved developer. This is not development for this island. Please Qld Government choose wisely, be on board with what is happening with your leases.

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

Unfortunately for Keswick Island a Marina has never been forthcoming and there appears to be no intention to develop one. An Agreement was made between the Department of Natural Resources and the Head Lessee in The Deed of Agreement (attached to the head lease) stating that an all-tide jetty for free public use was to be installed by 2014 in lieu of the marina being delayed many times. Once again nothing has been done and this is a breach of the head lease which the Qld Government appears to turn a blind eye to.

The Qld Government needs to review the huge access issues to this island both via marine craft and aircraft. Until the Head Lessee is held accountable for these issues this island will remain in limbo like it has done now for 26 years.

Co-existence with the protected area estate both onshore and within the Great Barrier Marina Park Area

The current head lessee has allowed many breaches of this area of the head lease to occur. These breaches have been recorded in a 365-page submission to the Qld Government delivered personally to their offices by sublessees 2 years ago. Unfortunately, very little has been done about these breaches. The various government departments involved with this area of the lease must consistently follow through with their proposed overseeing of this section of the lease, ensuring that all the environment protection requests that are part of this headlease are upheld.

Enable appropriate development that supports strong social, environmental, economic, and cultural outcomes.

The original development plan has all the appropriate guidelines for this to occur. Once again, the removal of the condition D161 from the head lease allowing the developers not to be held accountable for development of the island head lease. This clause in the head lease needs to be reconsidered by the

Qld Government and guidelines with timeframes put in place otherwise the developer should receive huge penalties or their lease to be forfeited if not adhered to.

Perhaps the Qld Government & the local councils need to have a totally separate Portfolio and Minister overseeing island leases ensuring that these terrible disasters do not continue to occur on all the beautiful islands along the coast of Queensland. A department that considers all contractual parties to all the leases. We are talking about one of the worlds most sort after areas for tourism and THE GREAT BARRIER REEF!

I write to you in empathy for the unfortunate sublessees who have suffered gross management by both the Government and the various Head lease holders of Keswick Island. I feel indebted to them all as I believed in the development of Keswick Island and akin to selling the dream to them.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Karen A. Cooke'. The signature is fluid and cursive, with the first name 'Karen' being more prominent than the last name 'Cooke'.

Karen Cooke

Awesome Blue Realty