



YOUR REF INQUIRY INTO THE ECONOMIC AND REGULATORY FRAMEWORKS FOR QUEENSLAND ISLAND RESORTS
OUR REF MRC Island Resort Enquiry Submission

7 April 2022

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

SUBMISSION ON THE INQUIRY INTO THE ECONOMIC AND REGULATORY FRAMEWORKS FOR QUEENSLAND ISLAND RESORTS

Mackay Regional Council is happy to respond to the call for submissions on the 'Inquiry into the economic and regulatory frameworks for Queensland's Island resorts' by the Queensland Parliament Transport and Resources Committee. Council recognises the importance of this inquiry especially with respect to the resort islands within the Mackay Regional Council local government area (the Region).

In response to the terms of reference for the inquiry, Council draws your attention to the following matters.

Tourism delivers around \$450M to our regional economy even though the former premier resort islands in our footprint – Brampton and Lindeman – have been closed for many years.

Mackay Regional Council invests heavily in the diversification of our economy, with a specific focus on events attraction and tourism infrastructure.

Council strongly objects to the land banking and lack of intent surrounding current long standing Development Approvals which we believe have no chance of being delivered.

The Region contains three islands which have had development approvals for island resorts or related development.

Lindeman Island

Lindeman Island commenced operations in 1923 and has been upgraded several times, with the last of these upgrades in 1992.

The resort ceased operations in January 2012 after the damage caused by Cyclone Yasi in 2011. In August 2012, the land was sold to a new party and the subsequent amendments to the development proposal and Queensland Government approval were supported by Mackay Regional Council.

In 2015, the Queensland Government (through the office of the Co-ordinator General) declared the proposed \$600 million redevelopment of the island as a special project. The project was referred to the Commonwealth under the *Environment Protection and Biodiversity Conservation Act 1999* and was declared as a controlled action. An evaluation report of the Environmental Impact Statement (EIS) was prepared by the Queensland Co-ordinator General, and the Commonwealth Minister for the



Environment subsequently approved the controlled action and related EIS in November 2018. Recently, the Co-ordinator General decided to extend the lapsing date for the evaluation report for a further two years to 26 March 2024.

It is our belief that if the owner of the tourism lease had any intent to deliver a tourism product on the island, the evaluation report lapsing date would have triggered a tourism outcome before 2018. To have a deadline extension until 2024 is a slap in simply allowing land banking to the detriment of the Queensland tourism industry.

The island contains: a singular 71.2 hectare perpetual lease (Tourism zone) and four term leases (Open space zone) totalling 66.7 hectares. The current owners have been in negotiations to amend the current lease arrangements by handing back some of the perpetual and term leases (10.4ha and 38.8ha respectively) and to convert the remaining term lease land into perpetual lease land.

Importantly, the title deed related to the lease that commenced on 1 October 1961 (and transferred to the current owner) contains conditions that include construction and maintenance of recreational facilities for tourists within the first 5 years of the lease. However, these timebound title deed conditions have not assisted in supporting the redevelopment on the island resort.

The net result is that the proposed redevelopment of the tourist resort as envisaged in 2015 has not progressed.

Brampton Island

Brampton Island commenced use in the 1930s and has since had several upgrades and operators. The island resort halted operations in January 2011 to enable a proposed redevelopment of the resort.

The development application for the redevelopment of the resort was approved by Mackay Regional Council in July 2015 (DA-2013-173). The approval supports the redevelopment for a world-class 7-star resort with a reduction from the previous guest accommodation from 210 to 35.

There are three (3) main leases on Brampton Island that cover the existing resort, being a rock pool area, the resort accommodation area and part of the existing airstrip. In mid-2016, the owner of the development had discussions with the State Government to amend the boundaries of the land tenure agreements to include the whole of the airstrip and water tanks to the west of the existing lease. It is understood that the current owner first wants to amend the land tenure agreements prior to proceeding with any further major investment in this project.

The development would still require further approvals for operational works, tidal works, building and plumbing permits to support development. The net result is that the development has not progressed.

Keswick Island

Keswick Island has not operated as an island resort, but has a consent order in place in favour of the developer that grants the rezoning of the land from special purposes to special facilities (tourist resort and conservation area). The zoning has been reflected and included in the *Mackay Region Planning Scheme 2017* with the land zoned for 'Tourism'.

Under the consent order, the developer and Mackay Regional Council are required to enter into a deed of agreement with two special leases. The first lease is for five lots



with a 100 year term for tourist facility, aerodrome, commercial and residential development, and the second lease, for three lots with a 10 year reclamation lease for works within the conservation area.

To date, development has only progressed over one of the 100 year lease lots (Lot 14 on SP153788), with the creation of 133 sub leases for residential purposes, of which 23 have been developed with a dwelling. Further development of the island has not progressed over the remainder of the lease areas. Due to the reclamation works not being completed within the required 10 year timeframe on the reclamation leases, the leases over the three relevant lots have lapsed.

In February 2022, Council held a pre-lodgement meeting for a proposed development of luxury tent lodging (or 'glamping') over part of lot 4 on SP153788 on the island. However, this would be subject to prescribed tidal works for an associated jetty and boat ramp over one of the term lease areas that has lapsed (Lot 7 on SP153788). No application to support the proposal has been lodged with Council.

Development of island resorts requires detailed infrastructure arrangements that impact private and public use of the island and select facilities. Public access to boat ramps are one such issue. Historically, Keswick island has allowed public access to its boat ramp. However, until recently, the owner of the main lease effectively restricted public access to the boat ramp and the beach areas on the island. It has taken negotiation and effort to establish a working relationship between residents on the island and the main lease holder (developer) to again allow ferry access to and from the island with approximately two (2) ferry trips per week.

Mackay Region Planning Scheme

Development approvals for island resorts and related development are supported by the *Mackay Region Planning Scheme 2017*, including development within the Tourism zone. The Tourism zone provides for a range of tourist activities, facilities and places to enable the region's residents and visitors to experience the region's outstanding landscape character and areas of ecological significance. This includes high quality, environmentally sensitive and integrated resorts at Brampton Island, Keswick Island and Lindeman Island. It is Council's view that the *Mackay Region Planning Scheme 2017* actively facilitates appropriate development on these islands. However, Council would welcome suggestions on how Council's regulatory frameworks can be improved to facilitate development on the islands, if identified as required by the inquiry.

Most island resort developments follow an alternative development assessment pathway by being identified as coordinated development by the Queensland Government. These alternative pathways are generally supported by Council as most of these developments trigger or directly deal with State interest requirements.

It is noted that title deed provisions deal extensively with managing the development of island resorts within the leases. This includes aspects of management of vegetation, access requirements, improvement of the land, maintenance of the development in good order and potential forfeiture of lease if the land is not used for the purposes it was issued. It is not clear how effective these deed provisions are being enforced as the island resort developments have not been maintained.

In conclusion, Council welcomes the inquiry and would be supportive of a review of the existing ownership model, leasing agreements and regulatory planning framework for island resorts.



From the above, it is clear that the ownership models, lease agreements, title deeds and development approval processes all contribute to supporting effective tourist development on islands.

Council recommends that the below aspects be considered to support tourist development operations for Queensland's island resorts:

1. The inquiry should include a review of current lease agreements to determine to what extent provisions in lease agreements are effectively enforced or implemented. The lease agreement and approval process should include requirements for development to commence within a set timeframe, and ensure continued operation of such a resort for the lease to remain valid. The review should consider alternative additional measures to ensure development commences within any set timeframe – for example, a bond to be held by Council or the State Government tied to development within an agreed timeframe;
2. The inquiry should review the effectiveness of the current development approval process and regulatory framework in ensuring compliance and implementation of development conditions over time. This would include performance of conditions in lease agreements and the management of on-going operational matters regarding island resort developments;
3. Development approvals and lease agreements should include standard operational requirements for an island resort development as part of the regulatory framework that would assist in effective compliance;
4. The inquiry should consider the current ownership of island resorts and its impact on the continued operation of the island resorts – including local ownership and investment in island resorts;
5. The inquiry should consider the market value of island resort leases, including appropriate revaluation mechanisms at predetermined timeframes and milestones to ensure realisation of appropriate market value of long-term leases, and
6. From a public access perspective, island resorts should not have exclusive access to the whole of the island if it can be avoided. More specifically, portions of islands need to retain public access to specific infrastructure – for example, boat ramps, jetties, and airports – to ensure access for current and future generations.

Mackay Regional Council supports the inquiry and any resultant actions that will lead to the improved management of leasehold land, new investment in island resorts and sustainable development of islands within the Great Barrier Reef Marine Park.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Aletta Nugent".

Aletta Nugent

Director Development Services