

**Submission to the Transport and Resources
Committee:
Inquiry into the Economic and Regulatory
Frameworks for Queensland's Island Resorts**

19 April 2022

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1. Introduction

On 21 February 2022 the Transport and Resources Committee resolved to conduct an inquiry into the economic and regulatory frameworks for Queensland island resorts.

The terms of reference for the inquiry are:

Examine and report on current regulatory frameworks that exist for Great Barrier Reef Island Resorts as they contribute to Queensland's tourism economy and regional communities.

Including the existing regulatory constraints on island resorts:

- Role of island resorts in attracting new and return visitors to Queensland and the Great Barrier Reef
- Historical operational status and existing constraints that impact economic development opportunities for island resorts
- How the determination of native title and the aspirations of traditional owners have been incorporated into operations
- Infrastructure access arrangements and other challenges for lease holders to develop or redevelop islands for tourist, residential and public purposes
- Co-existence with the protected area estate both onshore and within the Great Barrier Reef Marine Park Area.

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 for transfer of interests in leases and sub leases.

The Queensland Government is committed to administering state land to support regional communities and contribute to Queensland's economic prosperity. It continues to work with the tourism and hospitality industry to reinvigorate undeveloped island resorts and build on the refreshed experience-based marketing approach for Queensland showcasing the Great Barrier Reef, islands, beaches, natural encounters, lifestyle, food, adventure, discovery, and events to the world. The key Queensland Government agencies whose responsibilities relate to the terms of reference for this inquiry, have collaborated in the preparation of this submission.

2. Background

The Queensland Government has a long-term commitment to grow the state's \$23 billion tourism industry and secure Queensland's position as a world-leading tourism destination. Tourism boosts the revenue of the economy, creates thousands of jobs, develops the infrastructure of a country, and initiates a sense of cultural exchange between foreign visitors and the state's citizens.

The World Heritage listed Great Barrier Reef (GBR) is one of Queensland's most celebrated attractions and a fundamental component of the state's tourism future. A vital element of the tourism offering in the GBR is the provision of accommodation, facilities, and services for tourist use. Queensland's iconic islands and the GBR sit at the very core of the Queensland tourism proposition. These are key icons of the Queensland brand and are important to ensure Queensland's unique position and distinctiveness in a global landscape.

The GBR extends north from Bundaberg to the tip of Queensland. There are approximately 1,050 islands in the GBR World Heritage Area (GBRWHA), 980 of which are Queensland islands. The remaining 70 GBR islands are Commonwealth islands. Of the 980 Queensland islands, approximately 400 are managed by the Department of Resources as state land and about 450 are national park islands. Other islands, outside the scope of this inquiry, are held privately under freehold tenure; managed by local governments as offshore suburbs; or are natural island formation.

Queensland's GBR island resorts are generally located in three geographical clusters – Tropical North, Whitsundays, and Central/Southern Queensland. The Department of Resources has classified island resorts as those tenures granted over an island or an area of island for the purpose of Tourism under the *Land Act 1994* (Land Act). Some historic leases over GBR islands granted under the *Land Act 1962*, have been developed and operated as tourism resorts, but do not have a specific tourism purpose imposed on the lease. Thirty island resorts are established through leases administered over 26 GBR islands. Only a few island resorts support residential communities, with the majority established as resort-only developments. Established resorts range from low impact eco-tourism to large scale operations.

The government's policy objective for tourism islands, guided by the requirements of the Land Act,¹ is to ensure they are not 'land banked'. Conditions for island resort leases are designed to encourage development of the land for tourism and tourism-related purposes, to optimise the returns and benefits to the people of Queensland.² The Land Act accommodates complex tenure and leasing arrangements that reflect the diverse geographical constraints and development proposals (e.g., luxury resort; family-friendly accommodations; ecotourism 'glamping', etc) of individual island resorts.

While the tenure and purpose are established primarily under the Land Act, some resorts are located wholly or partly on a protected area tenure, such as national park. The development of the island is regulated under the *Planning Act 2016* framework, while other development frameworks, such as the *State Development and Public Works Organisation Act 1971* may also have a role in facilitating the development of island resorts and contribute to the conditions imposed on relevant leases, including in relation to environmental impacts. Conditions may also be imposed under the nature conservation legislation where leases are on national parks.

Development of GBR islands may also require approvals under Commonwealth legislation, including the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) and *Great Barrier Reef Marine Park Act 1974*. This is in addition to any Queensland legislative approvals. Their location

¹ The "development" principle under section 4 of the Land Act requires land to be allocated to "persons who will facilitate its most appropriate use that supports the economic, social and physical wellbeing of the people of Queensland." The Act and the conditions of the tenure impose a positive obligation for the land to be developed.

² The Object of the Land Act requires "land to which this Act applies must be managed for the benefit of the people of Queensland" by having regard to 7 principles outlined in section 4 of the Land Act.

within a World Heritage Area can draw additional assessment and approval requirements to manage potential environmental impacts.

3. Economic contribution

Prior to the COVID-19 pandemic, the GBR was estimated to contribute \$6.4 billion to the Australian economy and 90 percent of that, \$5.7 billion, was from tourism, supporting almost 59 000 full time jobs, and attracting more than two million visitors each year. For the Queensland economy, this directly contributed \$3.9 billion and supported 33 000 jobs in the state.

The tourism industry has a significant role to play in connecting visitors to the reef and presenting the values of the World Heritage Area to the millions that visit. The Great Barrier Reef Marine Park Authority (GBRMPA) and Department of Environment and Science (DES) regulates tourism access via a coordinated joint permit system, noting there are both Commonwealth and State jurisdictions. Tourism activity occurs within approximately seven per cent of the marine park. Each ticket sold by GBRMPA to experience the reef includes an Environmental Management Charge (EMC). The EMC funds are used to support strong, effective, and agile marine park management practices to protect the GBR, reduce threats and improve the long-term outlook. Fee relief for operators by both State and Australian Governments have been in place through COVID.

Currently, some GBR island resorts are not operating. Some of these are on the market, while others are actively being redeveloped. Abandoned and closed resorts are an important consideration for the government in continuing to secure the GBR's iconic reputation and flow-on benefits to tourism and other sectors. Closed resorts can result in environmental damage through abandoned infrastructure that impacts marine and island wildlife and attracts negative media attention, which impacts on perceptions of the GBR and the broader Queensland tourism brand.

There are a broad range of issues impacting the commercial and operational viability of GBR island resorts. Many of these issues are unique to island resorts.

Environmental and market conditions and regulatory frameworks for island resorts may influence the ongoing viability of currently operating island resorts and the potential to realise the large social, environmental, and economic benefits from a number of resort redevelopment opportunities across the GBR.

In 2018, the Queensland Government initiated the \$25 million contestable GBR Island Resorts Rejuvenation (GBR IRR) Fund to stimulate reinvestment and reinvigoration of GBR island resorts. The key objectives of the fund were to encourage the further development of common user and public facilities to enhance the GBR experience for tourists and locals alike, foster more environmentally friendly tourism experiences and remove decommissioned buildings and legacy waste from island resorts. A further \$25 million was allocated by the Queensland Government in 2020 into the rejuvenation of tourism infrastructure on Great Keppel Island Resort.

The viability of an island resort is dependent on balancing complex operating, environmental and economic factors. Island resorts experience significantly higher: operating costs (e.g., workforce expenses, utilities, waste treatment and removal and insurance); impacts from natural and other disasters; seasonal visitation variations, and competition for the tourism dollar, particularly from lower cost destinations such as Asia, and the cruise industry.

Access and Infrastructure

Safe and reasonable access is a critical success factor for GBR island resorts. Access underpins the day-to-day operation of resorts, construction efforts and provides safe arrival and departure for visitors and resort workers. Viable and resilient marine infrastructure also plays a key role in supporting recovery efforts following extreme weather events with barges and ferries being able to access the islands as soon as practical to execute critical works, subsequently facilitating repairs and reconstruction efforts and then supporting visitor access when appropriate.

The Queensland Government has supported the development of some access facilities under the GBR IRR Fund. Several island resorts, however, are without suitable marine infrastructure access. The ability to build safe harbours can remain an impediment to island resort redevelopment. The status and needs for each island are slightly different, but those without a current joint GBRMPA and State marine parks permit will need to obtain the correct approvals to commence any tourism redevelopment. The delivery of safer, more climate resilient access infrastructure, that also improves island operations, require new plans to be submitted to GBRMPA for new approval, if the design deviates from the existing GBRMPA/ State permit held. Additionally, major new developments may trigger the Commonwealth EPBC Act.

A network of safe harbours is critical to development of the marine tourism industry with the sailing and yachting community being key contributors to local economies.

Commercial and operating costs

Island resorts developments experience high capital, operational, maintenance and insurance costs, which may create significant barriers to investment and long-term commercial viability of island resorts. The significant operational costs of island resorts are due the geographic location and supply chain constraints.

Key commercial and operational issues include:

- **Insurance** – availability and affordability of property insurance for island resorts is a key barrier to investment and commercial viability, with significant increases in premiums in response to natural disasters. Insurers are also removing available products from the market, which is contributing to an increasing market failure for the adventure tourism industry.
- **Capital Investment** – a high level of capital is required to deliver rejuvenation activities and critical infrastructure for island resorts, particularly following severe weather events. Attracting capital investments in regional tourism product is challenging due to low rates of return on investment and potential lack of awareness of investment opportunities.

- **Outdated and Dilapidated Infrastructure** – which requires replacement and maintenance, but provides opportunities for development of new tourism products, common user infrastructure and the implementation of natural disaster resilience measures.
- **Labour Shortages** – the ability to attract and retain suitably skilled employees is challenging, with high costs of recruitment and training, along with the seasonal (transient) nature of employment and visa requirements for foreign workers.
- **Operating Costs** – high costs associated with provision of on-island accommodation and services for employees.
- **Energy Costs** – utilities costs can be significant, however new opportunities arise with technological advancements for renewable energy; waste treatment; water processing; air-conditioning and solar power to reduce ongoing operational costs.
- **Telecommunication infrastructure** – telecommunications blackspots across Whitsundays inhibit connectivity for some resorts, restricting development of premium tourism accommodation products.

Tourism operators, particularly island resorts, have expressed concerns about the accessibility and affordability of public liability and property insurance. Regulation of the insurance industry in Australia is a Commonwealth responsibility and the Queensland Government has continued to advocate for the progression of a Commonwealth-led analysis of the impact of insurance costs on tourism investment.

Optimising opportunities

Several island resorts have redevelopment plans and approvals in place that have not progressed. While there are a range of contributing factors, the tourism and investment markets have changed in recent years, and the scale and style of resort proposed years ago, may not be viable in current market conditions.

The Queensland Government has commenced master planning for Great Keppel and Magnetic Islands. Master planning may help identify alternative development or conservation options for some tourism islands, informed by current market conditions, as well as industry, community, and government expectations. This will allow for greater diversity of tourism offerings, while providing for staged development based on infrastructure requirements and community expectations. This work when completed may provide examples for local stakeholders to consider for other islands where redevelopment is needed.

Tourism opportunities

The GBR is one of Queensland's most celebrated attractions and is a fundamental component of the State's tourism future. A vital part of the tourism offering in the GBR is the provision of accommodation, facilities, and services for tourist use.

Visitors are encouraged to visit the GBR with any of the over 70 tourism operators who help to present the park to a consistently high standard and are independently certified by a recognised environmental certification scheme. These businesses operate at a higher standard than is required – higher than any other World Heritage Area. These tourism operators contribute to GBR monitoring,

adhere to responsible reef practices, trial small-scale reef restoration initiatives, and support delivery of quality interpretation and education by accredited master reef guides.

Traditional Owner opportunities

The Queensland Government is committed to supporting the growth of First Nations business and partnerships and increasing their participation in tourism, generating jobs and economic outcomes. Tourism is a culturally aligned pathway for economic participation and truth telling and is an important contributor to the state's commitment to 'Path to Treaty' and 'Closing the Gap'. Recognition of country and a relationship with the traditional owners, is an important step for any tourism enterprise to take.

There are currently no First Nations tourism businesses based out of GBR island resorts. It should be noted, however, that the Queensland Government is working with some traditional owners in this regard (e.g., the Woppaburra People of Great Keppel Island).

4. Regulatory framework for Tourism island leases

Tenure

Leasehold granted over state land

The Land Act provides for a term or perpetual lease to be granted for tourism purposes.³ The lease provides exclusive possession for the term of the lease, to be used in accordance with the specific purpose. A lease may be issued for more than one purpose but must only be used for the purposes stated in the lease. Several leases may be issued in conjunction to form an island resort complex. Each lease may have a separate purpose, reflecting a specific element of the island resort, such as tourism purpose for the resort, accommodation, and commercial elements of the development, with ancillary leases for marina or airport facilities.

A greenfield or substantial redevelopment island resort may be granted as a 'significant development' lease allowing a term of up to 100 years.⁴ A lease determined to be a significant development will require the proposed lessee to undergo a financial and managerial capability assessment⁵ before a lease can be granted. The Land Act considers a 'significant development' to have:

- a) a significant impact on the environment or the economic and social development of a locality, a region, or the State; and
- b) a high level of investment, a substantial development period and lease conditions requiring extensive development.

A tourism lease—a lease for tourism purposes on a regulated island⁶—may also be a rolling term lease. The Land Act provides a streamlined process to extend rolling term leases, for a period not longer than the original term. The extended lease will also be subject to the same conditions, interests, and priorities as the original term of the lease. A rolling term lease may be extended repeatedly and will expire at the end of the terms after the lessee provides an 'expiry notice' to the

³ Section 153 of the Land Act requires a lease to state its purpose.

⁴ A term for a lease that is not a significant development is a maximum of 50 years.

⁵ Section s129 of the Land Act.

⁶ Schedule 5 of the Land Regulation 2020

chief executive. Leases over national parks may have different requirements relating to the term of the leases and relevant environmental conditions to ensure the sustainable use of the national park.

A perpetual lease, in comparison, is an ongoing lease that does not expire. A perpetual lease will only end if the land is surrendered back to the State. A perpetual lease is the most secure form of leasehold that can be granted.

Lessees are required to comply with the lease conditions, to ensure the lease is developed and operated appropriately and the benefits to the state are realised. The Land Act compliance framework provides tools and mechanisms to investigate, manage and enforce lease conditions and statutory requirements, including rent payments. The priority of the Department of Resources is to work with lessees to ensure compliance before enforcement or penalty action is necessitated. An audit of five major tourism island leases is being conducted under the 2021/2022 compliance plan. The audits will provide a baseline for how the lease is tracking against the lease conditions and Land Act requirements. The audits will position Resources to work proactively with lessees if there are indications of potential non-compliance.

Establishing a Sublease

A lessee may enter into a sublease over all or part of the leased areas, provided it is consistent with the purpose of the headlease. The lessee is responsible for ensuring a sublessee complies with the conditions of the lease, as well as the sub-lease.

A sublease must be approved by the Minister with responsibility for the Land Act. The Minister may issue a general authority for a lease or category of lease, from the requirement to obtain approval for transfer. Where an exemption applies, the parties can lodge the relevant transfer or sub-leasing forms with Titles Queensland without applying to the department for approval. This simplifies the transfer process and may reduce delays in settlement.

A sub-lessee may also enter a (sub)sub-lease over an area within the sublease. The same requirements to seek the Minister's approval and comply with the conditions of the head lease apply to each sub-lease entered. The ability for subsequent sub-leases to be entered may result in several levels of sub-leasing arrangements over the same area of land.

Transfer of a lease

The chief executive's approval is generally required to transfer a lease or sublease. The chief executive may condition the approval, including requiring all rent and charges owing to the State be paid before the transfer is lodged. An approval will lapse unless the transfer is lodged in the Titles Queensland within 6 months (or a later approved date) after the chief executive's approval.

The chief executive may grant an exemption for a lease or category of lease, from the requirement to obtain approval for transfer. Where an exemption applies, the parties can lodge the relevant transfer with Titles Queensland without applying to the department for approval. This simplifies the transfer process and may reduce delays in settlement.

Currently an exemption has been granted to all lessees of:

- primary production leases in rental category 11
- residential leases in rental category 12
- business and government core business leases in rental category 13.

Except where the lease:

- was issued for significant development and may require a financial and managerial capability assessment
- is subject to a performance guarantee bond is subject to a deed of indemnity
- is subject to mortgagee in possession
- is subject to a sale by a mortgagee exercising a power of sale or
- has an appointed receiver/manager.

An exemption is taken to also apply to a sublessee of an exempt lease.

A noting has been lodged on all leasehold land titles to which the exemption applies. If there is no exemption noting on the title, the parties will need to apply for chief executive approval to transfer the lease. Additionally, significant development leases will require approval from the chief executive before a lease may be transferred.

An amendment contained in the Land and Other Legislation Amendment Bill 2022, proposes to amend section 130 of the Land Act to provide that the chief executive may obtain an independent assessment of the transferee's financial and managerial capabilities, before a lease issued for a significant development is to be transferred. This amendment also includes a clearer provision for refusing a transfer if the independent assessment of the transferee's financial and managerial capabilities supports that decision. This amendment will align the decision on the grant of the lease to the decision on the transfer of the lease.

Conversion to freehold tenure

A lessee may apply to convert a term or perpetual lease to freehold tenure. The chief executive must consider a range of criteria before a decision to grant freehold tenure is made. The considerations include⁷ whether:

- the public interest could be adversely affected by converting the lease to freehold
- part of the lease land is on an island, or its location holds a value or feature that does not lend itself to freehold, such as heritage or environmental values
- the degree to which the lessee has complied with the lease's conditions.

A tourism lease, however, may only be converted to freehold if the Governor-in-Council has first approved the conditions on which the offer is made. Similarly, leases over a national park will generally have a non-freeholding condition. Freehold cannot be granted over a national park, without the conservation status (national park) being revoked through an act of parliament.

Successive State Governments have generally not supported the conversion of tourism leases to freehold, considering the islands to have a public purpose and should be retained as state land. The Government's policy preference is to grant a perpetual lease where appropriate, rather than converting tourism leases to freehold tenure.

Leases granted over protected areas

In addition to arrangements under the Land Act, the *Nature Conservation Act 1992* (NCA) provides for the granting of a lease, licence, agreement, permit or other authority over national park tenures, including on regulated islands. The leases may be granted for service facilities to support existing

⁷ Section 167 of the Land Act contains the full list of considerations.

tourism operations and ecotourism facilities, either as new standalone experiences or to augment existing tourism operations on adjoining lands. An authority under the NCA⁸ require a national park management plan to be extended beyond 10 years.

Ecotourism facilities on national parks must be in the public interest, be ecologically sustainable, and provide, to the greatest extent possible, for the preservation of the land's natural condition and cultural resources and values. The Queensland Government has also developed a framework to guide and assess potential ecotourism projects on national park tenure in line with environmental and design best practice standards, which comprises the [*Ecotourism on National Parks Implementation Framework*](#)⁹ and [*Best Practice Ecotourism Development Guidelines*](#).¹⁰

Traditional Owner considerations

The majority of historic island resort leases have wholly extinguished native title. Native title may continue to exist for the more recent leases issued. All land dealings must comply with the Commonwealth *Native Title Act 1993*, if native title has not been extinguished. Development plans outside of the current lease footprint will require an Indigenous Land Use Agreement (ILUA) where native title over the area has not been extinguished.

Under the Commonwealth Native Title Act¹¹ the native title party may request that the State disregard prior extinguishment of native title within a national park area.

Traditional Owners may also have an interest, claim or determination over sea country that is considered where permits are required for activities or infrastructure within the Great Barrier Reef Marine Parks (Commonwealth and State). Under some circumstances particularly in Cape York Tenure Resolution matters, the consent of the native title party may be required to issue permits.

Development approvals

Any development on leasehold land must comply with the requirements of the *Planning Act 2016*. Queensland Local Governments are empowered to make decisions appropriate to the needs and views of their community. These decisions are implemented through the preparation and enforcement of planning schemes, policies, and laws. In instances where island resorts are within a local government area the local planning scheme under the *Planning Act 2016* will generally include relevant land use planning controls to govern the allowable scale and intensity of island and tourism development.

In preparing or amending their planning scheme, local governments are required to appropriately integrate the policies articulated in the State Planning Policy (SPP), which require consideration of a broad range of economic, social, environmental and infrastructure matters. Some resorts, however, have development controlled by specific development schemes under either the Integrated Resort Development Act 1985 (IRDA) or the Mixed Use Development Act 1993 (MUDA).

A significant development may also be required to comply with the environmental impact assessment requirements of the *State Development and Public Works Organisation Act 1971* and the

⁸ Section 34 of the Nature Conservation Act 1992.

⁹ Implementation Framework - Ecotourism Facilities on National Parks - Dec 2020 (des.qld.gov.au)

¹⁰ Best practice development guidelines - Ecotourism facilities on national parks - Dec 2020 (des.qld.gov.au)

¹¹ Section 47A (2) of the *Native Title Act 1993* (Cth)

Environmental Protection and Biodiversity Conservation Act 1999 (Cth). The Office of the Coordinator-General may be involved with managing the environmental impacts assessment processes as coordinated project under the *State Development and Public Works Organisation Act 1971*.

If the resort is wholly or partially on protected area, a development approval will also be required by DES in accordance with a lease or Authority. Commercial Activities adjoining the protected area may also require a separate approval if not covered by the Authority. Similarly, moorings, marinas and jetties, and commercial activities associated with island resorts may be within Queensland's Great Barrier Reef Coast Marine Park and the Commonwealth's Great Barrier Reef Marine Park. Activities such as these within these marine parks are also subject to permission requirements under the *Queensland Marine Parks Act 2004* and the Commonwealth *Great Barrier Reef Marine Park Act 1975*.

Rent categories

Island resorts fall within rental Category 13 (business)¹² for land that is or may be used for business, commercial or industrial purposes. The annual rent is calculated as 6% of the average rental valuation for the rental period. A rental period is 12 months or pro-rata if a lease is entered part-way through a rental year. Land tax does not apply to leasehold land, including island resorts.

The annual rent for GBR island resorts over the 2021-22 financial year is approximately \$2.66 million.

The Minister may issue a rent deferral if a lease is impacted by a natural disaster or adverse economic conditions. Through a deferral, the lessee will have additional time to pay rent. The deferral is not a waiver and there is no discount to the rent that must be paid by the lessee.

A lessee may apply to the Minister for consideration for deferral or the Minister may declare the deferral to apply to a category of lease within hardship area.

5. Residential and Public purposes

Residential arrangements

Residential purposes are not currently considered to be consistent with the purpose of a tourism lease. Where the conditions on a lease do not accommodate residential occupancy, an additional 'residential' purpose would need to be added to the lease or new lease issued with multiple purposes.

To establish residential arrangements that provide individual rights to "owners", a sub-lease must be entered for each residence. Each sublease is issued for a defined term with statutory and standard conditions.

The Land Act does not provide a framework to support body-corporate style developments. Should residential arrangements wish to be put in place, this can only be done through formalised individual sub-leases with the head lessee generally expected to provide and maintain infrastructure and services.

¹² Sections 22 and 26 (1) of the Land Regulation 2022.

The Land Act does not support the establishment of “community property” in infrastructure and services that support daily living. This can create difficulties, as sublessees have little to no control over the standard of services and common-use infrastructure that is owned and provided by the head lease holder. Dispute resolution processes (outlined below) are available to resolve matters between a lessee and sub-lessee.

When the residential “owner” wishes to sell their residence, they must comply with the transfer requirements for all Land Act sub-leases and sub-lease conditions.

Infrastructure and services

Providing and maintaining services (e.g., utilities) and public infrastructure (e.g., jetties, public airstrips, ferry terminals) on tourism islands are a capital cost to the head lessee. Ensuring these requirements are developed and maintained are an important part of establishing tourism operations, but also in supporting business and residential requirements of sublessees.

In most cases, ancillary infrastructure required to develop and operate tourism ventures on resort islands have been enabled through a short-term (e.g., 20 year) term lease. The short-term lease will contain the conditions relating to the establishment and maintenance of the ancillary infrastructure. These conditions ensure the completion of key public purpose infrastructure and the connection of services. Lease conditions relating to maintenance of public purposes infrastructure are also imposed to ensure ongoing, reliable access for the public and sublessees.

Dispute Resolution

Disputes between lessees and sublessees can arise and vary in complexity and significance. The Land Act was amended in 2019 to provide a dispute resolution process to apply to all Land Act subleases. The amendment was designed to address issues arising out of disputes between lessees and sublessees of State land, particularly resort leases on State-owned islands. The process applies where:

- there is a dispute about a sublease in relation to its terms; and
- no other Act establishes a dispute resolution process that can deal with the dispute; and
- the sublease does not already include a dispute resolution process that can be used to resolve the dispute.

The Land Act dispute resolution framework provides a process for parties to resolve disputes through mediation or arbitration. While parties to a dispute will still be able to take their dispute to court for resolution, they will otherwise be required to share information and if required participate in mediation proceedings to resolve the dispute. Parties to a dispute also have the option of seeking binding arbitration.

6. Coexistence with Protected areas

Most GBR island resorts adjoin or include protected area tenures, mainly national park. Some resorts are established wholly or partly on land that is a protected area, either as a lease granted under the Land Act or an authority under the *Nature Conservation Act 1992*. All GBR islands are surrounded by

waters of the Great Barrier Reef Coast Marine Park (State) or Great Barrier Reef Marine Park (Commonwealth) and within the Great Barrier Reef World Heritage Area. Developments within or impacting on the World Heritage Area may attract international attention from the World Heritage Committee.

Newry Island Resort, Cape Richards Resort (Hinchinbrook Island) and Wild Duck Island Resort have been closed and either surrendered or purchased by the State Government for inclusion in the protected area estate.

Closed resorts can result in environmental damage through abandoned infrastructure impacting marine and island wildlife and the uncontrolled spread of introduced pests such as weeds. Uncontrolled weed infestations result in significant risk of loss of island plant species, habitat for wildlife and in some cases increased fire threat to both the protected area values and the resort.

Protected areas on reef islands provide for a range of nature-based and cultural opportunities including First Nations cultural tourism. Coupled with the surrounding marine park these protected area islands can be a significant drawcard for visitors. Tourism authorities may be granted to support use of the island protected areas and marine park with any operators needing to comply with *the Nature Conservation Act 1992* and *Marine Parks Act 2004*. Consideration of how the proposed tourism activity fits the management objectives of the area including native title before an authority is granted.

The preference is for tourism and development activities to occur outside island protected areas, to maintain the natural and cultural integrity of these areas. The design and location of island access and essential infrastructure—such as power and telecommunications—are carefully assessed, discussed, and alternatives explored, to avoid and minimise any impacts on the values and use of these protected areas.