The Urban Developer

EXCLUSIVE

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Receivership Reset: Why Simon Harvey 'Blew Up' His Queensland Marina Project

"I basically had to blow it up and put it into receivership."

It sounds dramatic but there was clear-minded strategic logic to what, from the outside, looked like just another sinking of a big-ticket Queensland coastal play.

No question, torpedoing his own project—into which he was already about $7 million deep—was a high stakes move for Simon Harvey.

"There was a risk, to some degree," he concedes. "But I was fairly confident I would probably have the winning bid to get it back off the receivers."

Faced with his 50/50 partner becoming “completely unfinancial”, mounting risk and a stalled capital structure, the Bondi-based developer chose to detonate the corporate shell of the Gateway Marina venture.

The bold vision for a mixed-use village had been touted as a game changer for the Bundaberg region’s waterfront at Burnett Heads, about 375km north of Brisbane.

Dredging was well under way and approvals were in place for a 318-berth marina, luxury apartments, a yacht club and retail, dining and tourism hub.

It was—as Harvey had long viewed the boat harbour and its surrounding land—“a real little gem that was ready to go”.

But in mid-2023 work came to a stop, marketing was pulled and the dispute with his development partner, Ian Sroczynski, that had been simmering behind the scenes, finally boiled over into a full-blown legal fight over money and control.

▲ A rendering of the Gateway Marina at Burnett Heads, about 375km north of Brisbane in the Bundaberg region.

“There was a lot of smoke and mirrors,” Harvey says. “It was meant to be a typical 50/50 partnership and he became completely unfinancial … dug his heels in and didn’t want to give up his share.

“The strategic advice given to me was that my best option—because I was the debt on the project, we didn’t have any external debt—was to put it into receivership and buy it back.”

It proved to be a well-calculated move, with Harvey’s BeauGroup taking sole control of the venture’s helm through the process.

"The actual registered acquisition price that I bought it back for was $6.5 million, which was all my debt," he says.

To be frank, however, he admits letting the receivers take it to market "could have brought other opportunities"—opening the door for other bidders and other ways for it to play out.

"But at the end of the day, it was probably going to be hard for someone to compete against me to buy the project back," he says. "It was all my IP and vision, I had all the relationships and I could just get straight back into the project immediately."

Indeed, within days of the project formally emerging from receivership in mid-May, 80 piles had arrived on site for the first 92-berth stage of the marina slated for completion by the end of November.

▲ The first of the piles for the marina are unloaded at the Burnett Heads site in May and a rendering of the first stage of the project.

To accommodate marina amenities, an existing waterfront building will be repurposed, incorporating commercial space—including a restaurant/cafe, marina manager's office and an apartment sales display suite.

As well, upgraded power, water and sewer infrastructure and 46 extra carparking spaces are to be delivered.

"There's a lot of heavy lifting going into stage one that won't be so obvious for everyone else but it's getting ready for all the future stages," Harvey says.

Nevertheless, he insists the first stage has to demonstrate the quality and intent of the broader precinct, which he sees as “becoming the penthouse of the region”.

“I said to the design team, I don’t want this to be looked at as just a lipstick job. This first stage has to start bringing the quality… I don’t want people turning up and going, ‘Oh yeah, okay… is that all it is?’.”

The first major vertical stages of the Gateway Marina precinct will follow, with construction of the first of two DA-approved five-storey apartment buildings—one with 36 units and the other 48 units—expected to begin in late 2027, along with another commercial building with food and beverage tenancies, and additional marina berths.

Even while the legal stoush was playing out, Harvey was rebuilding the project’s fundamentals to future proof his vision.

▲ Harvey secured about 76,000sq m of land wrapping around the harbour at Burnett Heads for the precinct.

“I knew what I had to do as soon as I put it into receivership,” he says. “That was to start discussions with the Gladstone Ports Corporation [which manages and operates the Port of Bundaberg] to reset the wet lease as well as land tenure arrangements, converting it to freehold, private ownership… to really set this project up for long-term viability.

“What I’ve secured is about 78,000sq m of land wrapping around the harbour—about 20,000 to 25,000sq m of that is all DA approved for a marina village with a core of retail, food and beverage and some short-term accommodation.

"As you step further east from there, we're moving into the five-storey apartment product pitched to owner-occupiers to start to bring a more permanent population base into the precinct.

"Then I've got a third block, which is 48,000sq m, that we call the 'resort site' and that's got a preliminary approval locking in heights, densities and uses for a whole range of things … a conference centre, eco villas, waterfront townhouses, a branded resort and more five-storey apartment product as well."

Early on, the project was framed as a $250 million scheme. With costs and scope having grown, Harvey now puts the end value at closer to "probably $500 million" —although he is wary of such headline numbers.

"It just kind of gets people going … gives them plenty of ammunition to start sort of pulling the project back and saying, 'Oh, it'll never happen.' "

However, his portfolio of previous projects would suggest otherwise.

▲ Harvey delivered the Capri on Via Roma precinct on the Gold Coast—it sold for $70 million in 2022 to Sanctuary Cove owner Mulpha.

In New Zealand, he unlocked a $1-billion ski resort play at Porters, west of Christchurch—securing land swaps out of the conservation estate, approvals for 3500 beds, an 80-seat restaurant, new quad chairlift and recontoured terrain to attract the lucrative beginner-intermediate ski market before selling down to European investors.

More recently, on the Gold Coast, he delivered Capri on Via Roma, now widely regarded as a benchmark for experiential, food-led neighbourhood retail.

"I did that through the GFC and everyone was saying 'It's never going to work'… the rest is history," he says.

The 11,863sq m centre anchored by a Harris Farms supermarket sold for $70 million in 2022 to Sanctuary Cove owner, Malaysian-based Mulpha.

It is that long-term, operational mindset and dogged belief in his own vision that Harvey is banking on to underpin Gateway Marina's success.

"I like creating places… to have a vision, and then deliver on that vision, and I've generally been rewarded for sticking to the vision," he says

"The way I do development, I like to roll out sensible stages with sensible funding behind it… to keep constant activity."

▲ Harvey says he likes "creating places… to have a vision, and then deliver on that vision".

He regards Gateway Marina as "an opportunity that will be hard to come across again"—pointing to its rare position fronting a north-facing harbour.

And with a broader transformation of the Bundaberg region under way, he argues the timing could not be better.

"Bundaberg is already on its way… there's a lot of money floating around the region," Harvey says, citing a wave of public and private investment—including a new $1.3-billion state-funded hospital, $323 million in development by over-50s land lease operator

GemLife, the $2-billion South Beach masterplanned community at Elliott Heads, and $152 million in new facilities for Bundaberg Rum.

“I’ve always had big belief in this project—and the region has just got stronger and stronger,” he says.

From his perspective, “blowing it up” was the only way to put the development back together properly.

“In many ways the delay has allowed me to reset a lot of aspects of the project,” Harvey says. “It also rode out a period of time where there were significant build cost escalations and all that…allowing me to make sure it was all stacking up.

“I think over the years everyone has looked at that boat harbour and wondered why it has never taken off, why nothing has happened there.”

With the dust from the receivership battle settled, fresh land tenure deals struck and ministerial sign-offs in place, he adds: “Its day has finally come.

“Burnett Heads in five years is not going to be what it is now.”