

Initial Advice Statement for Coordinator-General
Iwasaki Capricorn Integrated Resort



Iwasaki Sangyo Co (Aust) Pty Ltd
November 2013





Iwasaki Capricorn Integrated Resort Project

INITIAL ADVICE STATEMENT

November 2013

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- Appendix B: 2010 Staging Plan**
- Appendix C: Overlay maps 03A and 03B, extracts from the Livingstone Shire Planning Scheme**
- Appendix D: Environmental Opportunities and Constraints Report**

I.0 Introduction

I.1 Project Rationale

The Mercure Capricorn Resort Yeppoon was opened in 1986, and has been operating since this time as one of the major tourist destinations on the Capricorn Coast, attracting domestic and international visitors to the Region. The Resort currently employs between 300 and 350 people, depending on the tourism season.

The subject site is located approximately 45 km north of Rockhampton, and 9 km north of Yeppoon's town centre (refer Figure 1) with approximately 9,000 ha of land, which includes the tourist Resort, areas of conservation, and grazing land. Iwasaki Sangyo Co. (Aust) Pty Ltd proposes to develop the south portion of their landholdings; featuring an integrated Resort community to expand the tourism potential for the Capricorn Coast and provide a diversity of tourist based, short term and permanent accommodation opportunities and experiences in the Region. The Proposal includes the development of a new 300 suite Resort facility and other short term accommodation facilities, including an eco-retreat and wellness centre, residential air strip and associated aviation facilities, residential community, village centre, public open space, working cattle station, and conservation areas comprising natural wetlands and habitats. The Proposal will also include the introduction of world-class Smart Grid Technology and renewable energy generation measures.

In 2010, Iwasaki Group commenced preparation of a long-term vision for the staged redevelopment of the Iwasaki Capricorn Integrated Resort Project (the Project). The long term vision includes the following Project objectives:

- Establishment of a world class integrated eco-tourism Resort;
- Environmentally sustainable design and construction; and
- Maximised public benefit.

The public benefit test includes:

- The establishment of an integrated eco-tourism Resort showcasing the natural environment of the Capricorn Coast;
- Reinforcement of the Central Coast as the focal point for tourism and recreation;
- Competing in the Central Coast tourism market through a diverse product and experience offer;
- Best practice environmental management of sensitive ecosystems;
- The creation of unique public places in harmony with the environmental values of the site;
- Partnership between Australian and Japanese construction and energy companies in the creation of wind and solar farms;
- The provision of a multi-purpose airstrip that can be used for chartered flights and the public, to assist with providing easy access to the Region and promote tourism and economic development.

-
- The development, in combination with the airstrip can support the mining industry through the provision of housing options for mining workers and their families in close proximity for Fly in / Fly out (FIFO) facility;
 - The opportunity to support small scale aviation facilities and industries;
 - Helping to reduce the unemployment rate through additional employment opportunities, with the potential to provide approximately 2,160 onsite jobs (ongoing);
 - Catering for the anticipated population growth expected to occur as a result of the economic investment planned for the Region;
 - Facilitating significant investment into the Region for local and regional businesses;
 - The provision of pedestrian and bicycle paths and public spaces enabling increased visibility, access and activity through the area; and
 - Celebration of the natural environment of the Capricorn Coast.

The overall outcome for the Project is to establish a Master Plan that will guide the development of the southern portion of the Iwasaki landholding.

The Proposal represents a complex Project that will trigger a range of State Government interests and legislative requirements that arise from the scale and environmental characteristics of the site. Declaration of the development as a Coordinated Project will facilitate a 'whole of government' approach to the assessment of the Proposal.

The output will be a Master Plan endorsed by the Coordinator-General that will inform future development applications, such as a Section 242 application that will override the Planning Scheme and secondary development approvals for specific land uses.

This Initial Advice Statement (IAS) sets out full details of the Iwasaki Sangyo Co. (Aust) Pty Ltd Development Plan, a description of the existing environment, and the perceived impacts of the development proposal upon that environment.

In addition to the Proposal described in this IAS, it is also proposed to refurbish the existing Resort. These works will be undertaken separately and at the early stages of the overall Project.



Figure 1 – Locality Plan

1.2 Purpose and Scope of the IAS

This IAS has been prepared to demonstrate that the proposed Project redevelopment is of local, regional and state significance on environmental, social and economic grounds, and that it is therefore worthy of declaration as a Coordinated Project under Section 26 of the *State Development and Public Works Organisation Act 1971* (SDPWO Act).

The Project is characterised by:

- Complex approval requirements, including local and State government involvement;
- Potential effects on infrastructure, the environment and social impact;
- The provision of substantial employment opportunities; and
- Strategic significance to the locality, Region and the State.

It is considered that due to the scale and the wide range of State Government interests triggered by the Project, an Environmental Impact Statement (EIS) under Part 4 of the SDPWO Act will be able to provide a process that will facilitate a whole-of-government assessment.

This IAS will communicate the scale and benefits of the development to all government stakeholders and the general public.

The IAS will identify the potential impacts of the proposed development and will inform the preparation of Terms of Reference for an EIS.

The current Resort is contained in a comprehensive development zone that restricts the growth of the development. The IAS demonstrates the merit of the facilitated expansion of development beyond these restrictions.

The purpose of this IAS is to:

- Inform all stakeholders of the scale and nature of development proposed on the Iwasaki landholdings in accordance with the SDPWO Act;
- Demonstrate that this is a Coordinated Project for which an EIS is appropriate; and
- Identify the potential impacts of the Proposal.

2.0 The Proponent

2.1 Iwasaki Sangyo Co. (Aust) Pty Ltd

The Proponent, Iwasaki Sangyo Co. (Aust) Pty Ltd (ACN 009 858 191), is the owner of the 9,000 hectare subject site. The Proponent is herein referred to as Iwasaki. The Project will be developed and operated by Iwasaki.

Iwasaki is the owner of an international resort group with interests encompassing tourism and resort facilities management and operations in Australia and Asia.

Iwasaki was incorporated in 1972 in Australia by Mr Yohachiro Iwasaki, who purchased the subject site after his visit to Australia in 1969. The company employs approximately 3,500 employees globally (in Japan, Australia, Korea and Taiwan).

The Proponent proposes to development an integrated Resort community that will expand upon and enhance the current Mercure Capricorn Resort site. The development will be tourism based, with a focus on showcasing the natural assets of the Capricorn Coast.

Iwasaki has a track record of operating and delivering large scale resort projects in Australia and overseas with the Mercure Capricorn Resort having an international reputation since its opening.

The contact details for Iwasaki are:

Locked Bag 350
Yeppoon QLD 4703

2.2 Mercure Capricorn Resort

The original development of what is now the Mercure Capricorn Resort was facilitated through the declaration of the *Queensland International Tourist Centre Agreement Act 1978* (now repealed). This Act formed the basis of an agreement between Iwasaki and the State Government of Queensland to develop the site for the Resort and facilities that are currently in place.

Subsequent to this agreement, and in accordance with *Environment Protection (Impact of Proposals) Act 1974*, an Environmental Impact Study was prepared in 1978 by UDPA Planners to investigate the environmental constraints of the land in respect to the proposed International Tourist Resort.

Today, the Resort is one of the largest employers in the Capricorn Region, providing internationally recognised conference, function, golf and accommodation facilities not provided elsewhere in the local area. In addition, the Iwasaki Group is a well respected member of the local community and support for the local community is evident throughout the Iwasaki Foundation.

2.3 Yakushima Iwasaki Hotel

The Proponent also has experience with the development and management of resorts adjacent to environmentally sensitive areas. One such example is the Yakushima Iwasaki Hotel, which is located 1.2 kilometres to the north-west of Onoaida on the southern coast of Yakushima Island. This Island itself is a subtropical Island that contains a diversity of environments that extend from the mountain areas through to coastal zones. The forested areas contain old growth cedar and the coastal zones provide nesting grounds for loggerhead and green sea turtles. The environmental values of the Island were recognised with the inclusion of 10.74 Ha (20%) of the interior of Yakushima Island being registered as a UNESCO World Natural Heritage site in 1993.

The Yakushima Iwasaki Hotel is located approximately 2 kilometres to the south of the world heritage area and comprises of 125 rooms and resort style facilities.

3.0 The Nature of the Proposal

3.1 Scope of the Project

The proposed Project seeks to pursue a development outcome that acknowledges and complements the natural features of the site. The Project will be a Resort community providing tourism, recreational, environmental and cultural experiences for the people of, and visitors to, the Capricorn Coast. The Iwasaki Capricorn Integrated Resort Project will embrace world's best practice in sustainable lifestyle, design and construction.

Vibrant sub-tropical architectural and urban design creates a place that is in harmony with nature.

The revitalisation of the Mercure Capricorn Resort will be characterised by the following development design objectives:

- Preservation of existing sensitive environments and biodiversity values of the site;
- Establishment of a world class integrated eco-tourism Resort;
- Environmentally sustainable design and construction. The Project will incorporate state of the art Smart Grid Technology with onsite generation of renewable energy; and
- The use of prefabricated and adaptable housing designs in collaboration with Australian architects to make the most of the site's sub-tropical climate.

A world class integrated Resort servicing visitors to the Capricorn Coast Region will reflect and support the Region's long term tourism and economic prosperity and its appreciation and balance with the environment.

The broad vision for the Project is supported by the Iwasaki Capricorn Integrated Resort Project Development Concept Land Use Plan, provided as **Appendix A**.

3.2 Elements of the Proposal

When the Project is fully developed the land would have approximately 4,000 ha of land (northern portion of the landholding) dedicated to nature conservation; approximately 3,000-3,500 ha of land continuing to be used for sustainable grazing, while approximately 1,500 ha of land will be for the proposed Project. The Proposal will also include the implementation of a vegetation rehabilitation strategy to improve the ecological values of vegetated areas around the Resort.

It is proposed the Iwasaki Capricorn Integrated Resort Project will be made up of three main Precincts: the Conservation Precinct (to the north), the Rural Precinct (to the west) and the Urban Precinct (to the south). These Precincts are discussed further in Section 3.3 below.

Ultimately, the Iwasaki Capricorn Integrated Resort Project will consist of the following elements within the Urban and Rural Precincts:

- New upscale 5 star Resort, with design features distinct from the current operation. The Resort will include 300 rooms, suites and villas, fine dining restaurants, health spa, golf course, private beach, gymnasium and tennis courts;
- Refurbish the existing 3 to 4 star Mercure Capricorn Resort;
- New caravan and recreational vehicle park to provide alternative and complementary tourism opportunities;
- Access will be provided to the beach, with sport activities, beach volleyball, pool, playground, cabins, recreation room and space for large recreational vehicles such as caravans; and
- Wagyu Cattle Farm providing farm stay opportunities, cattle and sheep farming practices and education and experiences offerings of a working farm.

The Urban Precinct will also include a range of land uses including a residential community and village centre.

The Project will also include the provision of an airstrip that will provide opportunities to:

- Provide opportunities for 'fly in' tourism where private pilots will be able to fly to the Resort for their holiday;
- Allow charter flights to run from and to the Resort;
- Provide a potential FIFO hub where workers and their families can live in the locality and limit the need for large commutes.

The expansion of the small Wagyu Cattle herd and the refurbishment of the existing Resort will occur independently of the Project from an approvals perspective, although the investment in the existing Resort and the cattle farm is importantly related to the success of the overall Project. The Wagyu Cattle herd will also be important to the economic diversification of the business and the Region. The banning of the export of Wagyu from Japan has created a growing export market for Australia and job growth in the Region.

Together, the elements of the Proposal balance the preservation of the sensitive natural environment and the opportunities to support the economic growth and prosperity of the Region.

Refer to **Appendix A** for the Iwasaki Capricorn Integrated Resort Project Development Concept Plan.

3.3 Precincts

The proposed Iwasaki Capricorn Integrated Resort Structure Plan includes three Precincts as described below.

- Strategic Precinct - Conservation
- Strategic Precinct - Rural
- Strategic Precinct – Urban

The Precincts are discussed in detail in the following sections.

3.3.1 Strategic Precinct – Conservation

The Conservation Precinct reflects the sensitive ecological values for this portion of the site and the entire Region, and comprises significant wetland and coastal habitat areas. The northern part of the site adjoins sensitive RAMSAR wetlands and the Great Barrier Reef Marine Park which each have both state and national significance. Iwasaki understands the significance of this Precinct and looks to ensure that the environmental objectives respected within the Conservation Precinct are emphasised throughout the vision for the Proposal. Opportunities include the preservation and revegetation of parts of this area, educational and research activities, and controlled tourism access.

It is considered that this portion of the site provides a unique opportunity for locals and visitors to learn, interact with, and appreciate this natural environment.

The Proposal includes the commitment of approximately 4,000 ha of land within the proposed Conservation Precinct.

The Conservation Precinct is characterised by the natural features and ecosystems of the Capricorn Coast. The preservation of this land as part of the vision is the cornerstone to the Project and underpins the environmental objectives of the Proposal.

The natural environment within the Conservation Precinct will be preserved, managed and rehabilitated where necessary. Iwasaki values the significant contribution the natural environment makes to the Capricorn Coast, and the significant biodiversity values this part of the site will provide when the focus is that of environmental purposes.

Urban development (excluding necessary utilities) will not be located within the Conservation Precinct.

Refer to **Appendix A** for the proposed Iwasaki Capricorn Integrated Resort Project Development Land Use Concept Plan.

3.3.2 Strategic Precinct – Rural

The Rural Precinct will be dedicated to a range of pastoral and agricultural activities, namely an operational cattle and sheep farm, the Wagyu Cattle Farm. Whilst the existing Wagyu Cattle Farm focuses primarily on pastoral enterprise, the secondary focus of the farm will be on tourism, and tourism based opportunities linked to the Iwasaki Capricorn Integrated Resort Project. The EIS will describe the tourism activities to be included in this Precinct as part of the Project. Rural activities undertaken in this Precinct are expected to be ongoing.

The opportunity for outback tourism experiences in this Precinct includes farm stays and interaction with a working cattle station. The Wagyu Cattle Farm will be an alternative and complementary tourism based farming enterprise including animal husbandry, grazing and food production. The working cattle station will be a landmark tourism generator, where marketing and the uniqueness of the experience in close proximity to the core Resort area and the Great Barrier Reef, will make the revitalised Mercure Capricorn Resort a key tourism anchor within the Region.

The operational cattle and sheep station will provide visitors with the opportunity to be a part of a cattle muster or participation in a fully operational shearing shed. Visitors will have the option of luxury accommodation, “roughing-it” in a shearing shed, or sleeping under the stars as part of an overnight cattle muster.

The Rural Precinct, whilst focusing on the traditional rural functions of the Australian bush, will be connected to the tourism focus of the Urban Precinct and the strategic objectives for the Project. Given the existing Resort creates a natural hub for expansion, the Rural Precinct is naturally located in the western part of the site. The location of the Rural Precinct complements the existing rural and semi-agricultural lands to the west of the site and also provides a buffer between the existing rural / semi-agricultural lands to the west and the tourism / urban uses along the coastline.

This Precinct would also cater for proposed air strips and associated aviation facilities. The preferred location for the airstrip and aviation facilities have been contained to the Rural Precinct, as this activity is considered to have the least impact on the grazing activities and is located so as to limit the potential for noise and aviation impact on fauna in the Conservation Precinct.

Refer to **Appendix A** for the proposed Iwasaki Capricorn Integrated Resort Project Development Land Use Concept Plans.

3.3.3 Strategic Precinct – Urban

The Urban Precinct will include an integration of urban land uses, all of which will support the primary tourism functions of the site. The plan for the development responds to the climate of the Capricorn Coast in creating a Resort community. Refurbishment of the existing Resort (300 rooms) would likely occur independent of the Project (as noted above).

The proposed range of land uses to be assessed under the EIS include:

- A new 300 room 5 Star Resort to complement the existing Resort;
- 1 - 2 Star caravan and RV Park;
- Eco-retreat cabins;
- Wellness Centre;
- Residential community;
- Village Centre of up to 2,000 m² including retail, restaurant/s, food and beverage and local commercial uses such as sales offices;
- Public open space including local and regional parks and recreation facilities; and
- Landscape amenity including environmental buffers, open space linkages and sensitive stormwater management.

A strong feature of the Iwasaki Capricorn Integrated Resort Project is the mix of complementary uses. The proposed development option provides a framework to support a range of economic outcomes for the Region. Tourism is the key focus of the vision for the development. The integration of urban uses within the Resort will create a unique resort style living and amenity not currently found in the Region. Incorporating environmental sustainability, economic growth and residential diversity supports the mix of uses and the long term sustainability of the Region's tourism growth.

The underlying land tenure for the site is freehold title. This tenure will generally be maintained across the majority of the site. It is expected that with the potential commercial, unit development and residential development, some aspects of the Project are likely to take advantage of the benefits associated with a Body Corporate / Community Title land tenure. Any variation from the freehold land tenure will be dependent on the land use being proposed and the titling structure that best suits the ownership model adopted by the developer.

Refer to **Appendix A** for the proposed Iwasaki Capricorn Integrated Resort Project Development Land Use Concept Plan.

3.4 Staging

Due to the scale of the proposed development, a 20-year development horizon is envisaged for the entire Project, and will be staged in accordance with the delivery of infrastructure, community need, market demand and future feasibility studies (which will be demonstrated as part of any future EIS). The Staging Plan established through the EIS will outline the staging sequence and indicative timeframe for the delivery of the Project.

It is envisaged that the tourism components and some FIFO elements of the Project could be developed in the first quarter of the development horizon.

The staging will occur in a sequenced manner and will align with the development commitments for the Project. The staging will also align with roll out of any subsequent Development Applications lodged with the Local Authority following the completion of the Coordinated Project process. Major infrastructure development will occur within the initial stages, and the tourism components of the development will also take priority.

Refer to **Appendix B** for the Indicative 2010 Staging Plan. This Plan remains relevant, but will be confirmed and refined as part of the larger EIS process.

3.5 Project Justification

Iwasaki has given significant consideration to the best model for not only improving the current tourism experience provided by the existing Resort, but also the mix of land uses and experiences which can be established within a tourism destination to deliver a unique Resort community that builds upon both the natural environmental values of the site and the agricultural heritage of the Region.

Iwasaki has developed a vision that expands the tourism offering to a broader spectrum of customers both nationally and internationally. It is with this vision that the Proposal includes agricultural tourism experiences (both short and long term), along with 'tread lightly' eco-resort style accommodation, camping, caravan and luxury accommodation. While a tourism focus is the basis of this Project, it is readily acknowledged the greater diversity of land uses is required to provide a sustainable development model which encompasses the social, environmental and economic sustainability factors.

The requirement for this diversity has been reinforced by analysis and observation of many of the stand-alone tourist resorts that were established in Queensland in the 1980s. Those resorts that are located in proximity to other forms of accommodation and a diverse range of activities and services have fared better as sustainable business entities. Tourist resorts that cater to a narrow market segment and do not offer a range of accommodation, services or facilities have tended to struggle in recent years largely due to the changing expectations of the tourist market.

The Project has therefore sought to provide for the diversification of tourism accommodation options available along with a unique resort style community that will surround this core tourism focus.

Each of the elements and benefits of the Project that justify the Project being declared as a Coordinated Project are outlined below.

3.5.1 Tourism

The Rockhampton Region enjoys a range of tourism activities which attracts a variety of visitors. These include:

- The Post Office Building;
- The Customs House Building;
- The Durumbal Cultural Centre;
- Glenmore Homestead; and
- Olsen's Capricorn Caves.

The key focus of the Integrated Resort development is tourism. The existing Mercure Capricorn Resort has been a tourism focus for Central Queensland since its opening some 20 years ago. The Resort has not been extensively upgraded since its inception in 1986 due to the declining tourism market in Central Queensland.

Tourism is a significant employment generator within the Region, with tourism accounting for approximately 4,100 jobs (2007 – 2008) and 3.3% of the regional economy when compared to the national average of 3.0% for the nation. This ranks the tourism industry in Central Queensland as an important industry in terms of economic importance. The existing Resort employing approximately 300 - 350 people (depending on the season) and the project would increase the number of direct and indirect jobs as a result of the additional facilities and land uses proposed.

The Project will be a catalyst development within the district, will support economic activity and employment within the Region, and is expected to have positive economic benefits to the Region during both the construction and operational phases of the Project.

It is important to note that the increasing population in Central Queensland will generate demand for local tourist accommodation and activities. This expanding market will help underpin a larger tourist precinct on site that will in turn be more attractive to domestic and international tourists.

The Queensland Government has also released the Queensland Ecotourism Plan 2013-2020 (Queensland Ecotourism Plan), which highlights that eco-tourism is one of Queensland's greatest competitive advantages and promotes increased visitation to Queensland's terrestrial and marine natural areas.

Of the opportunities and challenges identified in the Queensland Ecotourism Plan, opportunities that are identified include:

- Improving visitor access to Queensland's national parks and other natural assets through new and unique eco-experiences;
- Developing value-for-money ecotourism experiences across the product range from premium camping through to boutique lodges;
- Leveraging the attraction of nature for visitors to Queensland, particularly the growing number of overnight and day-trip visitors wanting to participate in nature-based activities; and

- Increased contribution by tourism to the conservation of natural assets through financial and in-kind support, including stewardship.

The project is uniquely located to provide the ecotourism opportunities identified by the Queensland Government as it is located adjacent to a range of natural assets, such as Corio Bay, Byfield National Park and the wetlands located on the Proponent's land. The project will also facilitate a range of accommodation types and experiences from camping through to 5 star accommodation. The location of the project also means that it can provide direct access to these natural assets without requiring development to occur within a National Park or reserve.

3.5.2 Sustainability

One of the key focuses of the proposed Project is the promotion of a sustainable outcome that focuses on environmental, social and economic sustainability (triple bottom line). As such, the Project will include the following sustainable elements and features:

- Robust economic and social modelling to underpin design considerations and variables;
- A focus on building tourism capacity in the Region, along with integration of residential, commercial and rural product to ensure financial sustainability of development in off-peak periods;
- Reuse and enhancement of existing building stock to reduce waste and lower average embedded energy for the Project;
- Focusing new development within areas of existing clearing and fragmented vegetation to minimise impacts on local flora and fauna where practicable, complemented by significant revegetation and protection projects;
- Provision of a range of housing product to attract a variety of long term residents, including the capability of supporting FIFO operations;
- Consideration of industry research and development (energy, greenhouse gas capture and storage), and education (energy, environmental and cultural) to enhance visitor experience;
- Integration of decentralised fuel cell technology, solar and bio-fuel generation proposed to reduce dependence on grid electricity, build local expertise and capacity, and minimise distribution losses within the site;
- Introduction of the latest Smart Grid Technology within the site to reduce net consumption and enhance the effectiveness of onsite generation through demand management and off-peak loading; and
- All aspects of construction will apply best practice sustainable construction methods, such as use of recyclable materials.

3.5.3 Conservation

Another key focus of the proposed Project is conservation. The majority of the site will be located within the Conservation Precinct and as such, the Proponent is committed to the preservation and protection of valuable remnant vegetation and wetland areas present on site. Conservation of significant habitats is the cornerstone of the vision for the Project and is applied through protection and preservation of natural habitats to the application of sustainable building and energy production.

3.5.4 Outback Experience and Working Cattle Farm

The existing farm infrastructure will be maintained and enhanced to provide short term accommodation for workers on the farm, providing the opportunity for guests to visit or work on an authentic Australian cattle farm.

From an operational and local business perspective, the farm will continue to focus on the production of Wagyu beef, thereby enhancing the partnership between Australia's rural industries and Japan. It is anticipated that the Wagyu beef produced on the farm will be consumed within the Resort and also exported to Asian countries, creating new business opportunities for the Queensland rural industry.

From a tourism perspective, the cattle farm will showcase the operations of a working cattle station. Visitors will have the opportunity to experience features of the great Australian outback during their stay on the Capricorn Coast. This opportunity builds on the tourism experience of the integrated Resort and the coastal features of the Resort, creating a balance between the coast and the Australian bush.

The outback experience will increase tourists' interest in the Region and will provide an additional attraction to the area, which supports the coast line and environmental values of the site.

3.5.5 Residential Communities

The proposed Project is estimated to provide approximately 8,000 residential dwellings comprising a range of living experiences including eco-sensitive, exclusive, standard and rural residential living. The diversity of housing proposed will support the anticipated growth rate as a result of the size and scale of investment, and economic development throughout Central Queensland from the mining sector in a compact and sequenced manner.

Coupled with the proposed airstrip, the Project is capable of providing FIFO accommodation. In addition to the range of land uses proposed, this will provide employment opportunities and it is therefore envisaged that a proportion of the residencies will accommodate staff and their families.

The staged sequencing of the development will provide sustained release of housing stock to the market over the coming 20 year development horizon.

The Iwasaki Capricorn Integrated Resort Project will also include a village centre, open space and recreation opportunities, in addition to substantial landscape amenity across the site.

Refer to the Iwasaki Capricorn Integrated Resort Project Land Use Concept Plan (**Appendix A**).

3.5.6 Air Strip and Aviation Facilities

The Capricorn Coast is located within an area of Queensland where air travel options (including travel destinations) can often be limited. There is an opportunity for an exclusive air strip within the integrated Resort community, specifically designed for small aircraft and private pilots that will provide more direct access to the Capricorn Coast.

Ancillary aviation industries may also be supported in close proximity to the air strip in order to support small scale aviation activities.

Residential living opportunities would be offered nearby for the exclusive use of owners to store aircraft in hangars, while maintaining the residential amenity of all residents within the community through the use of sound mitigation measures (which will be outlined in detail within any future EIS).

The establishment of a small scale airstrip and light service industries uses will provide the opportunity to develop a local small scale aviation industry whilst supporting the resources sector. The co-location and integration of the residential community, opportunities for close transportation options to nearby mining sites, and opportunities for tourism support the overall vision for the proposed Project. The airstrip is located and orientated to promote a flight path away from proposed residential tourism operations.

At present two (2) potential airstrip locations have been identified for investigation as part of the EIS phase of the Project. The preferred location is located in north-east corner of the development as this is the location of an existing cleared area allocated to the provision of an all weather airstrip. The alternative location that will be included in the feasibility investigations is located between Farnborough Road and the Future Development Site (refer **Appendix A**, Precinct 14).

3.5.7 Energy Farm

Iwasaki is dedicated to pursuing small scale, embedded renewable energy generation to support the development. A range of renewable energy options are currently being explored. The Energy Farm will demonstrate a series of new and emerging energy technologies and conservation methodologies in response to climate change. Possible inclusions consist of:

- Solar farming (both photovoltaic and solar thermal to be considered);
- Wind generation (exhibition purposes only);
- Use of fuel cell technology;
- Farming for biomass for carbon capture and production of biofuels; and
- Investigation into energy recovery from waste gas (from sewage treatment and animal husbandry).

Depending on the outcomes of further feasibility works, these practices will be implemented as demonstration and research products (potentially with the involvement of local educational institutions and/or government agencies), marketed toward the tourism sector. Further detailed analysis needs to take place, however the Energy Farm will feature world class benchmark technology in energy generation.

4.0 Approvals Required for the Project

The Iwasaki Capricorn Integrated Resort Project is a complex Proposal and accordingly triggers a complex array of approvals at all three (3) levels of government, being:

- The Federal Government;
- Relevant State Government agencies; and
- The Local Authority, which will be Livingstone Shire Council given the recent de-amalgamation from Rockhampton Regional Council.

Further to the details provided below, a review of the relevant legislative framework is provided in Section 8.1.

4.1 Federal Government

Under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), approval is required by the Commonwealth Environment Minister if a project is determined to be a Controlled Action which will have, or is likely to have a significant impact on a Matter of National Environmental Significance.

Matters of National Environmental Significance (MNES) are:

- World Heritage properties;
- National Heritage properties;
- Wetlands of international importance (RAMSAR Wetlands);
- Listed threatened species and communities;
- Listed migratory species;
- Commonwealth land;
- The Great Barrier Reef Marine Park;
- Nuclear actions;
- The Commonwealth marine environment; and
- A water resource, in relation to Coal Seam Gas development and large coal mining development.

The Iwasaki Capricorn Integrated Resort Project site adjoins the Great Barrier Reef and RAMSAR Wetlands. As such, the potential impacts of the Project on MNES will be investigated fully as part of the EIS.

It is proposed to make a referral to the Environment Minister administering the EPBC Act to determine whether the Project will be determined to be a controlled Action. Table 1 outlines the extent of federal agency involvement with the approval process and their jurisdictions under current legislation.

Table 1 – Federal Government Legislative Triggers

Agency	Statutory Trigger / Interest
Department of Environment	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
Civil Aviation Safety Authority	<i>Civil Aviation Regulations 1988 and Civil Aviation Safety Regulation 1998</i>

4.2 State Government

A robust and holistic assessment of the Project would be undertaken by all related State Government assessment agencies through the Coordinated Project EIS process triggered under the provisions of Part 4 of the SDPWO Act. The SDPWO Act sets out the environmental assessment process and requirements for public notification. This assessment process is managed by the Office of the Coordinator-General, wherein the relevant agencies would be consulted in the preparation of the Terms of Reference associated with the EIS, and again after submission of the completed EIS to the Coordinator-General.

Furthermore, affected State Government Agencies may also be consulted as referral agencies to any future development application/s lodged under the *Sustainable Planning Act 2009* (SPA).

Table 2 outlines the extent of State Agency involvement with the approval process and their jurisdictions with reference to Schedule 7 of the *Sustainable Planning Regulation 2009* and the applicable codes, laws and policies by reference to Schedule 5 of the *Sustainable Planning Regulation 2009*.

Table 2 – State Government Legislative Triggers

Agency	Statutory Trigger / Interest
Department of Environment and Heritage Protection	<i>Coastal Protection and Management Act 1995</i> <i>Environmental Protection Act 1994</i> <i>Nature Conservation Act 1992 (part)</i> <i>Queensland Heritage Act 1992</i> <i>Water Act 2000 (part)</i>
Department of Natural Resources and Mines	<i>Land Act 1994 (titling matters)</i> <i>Vegetation Management Act 1999</i> <i>Water Act 2000 (part)</i>
Department of Agriculture, Fisheries and Forestry	<i>Fisheries Act 1994</i> <i>Nature Conservation Act 1992 (part)</i>
Department of Transport and Main Roads	<i>Transport Infrastructure Act 1994</i> <i>Transport Operations (Passenger Transport) Act 1994</i> <i>Transport Planning and Coordination Act 1994</i> <i>Transport (Rail Safety) Act 2010</i>
Department of National Parks, Recreation, Sport and Racing	<i>Marine Parks Act 2004</i> <i>Nature Conservation Act 1992 (part)</i> <i>Wet Tropics World Heritage Protection and Management Act 1993</i>
Department of State Development, Infrastructure and Planning	<i>State Development and Public Works Organisation Act 1971</i> <i>Sustainable Planning Act 2009</i>

4.3 Local Government

On 9 March 2013, residents of the Rockhampton Regional Council voted in favour of de-amalgamation to re-establish the former Livingstone Shire Council (the name of the new Local Authority is yet to be confirmed). The new Council will commence from 1 January 2014. Until this time, the Rockhampton Regional Council continues to include the Livingstone Shire Council Local Government Area.

The relevant Local Government will be consulted during EIS process. Upon completion of the EIS process, it is noted that all relevant development applications and local licenses will still need to be sought. During this time, the local authority will be involved as an Assessment Manager to specific development applications as required.

Table 3 outlines the extent of local agency involvement with the approval process and their jurisdictions with reference to the applicable codes, laws and policies by reference to Schedule 5 of the *Sustainable Planning Regulation 2009*.

Table 3 – Local Government Legislative Triggers

Local Authority	Statutory Trigger / Interest
Rockhampton Regional Council (until 1 January 2014)	Livingstone Shire Planning Scheme
New Council for the former Livingstone Shire Council Area (from 1 January 2014)	Planning Scheme Policies
	Local Laws

5.0 Location of Key Project Elements

5.1 Location and Context

The subject site is located approximately 45 km north of Rockhampton, and approximately 9 km north of Yeppoon's town centre within the Rockhampton Regional Council locality (the former Livingstone Shire Council as discussed previously). In its entirety, the site encompasses approximately 9,000 ha of land including 31 individually titled allotments of freehold land.

Physical attributes which define the boundaries of the site include Byfield National Park and Corio Bay along the north-east boundary, Byfield State Forest to the north-west, with the coastline of Keppel Bay within the Coral Sea and southern Great Barrier Reef to the east. This area includes Fishing Creek and the coastal beach system of the bay, with intertidal salt marsh-chenopod grassland and mangrove wetland. The western boundary adjoins other freehold land, which is primarily used for agricultural and rural residential purposes. Yeppoon-Byfield Road generally defines the western extreme of the site with the southern point of the site bound by the Northern Barwells Creek. RPS drawing PR101442-41 (Figure 1) shows the physical location of the site in context to the natural features of the area.

Regionally this area of Queensland accommodates a range of industry sectors, which are traditionally defined by cattle grazing and mining, with some minor focus on environmental conservation areas and tourism.

This district is mainly identified with rural residential areas with surrounding rural allotments containing a patchwork of cleared grazing areas, orchards and crops, remnant and re-growth vegetation.

The small beach side township of Bangalee is located just south-east of the existing Mercure Capricorn Resort.

The real property description of the land referred to as the Iwasaki Land holding, over which the application is made, is listed in Table 4 below.

Table 4 – Iwasaki Land Holdings

Allotment Number	Plan Number	Lot Area
1	CP839293	4713 ha
1	RP615920	176.4 ha
3	RP516920	17.6 ha
2	CP839294	2312 ha
4	RP615922	88.2 ha
2	RP615919	15.9 ha
21	SP187974	367.8 ha
1	RP801041	53.28 ha
1	RP801042	35.74 ha
961	PALM4050	258.999 ha
1367	PALM4050	40.469 ha
1585	PALM4069	40.469 ha
13	SP110019	15.58 ha
5	RP620231	1.638 ha
7	RP620231	1.392 ha
8	RP620231	1.445 ha
9	RP620231	1.413 ha
1	RP609945	1.887 ha
37	RP620232	0.4013 ha
2	RP602360	43.078 ha
13	RP600704	195.3927 ha
2	RP602050	162.9824 ha
2	PR608973	213.7917 ha
1	RP608973	24.1835 ha
675	LIV40170	215.293 ha
3	RP603983	13.127ha
11	PR603984	20.411 ha
4	RP603988	24.317 ha
3	PS164	14.804 ha
14	RP620233	3.938 ha
6	RP620231	1.516 ha

5.2 Current Use of the Site

The northern half of the site is bound by Corio Bay, with the associated wetlands and estuaries of this ecological area. The balance of the site (where void of natural features) is typically vacant, or used for cattle grazing.

Predominantly, the north-western sections of the site are currently used for grazing cattle, with the south-eastern section of the site having been previously developed as the existing Mercure Capricorn Resort.

The Resort itself includes 300 rooms, restaurant/s, conference facilities, golf course, staff accommodation, service station, administration buildings, helipad, chapel and recreational facilities (swimming pool, tennis courts, lawn bowls, mini golf etc.). Various incidental uses and infrastructure ancillary to and necessary for the function of the Resort have been established and include gravel and sand pits used for the construction and maintenance of internal roads, sewage treatment plant, water storage dam, nursery and other recreational type activity buildings, walkways etc.

Rural and rural-lifestyle lots dominate the surrounding suburbs along the north-western portion of the site, with the more defined urban development of Yeppoon and suburbs of Pacific Heights, Rosslyn Bay and Barlows Hill concentrated in close proximity to the south of the site.

6.0 Existing Environment

6.1 Physical Environment and Topography

Topographically, the site encompasses substantial wetland and low-lying coastal areas on the eastern section of the site, with coastal range defining the western portion of the site.

Given the location of the site adjacent to the coast and other environmentally significant areas, and the relatively undeveloped nature of large portions of the site, large sections of the site contain remnant vegetation.

This area of the Livingstone District is mainly identified with rural residential areas with surrounding rural allotments containing a patchwork of cleared grazing areas, orchards and crops, remnant and re-growth vegetation.

The topography of the site is characterised by drainage features and views. Dominant views identified across the site are coastal, mountain, rural, wetland and natural vegetation. Existing internal views to the golf course, open space and lakes also characterise the existing Resort site.

6.1.1 Climate

The climate of the Capricorn Coast is considered to be a humid subtropical climate. The Region is located in the southern tropics, where its climate is influenced by the warm waters of the Coral and Tasman Seas, which in general, keep the Region free from extremes of temperature and provide moisture for rainfall typical of Far North Queensland¹.

6.1.2 Infrastructure

Reticulated water, electricity and telecommunications are available to the majority of the site, with sewage being treated on site. There is also a dam on the site used for irrigation of the golf courses. Access to the site is via Iwasaki Road, which was established and gazetted during construction of the Resort prior to 1986. There are various formed internal gravel roads linking different sections of the site, with an average width of approximately 10 m (which would form the basis of future development areas).

¹ <http://www.bom.gov.au/lam/climate/levelthree/ausclim/ausclimqld.htm> (last accessed 24 May 2012)

6.1.3 Regional Ecosystems / Flora and Fauna Desktop Searches

Vegetation Management Act 1999

The *Vegetation Management Act 1999* (VMA) is the key legislative instrument regulating the management of vegetation in Queensland.

6.1.3.1 Remnant Vegetation

The Department of Environment and Heritage Protection (DEHP) Regional Ecosystem (RE) mapping identifies the distribution of Remnant Vegetation communities (Figure 2).

Queensland is broken into 13 Bioregions based on broad landscape patterns that reflect the major underlying geology, climate patterns and broad groupings of plants and animals. Further classification under the Bioregions includes 12 Land Zones, which are classified by the geology of an area. In addition to the Bioregions and Land Zones, there is also a classification for vegetation communities.

The applicable Bioregions for the site are the Central Queensland Coast and Brigalow Belt Bioregions. The Land Zones which occur over the site include tidal flats and beaches (Land Zone 1), coastal dunes (Land Zone 2), alluvium (Land Zone 3), hills and lowlands on metamorphic rocks (Land Zone 11) and hills and lowlands on granitic rocks (Land Zone 12).

The REs listed over the subject site are; 8.1.1, 8.1.2, 8.1.3, 8.1.4, 8.2.1, 8.2.2, 8.2.6b, 8.2.7e, 8.2.12a, 8.3.3a, 8.3.4, 8.3.6c, 8.3.13a, 8.3.13b, 8.11.6, 8.12.3c, 8.12.1b, 8.12.2c and 11.11.4c. The conservation status of these REs is referenced in full below.

The majority of the site contains 2003 Remnant Of Concern dominant REs, with pockets of 2003 Remnant Endangered dominant REs. The most notable RE listed above (either of high biodiversity status located within an area likely proposed for future development, or has various regulations / overlays over it) include 8.2.2, 8.2.6, 8.3.4, and 8.3.13.

- **RE 8.2.2** – Microphyll vine forest on coastal dunes, is identified as having an Endangered biodiversity status and occurs along the eastern coastline part of the subject site. Part of the 8.2.2 that occurs around the locality of the Resort is also overlaid with Essential Habitat (discussed in more detail below). Additionally this RE is also identified as being listed as a Threatened Ecological Community (TEC). Under the Federal *Environment Protection and Biodiversity and Conservation Act 1999* (EPBC Act) TECs are listed as MNES. The constraints of the RE being identified as a MNES are discussed further in the report.
- **RE 8.2.6** – *Corymba tessellaris* +/- *Acacia leptocarpa* +/- *Banksia integrifolia* +/- *Melaleuca dealbata* +/- beach scrub species open-forest on coastal parallel dunes is classified as Of Concern and is the main RE located in areas towards the southern end of the parcel, which have previously been identified as potential areas for future development.
- **RE 8.3.4** – Freshwater wetlands with permanent water and aquatic vegetation, is located in various locations over the subject site. This RE is classified under the biodiversity status as Endangered. Given the typology of the RE as a wetland and other constraints that will be associated with mapped wetlands it

is unlikely that any future development would be proposed within the areas that include this RE.

- **RE 8.3.13** – *Eucalyptus tereticornis* and/or *Corymbia tessellaris* and/or *Melaleuca* spp. Open woodland to open forest on alluvial and old marine plains, often adjacent to estuarine areas. This RE is classed as Endangered and is located in large areas over the subject site. The areas which are identified as containing RE 8.3.13 are often co-located with the Great Barrier Reef Wetland areas. The areas of RE 8.3.13 most likely to have an influence on the future development of the site are located to the north-west of the established Resort and golf course areas. This will be subject to further investigation during any future EIS process.

A development permit is required to clear Remnant Vegetation unless an exemption applies. Clearing must be for one of the relevant purposes in the VMA, which relevantly includes clearing for a Coordinated Project under the SDPWOA.

6.1.4 Essential Habitat

In association with the RE mapping, the VMA also identifies and manages Essential Habitat. Essential Habitat is defined as vegetation which has at least three (3) Essential Habitat factors for wildlife which is classed as Endangered, Vulnerable or Rare (protected wildlife), or where a protected wildlife species has been located at any stage of its life cycle. The Essential Habitat factors include components of a protected wildlife's habitat, such as a landform, pollinator, RE, soil and water that is necessary or desirable for the wildlife at any stage of its lifecycle.

DEHP's Essential Habitat Map and Essential Habitat database highlights that there is Essential Habitat and Essential Habitat Species Records located over the site (Figure 2). These areas are identified just north of the existing Resort development area along the coastline, further north of the Resort, along the east and southern areas of Fishing Creek, and one area just south-west of Fishing Creek. The Essential Habitat database identifies that the following of importance in these areas are: *Turnix melanogaster* (Black breasted Button-quail) classed as Vulnerable, *Xeromys myoides* (Water Mouse / False Water-rat) classed as Vulnerable and *Tadorna radjah* (Radjah Shelduck) classed as Rare.

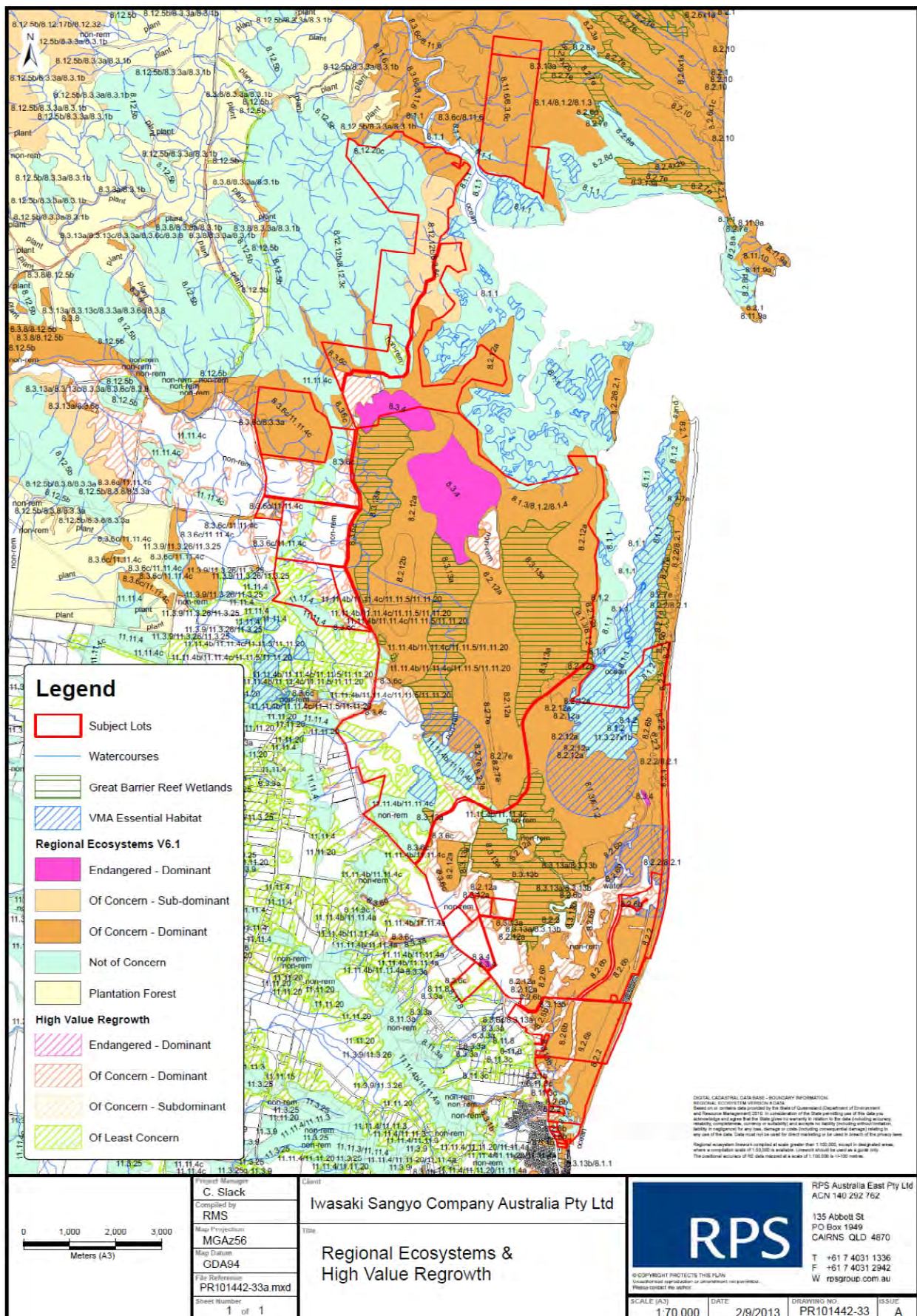


Figure 2 – Regional Ecosystems and Essential Habitat Mapping

6.1.5 Watercourses and Wetlands

6.1.5.1 Watercourses

The Department of Natural Resources and Mines (DNRM) manage water resources under the *Water Act 2000*. The purpose of the Act is to provide for the sustainable management of water and other resources. Under Section 266 of the *Water Act 2000*, a Riverine Protection Permit (RPP) is generally required from the DNRM to:

- Destroy vegetation in a watercourse;
- Excavate in a watercourse; and/or
- Place fill in a watercourse.

Under the Planning Scheme there is also a requirement to indicate how the proposed action will not have any significant adverse effects on identified waters in terms of habitat, riparian vegetation, water quality, water flow, landscape quality and amenity, and recreational value over the waterways identified on the Planning Schemes Special Management Overlay Maps 03A and 03B (**Appendix C**).

There are number of watercourses identified on both the State and Local Government mapping in the south-western and north-western areas of the site. The waterways to be taken into consideration at a State Level are those identified on the Regional Ecosystem Mapping (Figure 2). The identified waterways under the planning scheme have been illustrated on Planning Schemes Special Management Overlay Maps 03A and 03B provided within **Appendix C**.

It is considered that the identified watercourses will be a moderate constraint should any development occur outside the watercourses and their appropriate 'buffer' areas. If development is proposed within the watercourses, the relevant permits under the *Water Act 2000* will need to be obtained and satisfaction that the Natural Features Code – Waterways is met under the Planning Scheme. Further investigations will be undertaken as part of the EIS to ascertain the exact location of the watercourses in relation to future development and with respect to any potential hydrology changes due to a Proposal that need to be considered.

6.1.5.2 Referable Wetlands

Under the *Environmental Protection Act 1994* (EP Act), DEHP manage and assess proposed development within 100 m of Referable Wetlands. DEHP provide a Referable Wetland mapping service that indicates those wetlands of importance and a 100 m buffer from the identified wetland. If a subject allotment is located within a Referable Wetland area, including the buffer zone, referral to the new State Assessment and Referral Agency (SARA) is required and if any development occurs within these areas there will be a requirement to conform to the Strategy for the Conservation and Management of Queensland's Wetlands (EPA 1999).

The Referable Wetlands mapping indicates that there are Referable Wetlands and associated buffer zones (extending 100 m from the identified wetland) occurring on the site (refer Figure 3 and Figure 4).

Additionally, the Planning Scheme also identifies wetlands within the Special Management Overlay Maps 03A and 03B (**Appendix C**). It is noted that the wetland areas within these maps does not necessitate referral to any State Government Agencies, but development is required to conform with the Wetland Special Management Areas specific outcomes within the Local Planning Scheme.

Development within these wetland areas is required to indicate how the proposed action would have no significant adverse effects in terms of habitat, water quality and landscape quality to the wetland areas.

Wetlands are identified as an important aspect of the natural environment and a highly sensitive area. As such, development in these areas will be highly constrained by the regulatory requirements of the Local, State and Federal Government Agencies.

6.1.5.3 Referable Great Barrier Reef Wetlands

The Government has jurisdiction of Referable Wetlands to include assessment and management of wetlands within the Great Barrier Reef catchments. This jurisdiction is under the EP Act and the *State Planning Policy 4/11: Protecting Wetlands of High Ecological Significance in Great Barrier Reef Catchments*.

The Referable Wetland mapping illustrates that there are Referable Great Barrier Reef Wetlands and associated buffer zones located over the subject site as indicated in Figures 3 and 4.

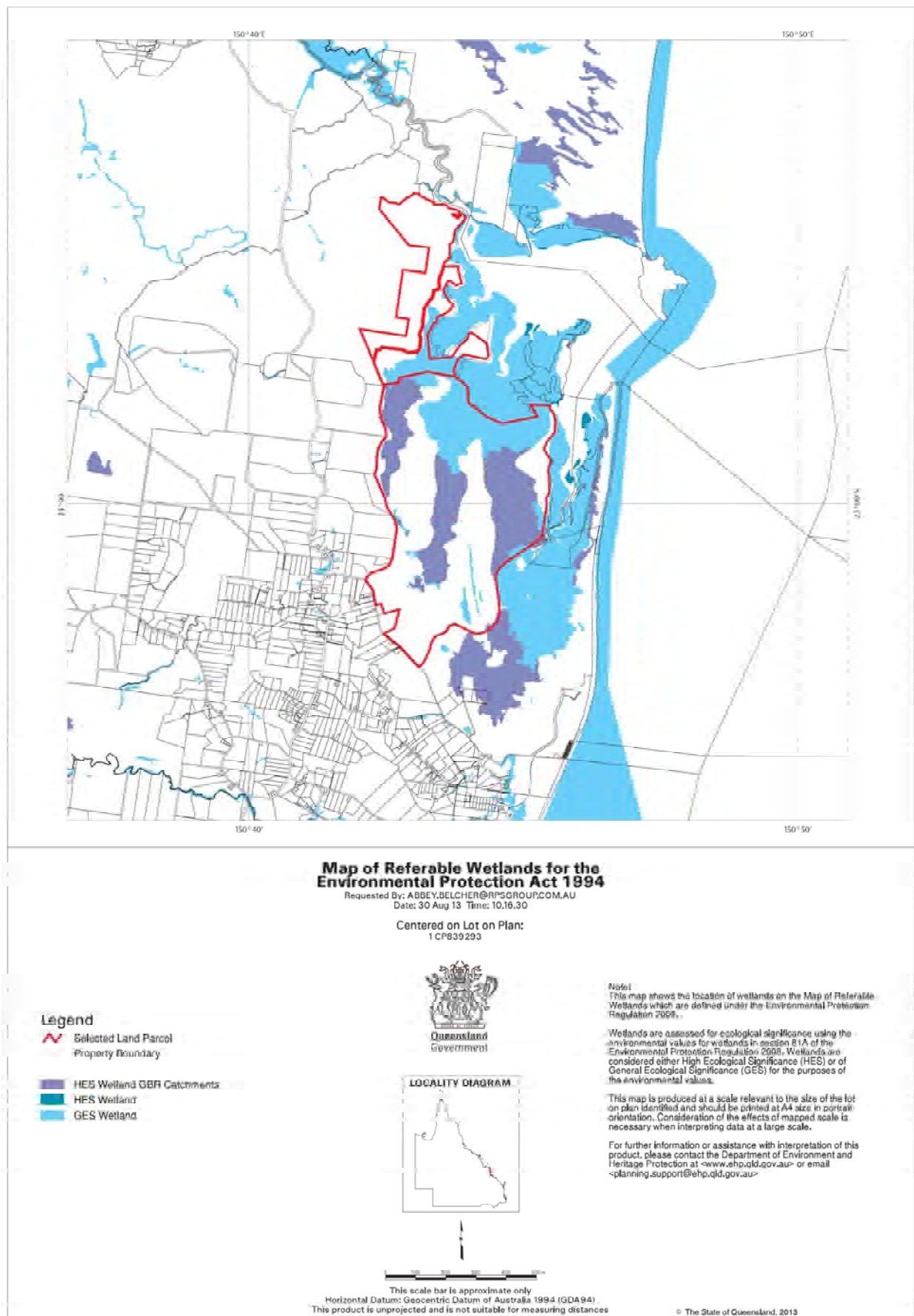


Figure 3 – Referable Wetlands

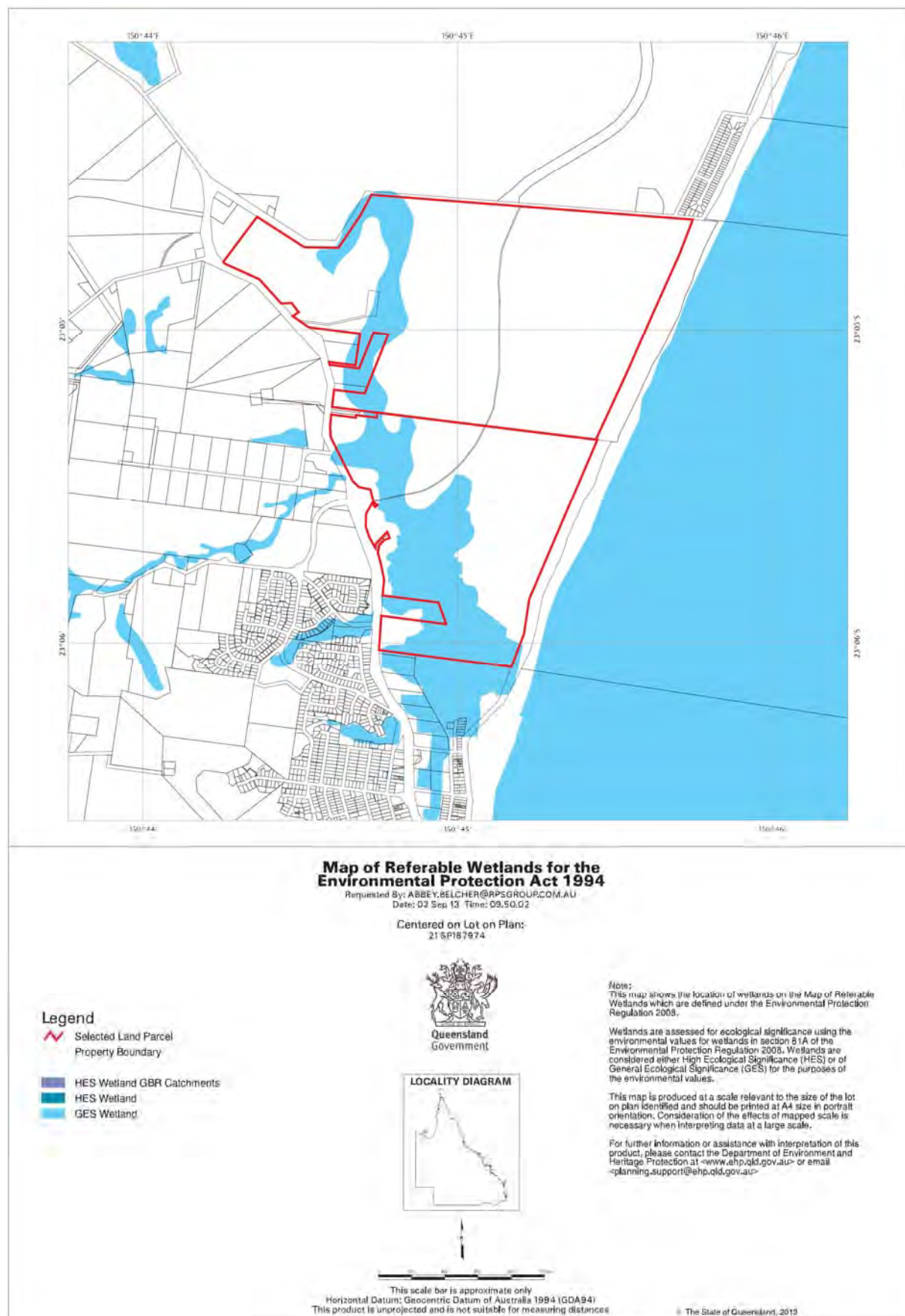


Figure 4 – Referable Wetlands

6.2 Social Environment

6.2.1 European Cultural Heritage

European cultural heritage derives State protection from the *Queensland Heritage Act 1992*. This legislation protects those areas that are considered to be of State Significance and are placed on the Queensland Heritage Register, which is administered by DEHP. For these registered areas, approval of the Heritage Council is required if any development is proposed.

A search of the register has identified that there are no heritage places, trees, natural formations, and buildings of importance on the site or within significant locality of the site. There is a low possibility that the *Queensland Heritage Act 1992* will have an impact on future development of the site. This will be determined as part of the EIS process, if required.

6.2.2 Indigenous Cultural Heritage

The *Aboriginal Cultural Heritage Act 2003* provides recognition, protection and conservation of Indigenous cultural heritage. The Department of Aboriginal and Torres Strait Islander and Multicultural Affairs manage a Cultural Heritage Register which records the areas and objects known to authorities who are of importance to indigenous people in relation to their tradition and history.

A search of the Register has identified that there are no heritage places, areas or objects of indigenous cultural significance occurring on the subject site. A Cultural Heritage Management Plan would be prepared in accordance with the *Aboriginal Cultural Heritage Act 2003*.

6.2.3 Employment Environment

The Proposal will underpin long term job creation within the Capricorn Region. The estimated development timeline for the Project is approximately 20 years. Over this 20 year period, construction jobs and the economic impact of construction will benefit the Capricorn Coast significantly, providing certainty and ongoing work for the Region.

The longer term outcome of the Project will be creation of permanent full time and seasonal jobs within the tourism industry. These jobs will range from tourism / hospitality jobs to retail and farming.

6.2.4 Residential Environment

The Proposal will support and grow the local residential market by providing structured release of a range of housing options, both short term supporting the local and regional tourism industry, and permanent housing options which will support local infrastructure and long term economic growth.

The location of the site is in close proximity to primarily Yeppoon and secondly to Rockhampton, the regional centre for the Capricorn Coast. The estimated population growth for the Project is approximately 21,000 people over a 20-year period. This steady long term growth provides a sustainable growth pattern for the Region which is supported by tourism and job creation.

6.3 Built Environment

The Proposal is considered to provide a variety of benefits to the surrounding urban area of Yeppoon and Rockhampton. The overriding objective of the Iwasaki Capricorn Integrated Resort Project is to establish a world-class Resort facility promoting a range of tourism based activities and sustainability initiatives. The aim is to build on Queensland's existing tourism market and provide a premier Resort destination on the Capricorn Coast. The characteristics of the proposed built environment will be focused on the sub-tropical environment.

The above objective for the built environment is not taken lightly by the Proponent, but is a response to the site and the nature of the world-class Resort that is proposed.

As part of the development the Proponent will provide contributions towards public art and interpretation of historical elements located on the site. The provision of public spaces and recreational areas will contribute to the built form of the Iwasaki Capricorn Integrated Resort Project to create a pleasant, sustainable, culturally responsive and highest and best use of this area of the Capricorn Coast.

Forming connections with the adjoining town of Bangalee and Yeppoon and more broadly with the Rockhampton Region, it will create a landmark tourism destination on the Capricorn Coast, building on the reputation and values of the existing Mercure Capricorn Resort.

6.4 Land Tenure

DNRM hold a Register of all Current Titles (CT) for lots in Queensland which provides the public with information regarding ownership, other interests and transactions relating to State and freehold land and water allocations in Queensland.

A search of the Register identifies that there are lots subject to Administrative Advices under the *Vegetation Management Act 1999* and *Water Act 2000*. The Administrative Advice made under the VMA identifies that a Property Map of Assessable Vegetation has been made pursuant to Section 20C of the VMA. It is understood that this item provides no constraint to the future development of the land. The Administrative Advice under the *Water Act 2000* identifies that a Water Licence attaches to a number of allotments on the subject site. Disposal of any part of the land subject to the licence will result in the expiry of this Water Licence. It is understood that at this point in time this advice does not constrain any potential development

over the subject site, however it is noted that this should be taken into consideration in any future EIS process.

Additionally Lot 1 on CP839293 is subject to the exclusions / reservations for public purposes on Plan CP839293. It is understood this relates to the road infrastructure through the subject allotment and will have no notable implications to future development over the subject land should it be maintained in any Proposal plans.

The above items identified on the CT Register are unlikely to have an impact on future development of the subject site; however a detailed search of the entire subject site will occur during the EIS process.

7.0 Environmental Impacts

This section provides an overview of the nature and extent of the potential environmental and socio-economic impacts, and the method of environment management that may be associated with the construction and operation of the proposed Iwasaki Capricorn Integrated Resort Project Proposal. A detailed assessment and analysis will be provided within any future EIS.

7.1 Critical Issues

Critical Issues associated with the proposed Project relate primarily to the clearing of vegetation and storm inundation. These issues are discussed in detail in the following sections.

7.1.1 Clearing of Vegetation

Some clearing of vegetation will be unavoidable during construction of the Iwasaki Capricorn Integrated Resort Project. It is anticipated that what clearing is unavoidable will be limited to areas of existing disturbance (so functional corridors are maintained) and low value vegetation. This will primarily be achieved through locating the proposed urban area within close proximity to the existing Resort facilities, which are areas currently subjected to urban pressures and have experienced significant anthropogenic disturbance since the 1960s.

The proposed siting of new Project infrastructure has been undertaken taking into consideration the environmental value and significance of the vegetation identified. Construction works will largely be focused around the existing Resort complex, which contains areas of highly fragmented and low-environmental value (non-remnant) vegetation. Additional on-site proofing is expected to take place prior to detailed design to further refine our understanding of the specific natural features of the site and reduce clearing to the absolute minimum possible.

The vegetation communities declared for the area proposed to be developed comprise Regional Ecosystems Communities as identified in Table 5. Clearing permits would be required under the *Vegetation Management Act 1999* to undertake clearing of these vegetation communities subject to appropriate offsets. For a declared Coordinated Project, an offset is allowed as long as performance requirements can be met.

Suitable offsetting communities have also been identified from within the Iwasaki land holding. This is also addressed in Table 5 below.

It is recognised that the final offset package will be subject to assessment and negotiation with regulatory agencies and that this plan will be further developed as part of the EIS process. Preliminary investigations have identified substantial areas on-site which may be utilised under the current legislative framework.

7.1.2 Storm Inundation

Severe storm and cyclonic events which may result in storm inundation are considered potential critical impacts for the proposed Project. Coastal-fronted property often bears the brunt of such storm activity and results can include site inundation, significant increases in runoff, and significantly increased pressure on stormwater infrastructure.

The Project Proponent will mitigate these potential impacts through ensuring appropriate planning and design which take storm inundation into consideration are adopted for the Project. This will include, but will not be limited to: adaptation to storm inundation through design (such as ground floor uses and finishes), and design of all infrastructure to take into consideration issues such as wind loading during severe storm and cyclone events. Further to this, as part of the EIS process, Emergency Management Framework will be considered in order to ensure public safety during severe storm, cyclonic and flood events.

7.1.2.1 Sewage Treatment Plant

It is proposed that the existing Sewage Treatment Plant (STP) will undergo a routine upgrade as part of the proposed Project. The upgrade of the STP is not considered to be a Critical Issue associated with the Project on the basis the infrastructure is positioned on an elevated area of the site. It is acknowledged the STP is surrounded by an area considered to be of high environmental value. However any vegetation clearing will be considered as part of the Critical Issues assessment that form part of the EIS process.

7.2 Routine Issues

Routine Issues associated with the proposed Project relating primarily to stormwater quality, are discussed in detail in the following section.

7.2.1 Stormwater Quality

Given that the average rainfall for the site is expected to be over 1,000 mm each year, the management of stormwater on site, both during construction and operational activities is an important consideration. While the management of stormwater will be considered during the planning phases of the Project, it is considered that stormwater offers significant opportunities for rainwater harvesting. This reclaimed water could then be used for landscaping, toilet flushing, and other non-potable uses to reduce dependence on reticulated supplies. The use of grey-water for golf course irrigation can also be investigated as part of detail design.

Hydrological modelling for volume and quality of runoff will be completed as part of any future Project EIS in order to ensure any impacts on the Great Barrier Reef are minimised.

7.2.2 Ecological Impacts

A preliminary Environmental Opportunities and Constraints Assessment was undertaken for the Iwasaki land and is provided as **Appendix D**. The constraints assessment guided the master planning phase of the Project such that the potential for environmental matters could be identified and accounted for in the preliminary concept design stage. As a result of this process, the development layout avoided, where possible, impacts on coastal resources (i.e. wetlands adjacent to the internationally significant Corio Bay and Byfield National Park, marine areas, coastal vine forests, Essential Habitat for significant species, and erosion prone areas). This Section focuses on the assessment of any potential impacts in the areas designated for urban development and should be read with reference to the Environmental Opportunities and Constraints Assessment attached.

The status of the Proposal with reference to the current legislative environment will also be addressed as part of the EIS, with the intention of documenting the capacity of the Project to satisfy initial regulatory requirements.

The proposed urban development is located on approximately 1,400 ha of land within the subject site. The proposed areas for development have been located based on the Constraints Assessment, to minimise the environmental impact by locating the designated area within close proximity to existing Resort facilities, which are areas currently subjected to urban pressures and have experienced significant anthropogenic disturbance since the 1960s.

It is recognised that the Proposal may impact the local Regional Ecosystems (declared under the *Vegetation Management Regulation 2000*), and will be required to satisfy the requirements of the *Vegetation Management Act 1999* and Offset Policies. The potential for impacts arising from the Project are also acknowledged and the conservation of significant species and the local ecology, as well as on adjacent sensitive receptors such as wetlands and marine areas, is considered an important aspect of this Project. For these reasons, specific detail of these issues and further investigations will be required during the subsequent EIS process.

The current legislative environment identifies the need for efficient use of infrastructure and has mechanisms in place to balance development pressures with environmental outcomes to prevent or minimise loss of values to the State.

7.2.2.1 Vegetation Management

The high ecological value of the area surrounding the proposed development is what makes the Region a highly attractive tourism destination, and as such, is an ideal location for eco-tourism activities.

Some clearing of vegetation will be unavoidable during construction of the Iwasaki Capricorn Integrated Resort Project. Where possible, clearing will initially focus on areas of existing disturbance and low value vegetation, with efforts made to maintain functional corridors.

The proposed siting of the new infrastructure proposed for the Project has been undertaken with respect for the environmental value and significance of the vegetation identified. Construction works will largely be

focused around the existing Resort complex, which contains areas of highly fragmented and low-environmental value (non-remnant) vegetation. Additional ground truthing assessments (i.e. field survey) is expected to take place prior to detailed design to further refine our understanding of the specific natural features of the site and reduce clearing to the absolute minimum possible.

Vegetation mapping for the site is illustrated in Figure 2. As illustrated by mapping, the Iwasaki land holding contains areas of vegetation classified as Remnant Least Concern, Of Concern and Endangered; Great Barrier Reef Wetland and Essential Habitat. Of these holdings, the majority of this environmentally significant land (approximately 4,000 ha) is to be retained, protected and enhanced through rehabilitation activities.

This excludes areas likely to be largely retained during the construction and operational phases of the proposed redevelopment, such as the Rural Residential, Eco-Sensitive Housing and Eco-Retreat areas. Additional areas for landscape amenity and a potential additional golf course will also endeavour to retain significant vegetative areas.

A range of beneficial sustainability measures have also been identified. These features include limiting the areas to be cleared within the development footprint where possible, non traditional landscape treatments, retaining roadside vegetation, the use of swales, and minimising clearing within housing lots to retain connectivity.

Public education facilities are also proposed as part of the development, providing an opportunity to educate the broader community and visitors on the significance of the wetland communities to the north of the development area. This Region will also benefit from wetland restoration programs and academic pursuits to study and better inform management of these areas.

Impacted Regional Ecosystem communities are summarised in Table 5 below.

Table 5 – Impacted Regional Ecosystem Communities - Iwasaki Capricorn Integrated Resort Project ²

RE	Description RE 1	Description RE 2	Extent within Clearing Footprint (ha)	VMA Status	BVG (1M)	Available Offset Extent (ha)†	Offset Area Deficit
8.3.6c/8.3.13a	<i>Eucalyptus tereticornis</i> , <i>Corymbia intermedia</i> and <i>Lophostemon suaveolens</i> (or <i>C. tessellaris</i> dominant) open forest on alluvial levees and lower terraces	<i>Eucalyptus tereticornis</i> and/or <i>Corymbia tessellaris</i> and/or <i>Melaleuca</i> spp. open woodland to open forest on alluvial and old marine plains, often adjacent to estuarine areas	0.02	OC	9e/22b	263.51	-263.5
8.3.13b	<i>Eucalyptus tereticornis</i> and/or <i>Corymbia tessellaris</i> and/or <i>Melaleuca</i> spp. open woodland to open forest on alluvial and old marine plains, often adjacent to estuarine areas		0.69	OC	22b	88.834	-88.14
8.2.2	Microphyll vine forest on coastal dunes		2.31	OC	3b	6.0008	-3.691
8.3.6c	<i>Eucalyptus tereticornis</i> , <i>Corymbia intermedia</i> and <i>Lophostemon suaveolens</i> (or <i>C. tessellaris</i> dominant) open forest on alluvial levees and lower terraces		3.77	OC	9e	174.67	-170.9

² Figures are indicative pending ground truthing and analysis

RE	Description RE 1	Description RE 2	Extent within Clearing Footprint (ha)	VMA Status	BVG (1M)	Available Offset Extent (ha)†	Offset Area Deficit
8.3.6c/8.11.6	<i>Eucalyptus tereticornis</i> , <i>Corymbia intermedia</i> and <i>Lophostemon suaveolens</i> (or <i>C. tessellaris</i> dominant) open forest on alluvial levees and lower terraces	<i>Eucalyptus latisinensis</i> and/or <i>Eucalyptus crebra</i> and/or <i>Corymbia intermedia</i> and/or <i>Eucalyptus portuensis</i> woodland to open forest on metamorphosed sediments	12.29	OC	9e/9d	243.47	-231.2
8.2.12a	<i>Eucalyptus</i> spp. open woodland to open forest often with a heath understorey, or <i>Acacia</i> spp. and/or <i>Leptospermum neglectum</i> , and/or <i>Allocasuarina littoralis</i> shrublands, on parallel dunes		50.88	OC	9d	68.802	-17.92
8.2.6b	<i>Corymbia tessellaris</i> + <i>Acacia leptocarpa</i> + <i>Banksia integrifolia</i> + <i>Melaleuca dealbata</i> + beach scrub species open forest on coastal parallel dunes		427.21	OC	9e	174.67	252.54
Total			497.17				

OC = Of Concern

7.2.2.2 [Flora](#)

With the anticipated removal of vegetation communities as part of the ultimate development, there is potential for Rare and Threatened species to be impacted as a result of the Proposal (as identified by the Constraints Assessment). No detailed flora studies have been recently undertaken however a review of historical information and desktop information identified the potential presence of conservation significant species (refer **Appendix D**).

The presence of Rare and Threatened species (11 of which have been highlighted by desktop searches), will be subject to specific investigation during the preparation of the EIS. Potential impacts and mitigations, if required, would be addressed in the EIS. Removal of significant flora can be undertaken under a permit providing measures are implemented to ensure impacts are offset such as transplanting or propagation and establishment of flora assemblages in other geographic areas.

7.2.2.3 [Fauna](#)

Similar to the approach taken with significant flora, significant ecological features will be avoided as identified by the Constraints Assessment. These areas including coastal dune vine forest that offers potential habitat for Rare and Threatened fauna species (such as Black-Breasted Button-quail (*Turnix melanogaster*)) and significant wetland areas to the north.

The Essential Habitat database identifies that the following species of importance in these areas as:

- *Turnix melanogaster* (Black breasted Buttonquail) classed as Vulnerable;
- *Xeromys myoides* (Water Mouse / False Water-rat) classed as Vulnerable; and
- *Tadorna radjah* (Radjah Shelduck) classed as Rare.

Careful planning of the proposed site layouts has endeavoured to avoid any impacts on these species and their habitats through habitat preservation. Detailed assessment of any influence from the development (for example noise or light) on these species will be undertaken during the EIS process.

7.2.2.4 [Environmental Conclusions](#)

In summary, extensive regulatory requirements exist for the Iwasaki Capricorn Integrated Resort Project specifically relating to environmental impacts to vegetation management, including matters relating to the local ecology. However through careful planning and consideration of these issues, it is anticipated a solution can be achieved to deliver a sustainable and economically robust development which capitalises on the opportunities presented by appropriate preservation and management of the natural environment that also minimises the loss of vegetation.

Historical land use practices such as grazing have degraded and fragmented natural areas across the site and there is an overall ecological health decline in parts of the site. The Iwasaki Capricorn Integrated Resort Project will deliver rehabilitation and restoration of parts of the site to enhance and conserve the surrounding natural environment.

There will be localised impacts relating to the proposed development that will result in the removal of vegetation and habitat for native species and connectivity between natural areas, this will need to be considered and assessed in detail during the design phase of the integrated development.

One of the objectives of the Iwasaki Capricorn Integrated Resort Project is to provide a holistic approach to development such that there is an overall environmental benefit from protection and revitalisation. Localised impacts may be mitigated through measures including, but not necessarily limited to: educational programs, comprehensive and coordinated landscape management, water quality management and the restoration and preservation of significant areas such as National Parks, will provide greater long term benefits by protecting and strengthening the most valuable natural assets on site.

With careful planning and consideration, the development concept can address regulatory requirements resulting in an overall net benefit to the State on environmental grounds.

7.2.3 Socio-economic Impacts

7.2.3.1 [Introduction](#)

This section outlines the social and economic impacts associated with the development of the Iwasaki Capricorn Integrated Resort Project. These impacts are expected to support the key economic drivers of the Rockhampton Region through:

- Supporting mining industry growth through housing FIFO workers and their families;
- Providing an airstrip that has the opportunity to cater for FIFO charter flights;
- Helping to reduce the unemployment rate through additional employment uses, with the potential to provide approximately 2,160 on-site jobs;
- Competing in the tourism market through a diverse product and experience offer; and
- Catering for some of the anticipated population growth expected to occur as a result of the economic and investment planned for the Region.

These impacts will be realised on both a Regional and State level.

Utilising the three development proposal options outlined in the Development Proposal of the *Capricorn Resort Vision, In Harmony with Nature* Vision Document prepared by RPS on 5 January 2012, and utilising an average dwelling yield of 15 dwellings per hectare, RPS expects the Iwasaki Capricorn Integrated Resort Project to comprise approximately 8,000 dwellings in the residential community at capacity. Based on an average household size of 2.6 persons per household, this equates to a residential population of approximately 21,000 people at capacity.

7.2.3.2 Rockhampton Region

Population

The Rockhampton Local Government Area (LGA) experienced population growth of 9.5% from 2001 to 2006, or 1.9% per year. From 2006 to 2010, population growth of 7.4% was experienced in the LGA, or 1.9% per year. Utilising the medium series population projections from the Office of Economic and Statistical Research (OESR), Queensland Treasury, the Rockhampton LGA is forecast to increase by 2,274 people (or 1.9%) per year from 2012 to 2031.

Based on the significant amount of economic development and investment both planned and underway throughout the wider Rockhampton Region, RPS considers the high series population projections to be more in line with what will be experienced in the Rockhampton LGA. Utilising the high series population projections from the OESR, the Rockhampton LGA is forecast to increase by 2,873 people (or 2.4%) from 2012 to 2031.

Depending on the economic development and investment that is realised in the Region, the projected population growth by the OESR for the Rockhampton LGA may occur sooner than anticipated. The high series population projections may therefore still underestimate the actual growth that will occur.

Population growth in the Region will be driven by economic and social opportunities. Any population projections conducted in 2011 must necessarily make assumptions regarding the level of residential supply and the social, economic and demographic drivers that will shape future demand. In short, the approval of the Iwasaki Capricorn Integrated Resort Project is anticipated to create new and additional demand for services and associated employment. Consequently, this may result in a realisation of population projections in a shorter timeframe and increase the demand for residential accommodation.

The Project is anticipated to comprise a residential population of approximately 21,000 people at capacity and will therefore cater for part of the population growth anticipated for the Rockhampton Region over the next 20 years and beyond. This population growth is also expected to come from employment opportunities created by the development itself.

Rockhampton Region Towards 2050 – Strategic Framework

The *Rockhampton Region Towards 2050 Strategic Framework* document was prepared by Rockhampton Regional Council in 2010 to prepare and plan for the future of the Region given the amalgamation of various Councils that had occurred. This document has now been superseded by the *Draft Rockhampton Regional Council Strategic Framework* (June 2013) which applies to the continuing Rockhampton Regional Council and reflects the recent de-amalgamation of the former Livingstone Shire Council area from Rockhampton Regional Council.

Given the recent de-amalgamation, it is noted that a new Council (the Livingstone Shire Council) will need to prepare a Shire-specific Planning Scheme. Until such time that this is released, the *Rockhampton Region Towards 2050 Strategic Framework* document is the most up to date summary of the desired strategic outcomes for the Capricorn Coast area.

In this regard, it is noted that the desired outcomes for the future of the Rockhampton Region identified in the document include having a community of more than 250,000 people, having a resilient and diverse economy and a settlement pattern that minimises 'sprawl' through increasing the diversity in housing and supporting a network of centres including Rockhampton, Capricorn Coast, Gracemere, Mount Morgan and the potential for a new town.

The Strategic Framework has identified the existing Mercure Capricorn Resort as a major economic asset as it will support population and employment growth, while still supporting the role of Yeppoon as a Secondary Activity Centre and Rockhampton as a Principal Activity Centre.

The Iwasaki Capricorn Integrated Resort Project will support the Strategic Framework document through creating a community that embraces innovation, sustainability, diversity and liveability. It will form a new town on the Capricorn Coast that will foster diversity and innovation while containing urban sprawl.

Rockhampton Regional Community Plan 2012-2022

The *Rockhampton Regional Community Plan 2012-2022* was implemented on 1 July 2012. The proposed Project will meet the economic strategies outlined in the Plan through actively promoting tourism activities and facilities, providing a diversity of industry and services on site, and undergoing a redevelopment and expansion that will tie in with the re-branding of the Region. The integration of uses on the site will provide a competitive advantage for this Resort.

The Iwasaki Capricorn Integrated Resort Project will meet key economic challenges outlined in the Regional Community Plan through its ability to capitalise on mining industry growth, reduce the unemployment rate, provide a unique offering through its diverse uses, and compete in the tourism market. The Resort will also value-add to existing regional industries, and provide the opportunity to develop air links to encourage economic growth. Ecotourism will be one of the major distinguishing features of this resort based on its location.

The Iwasaki Capricorn Integrated Resort Project will meet the people, places and planning strategies of the Community Plan through providing a variety of housing options including eco-sensitive, exclusive, standard and rural residential housing. The Community Plan states that residential areas are to be developed at Capricorn Coast, Parkhurst and Gracemere to cater for projected population growth. The proposed Project is located on the Capricorn Coast and is well placed to provide residential uses to cater for population growth.

Implications

Through its diverse product offer on site, the Iwasaki Capricorn Integrated Resort Project will provide the capacity to deliver on regional economic policies and strategies and assist in the population, employment and economic growth of Rockhampton over the next 20 years and beyond.

7.2.3.3 [Employment](#)

Employment Demand

Utilising high series population projections, Rockhampton Regional Council is forecast to increase by 54,588 people between 2012 and 2031. This population will generate demand for 27,294 Full Time Equivalent (FTE) jobs. An additional 27,294 jobs will therefore need to be created in the Rockhampton Region over this time.

The Iwasaki Capricorn Integrated Resort Project will provide part of the employment growth required over the next 20 years and beyond as well as the residential land required to cater for future population growth.

On Site Employment

The Iwasaki Capricorn Integrated Resort Project is forecast to comprise of approximately 21,000 people / residents when it reaches capacity. These residents generate demand for approximately 10,500 (or 50%) FTE jobs.

The employment uses within the Iwasaki Capricorn Integrated Resort Project itself are anticipated to provide approximately 2,160 jobs. These jobs will provide 21% of the jobs required by residents of the Iwasaki Capricorn Integrated Resort Project, thereby providing onsite employment uses without jeopardising other major employment areas of the Rockhampton Region. The diverse employment uses on site will also provide the opportunity for residents of the Region to up-skill their employment.

The Iwasaki Capricorn Integrated Resort Project is also anticipated to generate between 18,000 and 19,000 construction jobs. This would comprise between 8,000 and 8,500 on site jobs and between 10,000 and 10,500 off site jobs over the life of the development.

7.2.3.4 [Industry](#)

The Rockhampton Region comprises a diverse industry base, with major industries including agriculture, retail, education, mining, energy and health. The proposed Project will provide uses that support the tourism, mining and aviation industries.

Tourism

From 2001 to 2011 the number of domestic visitors, visitor nights and average length of stay in the Capricorn Region has decreased (by 19.8%, 20.1% and 2.8%, respectively). The number of international visitors to the Capricorn Region has also decreased by 38.8% over this period. Conversely, the number of international visitor nights and average length of stay have both increased from 2001 to 2011, by 41.2% and 131.7%, respectively. This indicates that international visitors are staying longer in the Capricorn Region and filling up short stay accommodation rooms resulting in further demand for accommodation options.

The major reason for tourists visiting the Capricorn Region was for a holiday or leisure purpose (44%). A higher proportion of all international visitors (78%) visited for holiday or leisure in comparison to domestic visitors (41%).

The proposed Project will build on the existing Mercure Capricorn Resort's name and reputation and reinforce the Capricorn Coast's strength as a tourism destination. It will provide an additional tourism attraction to the Region through the working cattle farm, in addition to its beach and eco offerings, providing the opportunity for tourists to stay longer in the Region. The diversity of accommodation options including the refurbished Mercure Capricorn Resort, as well as the development of a 5 star Resort, eco-retreat and caravan and RV Park, will cater to a wider tourist market. More tourists will bring more expenditure to the Region, providing the opportunity for existing businesses and industries to pick up some of this expenditure.

The refurbishment of the existing Mercure Capricorn Resort has been identified in the *Central Queensland Tourism Opportunity Plan 2009-2019* as an accommodation development and upgrade planned Project supporting the Tourism Opportunity Plan. The Iwasaki Capricorn Integrated Resort Project will also support the Plan through providing new investment in infrastructure that supports the ongoing development of tourism; contributing to a positive image of the area as a destination in its own right; blending nature based and industrial tourism³ to create a spectrum of experiences that encourage an increased length of stay; and providing lifestyle and recreation opportunities for residents. It will support Rockhampton Regional Council Area Priority Projects through providing farm stays and interaction with a working cattle station, filling the gap in the market following the closure of Namoi Hills Cattle Station (located west of Rockhampton at Dingo). It will also provide camping options outside of the 15 km radius of Yeppoon.

On 4 April 2012, Premier Campbell Newman announced the Destination Q Strategy to grow overnight visitor spending in Queensland to \$30 billion by 2020 and re-establish Queensland as Australia's number one tourism destination. The Destination Q Strategy will be a collaboration between key ministers, state government departments, local governments, Tourism Queensland, industry associations and operators and Regional Tourism Organisations to focus on bringing growth to the industry and Queensland. The Government intends to work with local operators to determine how best to market Queensland attractions to both national and international tourists. The proposed Project will be one such attraction that will be able to be marketed to attract tourists to the Capricorn Coast and Central Queensland regions.

Mining

Rockhampton is the main business and administration centre for Central Queensland. Central Queensland is currently experiencing high levels of economic development, particularly in the resources and energy sector.

Based on the Bureau of Resources and Energy Economics (BREE) latest list of major minerals and energy projects, as of April 2013 there are approximately five major minerals and energy projects in the

³ The blending of nature based and industrial tourism is one of the development goals stated in the Central Queensland Tourism Opportunity Plan. Examples of existing industrial tourism include tours of opal mines in Coober Pedy, South Australia; tour of BHP's Iron Ore Facility at Port Hedland; tour of the coal mines from the Coal Industry Centre, Singleton. In the strictest definition of the term the on-site farm stays and grazing would qualify as industrial tourism as it will involve a visit to an operational business. However, it is recognised that the term industrial tourism would generally be confined to businesses that are "industrial" in nature.

Rockhampton Region and surrounds, worth approximately \$8.7 billion. These include the expansion of the Curragh Mine, the China First Coal Project (Waratah Galilee), the expansion of Curragh North, the Washpool Coal Project and the Mount Morgan Tailings Project.

The size and scale of this investment and economic development throughout Central Queensland will result in a number of flow-on effects for supportive businesses and industries throughout the Rockhampton Region. This will include a significant increase to the current population growth rate as people move to the area and take advantage of the number of new jobs and other benefits that these developments will bring to the Region.

These new and expanding mining and energy projects will also substantially increase the workforce of Central Queensland over the next 20 years and beyond, which will accelerate population growth in the surrounding regions as people move to these areas for work opportunities. The majority of this future mining workforce is expected to comprise of FIFO employees. This will see an influx of these mining based employees locating in coastal towns and communities (such as Yeppoon and Rockhampton) which are relatively close to these mining projects.

The Iwasaki Capricorn Integrated Resort Project will support the mining industry through providing residential product to cater to population growth, as well as FIFO workers and their families. The Resort, through the provision of a multi-purpose airstrip, will provide an opportunity for a range of aviation based activities. One of the identified opportunities is the potential to establish a hub to cater for FIFO charter flights.

The Future FIFO Market

It is difficult to overestimate the importance of mining to the Queensland economy. Although representing only 2.5% of the Queensland workforce (52,900 people from 2.03 million in 2011) the mining industry contributes nearly 10% to the Gross State Product (GSP) (\$27.8 billion out of \$280 billion).

The industry has increased in scale considerably over the last 20 years. In 1991 mining represented 1.7% of the Queensland workforce (20,800 people out of 1.23 million). The workforce growth of over 32,000 people in 20 years is an indicator of both the available supply and the level of international demand.

While the recent downturn in the mining industry has been the subject of considerable reporting and speculation it is important to keep this in context of the global economic cycle when considering the long term future of the industry, in particular long term demand from the expanding economies of China and India.

The intent for the Iwasaki Capricorn Integrated Resort Project is to develop a residential community that is attractive for any number of social and demographic groups. These people will work in a diverse range of industries and businesses. However, it is assessed that people that have the capacity to “commute” to work in a major urban centre or in the resource sector will find the expanded Resort site an attractive place to live. In addition to this group, the site is expected to host a range of families that participate in “footloose” employment and who in effect can bring their jobs with them. In turn, these groups will be part of the broader demographic spectrum that includes people who work locally and retirees.

The targeting of the FIFO workers is based on the suitability of the site to cater for the needs of this group. It is not to say that these workers will be the sole or major occupants of the proposed residential area. However, the presence of the airstrip provides the opportunity for workers to utilise chartered air services to travel to work.

It is also important to note that this Project will have a likely development life cycle of over 20 years. This timeline is a natural product of the scale of the site (approximately 9,000 ha) and the need to resolve complex ecological issues. The Resort has been in open for 26 years and now operates in a social, economic and ecological environment that was inconceivable in the early 1980s. The expanded role of the mining industry, and the associated wages and salaries of the workers, now means that central Queensland has a significant base of local patronage that can support tourist facilities.

The scale of the site and proposed development further reinforces the need for a long term view regarding planning, investment and response to the needs of identified target markets. A development such as this will build upon its own brand and momentum over time. The initial stage of the redevelopment will be to “set the scene” for subsequent stages. If the redevelopment does not produce positive word of mouth, then it is likely that subsequent stages may not develop as intended. It is therefore important that the initial approval and related planning embrace a long term philosophy of what should be delivered on site, and the form of this delivery.

Aviation

A national trend has seen land surrounding Airports being developed for industrial uses. This includes aviation-related industrial uses. As a result, the general aviation industry is increasing, with several businesses diversifying into other geographic areas or into new products serving the aviation industry.

The Rockhampton Airport runway was extended early in 2000 due to increasing passenger traffic, resulting in the ability to accommodate unrestricted wide-bodied operations. The trend in major Airports nationally is to tighten security arrangements with controlled airspace and Regulated Passenger Traffic (RPT). This imposes a number of functional and cost pressures on several businesses, with particular impact on general aviation businesses.

The continued tightening of security arrangements at major airports including Rockhampton Airport will result in a conflict between RPT, general aviation uses and the surrounding Defence Force uses at Rockhampton Airport. This affects the operations of light aviation businesses as the larger Airlines have priority with airspace, runways, etc.

An airstrip and small scale light and service industrial uses will provide the opportunity to develop or relocate general aviation businesses to the area surrounding the airstrip. These uses will provide the opportunity to attract businesses by providing a simpler operating environment and through providing a greater certainty in relation to leases, encouraging a longer term outlook for these businesses, and additional investment in building the business.

An example of the style of operation that is possible at the airstrip is Mason Field (Figure 5) on the Gold Coast. Operated by the Southport Flying Club, Mason Field commenced operation in 1971 with a significant

increase in membership occurring when the Gold Coast (Coolangatta) airport was privatised. Mason Field presently houses approximately 70 light aircraft and helicopters with an extensive number of hangars being developed over the last 40 years.

It is estimated that between 10% and 12% of the Queensland civil light aircraft fleet (or 370 to 450 planes) are registered within the flying catchment of the proposed site. The extensive use of light aircraft in Central Queensland for recreational and business purposes indicates a significant latent demand for a facility similar to Mason Field on the Gold Coast. The current level of demand is expected to increase over time in line with population growth and expected relocations of light (general aviation) aircraft away from larger commercial airfields.

Initial expectations for the airstrip comprise facilities to cater for Dash 8 turboprop aircraft. Should a demand be identified for larger aircraft, further assessment will be required to determine whether this can be reasonably accommodated. An Obstacle Limitation Surface Assessment will also be identified.

The proposed airstrip also provides opportunities for the Proponent to explore residential living opportunities near the airstrip for owners who are storing private aircraft in hangars, to create a residential air park style of housing opportunity. The potential to provide this form of residential living will be considered in greater detail through the preparation of the EIS.



Figure 5 – Mason Airfield on the Gold Coast

7.2.3.5 Housing Impacts

The Iwasaki Capricorn Integrated Resort Project is anticipated to provide approximately 8,000 eco-sensitive, exclusive, standard and rural residential dwellings. This diversity of housing will provide additional choice and competition to a market expected to experience significant population growth as a result of the economic development and investment underway throughout Central Queensland. The diversity of housing will also attract a more diverse population.

The Livingstone District comprises the former Livingstone Shire before it was amalgamated into Rockhampton Regional Council in 2008. The identified residential developments within the Livingstone District equate to approximately 1,620 lots in the supply pipeline. An analysis of vacant residential land in the Livingstone District under the current Planning Scheme has found approximately 194 ha (taking roads and open space into account), equating to the potential for an additional 2,910 lots to the market. Combining the vacant lots in existing developments as well as vacant residential land equates to approximately 4,530 lots of possible supply in the Livingstone District.

There are also a number of other large residential developments outside of the Livingstone District such as Gracemere and the Rockhampton District, however due to their distance from the Livingstone District and other locational point of differences, these developments will be largely catering to a different market than the proposed development on the subject site.

Based on the high series population projections the number of households in the Rockhampton LGA is forecast to increase from 47,872 households in 2012 to 72,787 households in 2031 which is an increase of 24,915 households or approximately 1,311 households per year over this time. Utilising the rate of 1,311 dwellings per year, the 4,530 lots of possible supply in the Livingstone District accounts for approximately 3 and a half years worth of supply in the broader Rockhampton LGA. The proposed 8,000 dwellings on site will add an additional 6 years of supply to the Rockhampton LGA market to help meet the long term planning requirements for the Rockhampton Region.

In order to cater to the significant increase to the current population growth rate expected as a result of the size and scale of investment and economic development throughout Central Queensland, there needs to be sufficient residential land readily available to the market when the population growth rate increases, in order to ensure house and land prices remain at affordable levels.

One of the desired outcomes for the future of the Rockhampton Region outlined in the Rockhampton Region Towards 2050 Strategic Framework document is *“the settlement pattern demonstrates a successful effort to minimise ‘sprawl’ through increasing the diversity in housing and supporting a network of centres including Rockhampton, Capricorn Coast, Gracemere, Mt Morgan and potentially a new town”*.⁴ The Rockhampton

⁴ Rockhampton Regional Council, *Rockhampton Region Towards 2050. A framework for our future*, Strategic Framework, March 2010, p5

Region Towards 2050 Community Profile outlines one of the key challenges for future growth of the Rockhampton Region is to contain residential expansion within the existing footprint, otherwise a new town would need to be developed. The Iwasaki Capricorn Integrated Resort Project is located adjacent to the outer urban area of Yeppoon and will provide a new town that will foster diversity and innovation while containing sprawl.

Dwellings need to be provided in various locations within the Region to allow for continued growth. The subject site provides choice in location in the Capricorn Coast as well as residential product type which is important in an area with a growing population.

7.2.3.6 Contribution to Local and State Government

The Iwasaki Capricorn Integrated Resort Project is anticipated to generate direct financial benefits to the broader Rockhampton Region and Queensland through stamp duty taxes, rate charges and other contributions.

Stamp Duty

There will be financial benefit generated via stamp duty taxes from the sale of residential properties that will be received by the Office of State Revenue. These benefits will be generated throughout the development life of the Project in line with the sale of residential properties.

The Iwasaki Capricorn Integrated Resort Project is anticipated to comprise approximately 8,000 dwellings in the residential community at capacity. Based on a 20 year timeline, this equates to approximately 400 dwellings being developed per year. The estimated value of stamp duties generated from the development of the Iwasaki Capricorn Integrated Resort Project based on first generation sales (based on a median house price of \$330,000 and current stamp duty tax rates, April 2012) in year 1 of the development is \$3.75 million. At the development's maturity post year 20, and incorporating 10% of resales for previously released stock, the State Government is anticipated to receive approximately \$82.13 million in stamp duty taxes.

Rates Charges

The development of the Iwasaki Capricorn Integrated Resort Project will result in an increase in residential rates charges. The rates charges are recurring annual payments and as such will increase in total value as the development nears completion. The benefit of these rate charges will be received by the former Livingstone Shire Council following the recent de-amalgamation.

The residential rates charges will apply to each residential dwelling within the Iwasaki Capricorn Integrated Resort Project. Utilising the minimum general rates in Rockhampton Regional Council for Urban Residential 3 in 2011/12 of \$1,737, the 400 dwellings in year 1 of the development will add approximately \$695,000 to the former Livingstone Shire Council. By completion, the Iwasaki Capricorn Integrated Resort Project will add approximately \$13.9 million in rates charges per annum to Livingstone Shire Council.

Other Contributions

The income tax benefits that are directly attributable to the development of the Iwasaki Capricorn Integrated Resort Project will be from jobs and businesses that will occupy the community. These tax benefits will be received by the Australian Taxation Office with benefits being distributed nationally.

Based on the latest data available from Tourism Queensland, tourism in Central Queensland contributed \$343 million to the Queensland economy in 2007/08. The economic importance placed on tourism in Central Queensland in 2007/08 was 3.29%. This is higher than the national benchmark of 3%, but lower than the Queensland benchmark of 3.7%. The Iwasaki Capricorn Integrated Resort Project will provide the opportunity for tourists to stay longer in the Region as a result of its diverse offering. This will result in increased expenditure in the Region, providing a greater contribution to Gross Regional Product (GRP).

7.2.3.7 [Impacts on Smart Grid and Renewable Energy](#)

The vision for the Iwasaki Capricorn Integrated Resort Project is to combine Smart Grid Technology with on site embedded generation from renewable energy. The Iwasaki Capricorn Integrated Resort Project also proposes to partner with Kyushu Electric Power Co. to build solar and wind farms to produce renewable energy for the Resort and surrounding Region. This will enhance the Resort's ability to reduce net grid energy consumption, have a lower carbon footprint and provide sustainable housing.

Smart Grid Technology encompasses a suite of infrastructure which collects and distributes information (Figure 6) regarding the performance of the system and makes it available to grid users in real time. It can be compared to a modern Building Management System (BMS) extrapolated to a much larger (more complex) scale.

In the case of the proposed Project, information available may include things like:

- Bidirectional energy flow to better manage embedded generation from numerous small scale energy sources;
- Real-time usage and costs for electricity, which can be particularly valuable if real-time pricing structures are introduced;
- Communicate real-time generation output of the renewable technologies, and properly manage that variable load with regard to other supplementary energy sources;
- Trigger opportunities for load shedding / load cycling in times of peak demand for non-critical infrastructure (also called demand-side management), removing the need to manage short term extremes through otherwise redundant capacity;
- Allow 'soft start up' in periods of high demand to allow generators to adjust efficiently; and
- Automatically calculating the least cost option for supplementary power when required.

A Smart Grid aims to educate and empower users to engage with their energy consumption, and by doing so encourage sustained behaviour change. The collection of the usage and generation information can also facilitate better grid management to deliver greater efficiency and reliability of supply.

Interaction with a Smart Grid system is most common through touch screen control panels, although other communication pathways (such as a dedicated television channel, or internet portal) are also possible.

Systems can also be integrated with other services such as fire monitoring or broader communications to extract maximum community value from the investment.

Examples include the Lochiel Park Green Village in South Australia, where a trial was completed in partnership with the University of South Australia or the Kashiwa-no-ha Smart City Project in Chiba Prefecture (Japan), where an Area Energy Management System (AEMS) is being established.⁵

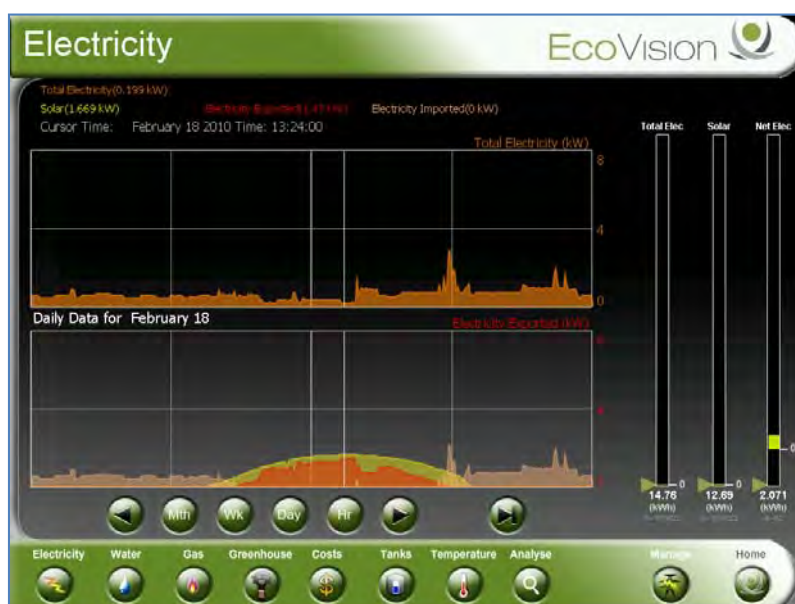


Figure 6 – Example of Smart Grid Interface (taken from iGRID report, page 33)

⁵ (see the report from iGRID at <http://igrid.net.au/resources/downloads/project6/Intelligent%20Grid%20in%20a%20new%20housing%20development%20final%20report.pdf>), or <http://www.mitsuifudosan.co.jp/kashiwanoha/e/future/environment.html>

7.2.3.8 Implications

The Iwasaki Capricorn Integrated Resort Project is anticipated to provide positive social and economic benefits to the Rockhampton Region through:

- Providing approximately 2,160 onsite jobs, thereby meeting some of the employment growth required in the Rockhampton Region over the next 20 years and beyond, as well as providing the opportunity to encourage an up-skill in employment. In addition to the entry-level service jobs that will provide lifelong skills for new entrants to the workforce (and those people re-entering the workforce, including parents after raising children), the proposed Resort community is expected to host a significant number of home-based and small businesses. In order to operate successfully, these business owners will need to develop a wide range of skills in marketing, accounting, human resources, and all other aspects specific to their particular field. Creating a local culture that is supportive of small business, the Iwasaki Capricorn Integrated Resort Project will assist the personal and professional development of business owners and staff. These jobs will create a local self containment rate of approximately 21%, providing on-site employment uses without jeopardising other major employment areas of the Rockhampton Region. Approximately 18,500 to 19,000 construction jobs are also anticipated to be generated during the development phase of the Project.
- Providing a boost to the tourism, mining and aviation industries through encouraging tourists to stay longer in the Region by providing: more diverse attractions and accommodation, housing to accommodate FIFO workers, an airstrip with the potential to cater for FIFO charter flights, and the opportunity to develop or relocate general aviation businesses to the area surrounding the airstrip. This diversity of industry will make the Iwasaki Capricorn Integrated Resort Project a more attractive location for businesses, thereby encouraging increased investment in the Region.
- Delivering on regional economic policies and strategies through its diverse product offer on-site that will assist in the population, employment and economic growth of Rockhampton over the next 20 years and beyond.
- Providing a diversity of residential options to cater to the significant increase to the current population growth expected to be generated through the size and scale of investment and economic development throughout Central Queensland. The Iwasaki Capricorn Integrated Resort Project is located near to the urban area of Yeppoon and will provide a new town that will foster diversity and innovation while containing urban sprawl.
- Generating direct financial benefits to the broader Rockhampton Region and Queensland through stamp duty taxes and rate charges, as well as contributing to GRP.
- Generating renewable energy using Smart Grid Technology as well as solar and wind farms. This will enhance the Project's ability to reduce net energy consumption, have a lower carbon footprint and provide sustainable housing.

The existing Capricorn Resort has already been identified as a major economic asset, with the Iwasaki Capricorn Integrated Resort Project and its associated development to continue this legacy to support the economic growth of Rockhampton for the next 20 years and beyond.

7.2.4 Sustainability Framework and Impacts

Within the context of the assessment it is important to consider the key indicators which form the matrix for the overall sustainability of the Project.

The Iwasaki Capricorn Integrated Resort Project will have considerable impacts on supply and supporting infrastructure for water, waste management and energy, as well as impacts on noise and visual amenity. These aspects will be carefully managed through the design / development and construction / operational phases of the Project.

7.2.4.1 Water

Average rainfall for the site is expected to be over 1,000 mm each year, offering significant opportunities for rain-water harvesting. This reclaimed water could then be used for landscaping, toilet flushing and other non-potable uses to reduce dependence on reticulated supplies.

The use of grey-water for golf course irrigation can also be investigated as part of detail design.

Hydrological modelling for volume and quality of runoff will be completed as part of the Project EIS in order to ensure any impacts on the Great Barrier Reef are minimised.

7.2.4.2 Waste

Careful selection of materials and recycling of eligible resources will reduce the generation of waste-to-landfill at the site.

Wastewater will be treated largely using the existing on-site treatment plant (current working capacity is approximately 1,500 L/day, with design maximum of 3,000 L/day). Either upgrade of the facility or connection of the site to local sewerage system will be required to provide adequate capacity.

Use of any waste-gas for power generation may be investigated as part of any upgraded facility. Planning and management for wastewater is critical for the Project considering the positioning and close proximity of the Great Barrier Reef wetlands.

7.2.4.3 Energy

One of the key features of the development is its focus on providing a variety of alternative, decentralised energy sources with the ambitious objective of internally providing all electricity used within the complex (subject to feasibility and detailed design). As noted by *The Garnaut Climate Change Review*, Australia's emissions are dominated by the high emissions intensity of our energy sector (relative to other Organisation for Economic Cooperation and Development (OECD) countries). Therefore climate change mitigation is dependent on reducing these emissions by supplementing or replacing existing generation capacity with renewable alternatives.

The additional 8,000 residential homes proposed (discounting the 600 bed Resort, caravan park and other land uses) could draw up to an additional 60,000 kWh a day from the existing grid. While sustainable building siting and design will reduce this target, even 30,000 kWh a day would produce almost 10 kT of additional greenhouse gas each year (as carbon dioxide equivalent).

The integration of solar, biomass and fuel cell technology into the design stage distinguishes the Project from more traditional tourism developments, and the dual application of the technology for both generation and educational purposes highlights Iwasaki's commitment and vision to sustainability for the Iwasaki Capricorn Integrated Resort Project. Energy sources proposed for the Project are summarised in Table 6.

Table 6 – Proposed Energy Sources Capricorn Resort 'Energy Farm'

Source	Feasibility	Emissions Impact
Wind	Initial investigations suggest wind resources are not sufficient to justify commercial turbine installation. The use of small scale demonstration plant (to complement other energy farm technologies) will be considered. DNRM's 'Interactive Resource and Tenure Maps' shows wind speeds around 6 to 7 m/s at 70 m (5 to 6 m/s at 10 m);	Nil ongoing emissions profile.
Solar	Rooftop Solar PV is most likely option, subject to detail design. DNRM's 'Interactive Resource and Tenure Maps' shows irradiation to be in the region of 6 to 7 kWh/m ² /day (BOM historical data shows annual average solar energy to be 20.8 MJ/m ²)	Nil ongoing emissions profile.
Biomass	Use of energy crops / crop waste is immature in Australia but well understood and commercially applied in other countries.	Carbon emissions not accountable under most circumstances.
Waste Methane	Established technology currently being used in landfills etc in Australia.	Carbon emissions not accountable under most circumstances.
Fuel-cell	The use of residential scale fuel cells in Australia lags behind USA, Europe and Japan – where there are 'standard' technology options.	Use of both electricity and waste heat (for water heating) can provide 1/3 reduction in emissions using traditional fossil fuels. Additional saving for use of biofuels. Additional benefits of increased efficiency and no distribution loss factors.

Importantly, combining the use of solar, biomass, waste methane and specifically residential scale fuel cell technology, presents a revolutionary change to the traditional electricity supply model in Australia. It is anticipated that the almost total personal ownership and responsibility for supply will impact consumption patterns and volumes in unforeseen ways, and as such, providing valuable opportunities for research and thought leadership for the State.

Consideration will also be given to development of a private ('embedded') network to better exploit alternative generation opportunities on the site and ease the load on existing infrastructure (Figure 7). The benefits and risks of such a system with regard to operational compliance, regulatory approvals and carbon reporting and liabilities will need to be considered in detail during the preparation of any future EIS in consultation with the local Network Service Provider (NSP), Ergon Energy.

At a minimum, approvals such as Generation Authority / Special Approval under the *Electricity Act 1994*, in addition to registration as a market participant with the Australian Energy Market Operator (AEMO) will be required.

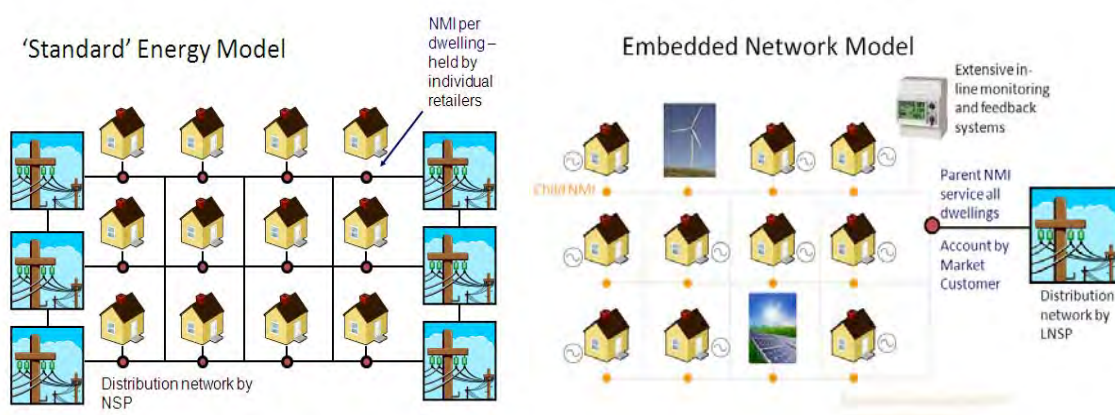


Figure 7 – Standard and Embedded Network Models

Overall, Iwasaki's commitment to providing a 'decarbonised' energy supply for the development is a benchmark for Australia and demonstrates the significance and commitment of the Project at local, State and Federal levels. The potential for greenhouse gas mitigation throughout the Project's lifecycle is considerable.

7.2.4.4 Greenhouse Gas and Climate Change

Evidence for the accelerated warming of the climate system over the past 50 years is unequivocal. Further to this, there is overwhelming scientific consensus is that this change is anthropogenic in nature, and likely to continue well into the future at an exponential rate.

In order to fulfil its commitments to its stakeholders and preserve the long term viability of the Project, the Project therefore needs to both effectively minimise its contribution to this anthropogenic change, and respond and adapt to those unavoidable climatic changes. This can be achieved by fully considering the key vulnerabilities and impacts relevant to the site, and building both resilience and flexibility into the design.

The Queensland Government document *Climate Change in the Central Queensland Region*⁶ projects future climatic variables under various greenhouse gas emissions scenarios. Based on these estimates, the Project Proponent will plan the appropriate strategies to accommodate the climatic variations provided in Table 7 (at a minimum).

Table 7 – Climatic Averages and Projections

Aspect	Current Average	2030 Projection	2050 Projection	2070 Projection
Temperature	21.6°C	+1°C	+1.2-2°C	+1.7-3.2°C
Rainfall	692 mm	-3%	-4-7%	-6-10%
Evaporation	1,997 mm	+3%	+4-7%	+5-10%

A combination of the above projections, along with exposure of the site to the coastline and its proximity to an extensive wetland system, means there are some specific climate change impacts which require additional consideration and assessment at EIS stage. Examples of these impacts are provided in Table 8.

Table 8 – Climate Change Mitigation and Adaptation Review

Climate Change Variable	Specific Project Risk	Potential Mitigation and Adaptation Methodologies
Change in pattern and scale of severe storm and cyclone events.	Coastal fronted property to bear brunt of storm activity. Significant increases in runoff and pressure on stormwater infrastructure etc.	All infrastructure to be designed to appropriate wind loading; especially prefabricated stock. Developer to work with regional council to properly model and manage stormwater load.
Sea level rise and storm surge.	Inundation of site.	Mitigation through proper planning. Adaptation through design (such as ground floor uses and finishes).
Increase in mean surface temperatures impacting disease epidemiology – specifically vector born disease and heatstroke.	Wetland to potentially harbour new or increased mosquito population etc. Risk of new disease outbreak.	Vector control plans (in consultation with local government). Provision for all accommodation options to have appropriate vector control (mosquito netting etc).
Increase in evaporation and decrease in rainfall.	Water security for potable, recreation and landscaping purposes.	Use of harvested and reclaimed water will be necessary; and critical for golf course component.

The significance of The Project at a local, Regional and State scale justifies a Climate Variability Risk Assessment, Hydrological Mapping and a Vulnerability Assessment as part of any future EIS.

⁶ (<http://www.ehp.qld.gov.au/climatechange/pdf/regionsummary-cq.pdf>)

7.2.4.5 Noise and Nuisance

Increased vehicle movements, noise from construction activities and potential dust and light spillage all have the potential to cause nuisance to the existing local residences located in the vicinity of the proposed Project.

Proper consideration of these management issues and potentially some impact modelling may be required as part of any future EIS.

Overall, there are established methodologies for minimising these impacts which can easily be integrated into the Project's Construction Management Plan/s.

Engagement of the local community and other stakeholders will also be pursued as part of the broader engagement strategy in order to encourage communication and early resolution of any nuisance matters that arise during both the construction and operational phases of the Project.

8.0 Planning and Development Approvals Framework

8.1 State Development and Public Works Organisation Act 1971 (SDPWO Act)

Should the Queensland State Government declare the proposed Project to be a Coordinated Project following the assessment of this IAS, the Proponent will then be required to prepare an EIS in accordance with Part 4 of the SDPWO Act (as discussed previously).

The Coordinator-General is the authority responsible for coordinating the EIS process. Once complete, the EIS will be made available for public and government agency review and comment.

Table 9 outlines the legislative framework which is relevant to the planning and delivery of the Iwasaki Capricorn Integrated Resort Project and will be considered as part of the EIS process.

Table 9 – Applicable Legislation and Policy Requirements

Legislation / Policy	Relevant Requirement	Application to Proposal
COMMONWEALTH		
<i>Environment Protection and Biodiversity Conservation Act 1999</i>	Approval is required if the Project will have a significant impact on Matters of National Environmental Significance.	The Proponent intends to make a referral under the EPBC Act for the Project to determine whether or not the Project is a Controlled Action.
<i>Civil Aviation Regulations 1988 and Civil Aviation Safety Regulation 1998</i>	The site proposes two (2) airstrip locations that will be investigated through the EIS process.	This legislation gives power to the Civil Aviation Safety Authority (CASA) to control the height of objects, structures, buildings and plumes which may create a hazard to aircraft. It will need to be considered in the design of the airstrip.
STATE		
<i>State Development and Public Works Organisation Act 1971</i> (Non-IDAS approval)	An Environmental Impact Statement may be required for any project which is declared a Coordinated Project under this Act. The Coordinator-General's assessment and recommended conditions become a concurrence agency response under the <i>Sustainable Planning Act 2009</i> .	This Initial Advice Statement forms part of the Application for a Coordinated Project.
Central Queensland Regional Plan	The site is located within the Central Queensland region.	The Proposal will be assessed against the relevant provisions of the Regional Plan.
<i>Environmental Protection Act 1994</i>	Environmental Authority for carrying out Environmentally Relevant Activities.	Relevant ERAs may include ERA14 – Energy Generation, ERA63 – Sewage Treatment.
<i>Fisheries Act 1994</i>	The Corio Bay Fish Habitat Area (FHA) adjoins parts of northern end of the subject site in Corio Bay and also extends into the surrounding creek networks including; Fishing Creek, Water Park Creek, Stringy Bark Creek and Sandy Creek.	The Department of Agriculture, Fisheries and Forestry will assess the Proposal in relation to Fish Habitat Management Operational Policy FHMPO 002 - Management of declared Fish Habitat Areas: department policy position (FHMPO 002), August 2008.
<i>Sustainable Planning Act 2009</i>	Development Assessment in Queensland is regulated by this Act.	Following any future EIS process, all Material Change of Use applications will need to be assessed by the relevant authority under the provisions of this Act.

Legislation / Policy	Relevant Requirement	Application to Proposal
<i>Sustainable Planning Act 2009</i>	Development Assessment in Queensland is regulated by this Act.	Following any future EIS process, all development applications (including for Reconfiguration of a Lot) will need to be assessed by the relevant authority under the provisions of this Act.
<i>Coastal Protection and Management Act 1994</i>	The site is located within the Coastal Management District and within the Coastal Zone.	Initial environmental constraints mapping has been undertaken and the Proposal seeks to minimise the impacts on the coastal environment. The majority of the development proposed will be located away from areas of High Ecological Significance (HES). The Coastal Protection State Planning Regulatory Provisions will be relevant to the Project.
<i>Vegetation Management Act 1994</i>	The site contains areas of remnant vegetation.	A Vegetation Management Plan will be prepared which will deal with any clearing, rehabilitation, offsets, monitoring and reporting.
<i>Nature Conservation Act 1992</i>	The northern boundary of the site adjoins a National Park. The site includes areas of sensitive wetland environments.	Development is not proposed in close proximity to the sensitive environments. However, The Environmental Management Plan will include any impacts / management strategies dealing with the wetland environments and National Parks.
STATE PLANNING POLICIES		
State Planning Policies (SPPs) are relevant to the assessment of an application where they are not appropriately reflected in either a Regional Plan or Planning Scheme relevant to the site. The applicability of relevant State Planning Policies has been identified. A draft single State Planning Policy has been released and, once finalised, it will replace the various State Planning Policies currently in effect.		
Draft State Planning Policy	Various aspects of the subject site and the Proposal trigger a State interest (as noted below in the current SPPs).	The Livingstone Shire Council will ensure the State Interests are appropriately reflected in the planning scheme, or if they are not the Draft State Planning Policy will provide the guidance to ensure the State Interests are accounted for in relation to the Proposal. State Interests include: <ul style="list-style-type: none"> ▪ Housing and liveable communities; ▪ Economic growth; ▪ Environment and heritage; ▪ Hazards and safety; and ▪ Transport and infrastructure.
<i>Temporary SPP 2/12 Planning for Prosperity</i>	This policy is applicable to the Proposal due to the inclusion of a tourism based land use however it is only applicable in terms of a referral agency's assessment of the Proposal.	The Proposal (specifically the tourist development) will be assessed against the provisions of this Policy where it can be shown that tourist development is complementary to an area's environmental, scenic and cultural values.
<i>SPP1/12 Protection of Queensland's Strategic Cropping Land</i>	Not applicable.	The site is not designated as Strategic Cropping Land Protection Area or Potential Strategic Cropping Land.
<i>SPP4/11 Protecting Wetlands of High Ecological Significance in Great Barrier Reef catchments</i>	The site contains wetlands of HES.	Initial environmental constraints mapping has been undertaken and the Proposal seeks to minimise the impacts on the existing HES wetlands. The majority of the development proposed will be located outside areas of HES.

Legislation / Policy	Relevant Requirement	Application to Proposal
<i>SPP5/10 Air, Noise and Hazardous Materials</i>	Not applicable. The site does not adjoin land zoned for industrial purposes.	nil
<i>SPP4/10 Healthy Waters</i>	This policy applies to the Proposal.	The Proposal will need to demonstrate that local water quality management is maintained and where required improved.
<i>SPP3/10 Acceleration of Compliance Assessment</i>	Not applicable. The Proposal is not for the subdivision of one (1) lot into two (2).	nil
<i>SPP2/10 South East Queensland Koala Conservation</i>	Not applicable. The site is not located within South East Queensland.	nil
<i>SPP2/07 Protection of Extractive Resources and Guidelines</i>	Not applicable. The Proposal does not include extraction of resources.	nil
<i>SPP1/07 Housing and Residential Development</i>	Not applicable. This policy applies to the preparation of local planning schemes.	nil
<i>SPP1/03 Mitigating the Adverse Impacts of Flood, Bushfire and Landslide</i>	The site is located within the Natural Hazard Management Area (Flood).	A comprehensive flooding assessment will be undertaken as part of any future EIS.
<i>SPP2/02 Planning and Managing Development Involving Acid Sulfate Soils</i>	Applies to all land, soil and sediment at or below 5 metres Australian Height Datum (AHD) where the natural ground level is less than 20 metres AHD. Development involving: <ul style="list-style-type: none"> Excavating more than 100m³ of soil or sediment, or Filling of land involving more than 500m³ of material with an average depth of 0.5m or greater. 	An Acid Sulfate Soils assessment will be prepared as part of any future EIS and will also form part of any future Environmental Management Plan.
<i>SP1/02 Development in the Vicinity of Certain Airports and Aviation Facilities</i>	Not applicable. The site is not located within the vicinity of an airport outlined in Annex 1 of the SPP.	nil
<i>SPP1/92 Development and the Conservation of Agricultural Land</i>	Not applicable. The site is not designated Good Quality Agricultural Land.	nil
LOCAL		
Livingstone Shire Planning Scheme (IDAS approval) <i>Sustainable Planning Act 2009</i>	Development Permit for Material Change of Use, Reconfiguration of a Lot and Operational Works. The intent of the process is to facilitate and approval under Section 242 of the <i>Sustainable Planning Act 2009</i> to override the Planning Scheme to alter the level of assessment for subsequent approvals associated with the development of the Project.	Site is zoned part Comprehensive Development Zone and Rural under the Livingstone Shire Planning Scheme. It is understood the Rockhampton Regional Council is currently preparing a Planning Scheme that includes the former Livingstone. An approval by the Coordinator-General will facilitate a master plan approval and approval structure that will allow for the structured and staged 'roll out' of the development through applications determined by the Master Plan and a subsequent S.2.4.2 Development Approval.

8.2 Regional Planning

The Central Queensland Regional Plan has been finalised and took effect on 18 October 2013.

This document is a statutory Regional Plan which provides strategic direction and policies to deliver regional outcomes for the Central Queensland area which align with the state's interests in planning and development.

One of the key purposes of this document is to guide the structure of the Region including managing the key agricultural pursuits and extractive resources which are the key economic drivers for the Region with the urban growth / expansion areas. In this regard, it is noted that the Regional Plan identifies Priority Agricultural Areas (PAA) and Priority Living Areas (PLA). The PAAs are located in the central and central-west areas of the Region and therefore are not relevant to the proposed Project, however part of the subject site is mapped on the Proposed PLA for 'Yeppoon / Kinka Beach / Mulambin'.

It is noted that the Region is projected to experience significant population growth in the next two decades, and therefore the identification of PLAs seeks to ensure there is an adequate supply of serviceable land to accommodate anticipated needs in the required scale and type for residential, retail, commercial and industrial land uses, in addition to providing an adequate supply of land for non-resident workforce accommodation.

The Central Queensland Regional Plan also identifies tourism as a key economic driver for the Region, particularly given the Region's natural environment attractions including the Byfield National Park. The Regional Plan supports the opportunity to build on the range of tourist experiences to further diversify the Central Queensland tourism sector and ensure long term economic sustainability. The Regional Plan promotes sustainable development of tourism accommodation, attractions, facilities, infrastructure and other ancillary services, whilst also facilitating opportunities for tourism activities to complement and co-exist with existing land use and economic activities.

The Iwasaki Capricorn Integrated Resort Project is supported by the Central Queensland Regional Plan and will significantly assist with supporting the tourism market and anticipated residential growth rate within the Region.

The Iwasaki Capricorn Integrated Resort Project will be the first significant resort-based tourist attraction on the Central Coast to undertake significant investment over the past 20 years.

8.3 Livingstone Shire Planning Scheme 2005 – Living for Lifestyle

The *Livingstone Shire Planning Scheme 2005* is the relevant Planning Scheme to the subject site. The Rockhampton Regional Council is currently preparing a new Planning Scheme that includes the area of the former Livingstone Shire Council area. The recent de-amalgamation referendum outcome may alter the timing and content of the new Planning Scheme for this area.

The adoption of the Planning Scheme is not anticipated until late 2014, but this may change once the new Council becomes operational in January 2014.

With respect to the current Planning Scheme, the existing Mercure Capricorn Resort is located within part of the site that is included within the *Comprehensive Development Zone* within the Livingstone Shire Council Planning Scheme. All areas within the *Comprehensive Development Zone* are subject of a detailed Structure Map and locality Code.

The *Comprehensive Development Zone* consists of approximately 300 ha of the site and encompasses the extent of the current Resort.

The northern and western part of the subject site is currently included within the *Rural Zone* of the current planning scheme.

The intent for the *Rural Zone* under the Planning Scheme does not support or include consideration given to the potential for further expansion beyond the existing Comprehensive Development Zone where it can be demonstrated that the expansion would result in limited impacts and regional benefits.

The declaration of the Proposal as a Coordinated Project will provide an assessment framework that will allow an appropriate assessment of the development and its benefits to the Region and the State.

9.0 Design Principles

9.1 Site Design Principles and Constraints

As discussed previously, the Iwasaki Capricorn Integrated Resort Project is located adjacent to the Great Barrier Reef Marine Park and RAMSAR wetlands. The site also contains varying landscapes of environmental values from significant wetlands to farming land and coastal environs.

A preliminary development constraints map has been provided (Figure 8), which identifies the relative value of habitat areas on the site and constraints to guide the preparation of the IAS with regard to statutory mapping. The constraints mapping has been prepared in conjunction with background significant ecological investigations. Table 10 identifies typical constraints defined within the context of this map.

There are several development outcomes and options which can be examined as part of this environmental assessment. The proposed Land Use Concept Plan, located within **Appendix A**, proposes the majority of development located away from areas considered to be of high environmental constraint. The description of constraints assessed as part of the RPS Environmental Constraints Assessment is provided in Table 10.

Table 10 – Site Constraints

Constraint Level	Description
High Constraint	High ecological importance or significance constraint to be considered in the EIS e.g. Wetlands, National Parks, erosion prone areas, critical habitat, habitat for Rare and Threatened species.
Moderate Constraint	Significant legislative significance where detailed assessment may identify management measures to offset or ameliorate impacts. While there are constraints under planning instruments, development impacts and potential would be assessed and identified in the EIS.
Low Constraint	Contains some values that may restrict development although are generally manageable given careful planning.
Unconstrained	Generally not constrained with limited restriction under most legislative instruments. May still be subject to planning provisions where conflicts with proposed land use exist although are relatively unconstrained on environmental grounds e.g. cleared areas or areas with re-growth vegetation outside Great Barrier Reef protection areas.

The constraints map (Figure 8), identifies the relative constraints and opportunities of development for the site. Limited opportunities for development in these high constraint areas will be investigated in the EIS.

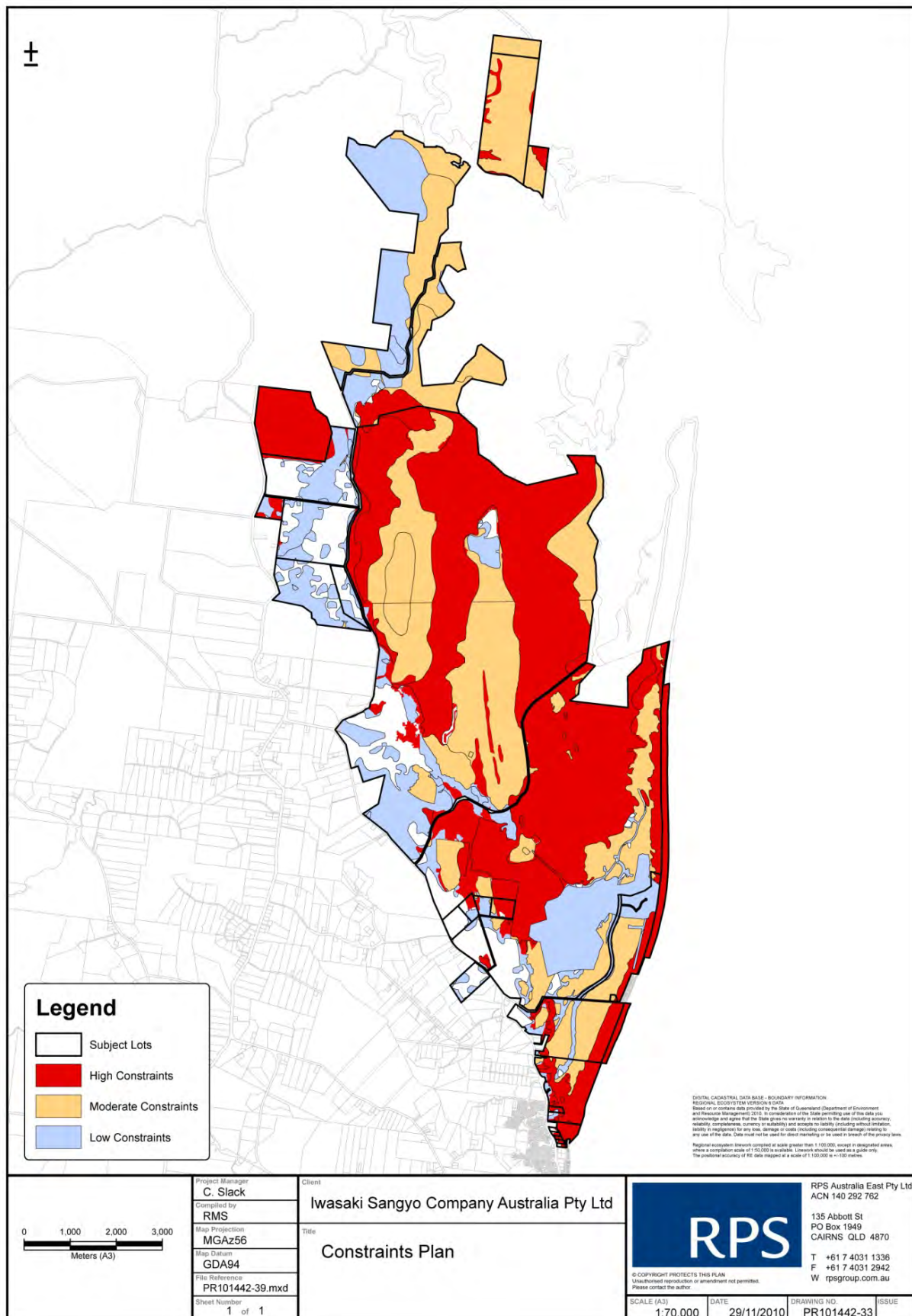


Figure 8 – Constraints Map

The proposed development of the areas to the south of the Project area is feasible considering the following conclusions:

- It is an area of existing fragmentation with the large areas of connective habitat to the north of the Resort area;
- Avenues for approval of residential or urban development exist where identified environmental values can be maintained or provision of compensatory measures can ensure that state interests are achieved;
- The provision of existing infrastructure provides for an order logical sequence of development in that location;
- No wetland areas would be impacted by a development proposal in these areas;
- Essential Habitat for species or communities of significance would be avoided;
- Solutions through the provision of offsets could provide for conformance with Vegetation Management policies and legislation;
- Erosion prone areas and climate change parameters can be avoided to allow for future fluctuations in the coastline from coastal processes;
- MNES listed species can be catered for in a proposed development layout; and
- Other identified factors that would need to be considered in development of this area can be provided for in careful management and planning of urban planning scenarios.

9.2 Development Commitments

Prior to the commencement of construction, the Proponent commits to the preparation and implementation of an Environmental Management Plan (EMP), including a Vegetation Management Plan. The EMP will be prepared in accordance with the content and outcomes of the EIS and will act as the overriding environmental management strategy for this significant site. The EMP will be an enduring document which will inform environmental management of the entire site for the development horizon of the Proposal and beyond.

The EMP will address all elements of work that have a potential for adverse environmental impact and will specify for each:

- Performance requirements;
- Reporting to statutory agencies;
- Monitoring; and
- Remedial Action.

Items which will be addressed within the EMP will include, but will not necessarily be limited to:

- Air Quality Management;
- Bushfire Control;
- Conservation and Biodiversity Protection Plan;
- Dune Protection Plan;
- Emergency Service Planning;
- Erosion and Sediment Control;
- Fauna Protection;
- Landscaping and Rehabilitation Plan;
- Visual Amenity Planning;
- Vegetation Management Plan;
- Offset Management Plan;
- Sewage Disposal;
- Soil Management Plan
- Stormwater Management;
- Sustainability Management Plan;
- Tidal Flows and Storm Surge Controls;
- Transport and Traffic Management;
- Tourism Management Plan;
- Waste Management Plan;
- Water Quality Management;
- Water Supply Management;
- Weed Treatment Plan; and
- Wetland Protection Plan.

All components of the EMP will be prepared by specialists as part of the EIS process. The EMP will be based on best practice and will ensure the balance between rehabilitation and management of development and the natural environment is maintained as part of the Iwasaki Capricorn Integrated Resort Project Proposal.

10.0 Summary

10.1 Costs and Benefits Summary

Iwasaki will deliver the Iwasaki Capricorn Integrated Resort Project at no cost to the Queensland State Government. It is not possible to estimate the total value of the entire Project which will be staged over 20 years or more and cover 4,000 ha. In the short term however, the Project includes the provision of assets costing Iwasaki approximately \$600 million focused on the Capricorn Tourism Resort, which will be the anchor for the overall Integrated Development and a cornerstone for expansion of the Tourism Sector in the Capricorn Region.

The purpose of assessing the impact of the Proposal is to identify and demonstrate the Proposal is in the public interest. That is to examine if:

- The benefits of the Proposal to the community as a whole outweigh the costs; and
- The objectives of the Proposal can only be achieved through the declaration of the Proposal as a Coordinated Project.

In keeping with the principles of sustainable development, it is proposed that the Iwasaki Capricorn Integrated Resort Project will deliver a net benefit with consideration of the environmental, social and economic outcomes of the Proposal.

The Project, throughout its lifecycle, will advance and strengthen the mutually reinforcing outcomes of sustainable development. Table 11 provides a summary of the outcomes of the Proposal.

Table 11 – Costs and Benefits Summary

Infrastructure	Urban Planning	Building Design	Constraints / Opportunities	Key implementations measures
ENVIRONMENT				
<ul style="list-style-type: none"> The required infrastructure capacity to the site is available. Solar and Wind power generation is proposed to support the development. 	<ul style="list-style-type: none"> Energy generation is proposed as part of the development. This will support the tourism, environmental and education aspects of the development. Environmental planning and outcomes will be a key focus of the Proposal. Delivering on regional economic policies and strategies through its diverse product offer on site that will assist in the population, employment and economic growth. 	<ul style="list-style-type: none"> Unique prefabricated construction techniques will be adopted. Building and construction will not impact the high environmental values of the site. 	<ul style="list-style-type: none"> Parts of the site are subject to native vegetation and sensitive environments. Parts of the site are subject to the Coastal Management District. Adjoining areas are subject to significant natural ecosystems which need to be preserved. Species of National Environmental Significance can be catered for in the proposed development option. 	<ul style="list-style-type: none"> Prepare and implement an EMP for the site, which will include appropriate ground truthing, rehabilitation strategies, monitoring and offset habitats. Undertake due diligence into the renewable energy requirements of the solar and wind power generation. Refine the development option based on the findings of the above two (2) items.
ECONOMIC				
<ul style="list-style-type: none"> Capitalise on mining industry growth. Compete in the tourism market. Providing a boost to the tourism through encouraging tourists to stay longer. 	<ul style="list-style-type: none"> Residential population will increase. The integrated Resort will provide a key focus on tourism for the Capricorn Coast, showcasing the natural values of the Region. The Iwasaki Capricorn Integrated Resort Project will provide a unique offering through its diverse uses. The Iwasaki Capricorn Integrated Resort Project will provide uses that support the tourism, mining and aviation industries. 	<ul style="list-style-type: none"> Construction jobs will be finite over the 20 year development horizon. Permanent jobs will be ongoing. 	<ul style="list-style-type: none"> Global financial stability. Decline in tourism interest over the coming decades. Long term tourism growth is a Project focus. 	<ul style="list-style-type: none"> Delivery the Iwasaki Capricorn Integrated Resort Project in a sequenced and timely manner over the development horizon. The Iwasaki Capricorn Integrated Resort Project is anticipated to generate direct financial benefits to the broader Rockhampton Region and Queensland through stamp duty taxes, rate charges and other contributions.

Infrastructure	Urban Planning	Building Design	Constraints / Opportunities	Key implementations measures
SOCIAL				
<ul style="list-style-type: none"> The Project will reduce the unemployment rate. 	<ul style="list-style-type: none"> Residential population will increase. Meeting the housing needs of the Region. Providing housing for fly-in fly-out workers. Job creation and education up-skilling will be key benefits to the community as part of this Project. 	<ul style="list-style-type: none"> Between 18,500 and 19,000 construction jobs will be created over the lifetime of the Project. This would comprise between 8,000 and 8,500 on site jobs and between 10,000 and 10,500 off site jobs over the life of the development. Approximately 2,160 on-going permanent tourism/ education jobs will be created. Approximately 10,500 jobs will be in demand as a result of the new community. 	<ul style="list-style-type: none"> Skills and training will be enhanced within the Region through jobs and education. 	<ul style="list-style-type: none"> Prepare and implement a Community engagement strategy which will be a key focus during the planning and delivery of this key Project. The community will need to be consulted and engaged with throughout the lifetime of the Project.

Following the detailed analysis of the Proposal during any future EIS process, consultation will occur with DEHP in order to ensure that adequate compensatory habitats are developed so that there will be no net loss of habitat or productivity in the Region.

Ultimately, the Proposal will provide benefits to the Capricorn Region that will far outweigh the costs of the development in terms of the principles of sustainable development.

11.0 Consultation Strategy and References

11.1 Consultation Strategy

The Proponent places a high importance on effective communication with its key stakeholders, and acknowledges that this is critical to the ongoing success of the Iwasaki Capricorn Integrated Resort Project. The Proponent has a track record of ongoing communication with local community and environmental groups.

Iwasaki is committed to a consultation strategy as part of the EIS process, which provides opportunities for active community engagement, involvement and education regarding the Proposal and its sustainability principles.

The public consultation strategy will be coordinated by a suitably qualified consultant with a track record in community engagement and consultation.

The details of the consultation strategy will be included with the preparation of any future EIS. The objectives of the consultation will be to:

- Inform the local community and local stakeholder groups about the Proposal;
- Utilise local feedback and information from the consultation to inform the Proposal;
- Outline the EIS process and the approvals required for the Project;
- Provide the community with a sense of ownership and empowerment relating to the Proposal; and
- Provide a range of accessible opportunities for community participation.

The Consultation Overview outlines the management and process that would be used to ensure that communications and consultation remain core to the Project and underpin Project objectives:

- Preparing and implementing the Consultation strategy;
- Identification of the communities of interest;
- Identification of key messages;
- Identification and implementation of consultation techniques and tools, including but not limited to, community / stakeholder meetings / forums, active community workshops, Project updates etc;
- Responding to community issues and concerns;
- Media relations;
- Reporting to the Project team and the Office of the Coordinator-General;
- Stakeholder consultation and management;
- Open, robust and transparent engagement;

-
- Proactive issues management; and
 - Stakeholder issues management.

During the EIS process, the Proponent will establish a Project-specific website. This website is intended to provide the wider community with an unobtrusive means of viewing key Project information and milestones and to provide updates about the progress of the EIS process and the approvals required for the Project.

11.2 References and Acronyms

11.2.1 References

- Capricorn Enterprise (2011) *Mercure Makeover for Capricorn Resort Yeppoon* available online at: <http://www.capricornenterprise.com.au/2011/10/mercure-makeover-for-capricorn-resort-yeppoon/> (accessed 27 March 2012)
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- Tourism Queensland (2012) *Central Queensland Tourism Economic Facts* available online at: http://www.tq.com.au/fms/tq_corporate/research%20%28NEW%29/Economic%20and%20Forecasts%20Data/Central%20Queensland%20Tourism%20Economic%20Facts%20-%20November%2012.pdf
- UDPA Planners Pty Ltd (1978) *Environmental Impact Study – International Tourist Centre Farnborough (Queensland)*

11.2.2 Acronyms

AEMO	Australian Energy Market Operator
AEMS	Area Energy Management System
AHD	Australian Height Datum
BMS	Building Management System
BREE	Bureau of Resources and Energy Economics
CASA	Civil Aviation Safety Authority
CT	Current Titles
DEHP	Department of Environment and Heritage Protection
DNRM	Department of Natural Resources and Mining
EIS	Environmental Impact Statement
EMP	Environmental Management Plan
EP Act	<i>Environmental Protection Act 1994</i>
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
FHA	Fish Habitat Area
FIFO	Fly in / Fly out
FTE	Full Time Equivalent
GRP	Gross Regional Product
HES	High Ecological Significance
IAS	Initial Advice Statement
IDAS	Integrated Development Assessment System
LGA	Local Government Authority
MNES	Matter of National Environmental Significance
NSP	Network Service Provider
OC	Of Concern
OECD	Organisation for Economic Cooperation and Development
OESR	Office for Economic and Statistical Research
PAA	Priority Agricultural Area
PLA	Priority Living Area
RE	Regional Ecosystem
RPP	Riverine Protection Permit
RPT	Regulated Passenger Traffic
SARA	State Assessment and Referral Agency
SDPWO Act	<i>State Development and Public Works Organisation Act 1971</i>
SPA	<i>Sustainable Planning Act 2009</i>
SPP	State Planning Policy
STP	Sewage Treatment Plant
TEC	Threatened Ecological Community
VMA	<i>Vegetation Management Act 1999</i>