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East Wing Corporation

Hummock Hill Island
Development

Initial Advice Statement

A Master Planned Integrated Tourism
Community

January 2006



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Executive Summary

East Wing Corporation Pty Ltd (“East Wing”) proposes to develop an integrated tourism, recreational and residential community on Hummock Hill Island, near Gladstone in Central Queensland. Hummock Hill Island is a mainland island, 30km south-east of Gladstone, separated from the mainland by Boyne Creek, a narrow branch of Colosseum Inlet.

The project will consist of two resort hotels, camping grounds, holiday and residential dwellings, a golf course, education precinct, a commercial centre, and marine commercial facilities. The development will provide public access to beautiful beaches and waterways that are presently accessible only by boat. Recreational facilities will be provided for swimming, boating, fishing, camping, picnicking, bushwalking, bowling, tennis, golfing and flying. About two thirds of the development lease will remain undeveloped and managed for conservation values and compatible recreational usage.

The proposed development will provide the strategically important industrial centre of Gladstone and mining areas of Central Queensland with a quality tourist and recreational facility that is not currently available in the Gladstone region. Quality of lifestyle for executives and staff of major industries is a significant problem for employers seeking to attract employees to Gladstone and a major grievance is the lack of high quality recreational facilities and access to good beaches. When the access road and the bridge to the island are constructed, these facilities will be accessible from Gladstone in 30 minutes.

The project will be a significant development for the State of Queensland and the Central Queensland Region in particular:

- ▶ Total development value of \$825 million over about 22 years, including \$125 million in physical infrastructure and \$29 million in social infrastructure and recreational facilities;
- ▶ 4500 person years of direct employment during this period, with an average of 70 jobs per year until 2029, increasing to 200 jobs per year from 2010;
- ▶ The bulk of construction expenditure likely to take place in the local and regional economy, with all of the construction materials able to be sourced from within Queensland;
- ▶ A final population (permanent and temporary) of about 4,500, generating about 400 FTE permanent jobs per annum;
- ▶ Significant opportunities for skilled and unskilled employment for local residents in both construction and operation;
- ▶ Community benefits including greater training and job opportunities for local people in the region, particularly the young;
- ▶ An educational centre that will support research in environmental management and provide facilities for residents and tourists to undertake university study programs;



- ▶ A new source of tourist attractions in the region which will benefit existing residents as well as increased overall lifestyle attractions of Central Queensland;
- ▶ Significant contributions to council in fees and development charges;

The Hummock Hill Island project offers a unique opportunity to develop a tourism-based community founded on strong and sustainable economic and ecological principles. State of the art engineering and architectural designs will minimise impacts on the local environment, minimizing the demand for (and use of) precious natural resources and ensuring long-term environmental sustainability of the development.

The development intends to be in harmony with the natural environment and showcase innovative urban and residential design in relation to energy and water consumption as well as protection of ecosystems. Natural environmental values are a key feature of the Island's setting, being located in the Great Barrier Reef World Heritage Area and Marine Park. Commonwealth and State government policies and standards for environmental protection have been adhered to in Master Planning for the project to ensure that the natural attractions of the Island and surrounding areas are protected for potential residents and visitors and Queenslanders in general.



1. Introduction

1.1 Project Overview

East Wing Corporation Pty Ltd (“East Wing”) propose to undertake the establishment of an integrated tourism, recreational and residential community on Lot 3 FD841442, Parish of Rodds Bay on Hummock Hill Island over which East Wing holds Special Lease 19/52155 with an area of 1163 ha. The development comprises two resort hotels, a camping ground, residential and holiday residential development of various forms, a golf course and associated sporting facilities, education precinct, a small commercial centre, and small scale marine commercial facilities.

The project offers a unique opportunity to develop a tourism-based community on a very special part of the Queensland coast. First and foremost, the proposed development will provide the strategically important industrial centre of Gladstone and mining areas of Central Queensland with a quality tourist and recreational facility that is not currently available in the region. The island’s natural attractions will be augmented by recreational facilities for activities such as swimming, boating, fishing, camping, picnicking, bushwalking, bowling, tennis, golfing and flying.



Figure 1: View from Headland



The proposed educational centre will support research in environmental management and provide facilities for residents and tourists to undertake study programs linked to a major Queensland university. We believe this may be a first in Queensland, if not Australia.

The project will be developed to the highest environmental standards, utilizing state-of-the-art engineering and architectural designs to minimize impacts on the local environment, to minimize the demand for (and use of) precious natural resources and to ensure long-term environmental sustainability of the development. Environmental management plans will be prepared to monitor and manage any impacts on the surrounding environment identified in the Environmental Impact Assessment stage. At a property level, covenants will be placed on land parcels requiring landowners to retain remnant vegetation, use appropriate sustainable building designs, rainwater tanks and similar measures to minimise the ecological footprint of the development.

The proposed educational centre will support research and the proponent is currently negotiating with the Institute for Sustainable Resources at Queensland University of Technology.

1.2 Project Significance

The proposed Hummock Hill Island development is considered a Significant project under the State Development and Public Works Organisation Act 1971 for the following reasons.

The proposed project is of strategic significance to Central Queensland and the State of Queensland as a whole:

- ▶ It will enhance quality of life for residents of Central Queensland, including those of the inland mining communities, by providing a recreational and holiday destination suitable for day and overnight trips as well as longer stays.
- ▶ Hummock Hill Island is close enough to Gladstone to allow people to commute, this providing an attractive residential environment to match the increasingly exciting employment opportunities associated with industrial development in Gladstone.
- ▶ The project will contribute significantly to the local and regional economy, both in terms of expenditure during construction and operation, and diversification of the economic base.

The investment in major infrastructure and urban services is estimated to be \$125 million to be spent in the local, regional and State economies over a 15 year development period. This will include installation of access roads, the bridge, water, power generation and wastewater management and will provide employment for between up to 80 employees per year over this period.

Investment in building construction costs is in the order of \$700 million to be spent in the local and regional economy over a period of about 20 years. It is expected that at least 200 persons will be employed per year in building construction activities.



Operation of the proposed development is likely to generate about 400 full time equivalent positions.

- ▶ Hospitality and tourism including 2 hotels, a motel, camping grounds, holiday rentals and related transport, retail and food services
- ▶ Recreational services including golf course, fishing and boating
- ▶ Maintenance services.

Employment in these areas will allow diversification of the regional economy and employment base and provide opportunities for those growing up in the region to remain as residents.

The proposed development at Hummock Hill Island takes the environmental opportunities and constraints into consideration to ensure that the development takes place within the sustainable limits of the environment. The project is located in a sensitive environment where inappropriate or poorly planned and managed development would have irreversible impacts.

The proposed development will require a complex raft of environmental approvals (refer Section 3). Significant consultation and coordination between agencies at the Commonwealth, State and local levels will be necessary to ensure that thorough assessment is undertaken and suitable approval conditions provided.

The development has been planned and designed to comply with Commonwealth, State and local government legislative and policy requirements (refer Section 3). Critically, the proposed development:

- ▶ Can be achieved without impacting on the World Heritage values of the Great Barrier Reef World Heritage Area (refer Section 3.3.2)
- ▶ Is compliant with the requirements and policies of the State Coastal Management Plan (refer Appendix C1)
- ▶ Contributes to achievement of the desired regional outcomes for the Wide Bay and Central Queensland regions, as set out in Regional Growth Management Frameworks for these regions (refer Appendix C2).

Existing regional infrastructure is adequate to support the development. The proposed development will be designed to minimise demands on existing regional infrastructure and services and the proponent will fund upgrades where required. Opportunities to improve infrastructure services to other local communities exist.

1.3 The Proponent

The proponent is East Wing Corporation (ABN 79 000 155 591). The shareholders of the proposed development of Hummock Hill Island are the Scarf and Hatsatouris' families from Sydney, NSW. Over the past 10 years their family companies and associate companies, have been responsible for major property developments in NSW, consisting of: shopping centres; home unit developments; commercial properties with a value of over \$250 million.



Recent projects by East Wing Corporation include:

- ▶ Shopping complex, comprising cinema complex and 22 shops
- ▶ 294 New South Head Road, Sydney – office building with
- ▶ Rezoning of land for 70 home units - Port Macquarie
- ▶ DA for a Shopping Centre in Gladstone – sold to Advanced
- ▶ Development of The City Centre - Market and Pitt Streets,
- ▶ The Georges Centre, 45 Cross Street, Double Bay
- ▶ Redevelopment of 125 York Street, Sydney
- ▶ Redevelopment of 70 Edgecliff Road, Woollahra
- ▶ Redevelopment of Edgecliff Post Office into retail and commercial
- ▶ 207 Darlinghurst Road, commercial and residential – Darlinghurst.



MASTER PLAN H (CONTEXT)

HUMMOCK HILL ISLAND