

Redevelopment of Hook Island
An Environmentally Sustainable Island Wilderness Resort
Initial Advice Statement

Enquiries:

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Executive Summary

The Hook Island Wilderness Resort is being redeveloped to give the public the opportunity to access and appreciate the natural attractions of the Whitsunday National Park and the surrounding Great Barrier Reef Marine Park. The development addresses the need for a quality eco-tourism product in the Whitsundays and creates a world class environmental experience for guests in this unique World Heritage area.

The design and development of the improvements including eco-cabins, the eco-lodge, the Back Beach accommodation, water management and energy supply will be an international showcase for environmentally sustainable development.

Hook Island is the perfect location for establishing an eco tourism centre for the region. It benefits from proximity to the established regional infrastructure to enable accessibility for visitors, staff, supply and services. Importantly, Hook Island retains a sense of isolation and communion with nature being visually and physically removed from the highly variable densities, quality and experiences provided by developments on the other Whitsunday islands and mainland destinations.

The proponent is Laguna Island Adventures Pty Ltd, a company owned by Mr David Marriner who has extensive experience in developing, promoting and operating significant tourism attractions.

The Hook Island redevelopment offers significant economic benefits for the region and Queensland, including:

- Creating a world class eco-tourism signature in one of the most beautiful and significant natural destinations in Australia
- Filling a void currently in the market and creating a new type of product (high quality total ecotourism) for the Whitsundays attracting new segments of the market that are not currently visiting the Whitsundays
- A total development value of \$50 million over 3 years;
- 180 person years of direct employment during construction, peaking at 75 jobs in year 3;
- wages and salaries of \$15 million for the construction workforce;
- once fully operational, 55 jobs for the operation of the new eco lodge and cabins, day and education centres, with salaries and wages of \$3 million per annum;
- an average of 250 visitors staying at the resorts at any one time, adding 90,000 guest nights stayed in the Region;
- community benefits including greater training and job opportunities for local people in the region, particularly the young in hospitality and ecotourism.

The redevelopment of Hook Island will increase the range of quality tourism operations in the Whitsunday region introducing new markets to the region's attractions. It will provide a positive impact to the Whitsunday tourism industry ensuring that both national and international visitors will be offered a unique eco-tourism and environmentally sustainable development experience.

1.0 Introduction

1.1 Purpose

Given the unique opportunity to showcase the attractions of the natural environment of the Whitsundays and Great Barrier Reef through an environmentally sensitive approach to development and tourism operations the purpose of this Initial Advice Statement is to provide all necessary information to the public and advisory agents at Local, State and Federal levels, as stated under the State Development and Public Works Organisation Act 1971 (SDPWOA).

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1.2 Proponent

The proponent is Laguna Island Adventures Pty Ltd, a company controlled by Mr David Marriner.

David Marriner has been involved in business for over thirty-five years as an entrepreneurial investor and proprietor in a variety of industries including property development, tourism, live theatre, retailing and hotel management.

David has undertaken many initiatives in large and long term property investments and development projects. Based in Melbourne, he has also invested heavily in the acquisition, restoration and operation of four of Melbourne's most famous theatre venues and is the largest private operator of live theatre in Australia.

Between 1993 and 2000 he managed a 50-50 joint venture with the Construction and Building Industry Union Superannuation Fund (Cbus) as founder and Managing Director of Staged Developments Australia.

Below is a brief summary of David's achievements:

- Development of Marriner Views, a 26 level luxury apartment building on the Gold Coast
- Development of the Cumberland Resort on the Great Ocean Road at Lorne. The Cumberland is Victoria's premier convention centre outside Melbourne and is a member of Tourism Victoria's Hall of Fame.
- Acquisition and restoration of Melbourne's 120 year old spectacular Princess Theatre which has hosted many high profile productions including *Phantom of the Opera*, *Les Miserables*, and *Beauty and the Beast*.
- Investment in the landmark city site of the former Queen Victoria Hospital which was subsequently resold for development of mixed retail and commercial space and residential apartments
- Restoration of Melbourne's Regent Theatre and Plaza Ballroom in conjunction with Melbourne City Council and Victorian State Government
- Acquisition and restoration of Forum Theatre and Comedy Theatre in Melbourne
- Development of the Westin Melbourne on Regent Place, a five star hotel on Melbourne's City Square together with 5 levels of luxury residential apartments above the hotel complex, a \$150M project.
- Development of Victoria Gardens, a \$500 million mixed use development adjoining the Yarra River at Richmond, including residential, retail, and commercial aspects
- Development of Hotel Lindrum, a 60 room, four star boutique hotel overlooking the Yarra River and Botanic Gardens in Melbourne's CBD.
- Development of Bouverie Close, a residential apartment building of 155 apartments on 10 levels close to Melbourne University.

- Investment in and refurbishment of Harbour Rocks hotel, a heritage listed boutique hotel in the Rocks area of Sydney
- Acquisition and operation of Parkland Retirement Villages, comprising 520 deluxe units located on Sydney's North Shore/Northern Beaches at Lindfield and Bayview
- In 1991 the Melbourne City Council Marketing Award was presented to David Marriner in recognition for his contribution to the City of Melbourne.
- At the 1992 Victorian Tourism Awards David won the “Outstanding Contribution by an Individual” category.
- Appointed in October 1993 by the Minister for Tourism, as his representative to the Melbourne Tourism Authority (now Melbourne Convention and Tourism Authority) and duly elected Chairman.
- Appointed to the Board of Tourism Victoria in June 1994.
- Involved in forming the marketing and meeting industry’s association known as Melbourne Convention and Marketing Bureau and elected Deputy Chairman.
- Executive Chairman of the Marriner Theatres
- Nominated Ambassador for the Arts and Culture for the City of Melbourne by the Melbourne Convention and Marketing Bureau in November 1996.
- In January 1997 David was awarded the “1997 Victorian of the Year” Metropolitan Victoria by the Premier of Victoria.

David Marriner’s Laguna group of companies have made significant tourism investments in the Whitsunday’s region and the Queensland Tourism industry including the purchase and/or establishment and operation of the following businesses;

- Air Whitsunday Seaplanes with a fleet comprising 3 Cessna Caravans and 5 Beavers.
- Ownership of reef tour boats; Voyager and First Light.
- Semi submersible reef explorer and Reef Pontoon.
- *Where? What? How?* Whitsunday travel agency.
- *Carnarvon Gorge Wilderness Lodge* – Carnarvon Gorge Queensland

The Laguna group owns and is developing Laguna Whitsundays (formerly Laguna Quays Resort) into a coastal leisure community and destination.

Laguna Whitsunday’s Resort currently comprises:

- Turtle Point 18 hole championship golf course
- 60 room Turtle Point Hotel
- 240 seat conference centre
- 38 terrace apartments, 80 condominiums & 15 villas
- Racquet Club and swimming pools

- Beach club and Lagoon (15 hectares, salt water) offering variety of water sports.
- Marina Harbour with 110 berths
- Helipad and grass strip airfield for light aircraft.
- Equestrian Centre

Laguna Australia is undertaking substantial further development of the property incorporating the following facilities;

- Laguna Whitsunday Airport.
- Laguna Village.
- Turtle Point land sales.
- Marina Apartments.
- Marina expansion.
- Jagabara golf course.
- Whitsunday Ranges freehold allotments.
- Pandanas Golf Course.

2.0 The Project

2.1 Location

Hook Island is the second largest of the Whitsunday's 74 Islands. The Island is situated in the Whitsunday Shire, and is located approximately 20 kilometres north east of Shute Harbour. Adjoining Islands include Hayman and Whitsunday Island, as per the map below.



Hook Island comprises approximately 17,000 Hectares of which 9.31 hectares is the actual 'Hook Island Wilderness Resort' identified as Leasehold land (Lot A).

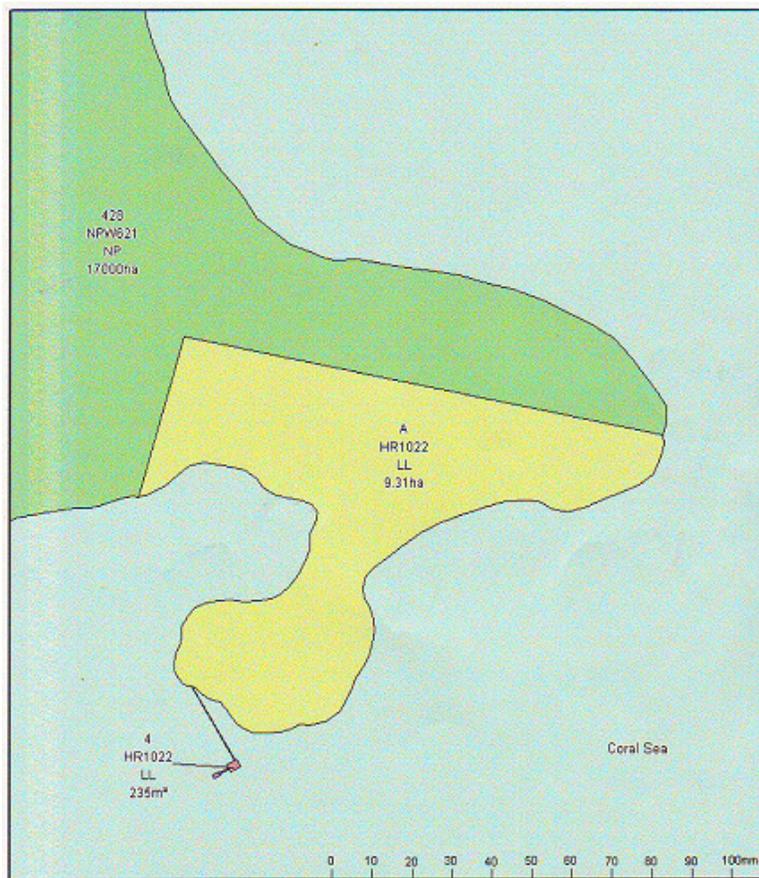
Lot A comprises an irregular shaped parcel and is described as Lot A, Crown Plan HR10022, County of Herbert, Parish of Hook. (see Appendix 1)

It consists of headland in the southern part from which the Hook Island Underwater Observatory extends (Lot 4), with a beach to the northeast and an additional beach to the northwest.

Adjacent to the eastern beach is some fairly level land on which the main existing improvements and camping areas are located. The western beach has a larger area of fairly level land with a tidal flat intrusion behind the beach.

Lot 4 incorporates the Hook Island Underwater Observatory, which includes an access jetty. Set in the coral reef of the rocky headland, the Hook Island Underwater Observatory is one of the long established tourist attractions of the Whitsunday Regions.

Both Lots are zoned Particular Development – Tourist Resort and are currently subject to a 30 year lease expiring on 30 June 2018.



Hook Island Title Plan

2.2 Concept

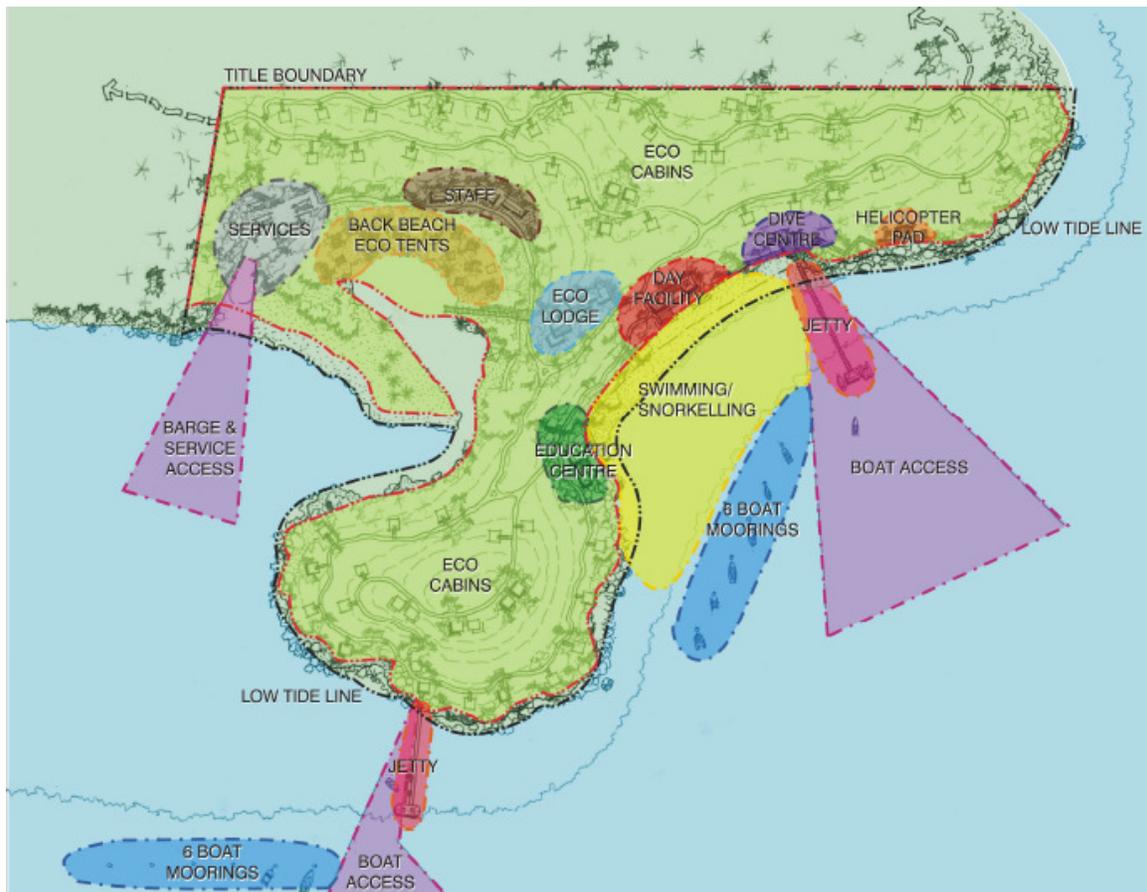
Activity and Use Zones

The masterplan as shown below for the Hook Island redevelopment sets out the different zones for the Leasehold land.

The Eco cabins are spread throughout the site enabling privacy and a true nature experience whereby the guests can relate to the natural landscape, the Coral Sea and the neighbouring islands.

The more intense activity areas such as the Day facility and Dive Centre are located to the front of the site enabling minimal disruption to the greater island.

The swimming and snorkelling area remains in the same location as it currently is. Staff and service areas are positioned as back of house areas away from the activity centres.



Hook Island – Masterplan Layout

The redevelopment of the Hook Island Wilderness Resort will be constructed and operated in accordance with the following principles:

- The Resort will provide accommodation and a day facility for visitors to use as a comfortable base for holidays and short visits;
- It will include an education centre for briefing visitors of the history of the Whitsunday's and the natural attractions of the island;
- The Underwater Observatory will be utilised as a focal point for educational activities on the marine environment;
- Design and construction of overnight accommodation will maximise the relationship between the visitor and the surrounding natural environment;
- Design and construction of overnight accommodation will minimise the visual and environmental impact of the built forms;
- All overnight visitors will be provided with material describing the local heritage and natural attractions that they can access during their stay on the island;
- The Resort will work closely with Queensland Parks and Wildlife in developing and distributing further educational materials regarding the Whitsunday National Park;
- An information program regarding environmentally sustainable development (ESD) will also be provided and it is envisaged that the island will become a centre for ESD education;
- Wildlife and pest management plans will be formulated in accordance with QPWS guidelines and requirements

To be delivered over a 3 year period, the \$50 million Hook Island redevelopment will incorporate the following Facilities and Services:

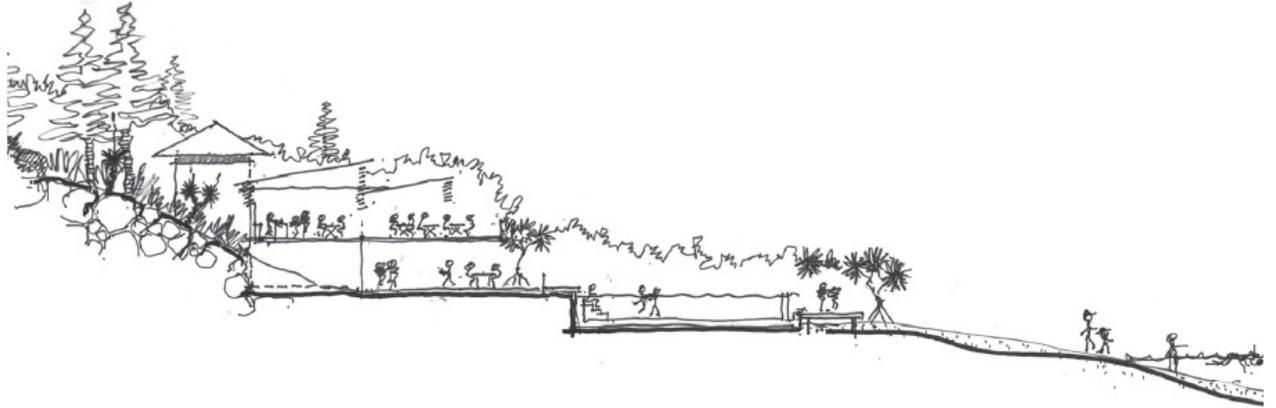
Day Facility

The Day Facility includes a bar, a restaurant, a shop and pool and spa facilities. The facility will be the primary common area for overnight guests and will provide a base for day visitors to the national park.

The resort shop will supply general merchandise, books and holiday supplies. It will also provide general supplies and limited boat equipment for passing yachts and day visitors.

The Day Facility building is located on the same site as the existing facility and is designed to fit comfortably into the natural contours of the rise and blend in amongst the natural vegetation.

The lower level of the Day Facility looks out over the pool with an infinity edge to Hook Passage and Whitsunday Island. The higher levels look down over the main beach, Hook Passage and Whitsunday Island.



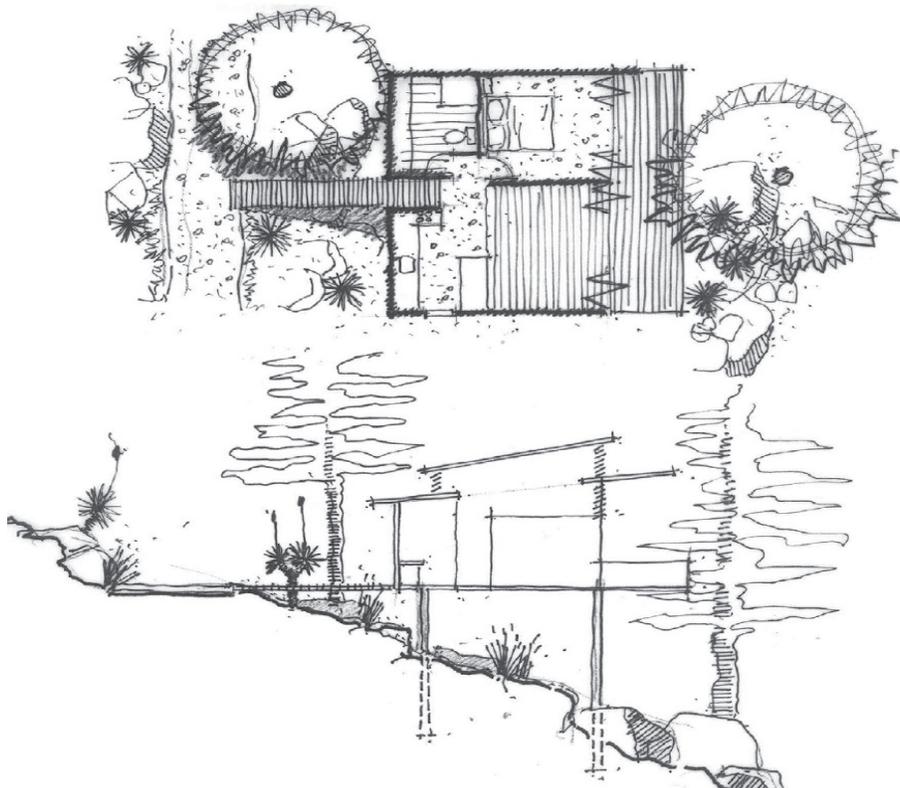
Hook Island Day Facility

Overnight Accommodation

Eco Cabins

Eco Cabins are dispersed around the lease area. Nestled in the natural vegetation each cabin has views through the trees to the surrounding ocean.

Cabins are approximately 9m x 9m and are constructed on stilts to minimise the building's footprint. They are cantilevered below the access paths. Each cabin is located and designed to create a sense of seclusion and privacy and to capture the views of the islands and ocean. Cabin design also includes passive features to maximise the utilisation of natural ventilation for cooling. All cabin appliances will be rated for highest levels of energy efficiencies.



The Eco Cabins will be either stand alone or in a double cabin arrangement that retains the sense of isolation with no visual contact with adjoining cabins. The double cabin arrangements maximise utilisation on prime sites and can provide a closer proximity for small groups requiring more than one room.

The eco cabins cater to couples and families wanting a very comfortable eco tourism experience.

Eco Lodge

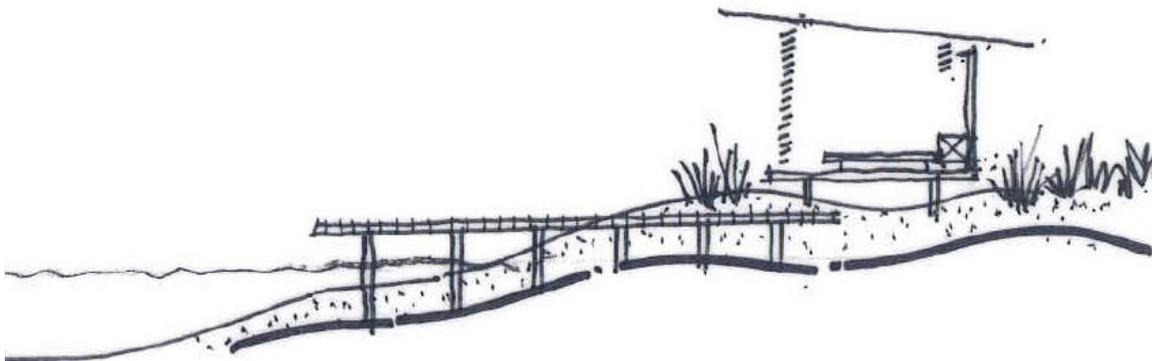
The Eco Lodge includes 40 units for overnight visitors with a range of one and two bedroom options. The Eco Lodge is designed to nestle into the ridge minimising visual impact and can accommodate couples, families and small groups. As with the Eco Cabins the experience will provide a very comfortable eco tourism experience.

Back Beach

A number of permanent Eco Tents are proposed for the Back Beach. The Eco Tents will provide for school, dive and camping groups with bunk beds and communal bathroom facilities. The Back Beach area is to be revegetated with natural thicket to enclose the setting.

The Eco Tents have a typical footprint of 4m x 4m and would sit above the sandy shore of the lagoon. The pods would have timber floors and a solid rear wall with adjustable louvre or roll down screens. The back Beach Eco Tents are designed to maximise the relationship with the outside environment. They are also designed to maximise ventilation and minimise visual impact. A boardwalk amongst coastal sand dune vegetation will access the apartments.

Back Beach Eco Tents are targeted at students and other groups and generally provide a lower priced accommodation option than the Eco Cabins and Eco Lodge.



Back Beach Eco Tents

Underwater Observatory

The existing underwater observatory continues to provide visitors with a unique underwater experience without leaving contact with the island. Work is continuing on the safety and operational assessment of the observatory and it is proposed that the existing structure be restored and upgraded. Work is also proposed to restore the existing wooden jetty that leads to the observatory to a safe and usable condition.

Options to extend the underwater observatory through underwater walks are being explored. There is the potential to build on Hook Island's heritage as the home of the underwater observatory to create a modern underwater experience.



Underwater Observatory

Other Facilities

Education Centre – class room / conference room facility

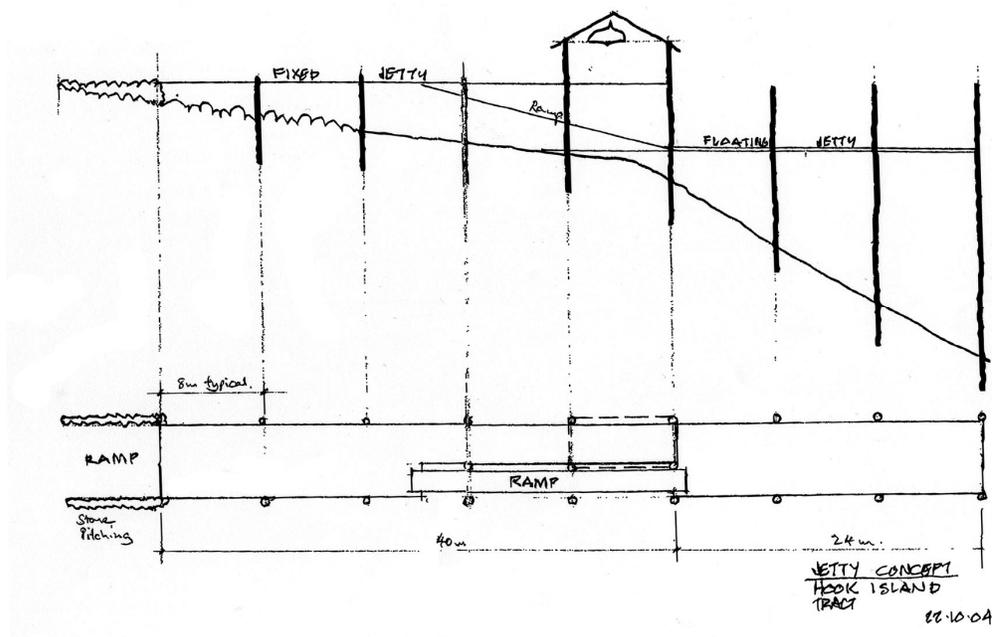
Dive Centre – with compressor for refilling scuba tanks and storage for dive and snorkel equipment. Dive centre likely to utilize the Education Centre for diver training

Staff accommodation – for 55 resident staff, nestled in the hill behind the back beach and service area. Basic but comfortable accommodation ranging from General Manager accommodation to housekeeping and maintenance staff quarters.

Helicopter Pad – 10m wide landing deck and light weight housing for 2 rotary wing aircraft. Access via timber walkway to dive centre and day facility

Moorings – approvals are in place for 6 moorings off the main beach and a further 6 off the back beach to allow access vessel, tour operators and passing yachts to moor while visiting the resort

Jetty – a fixed to floating jetty is being designed to allow access to the island in all tidal conditions, to protect the reef and beach from boat damage, to ensure a safe swimming area and to ensure ease of transfer to the island for less mobile visitors



Hook Island Jetty Concept Plan

Relationship to National Park

All development and improvements on land have been limited to occur within the boundary of the existing Lease Title. However, both day visitors and overnight guests will be encouraged to explore the National Parks on Hook and Whitsunday Islands and to explore the underwater environment in the designated areas.

A series of walking paths is proposed for Hook Island and Whitsunday Island. To be designed and constructed in conjunction with Queensland Parks and Wildlife, these walks will be an integral part of the Hook Island Wilderness Resort experience. The island walking paths will be prominently signed within the lease area and information provided to guests on the various walking options and attractions.



Hook Island, Whitsunday National Park

Accommodation Analysis

Overnight Guests		Total Pax
Eco Cabins	60 cabins by two pax per cabin	120
Eco Lodge	40 units by average 3 pax per unit	120
Back Beach Eco Tents	20 Eco Tents by 4 pax	80
<i>Total Overnight Guests:</i>		320
Staff Accommodation	Free standing and dormitory style	55
Day Visitors		150
Total Visitor, Staff & Guest Capacity		545

2.3 Access

Water Transfer

Hook Island is accessible by water transfer via a ferry from Shute Harbour.

There are currently two commercial ferry services to Hook Island each day with travel time of approximately forty minutes. The increased visitation to Hook Island generated by the development will make viable more frequent transfers from the mainland and from Hamilton Island.

Laguna Australia's reef tour boat, Voyager, also services Hook Island daily as part of its "Three Islands" tour.

Air

Hook Island is accessible by helicopter transfer from either Shute Harbour Airport or Hamilton Island Airport. Flights from both locations are approximately 10 minutes.

It is proposed that a 10 metre wide landing deck be provided along with light weight housing for 2 rotary wing aircraft. Access to this area would be via a timber walkway to the dive centre and day facility.

Regional access from most capital cities is provided to Hamilton Island Airport and Proserpine Airport.

International access is currently restricted with Cairns and Brisbane functioning as the distant arrival points for international flights. Plans are underway to enhance accessibility to the Whitsundays for international visitors with a proposal to develop capacity for direct international flights at Laguna Whitsundays. This would open significant new markets for the Whitsundays including the development at Hook Island.

2.4 Staging / Timing

The Proponent believes that the potential for redevelopment of Hook Island is very exciting. With the appropriate tenure the financing can be arranged to establish the property as Australia's smartest eco tourism resort. It has the potential to be an example of what Queensland can achieve in promoting and managing its natural attractions and its national parks.

Due to the remoteness and small leasehold space it is anticipated that redevelopment of Hook Island would be undertaken in a single stage.

It is estimated that the project will be developed over three years. One year will be required for planning approvals and for the modified tenure and extension to the lease to be granted. The project construction would then commence at the start of 2009 and estimated to take two years to complete.

3.0 Infrastructure

Water & Sewerage

With the introduction of an integrated water management plan Laguna Island Adventures Pty Ltd aims to meet all Hook Island's water needs through desalination without relying on water tanked from the mainland.

The success of the management plan is based upon the effective use and reuse of all water on the site. Water falling on suitable roof structures on-site will be collected via rainwater tanks and used for non-potable purposes.

As part of the Hook Island redevelopment, Laguna Australia proposes to construct an on-site waste water treatment plant built to EPA, QPWS and DNR specifications.

The facility will have the capacity to handle sewage for in the order of 600 equivalent persons with the sewage being treated to tertiary level providing a source of recycled water, suitable for irrigation of the garden landscaping.

Roads and Paths

Access roads and paths connecting the jetty, day facility and accommodation for servicing, guest and emergency access will be designed and constructed to minimise impact on natural environment through control of width and location.

Jetty

A fixed to floating jetty is being designed to allow access to the island in all tidal conditions, to protect the reef and beach from boat damage, to ensure a safe swimming area and to ensure ease of transfer to the island for less mobile visitors

Day Facility

The Day Facility includes a bar, restaurant, shops and pool, and will be available for use by both day visitors and overnight stay guests. The facility will be landscaped and designed to sit comfortably within the existing trees and slope.

Island Discovery Walks

Further to Premier Peter Beattie's announcement on 31 August 2006 regarding the development of the "Reef Walk" incorporating the peaks of Whitsunday Island and Hook Island it is proposed that Laguna Island Adventures work with QPWS to design and construct a network of trails offering a range of experiences and degrees of difficulty. Hook Island discovery walks will range from several hours to longer hiking circuits to the north end of the island.

In order to protect the Island vegetation the trails will include interpretive multi lingual environmental signage for educational purposes in relation to island flora and fauna.

Energy Resources

It is the desire of the proponent that the power generation for the property be by a renewable source to replace to the greatest extent feasible the existing diesel generator system.

Investigation is continuing into various forms of renewable source energy including wind, solar and tidal.

The economic viability of the various available technologies is being assessed and the resort is able to include a benefit for branding and marketing in the financial assessment along with the traditional elements of capital and operating costs and benefits.

4.0 Planning Schemes and Policy Frameworks

4.1 Planning Scheme

Due to the island location of the Leasehold titles and the conditions of the leases, the management and commercial operations of Hook Island is regulated and administered by a number of authorities. In discussions with the relevant departments it has been proposed by the relevant departments that the preferred way forward is to excise the title from the National Park and to create a new lease administered by Department of Natural Resources and Water.

The relevant planning authorities include the following;

- Department of Natural Resources (DNR)
- Queensland Parks and Wildlife Services (QPWS)
- Great Barrier Reef Marine Park Authority (GBRMPA)
- Whitsunday Shire Council (WSC), and
- Environmental Protection Agency (EPA)
- Department of Primary Industries and Fisheries (DPIF)

The Whitsunday Shire Planning Schemes designate the land as being zoned Particular Development – Tourist Resort. This reflects the existing activity and leasehold land use of the operational Hook Island Wilderness Resort.

The project is required to be assessed against all relevant State Planning Policies including:

- State Planning Policy 2/02 – Planning and Managing Development Involving Acid Sulphate Soils
- State Planning Policy 1/03 – Mitigating the Adverse Impacts of Flood, Bushfire and Landslide.

Hook Island is also subject to the State Coastal Management Plan and the Draft Whitsunday and Mackay Coastal Management Plan.

We seek to achieve Ecological Sustainability in the development of the Wilderness Resort where Ecological Sustainability is defined as: ‘A balance that integrates;’

- (a) Protection of ecological processes and natural systems at local, regional, State and wider levels; and
- (b) Economic development; and
- (c) Maintenance of the cultural, economic, physical and social wellbeing of people and communities.

The Hook Island redevelopment meets the above guidelines with respect to Ecologically Sustainability.

4.2 Vegetation Management Act

Further, under the Vegetation Management Act (VMA), under the regulatory control of DNRM all vegetation in Queensland has been mapped. The Regional Ecosystem Mapping for the site is attached at Appendix 2.

The mapping identifies vegetation on the actual Leasehold site as:

- 2003 Remnant Not of Concern Regional ecosystem.

The vegetation types within the category listed above is outlined below:

- 8.12.14 Not of Concern – Variable eucalypt dominated associations, often with *Eucalyptus drepanophylla*, *E. crebra*, *Acacia spirorbis*, subsp. *solandri*, *Lophostemon confertus* and *E. exserta*, on islands and rocky headlands, on Mesozoic to Proterozoic igneous rocks, and Tertiary acid.

This category of vegetation does not present implications for future development of the Leasehold site.

With regards to the greater National Park section of Hook Island itself, the mapping identifies the vegetation as:

- 2003 Remnant of Concern Regional ecosystem - Dominant and Sub-Dominant

With the vegetation types within the categories listed above are outlined below

- 8.12.11 Not of Concern - Semi-deciduous microphyll vine forest/thicket with emergent *Araucaria cunninghamii* in coastal areas including islands, on Mesozoic to Proterozoic igneous rocks and Tertiary acid to intermediate volcanics and granite.
- 8.12.14 Not of Concern – Variable eucalypt dominated associations, often with *Eucalyptus drepanophylla*, *E. crebra*, *Acacia spirorbis*, subsp. *solandri*, *Lophostemon confertus* and *E. exserta*, on islands and rocky headlands, on Mesozoic to Proterozoic igneous rocks, and Tertiary acid.
- 8.12.18 Not of Concern - Notophyll to complex notophyll vine forest with *Argyrodendron polyandrum* ± *Argyrodendron* sp. (Whitsunday's W.J. McDonald 5831) ± *Araucaria cunninghamii*, on near-coastal ranges and islands, on Mesozoic to Proterozoic igneous rocks
- 8.12.29 Of Concern - *Lophostemon confertus* ± *Acacia leptostachya* ± *Acacia aulacocarpa* ± *Corymbia dallachiana* ± *Eucalyptus* spp. ± *Melaleuca viridiflora* ± *Allocasuarina littoralis* shrubland to open forest on exposed hillslopes of islands with abundant rock at the surface, on Mesozoic to Proterozoic igneous rocks, and minor areas of Tertiary acid volcanics (land zone 8) to intermediate volcanics.

5.0 Development Approval Process

5.1 Summary Overview

The Table below outlines the extent of Agencies that may be involved in the approval process.

Local

Whitsunday Shire Council

- Whitsunday Shire Planning Scheme
- Planning Scheme Policies
- Local Laws

State

Environmental Protection Agency

- Environmental Protection Act
- Environmentally Relevant Activities
- Harbours Act (works on tidal land)
- Qld Cultural Heritage Act

Queensland Parks and Wildlife Service

- Hook Island National Park

Great Barrier Reef Marine Park Authority

- Marine Park Act
- Great Barrier Reef Marine Park Act

Department of Primary Industries and Fisheries

- Fisheries Act (marine plants)

Department of Natural Resources

- Water Act
- Land Act (tenure issues)
- State Planning Policy 2/02 – Planning and Management
- Vegetation Management Act

Federal

Dept. of Environment & Heritage

- Environment Protection and Biodiversity Conservation Act

5.3 Federal State Coordination

A referral has been made to the Department of the Environment and Heritage (DEH) for a decision on whether approval was required under Chapter 4 of the Environment and Biodiversity Conservation Act 1999 (EPBC Act)

The Australian Government and Queensland Government have signed a bilateral agreement under Section 45 of the EPBC Act of certain State environmental assessment processes. It is requested that if appropriate the Hook Island Wilderness Resort development be assessed under the bilateral agreement.

6.0 Environment & Other Issues

6.1 Overview

Laguna Island Adventures recognises that Hook Island is in a sensitive natural environment that must be preserved, and where currently degraded reinstated, for natural and commercial reasons. The redevelopment of Hook Island will require management to minimise the impacts on the natural environment. We believe that these issues present unique environmental opportunities that will ensure the success of the project.

Discussions with officers from the relevant authorities, QPWS, EPA, DNR and Department of Infrastructure (Co-ordinator General) generated support for the concept and the proposed process. Consultation with relevant authorities did not reveal any major issues that cannot be resolved with proper planning, appropriate design and management.

The recent history of Hook Island resort under previous ownership is one of a low cost, low value island experience with limited resources for maintenance and reinvestment resulting in degradation of the facilities and the natural environment. The redevelopment of the resort will showcase and demonstrate the values and experiences that the authorities should expect from all future island and ESD type developments.

6.2 Environmentally Sustainable Development

The redevelopment will be a showcase of environmentally sustainable development including built form design to minimise visual impact and environmental footprint. Design will also incorporate features for management of climate and reduction of water and power use.

6.3 Potential Issues and Solutions

Provision of power and services to remote island destination

The existing resort is powered by diesel generator and water supply is by a combination of potable water tanked from the mainland and a small desalination facility.

It is the proponent's desire that the power generation for the property be by a renewable source to replace the existing diesel generator system. Investigation is continuing into various forms of renewable source energy including wind, solar and tidal. The economic viability of the various available technologies is being assessed and the resort is able to include a benefit for branding and marketing in the financial assessment along with the traditional elements of capital and operating costs and benefits. From the status of the technology currently available it would appear that any system will require significant generator backup supply. However, developments are being monitored to minimise reliance on the traditional generator to the fullest extent feasible.

Water supply will be by way of a combination of water tanks capturing runoff from building roofs and desalination. It is proposed to reticulate gas for heating water throughout the site.

Management of vegetation and landscape during construction and operations

Vegetation Protection

Design and location of all buildings, access ways and infrastructure will be managed to maximise protection and retention of existing vegetation. Protection of existing vegetation is to be a priority throughout all construction work.

Use of boardwalk footway access to be implemented in sensitive areas for protection from pedestrian traffic

Stormwater Management

Natural re-charge of stormwater to ground to be maximized with all stormwater to be directed into natural water courses. No direct discharge into ocean.

Weed Management

Ongoing weed management program to be implemented

Revegetation

Planting and revegetation works to utilise locally sourced endemic stock to ensure and maintain environmental integrity. Revegetation and refurbishment works adjacent to new buildings to focus on habitat creating and establishment of proper sustainable ecological communities.

Construction access and accommodation issues

The proponent's group owns a number of vessels suitable for ferrying labourers from the mainland to Hook Island, including one vessel that currently operates ferrying passengers between the mainland and the island. The island also has over 60 beds in its current structure and it is proposed that construction labour be accommodated both on the island and on the mainland.

Operational access limitations

As an island in an area subject to significant tidal variation access to Hook Island presents an issue that requires management.

Main Beach

Access to the main beach for vessels other than small tenders is to be exclusively via the proposed jetty to ensure a safe swimming area and to prevent damage to coral and boats. Small tenders will be permitted to access the beach via a designated path through the swimming area.

Back Beach

Service barges and larger vessels wanting to pull up onto the beach will have access through a designated access path on to the resort's back beach.

Acid Sulphate Soils

Will be assessed, monitored and managed in compliance with the requirements of Queensland *State Planning Policy 2/02 Planning and Managing Development Involving Acid Sulphate Soils* (SPP 2/02).

Visual amenity issues

Building design and location is to be designed to minimise visual impact of the development from the surrounding waters.

Cultural heritage / native title issues

Cultural heritage and native title issues will be investigated further and managed accordingly.

6.4 Education Programs

Environmental and cultural heritage education forms a fundamental part of the Hook Island Wilderness Resort experience:

- Education Centre to be located on the main path between Day Facility and Underwater Observatory with visual and physical access to National Parks and water
- Education Centre to feature marine, reef, national park, cultural heritage and Environmentally Sustainable Development information materials and multi media displays
- Naming and theme of precincts, lodges and cabins to be based on species of flora and fauna and cultural heritage of the region to increase and promote interest and awareness for visitors and guests
- All accommodation to include environment educational material prepared in conjunction with QPWS
- All accommodation to include Environmentally Sustainable Development educational material

7.0 Project Need

The Whitsundays region currently does not offer a quality eco-tourism accommodation option despite wide acknowledgement that the natural attractions of the region are one of the primary motivations for visitation.

The Draft Whitsunday and Mackay Islands Visitor Management Strategy released in December 2006 identify that the “islands also offer unique offering for eco-tourism and recreation.” The region, and in particular the coast and islands are rich in national parks and include the iconic world heritage Great Barrier Reef Marine Park.

A 1999 paper released by the Queensland Government, the Whitsunday Ecotourism Strategy, identified opportunities to develop ecotourism lodges to capitalise on the region’s natural attractions. However, the report was primarily concerned with the development of camping facilities on the islands and tour offerings rather than quality accommodation offerings.

The Federal Department of Industry, Tourism and Resources engaged Colmar Brunton Social Research to undertake a segmentation study into demand for nature-based tourism products for the Australian market. The survey found that 46% of people were interested in visiting a Nature Resort – defined as a secluded luxury resort in a natural environment blending in with the best features of the natural environment – with 23% “extremely interested” and 23% “interested”. Of these 41% would prefer to go to Queensland for this experience. The most popular location for the nature-based tourism experience was on the coast (43%). The study identified the optimal price for the experience as \$145 per person per night, although at a price of \$195 per person per night 40% of people were interested. The Nature Resort experience has significantly higher appeal to females, those aged between 25 - 34, and those with a household income over \$78,000.

Extensive research undertaken for the project by the Roy Morgan group emphasises the opportunity and the gap in the existing accommodation offering.

Analysis of Roy Morgan data identifies a latent market for ecotourism in the Whitsundays. Over three quarters of Australians aged 14 and over expressed a desire to take a short trip in the next two years. Of those, almost 10% expressed a preference to visit the Whitsundays for a short trip.

The Roy Morgan analysis found that compared to all short trip preferrers, those with a preference for a short trip to the Whitsundays were more likely to “Be seeking a total eco-tourism experience on their next trip.” The desire for an eco-tourism experience is one of the top four characteristics that differentiate this group from the general population.

Of those surveyed with a desire to take a short trip to the Whitsundays 24% wanted a “total eco-tourism experience” and of those with a desire for a long trip to the Whitsundays 20% wanted the eco-tourism experience. Of those with an intention to take

a short trip to the Whitsundays over 34% wanted the total eco-tourism experience and of those with an intention to take a long trip to the Whitsundays around 23% wanted the eco-tourism experience. These figures demonstrate clearly that an eco tourism experience is high on the list of priorities for those considering holidaying in the Whitsundays.

The opportunity for an eco-tourism product such as that proposed for Hook Island is further demonstrated by examination of the profiles of those that actually visit the Whitsundays. From expressed intention to actual visitation the eco-tourism factor for short trips drops from 34% to below 20% and for long trips from 23% to 16%. These figures show that there is a significant drop off of those with a desire or intention to visit the Whitsundays for whom a “total eco-tourism experience” is important. Currently the Whitsundays provides no “total eco-tourism experience” despite the identified and measured market desire and this is the most likely cause of this drop off.

The Roy Morgan figures and analysis should be considered in light of the Whitsundays’ very low conversion from desire to actual visitation. The Holiday Tracking Survey shows that the Whitsundays ranks in the bottom 5% of Australian destinations in performance in achieving visitation from those that express a desire to visit. The gap in the region’s product offering, specifically the lack of a quality “total eco-tourism experience”, is a significant contributor to the region’s under performance.

The market opportunity exists for the creation of a signature eco-tourism accommodation facility in the Whitsundays. Hook Island is a near perfect location. It is a small facility on the second largest island in the Whitsunday group and lies adjacent to the largest, Whitsunday Island, home to the internationally recognised Whitehaven Beach. While surrounded by national park and world heritage areas it is already developed and as such, its development can be achieved within the existing lease boundary with minimal impact on the untouched natural environment that is its major attraction.

Hook Island is a rugged island with breathtaking lookouts and excellent snorkelling and scuba diving. The diversity of coral in the fringing reefs of the Great Barrier Reef on the northern shore (especially Crayfish Beach) offer excellent opportunities for snorkelling and diving. Hook Island is mostly national park and boasts beautiful beaches and walking tracks. Tracks include a walk to Butterfly Bay, so named because of its unique shape and the butterflies which swarm around its shores. There are also two magnificent fjord-like inlets, Nara and Macona, cut into the southern end of Hook Island that provide a spectacular anchorage for yachts.

Recognising the potential of the natural attractions of Hook Island and its neighbouring Whitsunday Island the Beattie Government announced in August 2006 the “Reef Great Walk”. In the announcement Mr Beattie said “The “Reef Great Walk” will traverse the high peaks of both Whitsunday Island and Hook Island, giving visitors spectacular 360 degree views of the outer Great Barrier Reef, the Whitsunday islands and the mainland to the west. It will provide a new eco-tourism asset to the area...”

Increasingly the market's desire for eco-tourism experiences is being recognised with several local operators in the Great Barrier Reef Marine Park achieving eco certification and offering eco experiences. The development of a quality eco-tourism resort on Hook Island will complement these activities as well as providing a new product offering for the Whitsundays for overnight accommodation. The project addresses a significant and growing segment of the market that the existing product offerings do not cater to. The natural attractions of the Whitsundays and specifically of Hook Island are perfectly suited to this market segment.

The proposal is consistent with the Whitsundays Hinterland and Mackay Regional Plan's tourism goal – "To establish the region as a distinctive and sustainable tourist destination that offers a diverse range of tourism opportunities and unique experiences that continue to attract visitors."

The concept and nature of the proposal specifically addresses the aims of the Plan's Strategies, including: Strategy 1. Identify sustainable growth opportunities; Strategy 2. Introduce new opportunities in nature based markets; Strategy 7. Develop tourist nodes that cater for a variety of visitor needs and experiences ... that encourage longer stays; Strategy 8. Identify suitable areas for ... accommodation and identify optimal carrying capacity to maintain the integrity of the site and visitor experiences.

8.0 Benefits

8.1 Overview

In addition to the market assessment of the opportunity for the proposed Hook Island redevelopment, Laguna Island Adventures undertook analysis of the economic impact of the redevelopment.

The analysis provides an indication of the significant impacts of the development both during construction and its subsequent operation, with particular focus on the contribution expected to be made by the project in the Whitsunday Islands and greater Whitsunday region. It is important to note that the project provides a product not currently available in the Whitsundays region and as such provides a complimentary product rather than one competing with existing tourism accommodation operators.

8.2 Employment

The Whitsunday Shire has an estimated labour force of 7,085 as at 2001 Census, with an estimated unemployment rate of 3.2% for September quarter 2006. Jobs created by the Hook Island project will occur in two parts: construction jobs that will have a finite life and operational jobs that will be ongoing.

Construction Jobs - Finite

Hook Island redevelopment is estimated to result in a total of 180 person years of employment over the life of the project, peaking at 75 jobs in year 3. In terms of wages and salaries, this represents \$15 million for the construction workforce over the life of the project.

Operational Jobs - Ongoing

At full operation at the end of construction, a total of 50 new, permanent, ongoing jobs will be created.

Due to the remote island location and the unique nature of the product it is likely that a significant portion of the workforce will be new residents to the region. It is assumed that 65% of the positions will be filled from within the Shire's present workforce. A further assumption is that 30% of the new workforce would be new residents to the region with the balance of positions, 5% filled by staff commuting from outside the Shire.

The workers in these operational jobs will earn approximately \$3.0 million in salaries and wages per annum.

8.3 Skills & Training

Laguna Island Adventures is dedicated to providing a skilled and educated workforce to work on Hook Island. This is essential if the resort is to offer an ecotourism and Environmentally Sustainable Development education experience.

We anticipate that a partnership with a tertiary education provider would be established to provide accredited training programs particularly for the ESD educational and hospitality workers.

In addition, it is foreseeable that the environmental and educational facilities on site would be used for school and special interest groups in order to further their development.

These greater training opportunities with environmental, hospitality and Environmentally Sustainable Development focused jobs at the end of it, will result in longer staying staff and contribute to developing a sustainable community and one that is environmentally informed.

8.4 Tourism Benefits

Visitor Numbers

The Hook Island resort facilities would accommodate 320 overnight visitors at any one time. This equates to approximately 100,000 guest nights per annum, which creates a significant increase in the environmental and educational end of the market that does not currently exist within the Whitsunday Islands.

There is also capacity for 150 day visitors on the Island, representing approximately 40,000 annually. Again these visitors will experience the environmental and educational aspects of the Hook Island redevelopment as well as the beach, diving and snorkelling and national park attractions.

Visitor Spending

Study of the daily spend per guest and number of guest nights indicates that tourist spending arising from visitors both staying and visiting the Hook Island wilderness resort accommodation would exceed \$28 million annually, representing a significant increase in visitor spending in the Whitsunday Shire.

Accommodation Stock

The detailed market assessment discussed in section 7 above clearly shows that there is significant demand for the attractions that Hook Island offers provided they are showcased in a manner that does not detract from the natural experience.

The emergence of the eco tourism market and the increasing appeal of nature focused destinations in tourism provide a unique opportunity to repair the damage to date and to create a destination that demonstrates the values and experiences that are important to QPWS.

Support of Regional Tourism Products

The project will provide a focal point to showcase the natural values of the Whitsunday Islands and will stimulate eco-tourism within region.

Hook Island is a key Island within the 74 Whitsunday Islands, an area of outstanding natural beauty with worldwide recognition. Upon completion, Hook Island will provide a needed signature eco-tourism destination within the Whitsundays region.

Hook Island would directly contribute to the commercial viability of the emerging environmentally based tourism operations in the region including activities such as reef tours, eco sailing experiences, Whitehaven Beach visits, diving and snorkelling operations as well as transport operators and other providers.

The Hook Island redevelopment will also result in increased visitations to the natural attractions, hence increasing awareness of the natural beauty of the region. The natural attractions include Whitehaven Beach, the Whitsunday Islands national parks and the Great Barrier Reef and surrounding Marine Park.

Appendix 1 – Hook Island Lease Map

Appendix 2 – Hook Island Vegetation Management Maps

Appendix 3 – Hook Island Great Walks Release

Appendix 4 – Hook Island Master Plan