

AQUIS RESORT AT THE GREAT BARRIER REEF PTY LTD
**ENVIRONMENTAL IMPACT
STATEMENT**

VOLUME 1

**CHAPTER 2
PROJECT
PROPONENT**

2. PROJECT PROPONENT

2.1 PROPONENT DETAILS

Name: Aquis Resort at The Great Barrier Reef Pty Ltd
ACN: 160204384
ABN: 95160204384
Postal Address: P.O. Box 419 Westcourt Qld 4870

Directors and Representatives details:

- Chairman /Sole Shareholder Mr Tony Fung
- Director and Chairman of Australian Operations Mr Justin Fung

2.2 PROPONENT EXPERIENCE

The Aquis Group is wholly owned by Mr Tony Fung, a Hong Kong resident and private investment banker, financier and investor. Mr Fung has more than 40 years' experience in global financial services and investment, including more than 15 years as an active investor in Queensland.

Mr Fung is the head of the Fung family's business interests, continuing a long history of the family's involvement in global investments and business ventures. The Fung family founded and owned Sun Hung Kai & Co. Ltd from 1969 until selling its interests in the company to Allied Properties (H.K.) Limited (a subsidiary of Allied Group Limited) in 1996, having been run by Tony Fung since 1985.

Sun Hung Kai & Co Ltd is a leading Hong Kong-based non-bank financial and securities holding company, operating in six business segments: wealth management, brokerage, asset management, corporate finance, consumer finance and principal investments.

Since the sale of Sun Hung Kai & Co. Ltd, Mr Fung has operated as a private investor focussing primarily on Hong Kong commercial property and other property-linked investments.

Mr Fung has significant investments in two major Chinese property development projects as well as other property and non-property investments in other parts of the world.

Mr Fung has been making significant investments in Australia for more than 15 years. His current investments and interests in Australia include:

- A residential property with its own 18-hole golf course near Noosa in Queensland;
- A cattle farming property near Innisfail, Queensland;
- A cattle farming property near Mount Garnett in North Queensland;
- A sugar cane farm near Mareeba, North Queensland;
- A horse breeding business;
- A domestic and international cattle trading and meat export business;
- A boat charter business; and
- A Wagyu breeding business.

Mr Fung has operated his pastoral and agricultural businesses in Queensland with an unblemished record of environmental performance. Notwithstanding that these businesses have not involved Environmentally Relevant Activities or required licences or permits, Mr Fung is fully aware of his general environmental duty and recognises and appreciates the world renowned and unique environmental values of Far North Queensland in which his businesses operate. Mr Fung is committed to ensuring that these values are respected and if possible enhanced through his business operations.

Mr Fung's wealth is derived from substantial business interests and investments in countries throughout the world (including in particular Hong Kong, China and Australia) and is held either personally and directly or indirectly through his ownership of interests in numerous unlisted private companies.

He is also the primary beneficiary of a substantial private family trust first established by his mother and which the trustee is HSBC International Trustee Limited and through other family trusts and holding vehicles.

Mr Fung can demonstrate a long and sustained history of successfully facilitating the funding, construction and completion of major tourism and resort projects in both Hong Kong and, very importantly, internationally.

A successful sustained history of being involved in many ways in the financing, construction and development of tourism projects can be demonstrated historically from as far back as his corporate involvement (through Sun Hung Kai properties) in the development, ownership and involvement of the New World Renaissance Hotel, Malaysia. The construction syndicate was formed approximately 18 years ago and consisted of a consortium including IGB Corp Bhd, New World and Sun Hung Kai. The hotel is located at the corner of Jalan Ampang and Jalan Sultan Ismail, and is the largest hotel in the capital of Kuala Lumpur with a 921-room inventory. IGB consolidated full control in 2011 and renamed it Renaissance Kuala Lumpur Hotel.

Mr Fung became involved in a large scale domestic tourism and convention project following a series of detailed discussions in 2001 on the feasibility of the establishment of a new international exhibition centre (AsiaWorld-Expo) at Hong Kong International Airport. Chek Lap Kok, the Legislative Council Panel on Commerce and Industry, supported and approved the proposal to develop AsiaWorld- Expo.

AsiaWorld-Expo opened in December 2005 at a cost of \$2.35 billion (HK) and has become a world-class venue in Hong Kong, offering over 70,000 square metres of rentable spaces for exhibitions, conventions, concerts, sports and entertainment events. The venue is a public-private partnership involving funding of HK\$2 billion from the Hong Kong SAR Government (majority shareholder) and a private sector consortium with the Airport Authority Hong Kong contributing the land.

AsiaWorld-Expo is Asia's only column-free, ground-level exhibition and events venue and features 10 state-of-the-art events halls including the 13,500-seat Asia-World Arena (the biggest purpose-built indoor seated entertainment arena in Hong Kong apart from the AsiaWorld-Summit, Hong Kong's newest and largest indoor conference and banquet venue that seats 700 to 5,000 persons). AsiaWorld-Expo is fully integrated with one of the world's best airports, Hong Kong International Airport (World Airport Survey by Skytrax). The complex is located at the centre of an extensive and efficient air, land, and marine transport network which connects Hong Kong to China's Pearl River Delta and the world's business capitals. It is ideally suited to hosting world-class exhibitions, conventions, concerts, sports, and entertainment events.

Another example of a major project delivered by Mr Fung is a land development project in Dongguan, Pearl River Delta, China. The project involves the construction of 3,251 apartments and 723 townhouses. In 2004 Mr Fung identified and secured control of a large land tract not utilised for residential development. This approach is consistent with his identification and securing of the site for the proposed Aquis development. Mr Fung then commenced the process of identifying joint venture investment partners, construction partners and obtaining necessary development and planning approvals.

Today Dalang Country Garden estate is arguably the most successful property development ever conducted in Dongguan with Mr Fung securing Country Gardens Holdings Company Limited, a Hong Kong listed property developer, to build and market the project.

Dalang Country Garden is the first large-scale quality life community built in Dongguan by Country Garden Holdings Company Ltd, introduced by Mr Fung as a joint venture partner to execute the project. Located in the new administrative and transportation centre of Dalang, the project is only 30 minutes' ride from each economic centre of Dongguan. With its three lakes, six sub-communities, Mediterranean waterscape royal gardens and Spanish classic architecture, Dalang Country Garden has attracted strong interest from China's elite families. Dalang Country Garden is considered a five-star home for successful people.

The project offers a variety of products such as semi-detached villas, multi-story apartments and high-rise apartments, and is one of the few super-large-scale top-grade residential communities in Dalang or even Dongguan. There would be no residential project in Queensland that has both the scale and quality of Dalang Country Garden.

Mr Fung has engaged AEDAS, arguably the world's most experienced large scale Integrated Resort designers, to design Aquis Resort. To date, in addition to AEDAS, in excess of 20 specialist advisors and contractor organisations have been involved in the development of the Aquis Resort concept.

Procurement strategies have been developed to engage a world class contractor and a world class project manager and all associated specialty sub sectors thereafter. In that regard, Aquis has engaged in advance discussions with a number of major contractors (both domestic and international) concerning Aquis Resort and is about to commence a formal procurement process for a preferred contractor.

2.3 PROPONENT'S OBJECTIVES AND PROJECT RATIONALE

2.3.1 Project Objectives

The investment by the proponent represents an opportunity for Queensland and Cairns to participate in the emerging Asian Integrated Resort market. Integrated Resorts have been—and are being—developed in Macau, Singapore, Taiwan, the Philippines and other destinations in close proximity to mainland China. The objective and the success of these Integrated Resorts are based on the travel and tourism aspirations of the burgeoning Chinese middle-class and, in particular, their interest in gambling.

The Aquis Resort proposal involves unprecedented in-bound visitation by Chinese-based tourists.

Ready access to the World Heritage listed Great Barrier Reef is an underlying driver of the Aquis Resort concept. Many coastal communities in Queensland provide this opportunity.

Proximity to an international airport is a prerequisite and fundamental to the location selection process. While other regional centres have access to the reef, Cairns can be distinguished not only by its existing international airport infrastructure, but also by the number of international and domestic connections that can be made through Cairns as demonstrated in **Figure 2-1**.

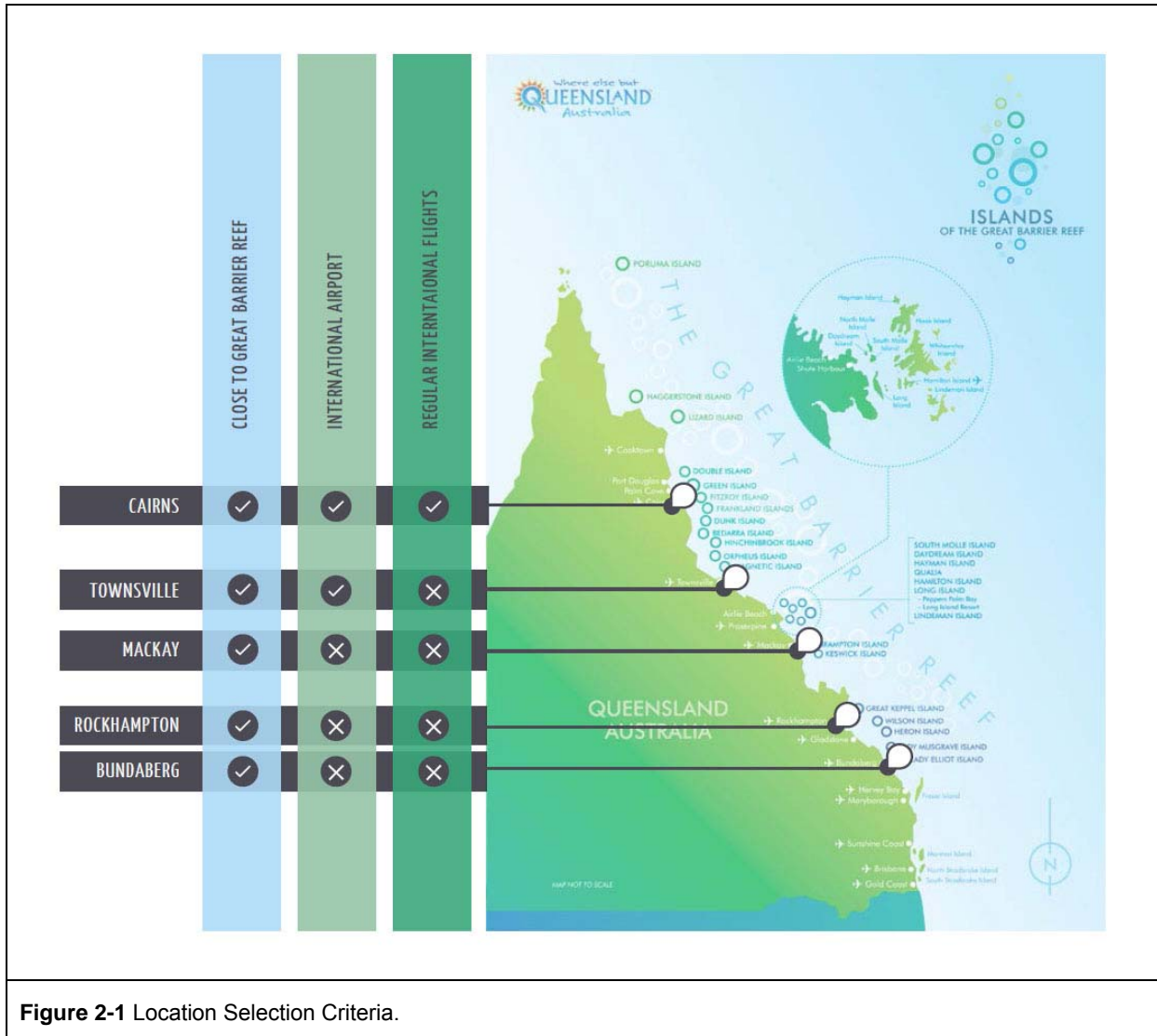


Figure 2-1 Location Selection Criteria.

The key feature of Aquis Resort is its association with—and its proximity to—Australia’s iconic World Heritage listed Great Barrier Reef. This natural wonder, and its close proximity to the World Heritage listed Wet Tropics rainforests, provides a unique opportunity that does not exist in competing Asian centres for spectacular natural features to attract international tourists from around the world.

The provision of high quality international standard accommodation and entertainment facilities in close proximity to these two natural World Heritage listed icons, presents an opportunity to enhance the Cairns and Tropical North Queensland brands in the international marketplace. It provides an opportunity to establish Cairns as an international destination, which can confidently compete in the Asian tourism market. The project’s rationale relies on the provision of a fully Integrated Resort and gambling experience targeted at the international (particularly Asian) tourism market.

The proponent’s close association with—and long term involvement in—Tropical North Queensland, and Queensland generally, has provided a clear understanding of the attractions of the Great Barrier Reef, Cairns and the Tropical North. Cairns International Airport, and the availability of a suitable site in close proximity to it, presented a unique opportunity for the establishment of an international standard Integrated Resort.

Aquis Resort is an Integrated Resort, which will also include the provision of entertainment, events, sports and recreational activities, all accessible by the community of Cairns. Cairns currently does not have suitable venues or facilities that enable it to attract international entertainment and sporting

events. The proponent will engage with CRC and the Queensland Government to contribute to, and facilitate the development of, sports and entertainment facilities appropriate for a city that will become an internationally recognised destination as a consequence of the Aquis Resort development. The provision of such facilities will attract people to Cairns for the purpose of attendance at major entertainment and sporting events. These can include concerts by international artists, international football matches, and also events featuring local and regional sporting teams.

The objective is to attract visitors to Cairns and the Great Barrier Reef through the staging of major entertainment and sporting events to complement the natural attractions of the region; and to provide a full range of entertainment and recreational activities expected of an international destination.

2.3.2 Site Selection

The scale of the project necessitated a critical evaluation of available land in the Cairns region. Five broad opportunities exist, namely:

- Edmonton/Gordonvale area
- Cairns CBD
- Northern Beaches
- Atherton Tableland
- Barron River delta.

Siting the Aquis Resort in the Edmonton Gordonvale area would result in either the loss of productive cane land close to Mulgrave Mill (which would be undesirable) and/or the potential loss of land at Mt Peter currently planned to cater for urban growth.

The Cairns CBD is not able to accommodate a development of the scale required on any one site, or likely combination of sites. Suitable land is not available in the CBD.

The Northern Beaches is a poor location for such a large proposal as Aquis Resort. The only large sites potentially available are located near Clifton Beach/Palm Cove and retro-fitting a development of this size within an established community would prejudicially affect well-entrenched planning directions.

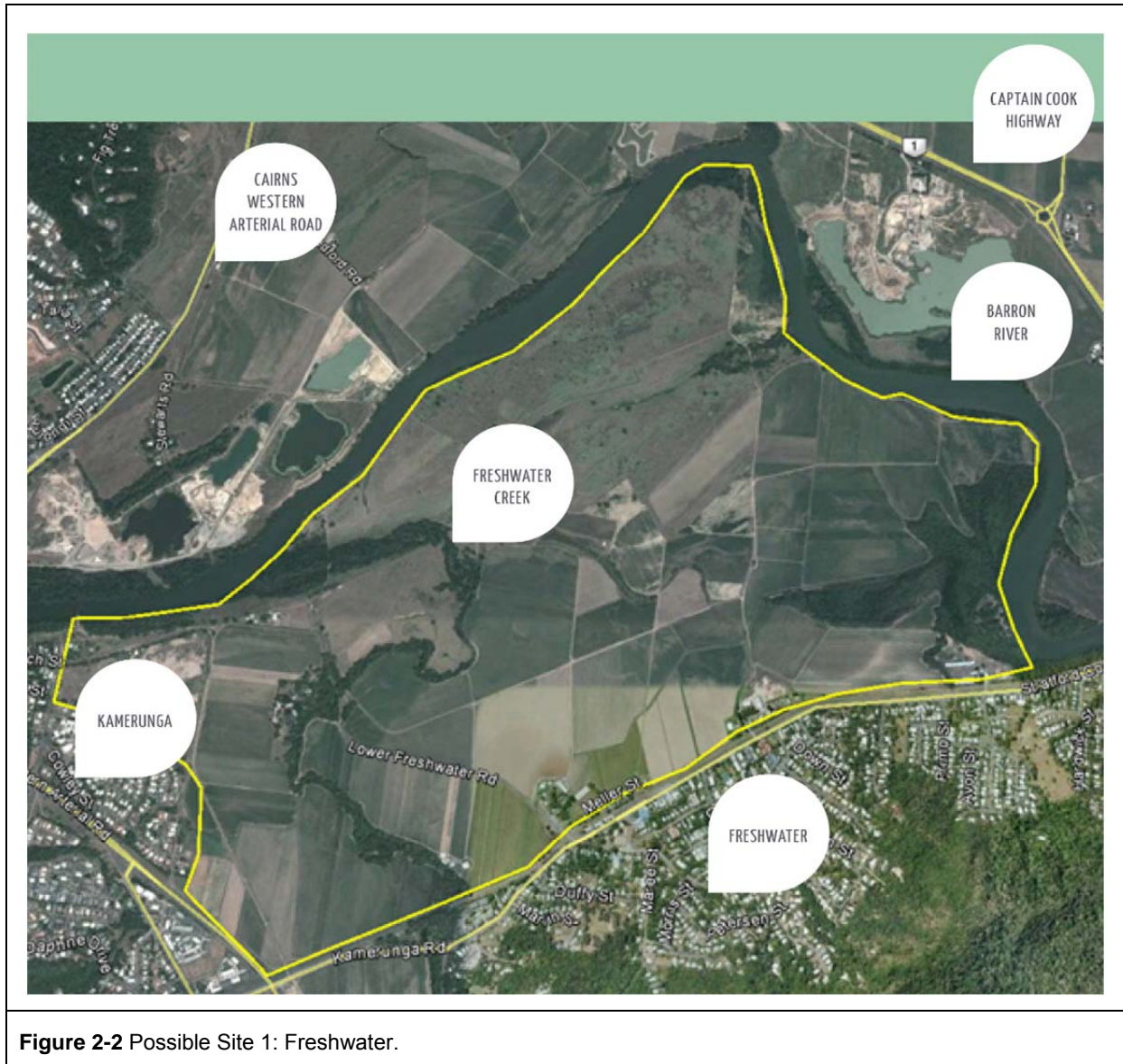
A development of the scale of Aquis located on the Atherton Tableland is restricted by distance from the airport, lack of or distance from infrastructure, and the limitations of highway access.

Despite the constraints of flooding, the Barron River delta represents an area of the Cairns region, where sites of sufficient size to accommodate an Integrated Resort could be found.

Within the Barron River delta, three possible sites were identified:

- Possible Site 1: Freshwater
- Possible Site 2: Caravonica
- Possible Site 3: Yorkeys Knob.

A summary of each potential site's relative features/constraints is shown in graphical and tabular form below.



Features	Constraints
Proximity to airport	Traversed by Freshwater and immediately adjacent to Barron River
Proximity to local tourist attractions (Skyrail, Tjapukai Aboriginal Cultural Park, Kuranda Scenic Railway)	Impacts on good quality agricultural land (GQAL), although land is fragmented from other GQAL land
Proximity to higher order shopping facilities (Smithfield RAC)	Residential uses adjacent to flood free edges
Sufficient land area to accommodate the proposed land uses incorporating flood mitigation	Construction sand resources
Access to essential infrastructure	Traffic impacts on residential areas



Figure 2-3 Possible Site 2: Caravonica.

Features	Constraints
Proximity to airport	Flooding , directly adjacent to Barron River at western extent of delta
Proximity to local tourist attractions (Skyrail, Tjapukai Aboriginal Cultural Park, Kuranda Scenic Railway)	Impacts on GQAL
Proximity to higher order shopping facilities (Smithfield RAC)	Land area is not sufficient size to accommodate all proposed land uses including land lost for flood mitigation
Ability to contain impacts on amenity	Construction sand resources including working extractive industries



Features	Constraints
Proximity to airport	Impact on GQAL
Direct access to CBD and to harbour(s) for reef access	Flood constraints
Proximity to local tourist attractions (Skyrail, Tjapukai Aboriginal Cultural park, Kuranda scenic railway)	
Optimal indirect access to areas to the south (Captain Cook Highway, Cairns Western Arterial Road), west (Kennedy Highway), north (Captain Cook Highway)	
Separation from residential areas	
Located at eastern / widest extent of Barron River delta	

All three sites are flood-affected. The potential of the Yorkeys Knob site to contain impacts on neighbouring residential areas and achieve the most direct access to the airport and CBD are distinguishing attributes. The relative benefits of the Yorkeys Knob site are superior to the other options within the Barron River delta and influenced its selection as the proposed site for Aquis Resort.

In March 2012, the Queensland Floods Commission of Enquiry released its final report. The report had several findings which are relevant to the site of the proposed development and as such have been taken into consideration when assessing the site selection. Relevant recommendations from the report include:

- 7.16. The Queensland Government (or Councils) should consider including assessment criteria in their planning scheme which require that works in a floodplain:
 - Counteract any changes the works will cause to flood behaviour of all floods up to and including the acceptable defined flood event by measures taken within the subject site (for example, use of compensatory works, detention basins or other engineering mechanisms), and
 - Do not change the flood characteristics outside the subject site in ways that result in:
 - o Loss of floodplain storage,
 - o Loss of/changes to flow paths,
 - o Acceleration or retardation of flows, or
 - o Any reduction in flood warning times elsewhere on the floodplain.
- 7.24. The Queensland Government (or Councils should consider including assessment criteria in their planning schemes) should include assessment criteria in the model flood planning controls that address:
 - The prospect of isolation or hindered evacuation.
 - The impact of isolation or hindered evacuation.

Consideration of these recommendations form an integral part of the site selection and more particularly how the available land can be used, including the positioning of the development on the site, proximity to existing development and infrastructure, potential isolation and preservation of existing flooding characteristics (i.e. being as sympathetic to the existing flood characteristics of the site). These matters are detailed in **Chapter 4** (Project Description) and **Chapter 9** (Flooding).

2.4 ENVIRONMENTAL POLICIES AND COMMITMENTS

2.4.1 Proponent Policies

Aquis Resort at The Great Barrier Reef Pty Ltd has developed a series of project-specific policies that demonstrate the proponent's commitments to positive environmental and community outcomes.

Copies of the company's policies are attached in **Appendix C**. These include:

- Environmental Policy
- Communities Policy
- Health and Safety
- Commitment to Local Business Policy
- Employee Relations Policy.

2.4.2 Proponent Commitments

The proponent makes the following detailed commitments in relation to the project. These fall into three main aspects of the project, namely:

- Environment
- Community (Social, Economic and Cultural)
- Infrastructure
- Financial Assurance.

a) *Environment*

The proponent will:

- Adopt best practice solutions to site drainage and water quality.
- Adopt best practice solutions for the environmental management of:
 - Ecosystems
 - Airport operations
 - Birds and bats (to avoid interfering with aircraft)
 - Crocodiles and insect vectors
 - Dust
 - Lighting
 - Noise
 - Visual Screening.
- Establish environmental management system to accord with AS14001.
- Adopt sustainable development practices, including:
 - Green building design
 - Water harvesting and re-use including of treated wastewater and rainwater
 - Energy efficiency
 - Waste minimisation, re-use, and recycling.
- Develop interpretive and educational programs to protect and present natural and cultural values and engender a high level of environmental awareness for guests and staff.

The proponent will adopt and develop an environmental management plan for both construction and operations. The management plan will include traffic management plans for construction and events which attract significant external patronage. The site based management plan will include consideration of erosion and sediment control, management of acid sulfate soils, protection of water quality, and waste minimisation, re-use, and recycling.

[Details of the environmental management plan are included in **Chapter 23** (Environmental Management Plan).]

b) *Community*

The proponent commits to work closely with government and the community in developing and implementing the following community plans:

- Community Engagement Plan
- Workforce Development and Management Plan
- Local Content Plan

- Construction Management Plan
- Strategic Change Management
- Housing and Accommodation Plan
- Community Services and Facilities Plan
- Community Health and Safety Plan
- Cultural Development Plan
- Responsible Gaming Plan.

As part of the EIS process a Cultural Heritage Management Plan has been commenced in accordance with the requirements of the *Aboriginal Cultural Heritage Act 2003*. The proponent commits to continuing the necessary actions, surveys and consultation required for this Plan.

c) Infrastructure

The proponent will:

- Design and construct services connections and upgrades to external infrastructure to a capacity to meet the demands imposed by Aquis.
- Design and construct services connections and infrastructure in accordance with the service standards and design standards adopted by the service provider.
- Contribute infrastructure charges in accordance with CRC's 'Trunk Infrastructure Contribution Policy' to reflect the capacity of trunk infrastructure networks consumed by the development.
- Undertake external works upgrades to the local and state controlled road network to ensure that the safety and efficiency of the networks is maintained.
- Provide High Occupancy Vehicle (HOV – buses/coaches) transport solutions for the transfer of:
 - guests of the resort to/from Cairns Airport
 - guests to/from attractions and features in the region
 - staff at start and end of shifts.

d) Financial Assurance

The proponent recognises the values of the site and the region and understands its ongoing obligation to manage the site during construction and the project operations to ensure that there is no major direct environmental disturbance. The proponent understands its responsibility to meet any reasonable requirement for environmental management, repairs and rehabilitation in the event of extreme weather events, accident, calamity or financial distress.

The proponent is able to provide an assurance to the Government and community that it will put in place the necessary policies of insurance to underwrite its commitment to repair and rehabilitate the landscape in these circumstances. Where reasonably required, the proponent will negotiate with the Government in good faith to settle the terms upon which additional security/financial guarantees may be provided to better secure the proponent's commitment to meet these.