INFORMATION PACKAGE

PROPOSAL TO INSTALL AND OPERATE A TOURISM PONTOON AND ANCILLARY VESSEL MOORINGS AT LADY MUSGRAVE ISLAND REEF (23-082)

All comments and submissions to:

Great Barrier Reef Marine Park Authority
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Website: www.gbrmpa.gov.au/about-us/consultation/current-proposals

We now seek any public comment under regulation 88D of the *Great Barrier Reef Marine Parks Regulations 1983* (C'th) and s15 of the *Marine Parks Regulations 2006* (QLD). Public submissions will be considered by the Great Barrier Reef Marine Park Authority (GBRMPA) and the Queensland Parks and Wildlife Service (QPWS) in making a decision on this permit application.

1 Project proponents

The proponent of the project is John Clayton, Peter Clayton and Carolyn Clayton of 1770 Great Barrier Reef Cruises, an Australian registered Company.

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2 Company profile

The Proponents, John, Carolyn and Peter Clayton operate an Australian owned family business, 1770 Great Barrier Reef Cruises operating out of the town of 1770.

They started as a small operation running day trips to Lady Musgrave Island & Reef. This was a boat based operation. They also transferred campers to the campsite on the island. As their business grew they built a larger vessel and named her the same (*MV Spirit of 1770*) and continued operations. Associated activities include snorkelling, scuba diving, and glass bottom boat tours, semi-submersible tours, and fishing tours.

In 2006, they purchased the business Lady Musgrave Cruises (Bundaberg), which included the Lady Musgrave pontoon and the vessel *MV Discover Reef*. They have been operating a pontoon based operation since then. As the business continued to grow and passenger numbers exceeded the carrying capacity of the existing vessels, proponents purchased a larger vessel — the *MV Lady Musgrave*. This new proposed pontoon project will allow for expansion and diversification of the operation.

3 The new pontoon proposal

The proponents have been investigating this new pontoon idea for several years. The pontoon Reef Haven was purchased several years ago from an operator in the Great Keppel's and has been kept in storage in Gladstone. The 'Reef Haven' pontoon (registration # 4789QE) was purchased with the intention to relocate it to a new location near the "Aquarium" site in the inner Lady Musgrave lagoon.

Key factors driving the proposal are:

- To permit growth and expansion of the existing operation;
- The opportunity to improve the range and interaction of passenger interpretation;
- Educational opportunities;
- · To enhance the visitor experience by offering easier access to better coral and fish viewing;
- To offer a more up-market product with better facilities that will meet tourism demands; and
- To provide market diversification in the region the new pontoon can offer a more luxurious product.

3.1 Tourism activities

The 1770 GBR Cruises product attracts a diverse range of guests to Lady Musgrave — from those that want to relax and stay dry, to those that want to experience adventure and remain in the water all day. Therefore, an equally diverse range of activities is required to make this a viable and attractive product.

Proposed activities operating from the 'Reef Haven' pontoon

Dry and wet activities will include:

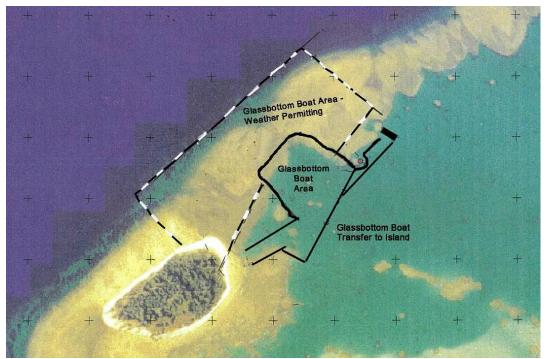
- Transfer of passengers from mainland to pontoon
- · Transfer of passenger to island
- Swimming
- Snorkelling unguided off the pontoon
- Guided snorkelling off an ancillary vessel
- Underwater observatory viewing
- · Interpretive displays & talks
- Introductory scuba diving off pontoon
- Certified scuba diving off ancillary vessel
- Sunbathing & deck relaxation
- Semi-submersible tours
- Glass bottom boat tours
- Recreational fishing appropriate zones
- Fish feeding
- Island tours

Description of activities — operational aspects

Glass bottom boat and semi-submersible tours

Glass bottom boat tours, with reef interpretation commentary, will be carried out on a set route. The tour will be 20–30 minutes. Passenger numbers will not exceed survey limits. Tours would be run on demand from arrival until departure.

Figure 1: Glass bottom boats area — Aerial image showing proposed locations for glassbottom boat operation in relation to the pontoon and Lady Musgrave Island



Scuba diving

Both certified and introductory scuba diving activities would be offered. Introductory divers will depart from the pontoon, while the certified divers will use a dive boat to access better sites. These activities would be conducted on the routes marked

Diving activities will commence from 30 minutes after arrival and be completed 15 minutes prior to departure. Each introductory dive will last approximately 20 minutes and each certified dive approximately 40 minutes.

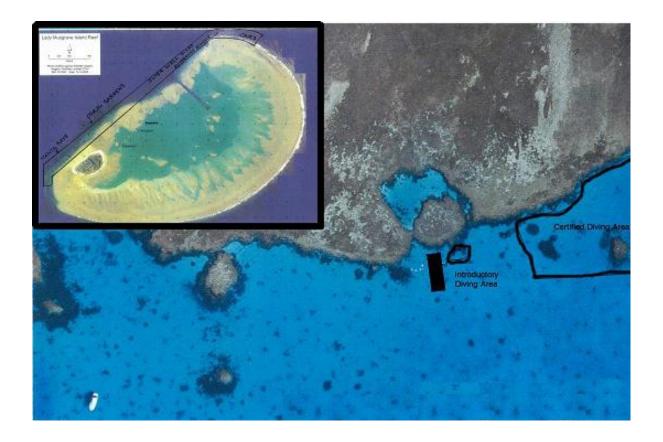
A certified Dive Master or Dive Instructor will log all divers in and out of the water in accordance with Queensland Workplace, Health and Safety Dive and Snorkelling Regulations. Safety lookouts will maintain a continuous watch over the dive sites at all times while divers are in the water. A maximum ratio of four introductory divers or eight certified divers to each dive instructor will be observed.

All scuba equipment will be serviced and air tested regularly, and service records maintained, as required by Queensland Workplace, Health and Safety Regulations. Both introductory and certified diver briefing will include detailed information on best environmental practices to avoid damaging the reef while diving.

Figure 2: Certified & Introductory Diving Areas (insert denotes outer wall certified dive areas)

Aerial image showing proposed locations for introductory and certified diving in relation to the pontoon and Lady

Musgrave Island



Snorkelling

Unguided and guided snorkelling activities will be conducted within a designated snorkel area. Buoyed lines will lead snorkellers to the main area of the reef, where they can snorkel freely over the reef. There will also be the opportunity for advanced snorkellers to go on a guided snorkel tour of sites farther away by using the dive boat. Snorkelling activities will commence upon arrival and cease 15 minutes before departure.

Safety snorkel measures will include health warning advice and gear use instruction through a range of methods (e.g. video presentation, crew demonstrations, and written brochures/posters). Snorkel briefings will also include detailed information on best environmental practices to avoid damaging the reef while diving.

Trained safety lookouts and rescue personnel will supervise all snorkelling activities as prescribed by the Queensland Workplace, Health and Safety Dive and Snorkelling Regulations. All required rescue and resuscitation equipment will be immediately available. Rest stations will be spaced throughout the snorkelling area.

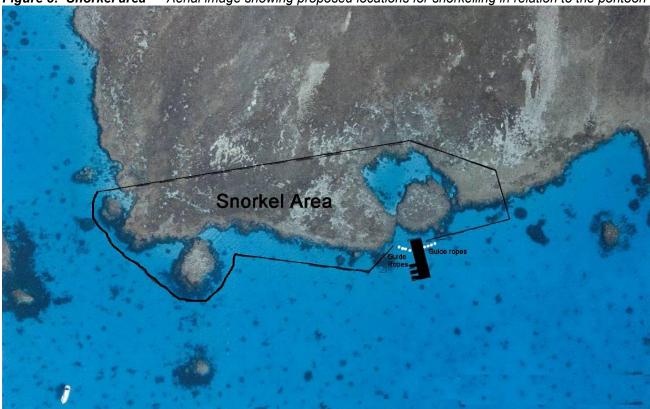


Figure 3: Snorkel area — Aerial image showing proposed locations for snorkelling in relation to the pontoon

Fish feeding

1770 GBR Cruises would conduct fish feeding from the pontoon — on arrival in the morning and before departure in the afternoon. All conditions of the GBRMP permit and associated guidelines will be followed. Fish populations will be closely monitored, and fish feeding will cease if unfavorable fish (e.g. spangled emperors, paddletails) become too abundant and/or aggressive.

Fishing

Recreational fishing is a separate activity conducted if weather and numbers permit on the day. Fishing is conducted in appropriate zones such as the Dark Blue (Habitat Protection) zone subject to seasonal fish closures.

Interpretive activities

A range of interpretive activities will be offered throughout the day. These will be conducted by trained staff, and may include the following options:

- Underwater observatory talks
- Deck side talks
- Hands on activities in an interpretive display area of the pontoon.

Night activities

There will not be any night activities or stays on the pontoon.

3.2 The 'Reef Haven' pontoon structure

It is a single-level structure with the following features:

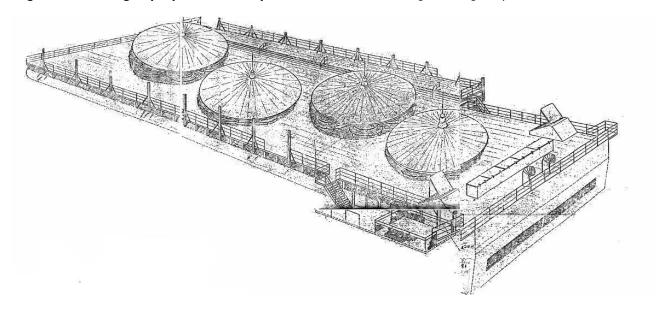
- Displacement hulls with a draft of 1.8m
- Main deck 45m long x 16.5m wide
- Underwater observatory

- Vessel finger berths (for main and ancillary vessels)
- · Dive and snorkelling equipment & staging areas
- Marine Interpretation/education facilities
- Fiberglass roofing for weather & sun protection.

NOTE: There are NO toilet facilities or dive compressors on the pontoon and freshwater showers will NOT be used.

Currently the proponent operates a fleet of 3 vessels MV Spirit of 1770 capacity 150, MV Lady Musgrave 150 and MV Discovereef 50 passengers. If a permit is granted the proponent intends to commission a new vessel to service daily the pontoon with a capacity of 350 for a 34.9 metre vessel. All drawings will be endorsed by an appropriately qualified engineer and in compliance with GBRMPA Structures Policy.

Figure 4: Drawing of proposed tourist pontoon — Artist's drawing showing flat pontoon with shade sails



4 Site description

Lady Musgrave Island & Reef (No. 23-082) is an outer shelf lagoon reef within the Capricornia Bunker Group of islands and reefs, which is, a group of 22 reefs and 13 islands. It is the second southern-most island of the Great Barrier Reef and is 32 nautical miles from the Town of 1770. The reef has an area of nearly 1,200 hectares (approximately 12.5 sq. km) and a circumference of nearly 8km. The 405 hectare deepwater coral lagoon is a navigable lagoon in the Great Barrier Reef.

Lady Musgrave Island, located on the southern end of the lagoon, is a 14-hectare uninhabited coral cay covered with tropical coastal vegetation (e.g. Pisonia, she-oaks and pandanus palms). There are camping facilities located on the island, but there are no other facilities. The island is part of the Capricornia Cays National Park and the reef and surrounding waters are part of the Great Barrier Reef Marine Park.

The Proponents plan to locate the new pontoon at a locality within the Lady Musgrave lagoon called the "Aquarium." This is one of the preferred areas used by 1770 GBR Cruises since they commenced operation at this reef. It is a well-sheltered site that offers excellent fish and coral viewing.

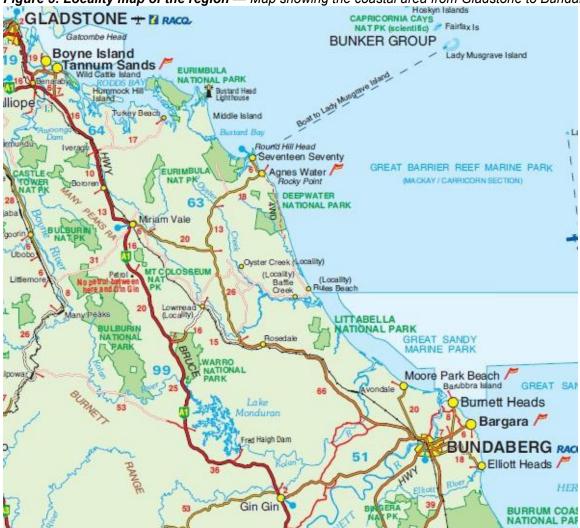


Figure 5: Locality map of the region — Map showing the coastal area from Gladstone to Bundaberg

Existing management regime

- Lady Musgrave Island & Reef is located in the Mackay/Capricorn Management Area.
- The waters north of Lady Musgrave Island, as well as the lagoon wall between the island and the lagoon entrance, are a Marine National Park (green) Zone.
- The remaining waters are Habitat Protection (dark blue) Zone under both State and Commonwealth Zoning Plans (Figure 6).

- Site Management Arrangements (Figure 7) designate a No Anchoring Area, a Cay Access Channel and, a Vessel Loading Area.
- There is a limit of 18 permitted moorings. Of these 18 moorings, it is proposed to reserve 10 moorings to be used as ancillary moorings in conjunction with the two permitted regular day trip operations.
- Two (2) day tourism operations and associated pontoons are allowed. If permit is granted, will convert one vessel based day tourism operation to a pontoon based day tourism operation.
- All other vessel-based tourism operations are permitted to visit up to two days in any period of seven days.
- Lady Musgrave Island is part of the Queensland Government's Capricornia Cays National Park and camping as well as day visitation is allowed on the island.

Figure 6: Great Barrier Reef Marine Park Zoning — Map showing Green, Dark Blue and Light Blue Zones around Lady Musgrave Island and Fairfax Islands

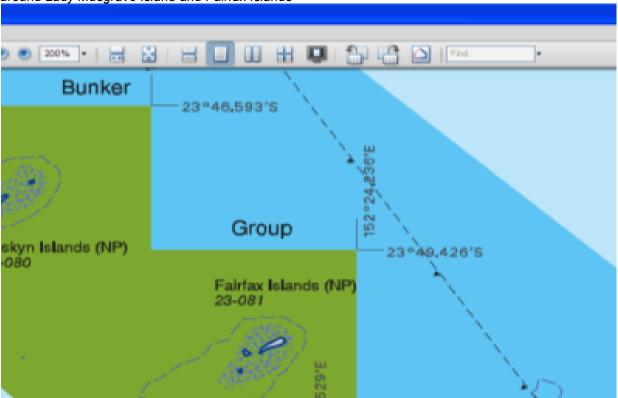
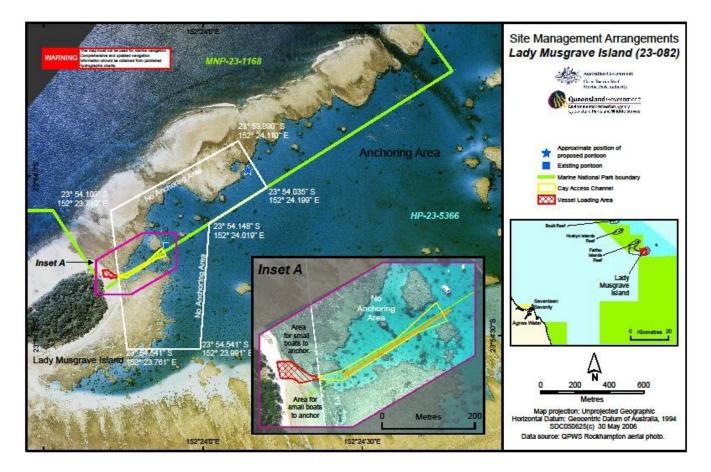


Figure 7: Site management arrangements for Lady Musgrave Island — Map of GBRMPA's Site Management Arrangements. Aerial view of Lady Musgrave Island lagoon with anchoring area, no-anchoring area and sites of current and proposed pontoons



5 Current usage

This site is a popular tourism reef destination — being one of the top 15 most-visited sites in the Great Barrier Reef Marine Park. Currently, there is one pontoon located inside the lagoon, but the Site Management Arrangement for the area allows for a total of two (2) pontoons inside the lagoon. The proponents currently have a permit for this site and now have requested that a pontoon permit be issued. Additionally, the proponents have currently one pontoon and five ancillary permits for the lagoon. Other reef users include several roving permit holders which are primarily live-aboard dive vessels.

6 Current status of the proposal

A formal application for a permit to install and operate the Reef Haven pontoon has been made and we now seek any public comment under regulation 88D of the *Great Barrier Reef Marine Parks Regulations 1983* (C'th) and s15 of the *Marine Parks Regulations 2006* (QLD). Public submissions will be considered by the Great Barrier Reef Marine Park Authority (GBRMPA) and the Queensland Parks and Wildlife Service (QPWS) in making a decision on this permit application.

The following activities have taken place to date:

- Reef Haven pontoon is purchased and in port in Gladstone.
- An appropriate site for the pontoon placement at the Aquarium site, inside Lady Musgrave lagoon, has been identified.
- Mooring designs and plans for the pontoon and ancillary vessels have been completed by a naval architect.
- A plan for moving and installing the pontoon has been developed.
- Representatives of the GBRMPA and Queensland have undertaken site inspections on three occasions during the assessment process. Comments received included:

- 1. Care will need to be taken when placing mooring tackle to ensure no damage to corals.
- Access to the "Aquarium" is shallow at times, procedures may be necessary to inform guests of potential damage to corals and for staff to be aware of depth restrictions over the reef flat (rescue access).
- 3. Shading of some corals in the footprint is inevitable, therefore site selection is critical.
- 4. Particularly sensitive coral is the large priority aft of the pontoon.
- 5. Ancillary vessel moorings are needed to provide for public access to snorkelling areas, and support to island walks, coral viewing.
- Initial steps to applying for the permit have been taken. The proponents have been in liaison with GBRMPA for many months, including several meetings, phone conversations and email correspondence.

7 Timing

Since the Reef Haven pontoon is already constructed, installation would commence soon after the permit application has been approved and the permit to install and operate has been issued. There are no foreseeable barriers or delays from the perspective of the proponents. It is expected that installation would commence within a few months of the proponents being granted the permit and subject to weather conditions. Operations would commence immediately from the date of installation.

8 Need and alternatives

8.1 Justification

Lady Musgrave's lagoon offers beautiful coral and fish viewing. Since the proponents already operate day trips to a pontoon (Lady Musgrave Pontoon) inside the lagoon, extending operations to include another pontoon destination seemed a feasible option. 1770 Great Barrier Reef Cruises has been operating to Lady Musgrave Island & Reef since 1994.

The new site is near the "Aquarium" site in the inner Lady Musgrave lagoon. Key factors driving the proposal are:

- The need for the upgrade of pontoon facilities in the immediate region to capture a more upscale market that
 expects high quality in all aspects of a reef tourism product including facilities, activities and customer
 service;
- The opportunity to improve the range and interaction of passenger interpretation and educational opportunities;
- · Access to better coral and fish viewing;
- The potential to include unique and adventurous innovations into the design;
- The opportunity to promote the Southern Great Barrier Reef when this additional infrastructure is in, as this
 will meet the international and domestic tourism markets expectations on what location facilities should be
 available.

8.2 Visitor demand

Tourism growth in the Gladstone region has been apparent with high occupancy rates and a demand for further hotel/motel accommodation. In addition to a rapidly growing tourism market, the city has a large number of industry visitors who come to the city for business but take the opportunity to experience some of the regions tourism offerings during their stay.

The destination is catering to all visitors travelling the region from Rockhampton, Gladstone, Bundaberg, Hervey Bay and Brisbane. Also international visitors on tour groups find this destination easy to access. All demand first class facilities and this pontoon will meet their expectations.

8.3 Benefits of the proposal

This project will create numerous direct and indirect benefits in Southern Queensland.

Expected tourism industry benefits:

- The Gladstone / Capricorn / Bunker region is a growing tourism destination, with increased visitation by both domestic and international visitors. This growth in tourism is expected to increase even more dramatically in the future.
- At present, there are limited options for tourists who prefer a pontoon destination product. An evident gap in opportunity exists for a high quality, professional tourism venture.
- A new good quality pontoon destination will help draw visitors to the region, which in turn, will have a flowon effect to the other tourism companies in the area. It will capture the more southern markets (from Melbourne, Adelaide and inner towns) that believes that Cairns is too far away.

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