

**Quicksilver Connections Limited** ABN 26 010 434 269  
 74 Spence Street PO Box 5702 Cairns Queensland 4870 Australia  
 Telephone: (61 7) 4087 2100 Facsimile: (61 7) 4044 9929  
 Email: reservations@quicksilver-cruises.com Web: www.quicksilver-cruises.com

16 May 2008

Standing Committee on Climate Change,  
 Water, Environment and the Arts  
 PO Box 6021  
 Parliament House  
 Canberra ACT 2600

Submission No:	11
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Secretary:	<i>[Signature]</i>

**Inquiry into Climate Change and the Environmental Impacts of Coastal Communities**

To the Standing Committee on Climate Change, Water, Environment and the Arts,

I present this submission regarding the future of tourism on the Great Barrier Reef for consideration by the Standing Committee.

My name is Tony Baker and I am the Managing Director of the Quicksilver Group of Companies. Our company is based in North Queensland and we employ over 500 staff in Cairns and Port Douglas (making us one of the largest employers in the North Queensland region). Over the course of each year we take approximately 400,000 visitors to reef and island destinations.

In addition to my corporate role I am also the Chairman of the Association of Marine Park Tourism Operators (AMPTO), the peak industry group for Great Barrier Reef Marine Park tourism operators. The Association will be making a separate submission.

The Great Barrier Reef is not only one of the world's greatest natural attractions; it is an inherent part of our culture both old and new. From traditional owners, to the tens of thousands of Australians that earn a living from the Reef, to the millions of recreational and tourism visitors who visit the Reef, the Reef has special significance to all Australians, and indeed to people from all countries around the world.

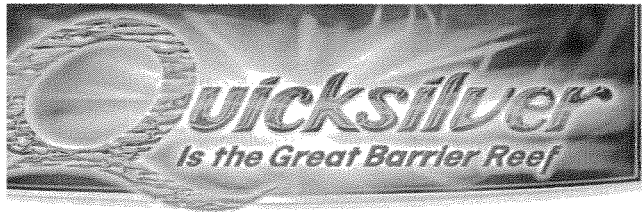
As has been well and truly documented in numerous articles by various sections of the scientific community, our Great Barrier Reef is under significant environmental pressure. For many years, people from diverse interest groups have pointed accusing fingers at different causes and different user groups regarding sources of potential environmental impacts on the Reef. While I believe the following comments are unbiased, they are obviously written by me as a proponent of the tourism industry.

I believe the debate over whether we are seeing the impact of climate change or not is effectively over. The consensus is, we are. The debate is now focused on what the impact will be.

The tourism industry is one of the many user groups of the Great Barrier Reef. While figures vary, the general consensus is that tourism in the Great Barrier Reef catchment area contributes over \$5.1 billion to Australia's economy every year and is indirectly responsible for the employment of over 50,000 Australians.

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Contrary to some public perceptions, tourism does not occur in every area of the Reef. In fact tourism occurs in only 15% of the Reef (statistic provided by GRUPMA). Recreational use of the Reef is far more widespread. Within that 15% of the Reef, tourism operators generally work to one or two specific sites. The tourism industry is arguably the most regulated and managed user group operating in the Great Barrier Reef. Tourism operators have a commercial imperative and a vested interest in ensuring their sites are well managed and well looked after. These sites are not only the industry's present source of income, but are our future.

It is simply not an option for tourism operators to damage or destroy one site then simply move to another. Our goal as an industry is to be seen by our peers, the community and potential customers as an industry that is committed to the sustainable use of a national asset we are privileged to use.

From an industry perspective we certainly have a number of concerns for the future. In summary these are:

- Water quality – our industry believes this is the single largest issue impacting the Great Barrier Reef. In simplistic terms, nutrient-enriched run-off from rivers has a deleterious impact on the reef systems, making them less resilient to environmental changes, such as climate change, coral bleaching or outbreaks of pests or diseases.
- Coastal Development and the potential impact this has on declining water quality.
- Climate change, the potential impact of rising sea temperatures and sea levels, and most recently, ocean acidification.
- Conflict with the growing numbers of recreational users – as indicted above, the tourism industry (which accounts for approximately 1.9 million visitors to the reef) is one of the most regulated/managed user groups within the Great Barrier Reef. Compare this to recreational users (approximately 2.1 million visitors) who are far less managed but growing rapidly in numbers and there is a high potential for conflict, particularly in areas like the Whitsunday's.
- The ability of the Great Barrier Reef Marine Park Authority (GBRMPA) to effectively enforce compliance.
- The ability of industry to access funds quickly to assist in addressing outbreaks of marine pests/diseases such as Crown-of-thorns Starfish (COTS), Drupella Snails and coral disease (White-band Syndrome) when they occur.

### What can Government do?

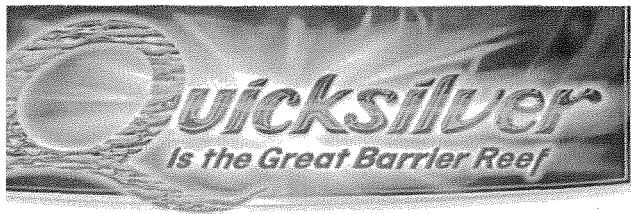
As an industry we want to do the right thing but also need to be **seen** to be doing the right thing.

There are areas we can influence and those we cannot.

Poor water quality issues are generally tied to agricultural run-off into our rivers, which then make it to our reefs. This is something Reef users cannot influence but Government can. The

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Government has in place a \$200 million Reef Rescue Plan, which, we hope, will deliver real outcomes and improve water quality. This will lead to a healthier Reef making it more resilient to impacts from events such as those associated with climate change and along with pest and disease outbreaks.

With respect to climate change, our industry is high profile and is based around the sustainable use of the Reef. While our impact may be minimal, it is there. To help our industry and the community to change, I believe Government needs to provide financial assistance or other incentives to the industry.

**Some suggestions are:**

1. Provide "accelerated depreciation rates" to operators who invest in new capital that reduces carbon emissions or are more environmentally friendly. For example, the new technology engines for vessels are far more fuel-efficient. By allowing operators who upgrade to new engines to depreciate the engines at an accelerated rate would provide the incentive of short-term cash flow benefits.
2. Provide a Grant or co-fund investment into capital items that provide a much more environmentally friendly solution such as greater use of renewable energies (with a focus on tourism and transport industries). For example, there are a number of tourist pontoon operations on the Great Barrier Reef. These operations rely on generators for power. While it is possible to move to solar power the estimated cost to do so is \$200,000 per pontoon. Quite simply this is not a cost effective solution. A possible mechanism for Government to support this type of investment would be to provide operators with similar tax relief to that available under the current Research and Development concessions. This same principle could be extended to island resorts that currently rely on diesel fuel generators for power.
3. The current diesel fuel rebate is 38 cents. To encourage operators to move to biofuels Government could provide a higher fuel rebate. For example, 43 cents for B10 and 48 cents for B20. The Government would need to ensure that such a benefit focussed on domestically sourced/provided biofuels (or natural gas options) where such fuels were produced in an environmentally sensitive and responsible manner. The Government would also need to ensure that the benefit went to the consumer and not the fuel companies.
4. With increasing coastal development there is the potential for a far more significant impact on water quality on the Great Barrier Reef. While existing programs such as the Water Quality Improvement Plan should be continued, Government needs to ensure funding is also available for necessary research to develop effective management strategies, and then assist local communities in upgrading equipment where necessary. An example of this would be upgrading of sewerage treatment plants and also ensuring that marine park users are provided with reasonable cost land based options for sullage outflow.

As indicated previously, the ability of the management agencies to effectively enforce compliance is a concern for the industry. We do believe that the GBRMPA and the QPW need more resources to effectively enforce compliance.

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During last year's election campaign, our industry lobbied both the then Government and Opposition for the establishment of a contingency fund, administered by the GBRMPA, that could be accessed quickly to assist industry and the management agencies to address outbreaks of marine pests and diseases such as COTS, Drupella Snails and White Syndrome. Both the then Government and Opposition agreed to make such funding available.

This request was in response to delays in funding in 2000 when the most recent COTS outbreak was detected. It took almost two years to secure access to funds to help industry combat COTS on high use tourism sites. By this time extensive damage had already been done. At this time however there has been no formal confirmation received by the GBRMPA or the Marine Park tourism industry of the establishment of this contingency fund. We request that the committee help ensure the new Rudd Government honour its election promise and establish such a contingency fund.

Finally, while I acknowledge it is important to educate the community about potential impacts on the Great Barrier Reef of issues such as poor water quality or climate change, it is critical that this is handled in a manner that does not make everyone think the Reef is already gone.

Every week I seem to open a paper that has someone painting a very negative picture of the Reef - the doom and gloom story. While we all acknowledge that our reef systems are facing an enormously challenging time, it is vitally important to the tens of thousands of Australians who rely on the Reef for a living that we don't destroy it now in the eyes and hearts of our community and potential tourists.

While there are challenges, the Great Barrier Reef is one of the best-managed reef systems in the world, and this is something we should be proud of. It is critical that in educating the public we present a balanced view that does not turn tourists away from what is one of Australia's greatest natural assets.

Should you require any further clarification on my comments please do not hesitate to contact me.

Yours sincerely

Tony Baker  
Managing Director  
Quicksilver Group of Companies  
P 4052 7842  
E [tony@quicksilvergroup.com.au](mailto:tony@quicksilvergroup.com.au)

CC: AMPTO

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