



SEMAPHORE

Newsletter of the Maritime Law

Association of Australia and New Zealand



Plans for Deep-Water Forestry Port on Kangaroo Island Felled

A Kangaroo Island Plantation Timbers (KIPT) application to build a multi-user, deep-water port facility at Kangaroo Island's Smith Bay to ship timber was last month declined by South Australia Minister for Planning and Local Government Vickie Chapman.

The KIPT proposal included:

- construction, works and activities associated with the operation of a multi-user deep-water port facility, storage facilities and associated infrastructure
- land and water over land uses such as a wharf, causeway, link span bridge, tug mooring facilities, berthing pocket and approaches
- ship loading systems
- stockpiles and storage facilities
- materials handling systems
- buildings/facilities
- road transport access

It is understood the port itself would have entailed:

- open, fully-piled jetty up to 650 metres long
- link span bridge connected to a floating pontoon and tug mooring facilities
- restraining structures (piled steel)
- mooring dolphins

Minister Chapman noted the State Planning Commission's Assessment report had defined the application as "finely balanced" and had highlighted a range of matters that would require significant and ongoing management in order to mitigate negative outcomes.

Potential long-term and irreversible impacts on the environment, local business and character of Kangaroo Island had ultimately swayed her decision making, said the Minister.

"This was a difficult decision and one I have not made lightly," said Minister Chapman.

"The Assessment Report was line-ball, however, I have come to the conclusion that the possible long-term and irreparable damage the wharf could cause to the island is a risk I am not willing to take.



*South Australia Minister for Planning and Local Government
Vickie Chapman*

“Key factors included the impact on surrounding businesses, the marine environment, as well as biosecurity risks to neighbouring tourism and aquaculture businesses.

“There were also concerns with the impacts on the road network and how increased truck numbers on the island would affect the character of the popular tourist destination and home for many.

“I am aware my decision will have an impact on the local timber industry, and I can assure South Australians that I will continue to search for a sustainable solution for this industry on Kangaroo Island.

“I note the work undertaken by KIPT in bringing this proposal, and its efforts to adjust and change the design based off community feedback.

“However, I am not satisfied that the impacts identified by the Commission can be monitored, managed or mitigated to the extent that the risk of adverse outcomes can be properly managed to a degree that would warrant development approval.”

Process Background

KIPT’s proposal to develop a deep-water port facility at Smith Bay was first declared as a development of major environmental, social and economic importance in February 2017, and is understood to have been subject to a vigorous assessment process, including the release of an Environmental Impact Statement (EIS) for public consultation.

In October 2019 the company varied the proposal following public consultation and in December 2020, following a request for further detail, submitted an addendum to its EIS, which then required an additional round of consultation.

The State Planning Commission subsequently prepared a detailed Assessment Report, which outlined the merits of the project, as well as the potential impacts. The Assessment Report is available from [PlanSA](#).

Response from KIPT

KIPT’s reportedly A\$40 million proposal had been heralded as solving a “decades-long” issue of how to transfer export timber from Kangaroo Island to the mainland and overseas markets.

The planned port, which was expected to provide a significant jobs boost for the region, was reportedly described as “critical” to activating the forestry industry on Kangaroo Island, by KIPT managing director Keith Lamb.

In a company statement to the Australian Securities Exchange on August 11, KIPT acknowledged the Minister’s decision, thanked everyone who had supported the process and announced it was embarking upon a significant, new agricultural strategy.

That strategy entails removing its treecrop from Kangaroo Island and converting the land to more traditional agricultural use – signalling the company’s exit from the forestry business.

“This reversion strategy will require significantly-less capital and will revert the company’s 18,696 hectares of high-rainfall land to a productive agricultural estate over a shorter period of time,” it stated.

“KIPT will, however, continue to pursue any salvage harvest opportunities – particularly for softwood plantations – if they present attractive risk-adjusted returns to shareholders.

“The agricultural strategy does not require new port infrastructure on Kangaroo Island. KIPT will begin reversion activities immediately.

“Reverting timberland to a more traditional agricultural use is a proven process. Since the failure of the MIS [Managed Investment Scheme] experiment, more than 100,000 hectares of former forestry plantations have been reverted to agriculture in Australia.”

KIPT chairperson Paul McKenzie described the new strategy as a “major turning point” for the business.

“By undertaking this lower-risk and well-trodden strategy, we will in turn develop our land into an institutional-grade, conventional agricultural estate,” he said.

“The company’s vast, high-rainfall landholding is unique and is expected to command a premium valuation in due course.”

On September 21, South Australia Minister for Primary Industries and Regional Development David Basham announced a “Helping hand to get timber off Kangaroo Island”.

September 2021

