

RESPONSE

American River Tourist Resort
Response to Submissions
18th November 2016

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American River
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PART I

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1.0 Response

Executive Summary

People are passionate about Kangaroo Island, be they residents, long term holiday makers or first time visitors; everyone has an experience or highlight to share about what they love most about the Island and Island life. The proponent acknowledges this passion and has sought to engage with the community to assist in developing a unique, world class resort facility. A facility that reflects the equally unique and world recognised location of American River, Kangaroo Island.

A range of submissions have been received from local residents, absent landowners, local businesses and return holiday makers. They contain a spread of views and opinions based upon local knowledge and insight which is invaluable in helping to shape the proposal.

The design team has amended the location and design of the courtyard hotel as a result of the submissions and feedback received during the open day hosted by the proponent. The hotel building has been relocated and redesigned so as to reduce the scale and bulk of the building and provide further screening to residents along Redbanks Road. The access and servicing requirements have also been refined so as to minimise the potential impacts with the car park moved further away from native vegetation and animal habitat.

Questions raised around the key elements of the proposal, its design and appearance, the potential for off-site impacts, how it is to be constructed and serviced and the on-going management

of the facility are considered further below.

Whilst the isolation and low density of development upon the Island are key factors in its appeal they also pose significant impediments to the future growth of the Island. Whilst views differ as to the appropriate level of development that the Island should or could sustain, the strategic objectives of both the State Government and Council seek sustainable growth and development.

The scale, design intent and overall vision of the proposal is considered to achieve the desired balance between growth and preservation. The level of service and accommodation offered will draw year round tourism and provide sustainable growth and input into the Island economy. It will not draw down on the limited resources of the Island; rather it seeks to improve the level of services within American River to the overall benefit of the community.

EXECUTIVE SUMMARY

• 006-007

2.0 Summary

Proposal

Complete Resort

A total of 323 rooms are proposed across the following range of accommodation types:

- Courtyard hotel containing 115 rooms;
- 20 cottages each with 4 bedrooms to accommodate larger groups and families;
- 20 cabins each with a single bedroom; and
- 10 lodges, 9 of which will contain 12 individual hotel rooms provided within a 6 storey tower element above a common ground floor of shared facilities (7 storeys in total).

A range of facilities are to be provided for the use of both guests and visitors, generally within the ground floor of the lodges, including:

- conference facilities with capacity for up to 400 delegates;
- restaurant and bar;
- spa, sauna, swimming pool and beauty treatments;
- cooking school and kitchen garden;
- a range of physical activities including horse riding, bush walking, conservation programs, bird watching etc.; and
- children's activities.

Construction of the resort is to be carried out over three stages as shown in the Phasing Plan within the updated Drawings Appendix. The following elements will be constructed within each stage:

Stage 1:

- Courtyard hotel and associated car parking and service/loading area
- Two (2) lodges (Wine Bar and Activities Lodge)
- Eleven (11) cabins and associated car parking area
- Two vehicle access points to Redbank Road and internal access road along the northern boundary;
- Internal pedestrian/electric buggy/emergency access paths through the north western and western portions of the subject land;
- Pedestrian/electric buggy/emergency access to the Council reserve/ Buicks Drive within the south western corner; and
- Two dedicated fire water tanks accessible from Redbanks Road (note courtyard hotel swimming pool will also provide additional fire water in an emergency) and associated pumpsets.

Stage 2:

- Six (6) Lodges (Main, Well Being, Restaurant/pool, Garden, Spa and Kids Club Lodges);
- Four (4) cottages;
- Nine (9) cabins;
- Additional car parking; and
- Associated internal pedestrian/electric buggy/emergency access paths.

Stage 3:

- Two (2) Lodges (Speciality Restaurant/Cooking School and Stables Lodges);
- Horse stables, area and riding paddock;
- Sixteen (16) cottages; and
- Remaining portions of the internal pedestrian/electric buggy/emergency access paths including a connection through to Plover Place to the south.

Employment during Phases

It is estimated that the following number of local jobs, both permanent ongoing resort jobs and temporary construction jobs, will be generated by the proposal:

Stage 1:

100 resort jobs
60 construction jobs

Stages 2 & 3:

180 resort jobs
100 construction jobs

Total:

280 resort jobs
160 construction jobs

3.0 Background

Proposal

On 20 August 2015 the Minister for Planning declared that the proposed Tourist Resort at American River, Kangaroo Island, be assessed as a Major Development pursuant to Section 46 of the Development Act 1993.

On 8 September 2016, following a request by the proponent to vary the proposal, the Minister issued a varied declaration and updated assessment guidelines requiring the preparation of a Development Report (DR).

Public consultation of the proposal was undertaken from 13 October through to 3 November 2016. During this time the project team held a public information session on Thursday 20 October at "The Shed" American River Community & Sports Club, Kangaroo Island. Whilst there is no statutory requirement for a public meeting or information session to be held the proponent recognised the value that such a session would bring to the process. The project team wanted to build upon the previous feedback from stakeholders on the early concept plans presented to them in 2015 and to reach a broader more diverse range of views within the community on the current proposal.

A total of 33 submissions were received from the community during the consultation period. These submissions ranged from local residents within American River and the Island more broadly, business owners, tourist accommodation providers and 'off-Island' or absentee property owners. In addition comment has been received from several

key Government Departments and Agencies and the Kangaroo Island Council.

This Response Document seeks to provide additional information and clarification of the matters raised by the agencies and the wider community, with the matters raised summarised under a number of key headings as outlined below.

The response is submitted as a part of the development assessment requirements for a Major Development.

4.0 Supportive Submissions

Proposal

A number of public submissions and agency comments received are supportive of the proposal; recognising the level of economic activity and broad benefits that it will bring to both the township of American River and the Island generally. The following is a summary of the elements of the proposal that drew support within the public submissions:

- Proposal has significant potential for increased commercial input into the township.
- Proposed construction timeframe and incremental increase in guest capacity over a number of stages will allow for steady and sustainable growth within American River.
- Accommodation of staff within the township (as opposed to onsite) will result in increased social interaction and a better sense of community.
- General design, minimal building footprint and sensitive siting of buildings across the subject land.
- Potential to return American River as the principal town of Kangaroo Island tourism.
- Economics and feasibility of the proposal is best dealt with by the developer.
- Proposed revegetation of the subject land with Kangaroo Island native plants.

A number of public submissions expressed their broad support for the proposal conditional on the detailed design, construction and ongoing operation/management of the facility protecting the unique environment and setting of American River. As discussed below the proposal is considered to strike an appropriate balance between providing a high quality facility and services for both tourists and residents without detracting from the unique character and natural environment that continues to draw people to American River and the Island.

It is also noted that there is a broad level of support for the proposal within the agency and Council responses received. These are detailed further below.

5.0 Intro / 6.0 Design

Response to Matters Raised

It is acknowledged that a number of submissions are not supportive of the proposal; regardless of any changes, additional clarification or further investigations provided by the project team. The remainder of the submissions however have indicated that their concerns may be lessened or addressed by the provision of further information or changes to particular elements of the proposal.

The following response summarises the matters raised and seeks to address them or highlight where additional information is able to be provided within the detailed design phase of the proposal. It is recommended that such matters, where appropriate, be addressed by way of a condition of approval requiring that the necessary detailed design work be completed and further considered by the Minister prior to the commencement of the associated works.

Design

A number of submissions commented on the architectural design, appearance and scale of the built form proposed across the subject land. The Development Report and associated plans and background documents outline the design approach and thinking used to develop the proposal.

A more traditional approach to the development would be to construct a conventional multi-storey singular hotel building across the top of the ridge-line within the centre of the subject land. Such an approach would maximise the potential views to the south, simplify

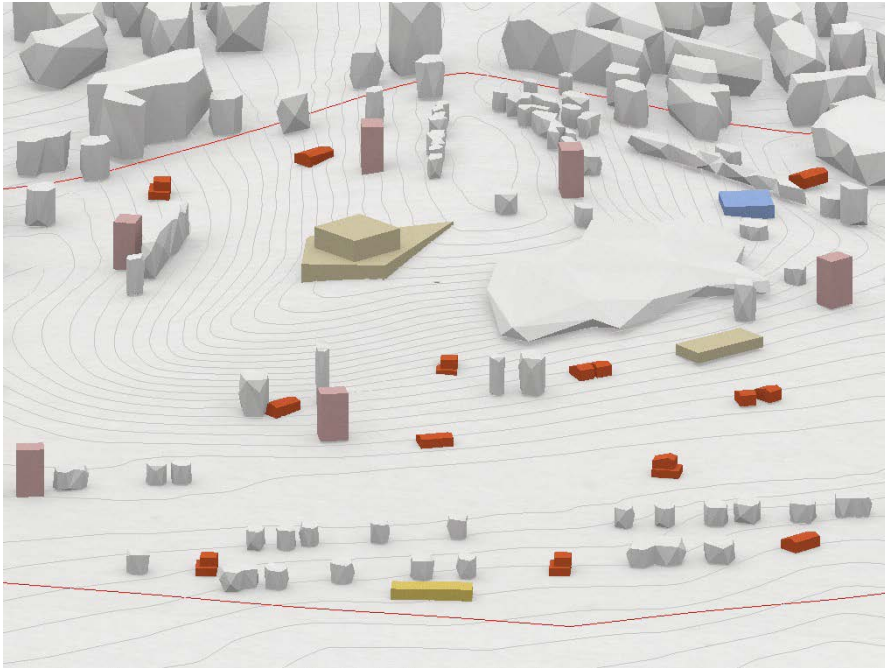
the management and servicing of the facility and provide an efficient built form; it would however dominate the rural backdrop of the township and lack the level of sensitivity required for such a unique site.

The architectural team has instead conceived an approach based upon the deconstruction and separation of the individual components within a traditional hotel which:

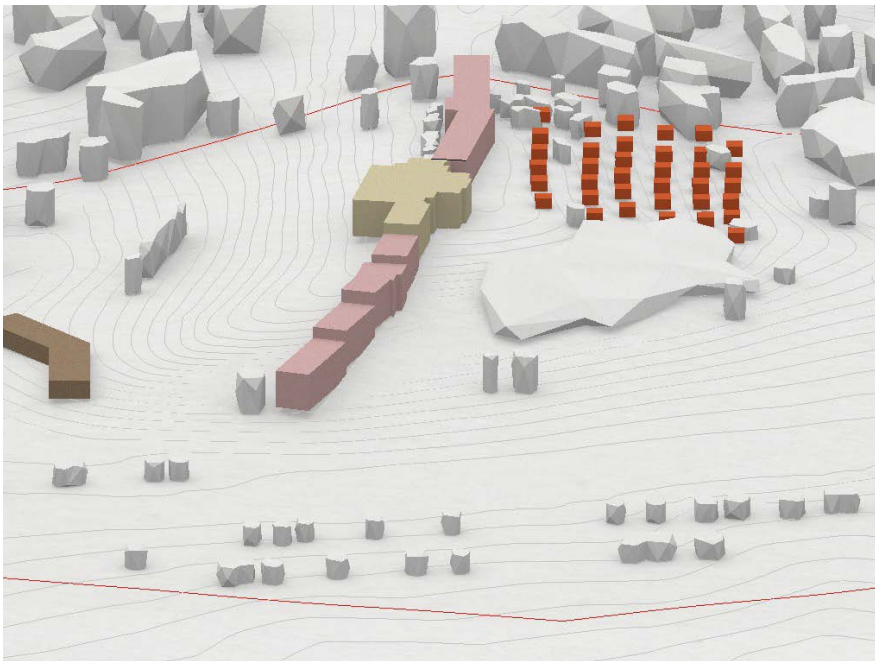
- does not concentrate buildings in any one portion of the subject land;
- utilises existing vegetation and topography to screen and separate the built form;
- reduces the overall building footprint whilst still providing a full suite of hotel facilities;
- provides a variety of accommodation types and activities over and above that which would be found in a traditional hotel;
- provides a point of difference that will be unique to American River and the island; and
- allows for a transition between the urban form of the American River township and the open grazed pastures of the rural land to the west and north west.

Massing studies were undertaken within the early concept phases of the proposal. The studies showed that the chosen design approach to locate a number of taller buildings with smaller footprints across the site successfully reduces the intensity and visual impact when compared to the development of a large traditional hotel building.

- (1) [Scattered Hotel Massing](#), Early massing study
- (2) [Block Hotel Massing](#), Early massing studies



(1)



(2)

6.0 Design

Response to Matters Raised

Township Character

With an area of 32 hectares the subject land is a large rural parcel located on the western edge of the township. The topography of the locality is such that the land forms part of the rural backdrop and setting of the township. Some concern was expressed that the development could potentially impact upon the existing character of American River. Indeed this was a concern shared by the Development Assessment Commission (DAC) when setting the assessment guidelines for the proposal. Guideline 1 required the proponent to have significant regard to this aspect which was outlined within the DR plans and documents provided.

Given the location of the subject land on the edge of the township the design of the proposal was shaped so as to provide a transition between the township and the surrounding rural land with taller, slender building elements used amongst the landscape and vegetation. It must be acknowledged that the subject land is zoned Residential and Deferred Urban. The residentially zoned portion is currently able to be developed with residential/urban development. The deferred urban portion is earmarked for further urban development in the medium to long term. The development of the land for housing as envisaged by the zoning would see the recent residential development along Sea Eagle Way progress northward up the slope behind the township. The potential expanse of 1 to 2 storey dwellings with associated roads, driveways and outbuildings across the subject land would have a much greater impact on the setting of the town than the proposal which preserves existing vegetation and limits the extent of cut and fill and hard paving/surfaces required.

The commentary within Guideline 1 speaks of protecting the 'Coastal Village' character of American River. Whilst it

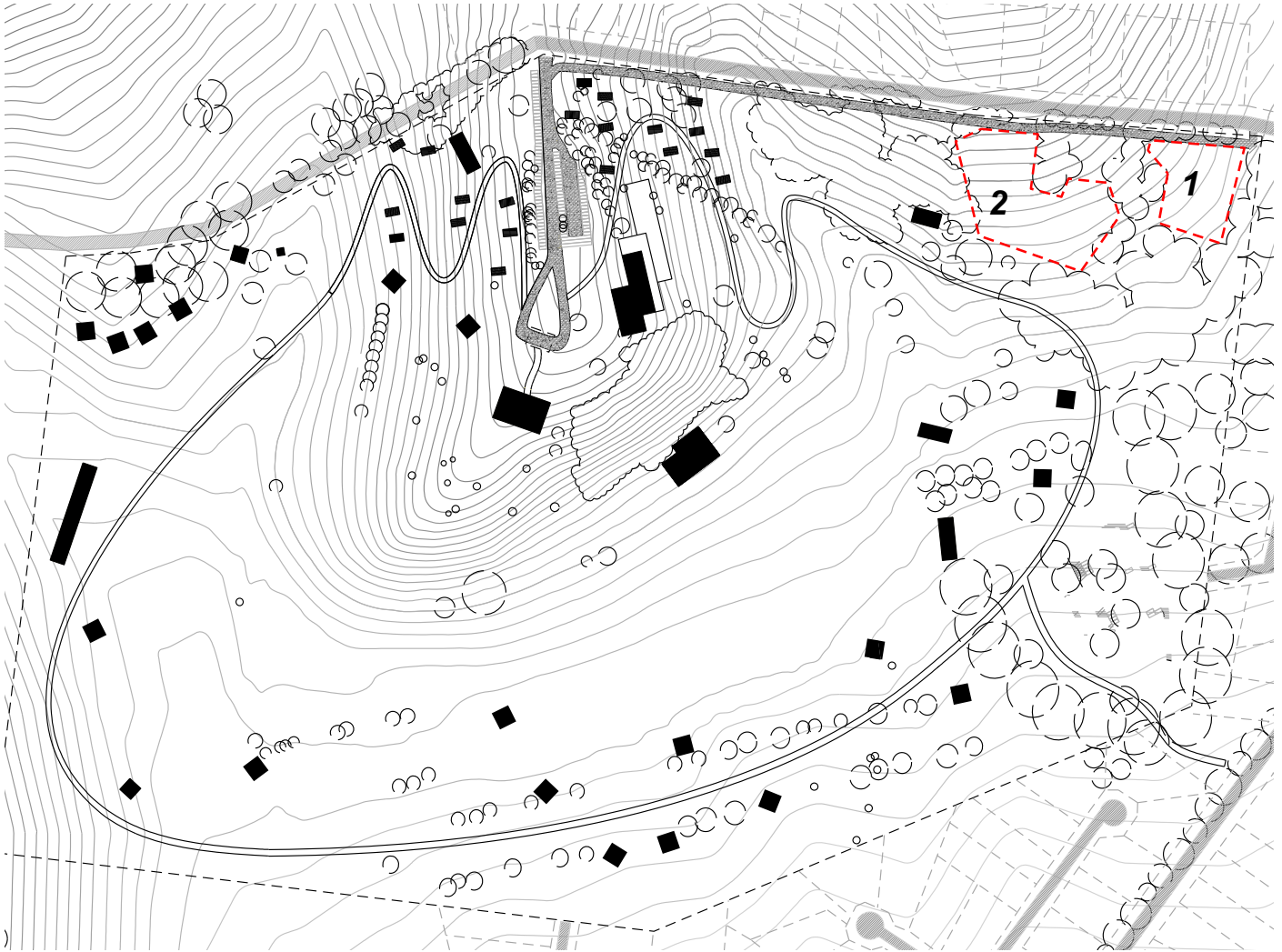
is acknowledged that this character does exist within portions of the town. The subject land however is on the township fringe, well removed from the coastal shack character found on Tangara and Scenic Drives along the foreshore.

ODASA

The proposal has undergone two formal Design Review sessions undertaken by the Office of Design and Architecture SA (ODASA). The feedback from these sessions has been utilised by the architectural team in shaping and refining the proposed design.

The formal comment provided by ODASA following the most recent Design Review Session on 19 October and the feedback provided at the Information Day and within the public submissions has resulted in a change to the location and design of the courtyard hotel. The new location & updated design is described in the drawings and images in the following pages. The new proposal for the Courtyard Hotel is detailed to a greater extent within the attached updated Drawings Appendix. In summary the proposed amendments seek to:

- relocate the hotel to a larger clearing to the west of the former location;
- re-arrange the previous box form into a series of pavilions stepping down the hillside;
- retain the existing number of rooms, overall height and building footprint;
- improve access, servicing and parking arrangements so as to minimise potential impacts; and
- locate the hotel building on



Area comparison for Courtyard Hotel site:

1 (former site): 2427m² **2** (new site): 4845²

a portion of the site that provides for a greater level of screening from Redbanks Road and is lower than the adjacent dwellings to the north.

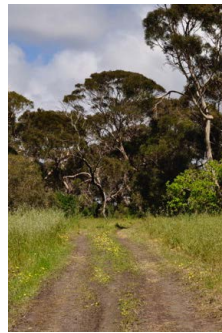
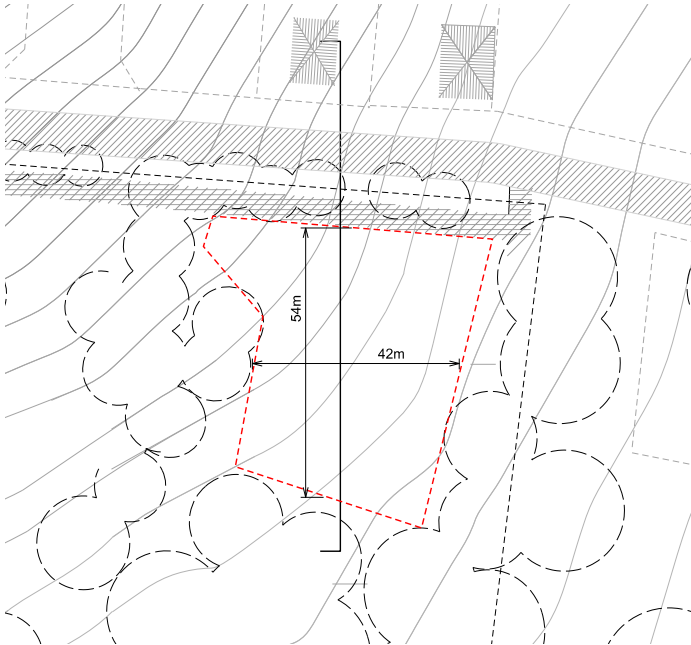
ODASA have confirmed that they are supportive of the proposed changes to the courtyard hotel noting that "the siting... offers a more appropriate interface to Red Banks Road and existing residences and the staggered and displaced built

form responds more appropriately to the site topography and landscape".

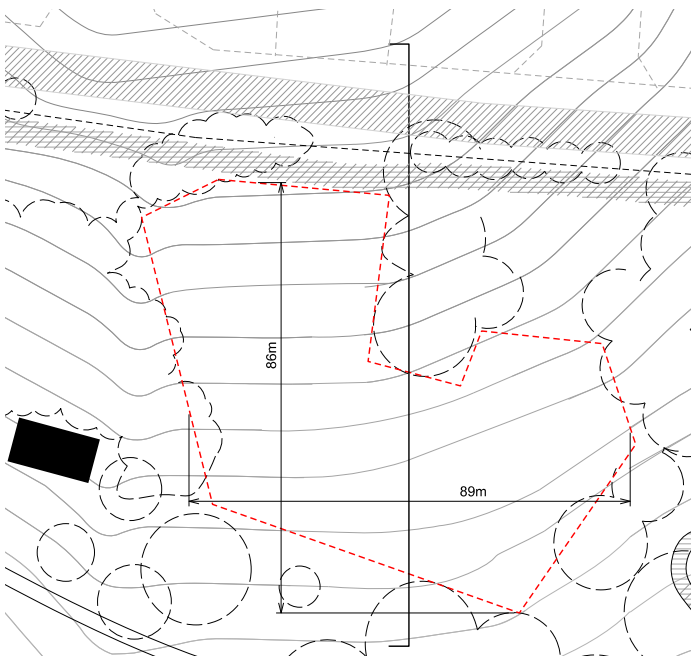
The proposed amendments are considered to significantly reduce the bulk and scale of the hotel to an acceptable level when viewed from Redbanks Road and adjacent properties. This motion is explored further in the following pages.

6.0 Design

Courtyard Hotel Redesign



(1)

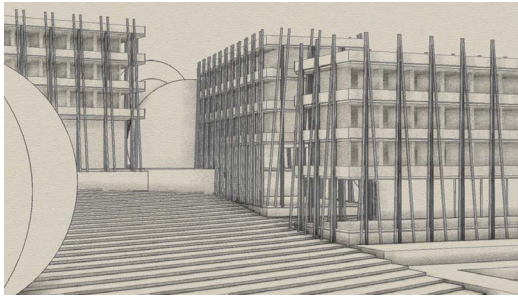
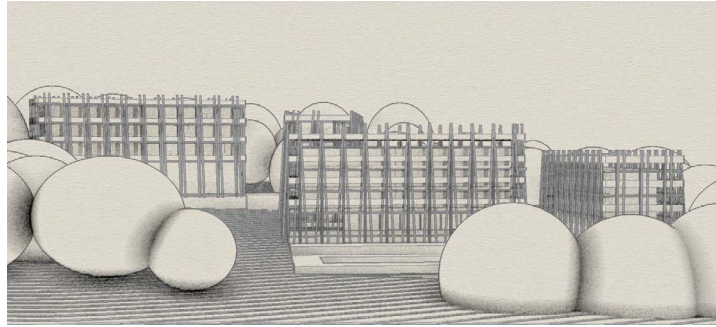


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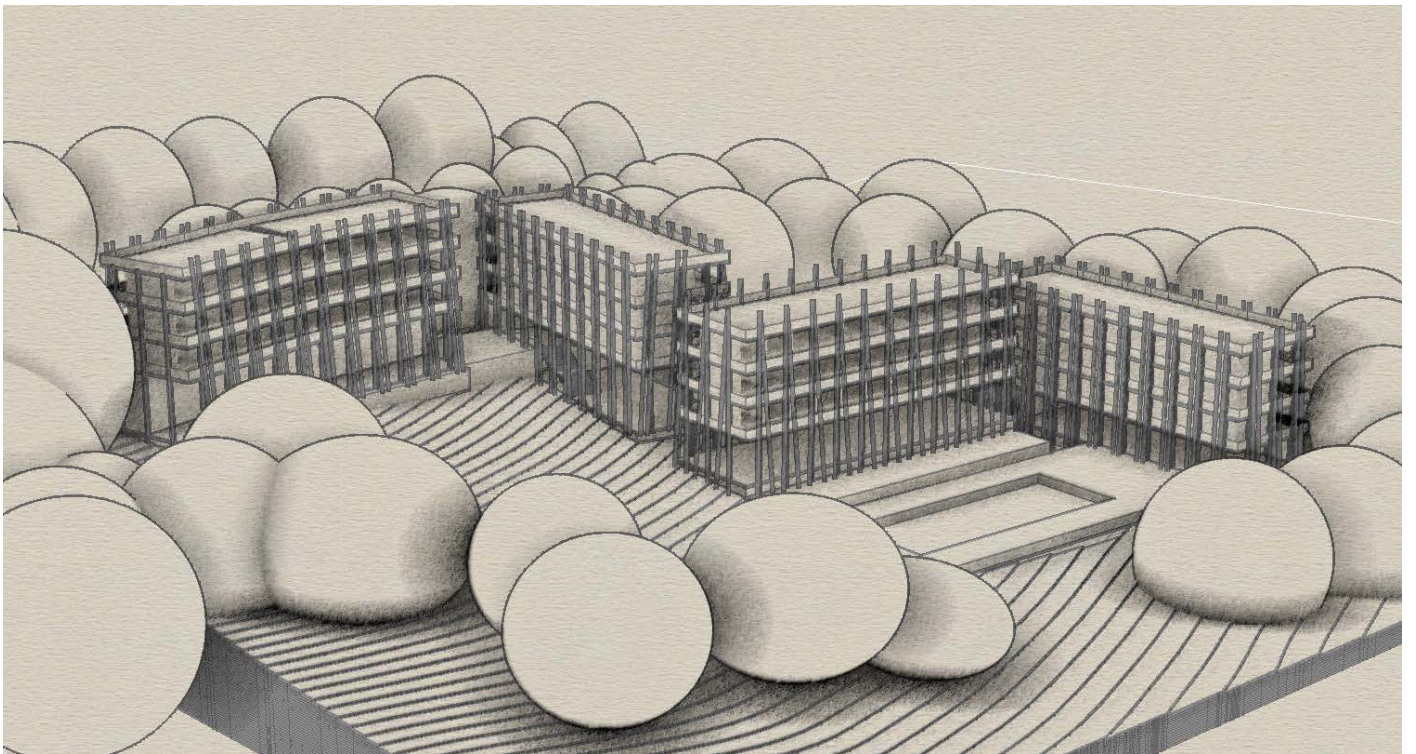
(1) [Former Site Plan & Photos](#), Courtyard Hotel

(2) [New Site Plan & Photos](#), Courtyard Hotel

(3) [New 3D Visuals](#), Courtyard Hotel - broken L-shaped terraced mass of new proposal steps down the hill

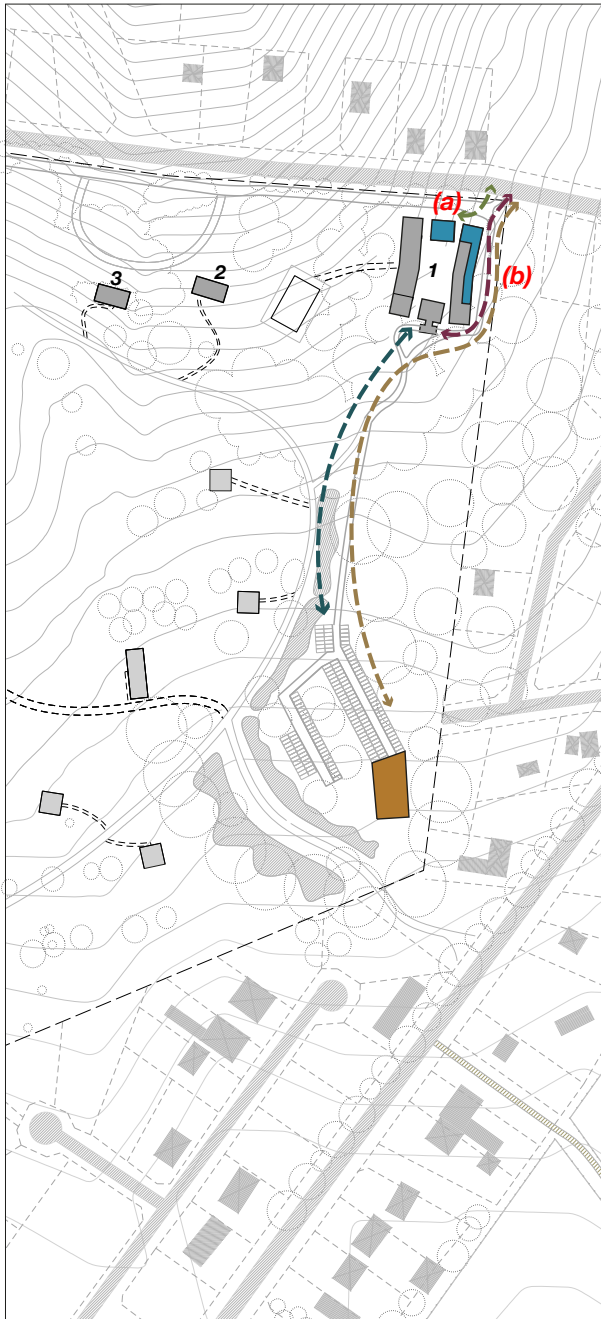


(3)



6.0 Design

Courtyard Hotel Former Proposal



- 1 - Courtyard Hotel (option 1)
- 2 - Activities Lodge
- 3 - Wine Bar

- (a) - Insufficient receiving area for service vehicles & corner exposed to public realm / proximity to neighbouring properties
- (b) - Limited space for key access route, with proximity of route to rooms above which may disturb guests

- Limited BoH space contained within Courtyard Hotel
- Potential additional BoH space required

- - - Service entrance for Courtyard Hotel (shared with guest access)
- - - Guest access to reception: cramped and shared with service access, poor guest arrival experience
- - - Guest car-parking access
- - - Service / Delivery to BoH access route: limited in size due to trees, proximity to guest areas and cuts across the bottom of the site

PROS:

- stepped massing gives most rooms an ocean view
- generous communal areas and court yard
- shrubbery and trees conceal part of frontage along Red Banks road

CONS:

- proximity to road and neighbouring properties
- large mass of building has an 'urban' presence along Red Banks road
- insufficient back of house area - will require phased development elsewhere
- insufficient space for coaches and large delivery vehicles to turn / park
- site is isolated from the rest of the resort
- limited site area (constrained by trees) determines the dense massing departs from the logic of lodges and cabins set in the nature of the site
- site is close to nesting habitats
- proximity of back of house operations to guest activity
- proximity to trees may require significant trimming

6.0 Design

Courtyard Hotel New Proposal



- 1 - Courtyard Hotel - reformed plan (option 3)
- 2 - Activities Lodge
- 3 - Wine Bar

- (a) - Courtyard hotel reformed to open out to the site & views
- (b) - Sufficient BoH & delivery space
- (c) - Car parking area

■ BoH space contained within Courtyard Hotel

- Service entrance to Courtyard Hotel: hidden from guest view, using existing track
- Guest access to reception
- Guest car-parking access

PROS:

- broken massing is less disruptive to local residents
- most rooms have a lagoon, ocean or valley view
- generous communal areas and open yard
- set back from Red Banks road
- larger site allows back of house to be contained in the hotel building
- car park can accommodate larger delivery vehicles and coaches in proximity to the hotel
- site is less dislocated from rest of resort
- overall strategy of Court Yard is retained but melded to the steeper conditions of the new site
- guest experience is heightened as site unfolds majestically in front of the hotel

CONS:

- time delay for PART1 to resolve new design

6.0 Design

Response to Matters Raised

Principles of Good Design

Guideline 1 also requires the consideration of the proposal against the ODASA Principles of Good Design. The following summary is provided demonstrating how the proposal has been developed against the principles:

Context: The design specifically responds to its location through the scattered siting of the buildings which allows guests to experience the beauty of the site; creates a development with less visible impact from the township of American River; and protects sensitive habitats from large building footprints.

Durable: High-quality prefabrication techniques will bring a level of construction not currently available on the island. The range of materials to be used is being developed with a clear understanding of the coastal context, and the associated issues of salt, strong winds, rainfall and sun.

Inclusivity: The scheme successfully addresses the issue of inclusivity by providing a range of accommodation at different price points; opening up the experience of Kangaroo Island to a range of tourists. Equally the proposal seeks to have a strong relationship with the local community, with facilities being accessible by locals as well as guests. The proposal to accommodate staff within the existing township will strengthen the bond between the hotel and the township in an inclusive manner.

Sustainable: The design of the proposal has been progressed with sustainability as a key principle; this has been demonstrated through the sensitive siting of the buildings, the protection of vulnerable habitats, and the use of passive heating and cooling systems, rainwater harvesting systems and solar panels. Specific engineering in relation to the technical details of these servicing elements will be developed in the subsequent design phases.

Value: The proposal will provide great value to the local community in providing a boost to the local economy whilst providing extensive facilities open to the township to use. The unique design of the proposal will create value putting American River back on the map as a key tourist destination on Kangaroo Island.

Performance: The design of the proposal performs exceptionally against the client's brief to develop a hotel of 300 rooms through creating a unique tourist experience for guests that also acts as a new facility that will benefit residents of American River. The scattered design allows guests to experience the natural beauty of the location whilst providing state of the art hotel accommodation and a range of supporting activity offers.

Use of pre-fabricated units

All of the buildings are to be constructed using prefabricated modular units. The units are to be constructed and fitted-out offshore, brought to the Island and assembled on-site. Concern was raised as to the quality of these units and the potential reduction in the number of local jobs.

This approach was chosen for a number of reasons including the:

- prohibitive cost of transporting building materials to the Island;
- limited number and cost of skilled labour upon the Island, particularly those skilled in the construction of multi-storey buildings;
- reduced construction timeframes onsite ensuring minimal disturbance to neighbours and the environment; and
- greater control of the finished quality of the units.

The economic reality of high construction costs on the Island makes it unfeasible to construct a hotel of such size on the site using solely local trades. This was confirmed by a large number of residents at the information day who relayed their stories of building single dwellings within the town at great expense and with considerable time delays.

The proposal will make use of local and South Australian craftsmen and trades in the finishing of the units on-site, construction of associated structures and

landscape features and components of the internal fit out and furniture.

All prefabricated units, including the materials used, will meet relevant Australian Standards and the Building Code of Australia.

7.0 Visual Impact

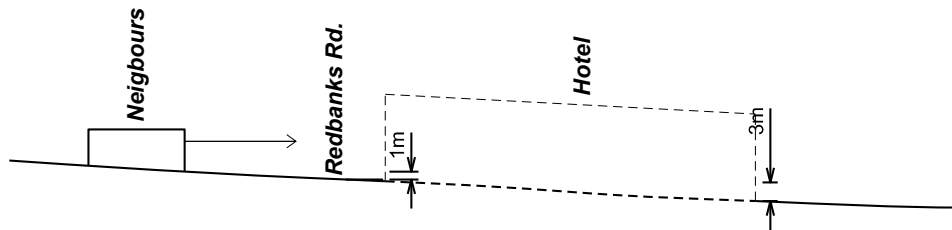
Response to Matters Raised

The level of visibility of the taller built form elements (the courtyard hotel and the nine multi-storey lodges) was raised as a concern within the public submissions. Whilst some comment was made in relation to the visibility of these elements from the main township looking west or north west, the predominate concern was from properties to the north of Redbanks Road and along Longview Road which currently have views to the south across the subject land.

The former courtyard form has been broken into two L-shaped wings orientated to open out towards the remainder of the site (as illustrated in the imaged on page 17), achieving a less bulky form that integrates more successfully with the landscape.

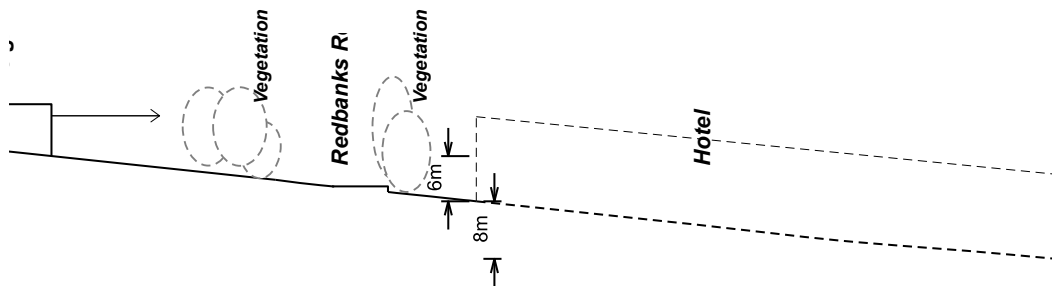
Courtyard Hotel

As discussed above, the proximity of the courtyard hotel to Redbanks Road and neighbouring properties was raised by ODASA and confirmed by local residents within the submissions and at the information day. As a direct response to these concerns the design team has altered the location and form of the courtyard hotel. The new location, 50 metres to the west, offers a larger clearing whilst being more sheltered from Redbanks Road and the neighbouring properties. The proposed location is also noticeably lower than the adjoining portion of Redbanks Road as shown within the sections provided opposite. Whereas the previous location was 1 to 3 metres lower than Redbanks Road, the proposed location is 6 to 8 metres lower. The setting down of the building, change in form and increased screening from existing vegetation upon the subject land and the Redbanks Road reserve significantly reduces the impact on neighbouring properties.



Former Siting

Impact on views from neighbouring properties:
building sits only 1m to 3m lower than Redbanks Rd & close to neighbouring properties.



New Siting

Impact on views from neighbouring properties:
building sits 6m to 8m lower than Redbanks Rd & neighbouring properties, with greater screening by vegetation.

7.0 Visual Impact

Response Matters Raised

Lodges

Properties further to the north of the site, along Longview Road, currently enjoy extensive views south across adjoining vacant residential allotments and the subject site. It is considered that the design intent of the proposal to break the accommodation into a number of low scale cabins/cottages and taller, slender lodges rather than a singular large block on the ridge of the hill greatly reduces the potential impact on the views from these dwellings. It does however result in the upper portions of several of the lodges being visible. The extent to which the lodges will be visible from dwellings to the north is considered to be acceptable in this instance due to:

- the narrow width of the lodges (approximately 10 metres);
- their scattered location across the subject land;
- the extent of established vegetation within the northern portion of the land and adjoining road reserves;
- the level of shading and articulation provided within the façades of the lodges; and
- the setback distance from any adjoining properties they will have minimal impact.

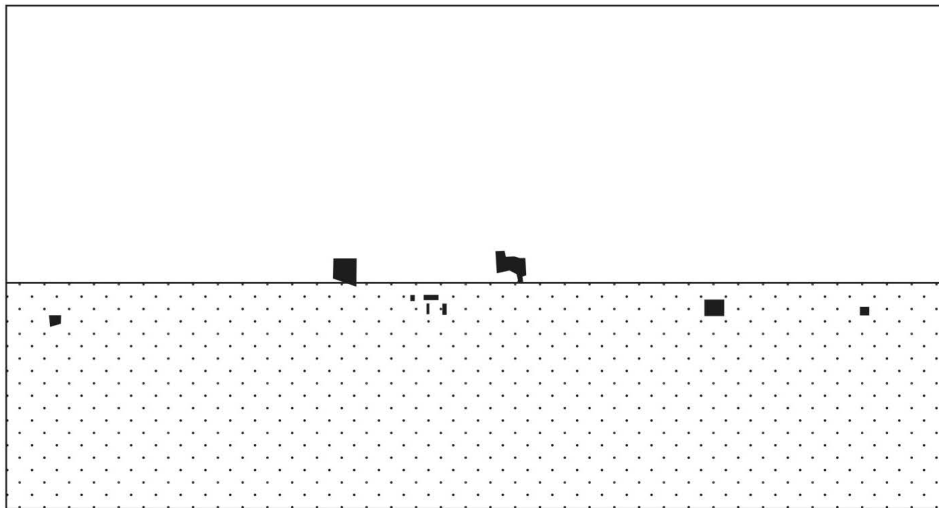
A visual impact assessment of the views available from Lot 100 Longview Road concluded that 0.4% of the current view directly south from the dwelling would be occupied by the proposal, with views to the south east and south west

unaffected. This is not considered to be an unreasonable impact upon this dwelling or any others that currently look across the subject land.

It should be noted that the splitting of built form into a series of buildings with reduced footprint and separation was considered a critical design element in the proposal to preserve existing native vegetation and the overall landscape composition offered by the site. The resulting form of the lodges is a series of buildings of 7 storeys but very small footprints for the number of hotel rooms they accommodate, their heights being such that they are equivalent to the height of the mature gum trees on and surrounding the site.



1 - WINE BAR LODGE, 2 - RESTAURANT & POOL LODGE, 3 - ENTRANCE, DRIVEWAY & PORT COCHERE, 4 - WELLBEING LODGE, 5 - GARDEN LODGE, 6 - SPECIALITY RESTAURANT LODGE



LOOKING DIRECTLY SOUTH
0.4% OF VISTA IMPACTED

(5)

8.0 Noise

Response to Matters Raised

The potential impact upon nearby residents of noise from the bar and restaurant facilities and general operation of the proposal was raised during the consultation.

An acoustic report was prepared and submitted with the DR documentation. The report considered the potential noise sources associated with the development including:

- music and patrons within restaurants and cafes;
- mechanical plant such as air conditioning, ventilation and refrigeration systems; and
- pool associated plant, such as pumps.

Whilst it is acknowledged that the report provides only a preliminary environmental noise assessment it does establish the appropriate environmental noise assessment criteria relevant to each noise source and makes recommendations as to how the future design and management of the facility would ensure compliance with these criteria. The report concludes that compliance with the criteria would ensure the amenity of the locality is not unreasonably impacted upon.

The report is only the first step in ensuring that the amenity of the locality is protected. Final details of the location and size of plant and equipment along with the size, design and capacity of any licenced areas is also required to inform the necessary acoustic treatments or management criteria. As such it is recommended that further clarification

and details of acoustic treatments be provided by way of a condition of consent following further detailed design.

The relocation of the courtyard hotel and orientating it into the site will assist in containing the spread of noise from the restaurant and bar facilities in the evening.

In addition to any condition of consent undue noise from licensed premises is able to be addressed through the Office of Liquor and Gambling. Restrictions are able to be placed upon any license granted by the Licensing Commission and action taken against a licensed premises should a breach occur.

9.0 Access & Movement

Response to Matters Raised

Clarification was sought as to the location and nature of vehicular access to the site and the pedestrian linkages shown on the proposed plans through the township to the wharf.

Two primary vehicle access points are proposed, both along the northern boundary of the subject land to Redbanks/Thomas Road. The eastern access point will service the courtyard hotel and the majority of the back of house loading/unloading functions, with the central access point servicing the main reception and the majority of the guest facilities and accommodation. An internal road will run along the northern boundary linking the two access points so as to avoid resort vehicles having to use Redbanks/Thomas Road. No vehicle access is proposed to the south, except for buggy and emergency vehicles. The southern access point is predominately for pedestrian connection from the site to the remainder of the township and in particular the wharf and community club. This access route is shown traversing Council owned land. No formal agreement has been reached on the final location or design of any pedestrian or emergency vehicle access outside of the subject land with on-going discussion being held with Council. As such the access through to the oval and the harbour is indicative only with the exact route to be confirmed.

The proposal will result in an increase in the number of traffic movements within the township on account of guests, staff and operations. The expected increase is detailed within the Traffic Impact Assessment included within the DR

documentation. The report concluded that given the likely spread of traffic through the two access points and the township generally, as well as the spread of traffic across the day, the existing road network has sufficient capacity to cope with the expected increases.

The proponent recognises that the existing gravel surface of Thomas Road will require upgrading to a sealed surface of an appropriate design and width. It is also noted that some changes to the intersection of Thomas and Redbanks Roads may also be required. The proponent is willing to either undertake these works to Council's standard or pay for the cost of the works to be undertaken by Council.

10.0 Infrastructure

Response to Matters Raised

Questions were raised as to how the proposal will be serviced in terms of water, sewer and electricity and who will pay for any associated upgrades. Considerable thought has already been put into servicing the subject land; a reoccurring consideration on Kangaroo Island where existing services can be stretched or non-existent. The report prepared by BCA Engineers within the DR documentation outlines the proposed approach to servicing the subject land and the proposal. Additional details have since been provided in relation to the capacity of the Council waste water system and the potential connection of the site to SA Water mains water supply.

Water

American River does not have a reticulated water supply with residents and businesses relying on rainwater and the carting of water should prolonged periods of drought occur. The proponent has discussed the option of a reticulated water supply with SA Water, Council and the developer of the recently approved golf course development near Pennington Bay. SA Water are currently finalising design and costing details for the laying of a new main along Hog Bay Road, past the American River turnoff, to supply the golf course. It is understood that construction of the pipe work could commence as early as January 2017.

Negotiations have commenced with SA Water and the golf course developer as to the additional cost associated with increasing the capacity of the main and extending it to the American River township to service the proposed resort. SA Water has confirmed that there is capacity within the network to supply the

proposed resort from the new main line. Any costs for bringing the reticulated main along American River Road into the township would be fully borne by the proponent.

Whilst it may occur earlier it is envisaged that the golf course pipeline will be in place by Phases 2 and 3 of the development. This will allow these stages of the development to be fully serviced by mains water. The proposal will still seek to capture and reuse as much rain water as possible; with rainwater likely to be the only supply available for the first phase. Should demand for water within Phase 1 exceed the storage capacity additional water will need to be carted to site. Discussions with a local water carting contractor have confirmed that water is able to be supplied to the site from the Council owned filling point/upstand at Kingscote. The contractor noted that water for carting has always been available on the Island, even during the prolonged drought a number of years ago when a secondary source of water was connected to the Middle River Dam catchment.

Waste water

The proposed development is to be connected to Council's existing waste water treatment plant. Council's consulting engineers have confirmed that there is adequate capacity within the current system for the additional waste water loads likely to be generated by the proposal. Further negotiations with Council are required as to the associated connection costs and detailed design and engineering parameters.

The treated water produced by the plant

is currently used to irrigate the town oval. The additional input into the system from the proposal will result in an increase in the output of treated water. Council have confirmed that excess treated water could be returned to the resort via an extension to the existing supply to the town oval. This water could be used for toilet flushing, irrigation etc. and would reduce the reliance upon rainwater and mains water. The proponent is willing to investigate this additional source of water further with Council.

It is noted that the EPA are supportive of the proposal connecting to Council's waste water system.

Electricity

BCA Engineers were engaged to review the current level of power supply to the subject land. Discussions with the utility provider and Council indicate that an adequate supply of power is available. Should any upgrades or additional works be required as a result of the proposal they are expected to be at the cost of the proponent and not the local community.

Stormwater

A concern was raised over the potential increase in storm water flows post-development and the impact that may have on properties downstream and the surrounding waterways more broadly.

Several seasonal watercourses traverse the subject land. Whilst further detailed design and modelling of post-development storm water flows are required it is proposed that water will

be retained and re-used on site where possibly, particularly to irrigate the formal landscaped areas. The re-use and detention of water seeks to balance any additional flows from buildings and hard paved areas to prevent down-stream impacts.

The storm water report provided within the DR documents provides details of the intended management of storm water. It is noted that the EPA are supportive of what is proposed in this regard and have recommended that further detailed design and modelling of storm water be incorporated as a condition of consent.

Summary

Preliminary reports have been prepared by the project team for all of the necessary services. Utility and service providers have been consulted with no major concerns or potential supply issues identified. Whilst the final detailed design, location and connection to the necessary services is yet to be undertaken the project team is confident that adequate capacity exists or can be achieved in an economical manner.

Any binding agreements between utility providers and the proponent will be finalised once the development is approved and the detailed design completed. Any associated costs will be borne by the proponent with no cost to the local community. It is likely however that the local community will directly benefit from the resultant increase in capacity of the majority of services and the potential ability to connect to a reticulated water supply.

11.0 Economics

Response to Matters Raised

Impacts upon Other Accommodation Providers

Concern in relation to the impact of the development upon existing accommodation providers was raised within the submission prepared by Masterplan on behalf of the owners of the Mercure Kangaroo Island Lodge site within American River. Whilst it is noted that the proposal will compete with some existing accommodation providers upon the Island the intent is to increase the number of tourists visiting KI to the benefit of the industry as a whole - to increase the size of the 'pie' rather than fighting for someone else's slice.

The proposal will increase the current offer of tourist facilities, services and accommodation types upon the Island, increasing the appeal of KI for international, national and local tourists. This will have a positive impact across the entire Island with tourist facilities and accommodation within American River also benefiting. Ultimately where guests choose to stay is based upon a number of factors; price, quality, diversity of offer, location, flexibility, sustainability, range of services etc., all of which sit outside of the planning system. Given the choice of destinations around the world the hardest challenge is to convince people to holiday on Kangaroo Island in the first instance; the second challenge is getting them to stay longer. The proposed resort will showcase KI as a premium holiday destination and as such will attract further interest in holidaying on the Island which will flow on and benefit the whole industry.

Whilst some people may hold doubts as to whether the proposal will ultimately be successful, the proponent, who has extensive experience in this industry, has undertaken necessary due diligence and is excited by the possibilities that

the proposal presents.

The proponent is clear that the success of the resort will go hand in hand with the successful expansion of the airport, which has now been approved with work expected to commence in the coming months. The proponent understands on-going negotiations are being had with airline operators, who are in turn anticipating the approval and delivery of the proposed hotel in American River to increase demand of mid- to high-range accommodation.

Land Tenure

The proponent and investors will retain the ownership of the land and the facility. The operation and management of the facility is to be undertaken by an appropriately experienced hotel operator. The operator is to be chosen by a selection process to be conducted by the proponent.

It should be noted that none of the individual units will be for sale. A reference to the lodge suites being 'sold' separately refers to them being marketed to tourists as individual rooms as opposed to the cottages which will be offered as whole units to be rented for a few days or weeks.

Government Subsidies

One submission appears to infer that the proponent has received financial contributions or assistance from the Council and/or State Government to proceed with the development. This is not the case. Whilst both levels of government have generally been supportive the proponent is funding the entire process, based upon what they see as a unique and worthy pursuit.

Accommodation of Staff

Resort staff are to be accommodated off site so as to provide a greater benefit to the community, both economically and socially than would be the case if they stayed on the site. Staff living off site will promote a greater level of interaction with the local community and patronage of local shops and services.

It will also result in an increase in development within the town with new dwellings constructed and underutilised or vacant holiday houses made ready for permanent accommodation. Local real estate agents have noted that a high proportion of existing dwellings within American River are vacant, with most only used for short periods of time over summer. It is expected that a number of these homes could be made available to resort staff on a permanent basis. It would also appear that there is a high degree of potential for staff to rent bedrooms from or share with other members of the community.

It is anticipated that 100 resort jobs will be created within Phase 1. Given the number of vacant dwellings and existing accommodation options within American River and surrounding areas it is expected that this number could be absorbed by the existing housing stock. Additional staff in future stages are more likely to be accommodated within new dwellings and development that is expected to occur as a result of the success of the first stage.

It is envisaged that the temporary construction workers employed across the three stages are likely to be accommodated within the temporary holiday accommodation options within American River and surrounding areas. This will provide a significant economic input into the local community for property owners and accommodation providers.

It should be noted that a percentage of the ongoing resort jobs and short term construction jobs will be filled by local residents and trades. This will reduce the need to accommodate new residents moving to the Island.

Economic Benefit

Overall the proposal will result in a significant level of direct and indirect investment within the Island economy including:

- Direct investment of \$22 million;
- Creation of approximately 280 ongoing jobs - 100 during the first stage of the resort and an additional 180 during the subsequent stages;
- Employment of approximately 60 construction workers during the first stage and 100 during subsequent stages;
- An estimated 270 indirect jobs as a result of additional visitors and the servicing and supply of the resort;
- 45,000 visitors per annum with a targeted average stay of 5 nights; and
- Daily spend per room estimated to be between \$250 and \$400 (accommodation, food and activities) with a multiplier effect within the island economy of 2 to 2.5 times this figure.

Council and State Government strategic plans acknowledge that the Island economy needs to grow so as to provide employment opportunities and improved levels of services and infrastructure for the community. The proposed hotel will both directly and indirectly create lasting employment opportunities and services for American River in a staged and sustainable way which will ultimately help to grow the economy for everyone.

12.0 Environmental

Response to Matters Raised

Vegetation and Habitat

The retention of native vegetation and habitat has formed the basis of the design of the proposal from its inception. The minimisation of building foot prints and siting of buildings, access paths and services have been guided by the location of the native vegetation and habitats across the site. Extensive flora and fauna assessments were undertaken and provided within the DR documents. These surveys identified the key vegetation and habitat types that then guided the development of the proposal. As a result the development will require minimal clearance of native vegetation with minimal disturbance within the key habitat areas identified.

In relation to the potential impacts upon the environment it is noted that the Department of Environment, Water and Natural Resources (DEWNR) are supportive of the proposal. The comments provided by DEWNR confirm that the level of impact and vegetation clearance is acceptable.

Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act)

The preservation of the feeding and nesting habitats of the Glossy Black Cockatoo, a species listed under the EPBC Act, has been a key driver for the design and placement of the resort buildings. Given the potential impact upon the Glossy Black Cockatoo and a number of other important species within the region the proponent referred the original proposal to the Federal Department of the Environment and Energy (DOEE) under

the EPBC Act in May 2016. The referral was amended in June 2016 to remove the harbour element and replace the proposed staff accommodation with the courtyard hotel. The Department found in October 2016 that the amended proposal was not a controlled action under the EPBC Act as it would not unreasonably impact upon any matters of national environmental significance, including the Glossy Black Cockatoo.

Consideration has been given to the proposed relocation and redesign of the courtyard hotel and the impact the changes may have on the previous decision under the EPBC Act. Ultimately the reasonability to refer an action under the EPBC Act falls upon the proponent. In this instance it is considered that the changes proposed to the courtyard hotel since the EPBC Act decision do not require a re-referral under the Act. This decision has been based upon informal discussions with both DEWNR and DOEE staff and that the relocation of the building and car park will have a lesser impact on the surrounding vegetation and species of interest than the previous location.

Horse Keeping

Up to five horses are to be kept within the south eastern portion of the site in a stable adjacent to the Stables Lodge. The location of the horse stable, riding arena and paddock have been amended so as to be greater than 50 metres away from the watercourse within that portion of the site. The detailed design and subsequent management of the horse

keeping and riding facility will comply with the Kangaroo Island Council policies on horse keeping including the storage and disposal of manure.

The riding of horses by guests is to be limited to the subject land only and in the most part within the designated riding area and paddock. The stables and riding areas are located within the south western portion of the subject land within the existing cleared, grazing land. Any future riding routes outside of the site will be subject to local policies, guidelines or permissions.

Revegetation

The subject land is to be extensively revegetated with a range of Kangaroo Island natives. A large portion of the land is currently considered to be degraded on account of the long history of grazing, the level of erosion within the watercourses and the extent of invasive weeds. The proposed development will see these areas extensively revegetated with a range of local plants to encourage native animals to return to the site. Detailed landscaping plans will be produced for the areas surrounding each of the building. The plans will detail the species to be used and the layout of the plantings. Each plan will need to ensure that the level of planting proposed, and the extent of existing vegetation retained, is balanced against the necessary bush fire clearance requirements.

13.0 Level of Information

Response to Matters Raised

One submission questioned the level of information and detail provided within the Development Report. By its very nature a major project is a large and significant proposal consisting of a range of variables. It must be recognised that a significant amount of detailed design work is required. The current plans reflect the key elements, location, appearance and scale of the proposed development. Further architectural and engineering work and refinement is required before construction can commence. The proponent requires a level of certainty within the approval process before this work is undertaken. The level of detail provided within the DR is considered to be acceptable for the assessment of a project of this size and complexity. The ability to impose conditions of consent exists such that the finer detail of the design and operation of the proposal may be considered at a later date. Such an approach provides a level of certainty to the proponent that once a conditional consent is provided additional time and resources can then be committed to the detailed design.

Development Plan

Major Projects are declared by the Minister generally on account of the complexity of a proposal and/or the sensitivity of the area within which it is proposed. In such instances it is appropriate that a higher level of assessment be undertaken with input from across government to ensure that any potential impacts or concerns are

adequately considered and addressed. The Guidelines prepared by the DAC set out the relevant elements and components of the assessment.

This process is distinct from the standard Development Assessment process whereby an assessment is undertaken solely against the relevant provisions of the Development Plan. Whilst it is recognised that some consideration is to be given to the Development Plan within the Major Project assessment the extent of the assessment is much broader.

The following is noted in regards to the assessment of the proposal against the relevant sections of the Kangaroo Island Council Development Plan (Consolidated 20 February 2016):

Residential and Deferred Urban Zones

The Desired Character statement for the relevant portion of the Residential Zone states:

'American River's character is dominated by its mix of residential and holiday homes, which includes small, compact shack development, low density residential homes and elevated homes within a bush setting. Future development will maintain the rural surrounds and native vegetation within the town. Land that accommodates large stands of Drooping Sheoak, which is Glossy Black Cockatoo habitat, should not be fragmented by development or land division. The open nature of the elevated hills alongside the entrance road to

the town will be protected to maintain high amenity levels and development will maintain view lines to Pelican Lagoon. The compact holiday shacks adjacent to the wharf will be retained with future development to reflect their existing informal character, siting, scale and materials. The open space surrounding the shacks will be improved to encourage better use by residents and visitors.'

The proposal is considered to achieve the broad intent of the Desired Character Statement by retaining:

- the rural surrounds of the township;
- the open nature of the elevated hills; and
- a large proportion of the native vegetation upon the subject land particularly the stands of Drooping Sheoak;

It is acknowledged that the proposal does not satisfy the intent of the Deferred Urban Zone for the retention of rural uses until such time as the land is required for urban development. Consideration is given below to the potential impact of the proposal upon the supply of future urban land within and surrounding the township.

The proposal exceeds the desired maximum building height within the Residential Zone of 6.5 metres. As noted above given the size of the subject land and the setbacks provided to neighbouring development the impact of the additional height proposed is not considered to be fatal to the assessment of the proposal when assessed as a whole against the

assessment guidelines set by the DAC.

Council Wide Design and Appearance

The proposal is considered to satisfy the desire of the Design and Appearance provision for development to be of a high architectural standard, with buildings of a contemporary nature and innovative style. As detailed above the overall form of the development is considered to be of a sympathetic scale given the size of the subject land, the varied topography and level of vegetation to be retained.

The design and location of the buildings is such that their visual bulk is reduced and a level of visual interest provided through articulation and shading of the facades, range of external materials and finishes, level of glazing and use of decks and balconies.

As outlined above the proposal is considered to satisfy the provision which seeks that building form should not unreasonably restrict existing views available from neighbouring properties and public spaces.

The proposal satisfies the set back from Redbanks/Thomas Road of 8 metres for that portion of the site within the Residential Zone and 30 metres within the Deferred Urban Zone.

Siting and Visibility

The Council Wide Siting and Visibility provisions seek the appropriate siting

13.0 Level of Information

Response to Matters Raised

of development so as to minimise the potential impacts upon areas of scenic value or important natural, rural or heritage areas. In particular rural and coastal areas are highlighted for additional consideration with buildings to be setback from roads, located within valleys and below ridgelines. As noted above the design approach utilised was to fragment the built form in a way that softens and reduces the overall impact of the development when view from surrounding areas and vantage points. Whilst this approach results in a number of taller elements, some of which will be visible against the skyline, the slender nature of the towers, the setbacks achieved and the level of landscaping retained/proposed is such that the visual impact is considered to be sufficiently addressed.

Tourism Development

The proposal is considered to demonstrate a high level of consistency with the Council Wide Tourism Development provisions which seek environmentally sustainable and innovative tourism development.

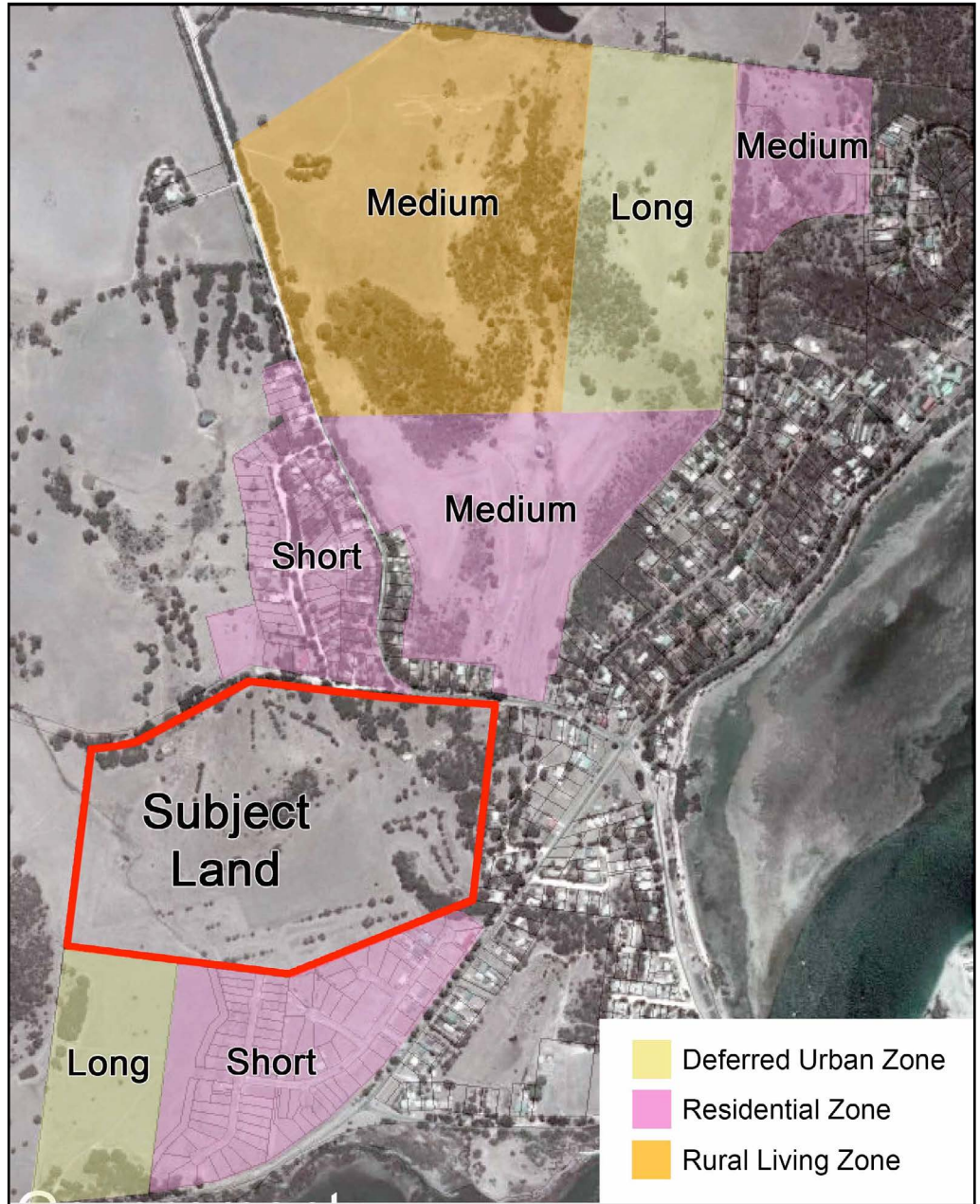
The proposal is considered to assist in the conservation, interpretation and public appreciation of the natural environment of the Island whilst showcasing the quality food and produce that is grown and harvested across the Island.

Residential Land Supply

It is acknowledged that the proposed development of the subject land will prevent an area of residential and deferred urban land from being developed as housing in the future. It would appear however that large areas of undeveloped land remain around the township which is capable of providing for the future residential development of the town including:

- residential zoned land immediately to the north and south of the subject site that is already divided but not yet substantially developed which would provide for the immediate/short term demand;
- broad acre residential (approx. 25 hectares) and rural living zoned land (approx. 34 hectares) which provides a medium term supply; and
- Deferred Urban Zone land to the north and south of the township (approx. 25 hectares) which preserves a longer term supply.

The land noted above is in addition to the large number of vacant allotments located throughout the township. Overall the supply of land for the future orderly development of the town appears to be sufficient. It is noted within Council's comments on the proposal that they propose to undertake a structure planning process for the township should the proposal be approved. The adequate supply of future urban land is an element that is expected to be considered within such a process.



(6)

14.0 County Fire Service (CFS)

Response to Agency Submissions

The CFS have provided detailed comments on the proposal and valuable insight into the current level of service available within American River and on the Island. It is clear that the current service is limited, particularly for the building height and number of visitors proposed. The proponent recognises the inherent difficulties in the CFS servicing the proposal and as such is willing to commit to a fire engineering solution that is above the standard level of protection required both under the BCA and the Minister Code.

It appears that the matters to be addressed can be grouped under three main areas; landscaping and vegetation clearance; built form and engineering solutions; and site/facility management. The proponent is willing to work with the CFS across all of these areas to ensure that an adequate level of safety is provided to guests, staff and the surrounding township.

Whilst a number of variables will not be known until a level of detailed design is completed the following comments and undertakings are provided:

- A Fire Master Plan is provided within the updated Drawing Appendix detailing the location of the dedicated fire water tanks, emergency vehicle access points and internal emergency access roads;
- Dedicated fire water tanks (including the two swimming pools) and appropriately sized diesel pumpsets are to be provided on site with appropriate

hose fittings;

- The capacity of the tanks will be determined following further detailed design and consideration of the pressure requirements throughout the site;
- Fire water tanks to be constructed and filled as the first element of works undertaken upon the site;
- Commitment to sprinkler multi-storey buildings over and above the BCA requirements so as to provide a higher level of protection of occupants;
- All building materials and components will meet Australian regulations with regards to fire safety;
- A dedicated number of permanent full-time staff within the resort will be trained as fire officers as part of their job specification and be available to assist across the region with the CFS;
- Clearance of vegetation around buildings and dedicated emergency access roads is to be undertaken to satisfy the CFS and Ministers Code. The extent of the level of clearance estimated around the buildings is shown within the amended Drawing Appendix. The details of necessary clearance of specific trees will be an ongoing discussion with CFS;
- The planting strategies proposed in the landscaping plans will be developed and refined with regard to the vegetation management zones prescribed by the Ministers Code. This will be an ongoing discussion with CFS so that a

mixture of landscaping strategies and fire engineering solutions can be used to ensure that the development meets the code;

- Preparation of a 'Bushfire Survival Plan' and confirmation of an appropriate 'Last Resort Refuge' will be undertaken in consultation with the CFS;

It is acknowledged that the proposal will result in an increased number of permanent residents (resort staff and associated services) and an increase in visitors staying overnight within American River. The CFS has indicated that such increases will exceed the threshold point for existing CFS capacity and appliances. As such it is expected that additional investment is likely to be required by the State Government. It would appear that this threshold is likely to be exceeded within the medium term regardless of the proposed development give the current limitations of the services within the area.

The proponent wishes to reiterate their commitment to ensuring the safety of guests, staff and the local community and a willingness to work through the necessary details with the CFS to ensure that an acceptable level of protection and assurances are able to be put in place.

15.0 DEWNR & EPA & KI Council

Response to Agency Submissions

Department of Environment, Water and Natural Resources (DEWNR)

The following comment was provided by DEWNR:

- The proponent should be congratulated for the proposal, including the effort that has gone into briefing communities and agencies, including taking on feedback.
- The proposal does not impact on NRM Board policies, in particular around water.
- The NRM Board is interested in the strategy to access a suitable water supply (rain tanks) and the sheer volume required, but notes that is a matter for the Proponent.
- The NRM Board notes the efforts that have been made to acknowledge the threatened species and management strategies to address impacts.
- Native vegetation clearance seems to be reasonably minimal and appropriate steps have been taken to avoid impacts where possible.
- The Native vegetation assessment report describing the native vegetation is adequate.

DEWNR are clearly supportive of the development, having concluded that the proposal is not going to impact upon NRM Board policies with appropriate steps

taken to minimise impacts upon threatened species and vegetation clearance.

Environmental Protection Authority (EPA)

The EPA comments focussed on three key areas; waste water, storm water and noise. The approach of the proposal in relation to all three areas was found to be acceptable, subject to further detailed design and consideration.

The EPA is supportive of the proposed connection into the existing Council managed sewerage facilities. The Authority has requested that the capacity of the system be confirmed, flagging that any necessary upgrades to the system will likely require approval and EPA licencing of the facility. The Council has confirmed that the current system has sufficient capacity for the level of waste to be generated by the proposal.

The Authority is supportive of the Water Sensitive Urban Design (WSUD) principles being incorporated within the development. A question in relation to the potential re-alignment of creeks has been posed. It is confirmed that the existing watercourses will remain however further investigations and detailed design of the overall management of storm water is required. The intent is to retain and reuse storm water onsite which will require the construction of retention ponds within or adjacent to the existing drainage lines. The EPA have recommended that further modelling of storm water flows be undertaken which is acknowledged by the proponent.

Further assessment of potential noise impacts is recommended by the EPA within the detailed design stage which the proponent also acknowledges.

A Construction Environment Management Plan (CEMP) will be prepared in accordance with EPA guidelines and industry standards prior to the commencement of any works upon the subject land.

The proponent is committed to ensuring that all of these elements are addressed within the detailed design stage and are amenable to the imposition of conditions of approval to ensure that this occurs to the satisfaction of the Minister.

Kangaroo Island Council

The Council is supportive of the proposal noting in their comments that it 'represents a very exciting proposition for Kangaroo Island and the American River/Haines community on a number of levels with significant potential for social and economic growth'.

Council noted that the accommodation of staff within the township; the potential to support new business opportunities; the extension of mains water to the town; and the environmental sensitivity shown within the design are all positive elements.

The proponent is pleased to have the support of Council and will work with both Council and the community to ensure that the project leverages the best possible outcome for both American River

and the Island.

Council have recommended that the proponent continue to work with the community to ensure that any impact that the development may have is sufficiently alleviated, particularly in regard to emergency services. The proponent is happy to make such an undertaking.

16.0 Closing Remarks

Conclusion

The proposal seeks to develop a world class tourist resort on the edge of the American River township. The subject site is a unique parcel of land; zoned for residential development it sits at the back of the township partially vegetated and partially open grazing land. The proposal seeks to use the existing topography and vegetation upon the land to develop a truly unique offering for both guests and local residents. At its core the development seeks to work with the land and the beauty of the surrounding area to showcase the best of what the Island has to offer.

It strives to lift the level of services, jobs and economic activity across the Island through both direct and indirect investment. Council and the State Government have both identified that sustainable growth upon the Island is the key to achieving a resilient community, steady economy and a full range of services and infrastructure. The proposal will significantly advance the strategic objectives for the Island and is ideally timed to take advantage of, and support, an expanded airport.

The input of the community and agencies has assisted in refining the proposal with changes made to the courtyard hotel to accommodate the concerns of residents along Redbanks Road. Further refinement of the proposal is required as the development progresses through detailed design. The majority of matters raised will be further considered as a part of that process with a number of requirements expected to be imposed upon any approval granted for the project.

The proponent looks forward to refining the proposal with the local community and agencies as the project team works through the next stages of the design.

CONCLUSION

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