

Second Response Document for the Second Addendum to the Smith Bay Wharf Draft EIS



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PREFACE

At the time of writing, four hundred and thirty-four days have passed since the Ravine fire escaped the Finders Chase National Park. The conflagration of 3rd January 2020 and the several smaller fires which preceded it, severely impacted many timber plantations, farming enterprises and tourism businesses on Kangaroo Island. The livelihoods and well-being of island residents, including company employees and contractors, continue to be affected by the events of that day.

Immediately after the fires, my company met with several state government ministers, including the former Minister of Planning, to reaffirm our commitment to develop the proposed seaport at Smith Bay as a means of unlocking the remaining value of the timber plantations, providing a stimulus to the island economy, and offering a modern and efficient facility for other island sectors such as agriculture and tourism. It was recognised that a major constraint to the response by emergency services to the fires was inadequate seaport infrastructure, and the benefit the project would provide in responding to future emergencies.

Following that meeting, my company continued to act in good faith, submitting the Response Document in March 2020 to the two rounds of public consultation held in 2019, completing its internal planning for the construction of the proposed seaport, and commencing harvesting and stockpiling of forest products in anticipation of a timely approval of our project.

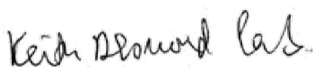
During the course of the year, while awaiting a decision by government, contingency plans were prepared to establish alternate delivery routes via the passenger ferry service at Penneshaw, and from the existing ramp facility at Kingscote. In planning for these options, we observed that the land transport operations using vehicles operating under general mass limits would be subject to a lesser degree of scrutiny and regulation than proposed by KIPT for the port at Smith Bay, applying higher productivity restricted access vehicles operating under performance-based standards. This means the overall impact to the community and environment from transiting via Penneshaw and Kingscote would be greater than proposed for Smith Bay.

On 19th February 2021, the first order of logs was dispatched from Kangaroo Island via the SeaLink ferry at Penneshaw to a customer at Jamestown, mainland South Australia. On 25th March the first barge of logs is scheduled to depart Kingscote for a South Korea customer via Port Adelaide. In the coming weeks the company plans to dispatch several loads to prospective customers in Mount Gambier South Australia, and through its marketing agent, is exploring orders from Japan and India.

While the decision for Smith Bay awaits, production will increase in line with our contingency plan, with a target of 200,000 tonnes/yr to be delivered via Penneshaw and up to 600,000 tonnes/yr via Kingscote. This translates to truck movement intervals of approximately one per 12 minutes through Penneshaw and one per 4 minutes through Kingscote, using standard semi-trailer configurations, which have unrestricted access to the roading system, and do not require special road funding agreements.

The Company has long held the view it is not in the interests of the community to see log trucks transiting the two premier tourist towns at this frequency, while the potential development at Smith Bay - recognised as the most suitable location for a port development on-island and in the State Government's own commissioned report, located closer to the forests and remote from higher density population centres and tourist operations - remains unfulfilled.

This Response Document is presented as the final component of a substantial body of work comprising a Draft EIS and two Addendums, together with the three rounds of public consultation, supporting the proposed development at Smith Bay. It is my belief this should now be sufficient for an informed decision to be made on the suitability of Smith Bay to accommodate a modern, well-designed, well-managed, environmentally benign seaport, for the benefit of company's shareholders and the wider community of Kangaroo Island.



Keith Lamb
Managing Director
Kangaroo Island Plantation Timbers Limited
12 March 2021

1. INTRODUCTION

1.1 BACKGROUND

On 30 October 2020 the Chair of the State Planning Commission (SPC) wrote to the Managing Director of Kangaroo Island Plantation Timbers (KIPT) to advise:

- the Minister for Planning and Local Government, had considered the Assessment Report on the proposed Smith Bay Wharf (i.e. the KI Seaport) prepared by the Chief Executive of the Department for Infrastructure and Transport (as delegate of the SPC)
- the Minister had declined to make a decision because the Minister was not satisfied that sufficient information had been provided in support of all aspects of the development
- the principal issues of concern to the Minister were certain traffic and road network issues; marine pest management; and details of the plans (e.g. site layout, design plans for all structures, and an engineering report confirming the design can be developed).

KIPT was invited to submit information in relation to these matters for further assessment.

The information sought was largely detail which had been previously itemised in the Draft Conditions of Approval issued by Department of Planning Transport and Infrastructure to KIPT in June 2020. At that time the Department had advised the information would be required as part of the secondary approvals process.

KIPT submitted its response in the form of a Second Addendum to the Smith Bay Wharf Draft EIS on 22 December 2020. It was noted in the Preface to the Second Addendum that the provision of materials did not constitute a change to the information previously provided in the EIS, as no alteration to the design of the seaport and statement of environmental effects as described in EIS were proposed by the Company.

On 24 December 2020 the Executive Director, Planning and Land Use Services wrote to KIPT to advise the Minister for Planning and Local Government had formed the opinion that the proposed amendment would significantly affect the substance of the EIS, and as a result interested persons would be invited to make written submissions on the amendment to the Minister. Consultation would be undertaken for 20 business days from mid-January.

The consultation period commenced on Thursday 14 January 2021 and finished on Thursday 11 February 2021. One public information session was held in Kingscote on 2 February 2021; five members of the public attended on that day. Members of the public and government agencies were invited to make written submissions to the Attorney General's Department.

1.2 SUBMISSIONS RECEIVED

Three SA government departments made written submissions: The Department of Environment and Water (DEW); the Department of Infrastructure and Transport (DIT); and the Department of Primary Industries and Regions South Australia (PIRSA).

A submission was received from the Commonwealth Department of Agriculture, Water and Environment (DAWE), and a submission was received from the Kangaroo Island Council.

Seventy-seven submissions were received from all other stakeholders.

1.3 INVITATION TO RESPOND

All submissions were provided to KIPT on 1 March 2021. KIPT has been asked to review the material provided and to advise the SPC as to the form of the draft amended EIS to be placed before the Minister for consideration in accordance with section 47(2)(b) of the *Development Act 1993*.

2. RESPONSE TO SUBMISSIONS FROM GOVERNMENT

2.1.1 COMMONWEALTH GOVERNMENT

The DAWE raised concerns about impacts on native fauna such as the KI echidna and the southern brown bandicoot which could result from transporting timber to Smith Bay. DAWE argues the proposal to restrict operating hours for the haulage operation does not assist in avoiding or mitigating the potential impacts on native fauna and suggests further actions to mitigate impacts such as driver education. DAWE recognise that other existing users and residents may contribute to roadkill and pose a threat to native fauna. Nonetheless, DAWE maintains the additional impact of this project is relevant and needs to be addressed.

In response, KIPT has used its best endeavours to address these impacts, and as DAWE acknowledges, the use of high productivity vehicles as proposed by KIPT will reduce the potential impact. KIPT is unwilling to consider further restrictions on the operating hours for haulage because this would increase the frequency of truck movements each hour of operation and feedback from the two earlier rounds of public consultation shows the Kangaroo Island community is sensitive to this impact (see Response Document for the Smith Bay Wharf Draft EIS and Addendum, March 2020).

Additional information was presented in Appendix A to the Response Document for the Smith Bay Wharf Draft EIS and Addendum, March 2020. Echidna behaviour changes on a seasonal basis, and there is no specific time of the day, throughout the year, when echidnas are less active. Curfews for peak times of fauna movement would not benefit the Kangaroo Island Echidna. Southern brown bandicoots are nocturnal therefore the KIPT traffic operating hours will not impact bandicoots. Curfews on operating hours would not provide a comprehensive benefit to all native species on Kangaroo Island.

KIPT has committed to driver education for the Kangaroo Island echidna - refer to page 449-450 of the Response Document for the Smith Bay Wharf Draft EIS and Addendum, March 2020. This commitment is included in the Draft Construction Environmental Management Plan (Appendix U1 to the Draft EIS) and the Draft Operational Environmental Management Plan (Appendix U2). Inductions for construction and operational staff will include fauna awareness as well as reporting requirements for vehicle strike.

DAWE also indicated concern that the proposed routes may have an adverse impact on the Kangaroo Island narrow-leaved mallee woodland, which is a Threatened Ecological Community (TEC) under the *Environment Protection and Biodiversity Act 1999*. KIPT understands that there are no such issues with the preferred route, which is discussed in section 2.1.2. An impact assessment for any minor works along the preferred route will be undertaken prior to any on-ground works occurring. If required, the proposed works will be the subject of a referral under the EPBC Act.

2.1.2 SOUTH AUSTRALIAN GOVERNMENT

Department of Environment and Water

The DEW also expressed concerns about the impact on native fauna (i.e. roadkill), but acknowledge a reduction in the number of trips through the use of high productivity vehicles would reduce these impacts. The DEW favours speed limits (e.g. 50km/h) to reduce animal strikes. KIPT favours reduced speed limits in certain specific situations e.g. where road conditions warrant lesser speeds (i.e. on certain unsealed roads) *provided* the slower speed does not create a hazard for other road users.

The DEW expressed concern that certain stakeholders such as the National Parks and Wildlife Service and Landscape KI have not been consulted in the preparation of the Draft Marine Pest Management Plan and the Draft KI Seaport Biosecurity Management Plan. In response KIPT notes:

- Landscapes KI (formerly NRM KI) were consulted while preparing the Draft EIS released for public consultation, and subsequently through our response to comments they provided in their submissions during the public consultation period.
- The Second Addendum acknowledges other agencies have not been consulted yet, however they will be consulted after the development has been approved (see page 17) i.e. before the plans are completed and submitted for approval.
- These are draft plans, and the Minister asked KIPT to prepare the Marine Pest Management Plan '*...in consultation with the Department of Primary Industries and Regions South Australia.*'¹ KIPT has complied with the Minister's requirement.

The DEW also say marine pest monitoring is not described in detail in the marine pest and disease management plans. In response, KIPT notes these are draft plans, which have been prepared in consultation with PIRSA. Further consultation with a number of government agencies is required to develop the monitoring program and subsequently finalise the management plans - see Figure 3-1 in the Second Addendum to the Smith Bay Wharf Draft EIS, December 2020.

Department of Infrastructure and Transport

In November 2020 KIPT met with the Hon. Corey Wingard, MP, Minister for Transport, to discuss the issues raised in the letter from the SPC of 30 October 2020. The Minister advised KIPT that he had directed the Chief Executive of the Department of Infrastructure and Transport to work with KIPT to provide a satisfactory solution to the traffic and road network issues of concern to the Minister for Planning and Local Government. The Chief Executive and his delegates have met with KIPT on several occasions to progress these matters, and these discussions have continued since the Second Addendum was submitted to the SPC on 22 December 2020.

In its written response DIT says:

- The Department has recently assessed the potential transport routes outlined in the Second Addendum and consequently a preferred route has been identified in consultation between the Department and KIPT. This route differs from those shown in Figures 2.1 to 2.5 of the Second Addendum. The route utilises Playford Highway and a portion of North Coast Road as the key route to the port. That is, DIT does not support the option of using South Coast Road (shown in Figure 2-2, 2-3 and 2-4).
- The route assessment has identified that a number of upgrades will be required to the preferred route to enable access by high productivity vehicles.
- The revised operating hours for the haulage movements specified in the Second Addendum '*... is considered a reasonable outcome.*'
- A Traffic Management Plan (TMP) will be required for the final route to ensure that all transport impacts are appropriately addressed.
- The outcomes of the TMP will need to be subject to a Road Infrastructure Agreement (RIA).

¹ See page 2 of 3, correspondence from the Chair of the SPC to KIPT, 30 October 2020

- DIT and KIPT have had discussions regarding a tripartite agreement between DIT, KIPT and the Council, and KIPT has provided a Draft Memorandum of Understanding (refer Appendix 1 of the Second Addendum)
- DIT supports establishing the TMP and RIA as an approach to managing the parameters for transporting harvest to Smith Bay; safety, community and environmental impacts; cost and funding; and monitoring of implementation and impacts

The written response says:

‘Overall, DIT remains supportive of the proposal and it is considered that the road and traffic management issues previously identified are able to be resolved through the proposed Traffic Management Plan and the Road Infrastructure Agreement.’

DIT have suggested three conditions be applied to the [planning] authorisation:

1. A TMP for the construction and operational phases of the development shall be produced to the satisfaction of DIT prior to the commencement of construction.
2. A RIA detailing all road infrastructure works required to support the development and funding arrangements for these works shall be entered into by KIPT and DIT prior to the commencement of construction.
3. Any damage to transport assets caused by the development shall be repaired to the satisfaction of the relevant road authority at the applicant’s cost.

In response, KIPT acknowledges the findings of the route assessment conducted by DIT and accepts the conclusion that the core or primary route for transporting timber to Smith Bay should be Playford Highway and North Coast Road. For the reasons identified by DIT in their route assessment it is clear South Coast road is not suitable for such purposes.

The proposed Conditions 1 and 2 are also acceptable to KIPT.

KIPT has sought clarification from DIT about the scope of Condition 3. KIPT has already committed to repair any damage to the feeder roads which fall under the control of the Kangaroo Island Council – see for example, page 17 of the Response Document for the Smith Bay Wharf Draft EIS and Addendum, March 2020. To our knowledge, no other road user is required to make good damage to roads controlled by the state government, neither on Kangaroo Island or elsewhere, and especially not for the wear and tear which is the inevitable consequence of an approved use. KIPT does not accept this as a condition of approval for the KI Seaport.

PIRSA

PIRSA notes there is no proposal for any external review of the Marine Pest Management Plans as would be expected of any ISO standard system, and the plans do not include details of the ongoing monitoring and surveillance program. In response, KIPT acknowledges that third party review would be beneficial, and this will be considered. A detailed monitoring plan has yet to be developed. This requires further consultation with government agencies and will be developed after development approval and as operational details become known.

PIRSA acknowledges KIPT’s commitment to ensuring the adoption of a Kangaroo Island-specific vessel risk assessment process which is currently considered best practice, and the necessity for consultation to ensure the system is applied to the required standard. PIRSA states it will remain the decision-maker on the required biofouling management of vessels and vessel entries to the KI Seaport, and the onus to undertake recommended biofouling management action and associated cleaning and/or inspection costs will remain with the proponent /vessel operator.

PIRSA says further risk mitigation is required in relation to paralytic shellfish poisoning (PSP). In response, KIPT notes the risk from the blooming of PSP producing micro-algae is negligible. PSP can occur when people consume shellfish that have been

consuming blooms of certain species of dinoflagellates (a micro-alga). Such blooms are otherwise known as red-tides. Some species of dinoflagellates produce alkaloid saxitoxins which, if consumed by humans in sufficient quantity, can cause PSP (although they don't appear to have any toxic effects on the shellfish species that have been feeding on them).

The key dinoflagellate species implicated in PSP events in Australia include species from genera such as *Alexandrium*, *Prorocentrum* and *Gymnodinium*. Red-tide forming species from all these genera have been routinely found in SA waters at least since the late 1980's including *Alexandrium minutum*, *Prorocentrum micans* and *Gymnodinium catenatum* (Cannon 1990).

A recent study (Telesh et al. 2021)² reviews more than 30 years of data on dinoflagellate blooms in marine coastal systems and clearly demonstrates that the fundamental driver of such blooms is abiotic stability and in particular extended periods (days to weeks) of low salinity, warm temperatures, high nutrients and low wave action coupled with reduced hydrodynamic mixing. The findings by Telesh et al (2021) are entirely consistent with the earlier work in South Australia's Port River undertaken in the late 1980's and early 1990's that came to the same conclusions (Cannon 1990, 1993)³.

The biology of dinoflagellates is such that they need these stable abiotic conditions in order to bloom. Low salinity promotes excystment (the hatching of dinoflagellate cells from resting spores or cysts). Warm waters support increases in cell numbers. High nutrients similarly support growth in cell numbers. Reduced hydrodynamic mixing prevents dinoflagellate cells from being physically disrupted (dinoflagellates have no true cell wall and are therefore vulnerable to physical disruption).

As documented (Cannon, 1990 and Telesh et al 2021), these conditions need to persist for an extended period of time (many days) in order to allow cell numbers to increase to a level such that bloom conditions exist.

Such conditions do not exist at Smith Bay on the north coast of Kangaroo Island. By and large such conditions tend only to be found within protected and/or enclosed water bodies (such as estuaries e.g. Port River and Barker Inlet) where freshwater inputs combine with nutrient runoff to promote cell growth. While summer temperatures along the north coast of Kangaroo Island are warm, nutrient levels are low (oligo-trophic conditions), salinity is generally higher than standard seawater (>35 ppt) and never reaches values in the low-mid 20's, sufficient to promote excystment, (Cannon 1990) and certainly these salinities never occur at the seabed (where the cysts are found). Furthermore, periods of low hydrodynamic stress rarely persist (even during dodge-tide events) for long enough to allow cell numbers to increase to bloom levels (requiring at least 7-10 days or even more if coastal currents are transporting dinoflagellate cells out of the local area).

As such, the likelihood that blooms of PSP producing algae would occur are diminishingly small. Hence, even if dinoflagellate cysts are imported to Kangaroo Island (assuming that they are not already there given that they are ubiquitous in marine systems) the likelihood that they could ever result in blooms is negligible.

Notwithstanding the fundamental improbability of a bloom of PSP causing dinoflagellates in and around Smith Bay, PIRSA has also raised the issue of farming of oysters (and their vulnerability to PSP algae).

² Telesh, I., Schubert, H. and Skarlato, S. (2021) Abiotic stability promotes dinoflagellate blooms in marine coastal ecosystems. *Estuarine, Coastal and Shelf Science*, 251.

³ Cannon, J.A. (1990). Development and dispersal of red tide in the Port River, South Australia, p. 110–115. In E. Graneli, B. Sundstrom, L. Edler, and D. M. Anderson [eds.], *Toxic marine phytoplankton*. Elsevier.

Cannon, J.A. (1993) Growth in culture of the toxic dinoflagellate *Alexandrium minutum* from the Port River, South Australia, p. 741–746. In T. J. Smayda and Y. Shimizu [eds.], *Toxic phytoplankton blooms in the sea*. Elsevier.

While it is acknowledged that farming of both native and pacific oysters is permitted at Smith Bay under the various licenses issued by PIRSA, Yumbah does not farm oysters at Smith Bay and the impracticality of such a venture has been previously documented (Cheshire 2020).

In summary, the coastal environment at Smith Bay is not amenable to either rack and rail or bag cultivation of oysters. Furthermore, while spat might be grown these are not vulnerable to PSP causing toxins and would completely purge within weeks of being taken off the farm to be grown out elsewhere (purging would likely take days to weeks while grow-out would take 18-24 months).

Similarly, previous documentation has noted that the National Biosecurity Plan Guidelines for the Land Based Abalone Industry (Spark et al, 2018)⁴ indicates that it is bad practice to farm a mix of species on a land based abalone farm due to the increased biosecurity risks that such mixed species farming introduces. Thus, while other species could be farmed the National Biosecurity Plan strongly suggests that this should not happen.

PIRSA also says information is required to demonstrate how the proponent will ensure that no abalone or oysters enter the study area via the KI Seaport. In response, the introduction of abalone or oysters via the Freeoak Road or via the KI Seaport will be managed by employee and contractor inductions. This commitment is included in the draft Construction Environmental Management Plan (CEMP) (see Appendix U1, Draft EIS, January 2019) and draft Operational Environmental Management Plan (OEMP) (see Appendix U2, Draft EIS, January 2019). All operational staff and construction staff will be required to undergo an induction that covers biosecurity management. Under the *Biosecurity Act 2015*, vessels will not be allowed to import any items into South Australia via the KI Seaport.

PIRSA also says surveillance and control of new weeds (in particular declared weeds) should be undertaken at the proposed Port site. In response, weed management, including declared weeds, is covered by the Terrestrial Pest Management Plan, which is a commitment of both the Draft CEMP and Draft OEMP. Further consultation with Landscapes KI, DEW and National Parks and Wildlife Services KI, will occur before these plans are finalised.

2.1.3 KANGAROO ISLAND COUNCIL

Council's claims

Council considered KIPT's Second Addendum at its meeting on Tuesday 19 January 2021, and resolved to advise the SA Government that:

- Council remains committed to the harvest and utilisation of all forestry products at the western end of Kangaroo Island.
- Council reaffirms its strong opposition to the development of a deep-water port at Smith Bay.
- The road routes proposed in the Second Addendum are little changed from the previous proposals and would require substantial investment to ensure the safety and amenity of tourists and residents, and to protect native fauna.
- The proposed road infrastructure is beyond Council's human and financial resources to develop, manage and maintain.
- The roads on Kangaroo Island cannot accommodate the level of usage proposed by KIPT; the roads carry significant tourist traffic that is not compatible with high density haulage; Council is deeply concerned about the risk of serious vehicular accidents and loss of life.

⁴ Spark, E., Roberts, S., Deveney, M., Bradley, T., Dang, C., Wronski, E., Walker, M., and Savva, N., PIRSA Fisheries and Aquaculture, 2018. National Biosecurity Plan Guidelines for the Land Based Abalone Industry. Department of Agriculture and Water Resources, Canberra August 2018. CC BY 3.0.

- KIPT's response to Council's traffic and road network concerns is inadequate and superficial and fails to consider alternative means of realising value from its products.

The submission presented to elected members and written by Council staff (see Agenda Item 11.4), claims:

- KIPT has not consulted with Council
- alternative locations or options have not been considered
- KIPT has not considered an alternative solution presented to Council on 24 September 2020 by T-ports to export timber from the Kingscote wharf and store logs at Council's Resource Recovery Centre
- Council has given its in-principle support to the T-ports proposal
- KIPT has failed to provide Council with specific detail on funding options and sources to upgrade the transport routes.

In his letter to the Chair of the SPC of 16 February 2021, the Chief Executive of Kangaroo Island Council says Council is of the view that the Second Addendum produced by KIPT has not adequately addressed the issues nominated by the Chair in his letter to KIPT of 30 October 2020. Specifically, the Chief Executive notes:

- The concept of a tripartite agreement between DIT, Kangaroo Island Council and KIPT may have merit but the *'...fundamental issue ... is that it has no reference to financial viability or cost, which will be prejudicial to Council on the basis that it would bind Council into the future to unknown costs and impacts that have not been stipulated at the outset'*.
- The social, economic and environmental impacts of heavy haulage vehicles on the local community, tourists and local wildlife have only been considered in a very cursory manner, and Council is not convinced these impacts have been adequately considered from a mitigation point of view.

KIPT's Response

Consultation with Council

KIPT met with Council's CEO on Friday 6 November 2020 to discuss the traffic and road transport issues and seek his advice about how to consult with Council. He advised KIPT should make a presentation to an informal gathering of council as soon as possible, after which the matter would be considered by elected members in a formal Council meeting at the earliest opportunity.

KIPT was scheduled to present to an informal gathering of elected members on Thursday 26 November, but the meeting was cancelled by the Council when the SA Government imposed a COVID lockdown on Friday 20 November. The lockdown itself was cancelled shortly thereafter, so KIPT's Approvals Manager met with Council's CEO on Thursday 26 November, and together they drove the main routes (Playford Highway and North Coast Road) and discussed the specific issues along each route, the mitigating options KIPT was considering, and what KIPT should present to Council members at the informal gathering.

The informal gathering was rescheduled for Wednesday 16 December and KIPT were invited to appear between 11.00 am and 12.00 noon. At the meeting, KIPT provided elected members with a 17 slide Powerpoint presentation summarising the key issues, which are:

- the post-bushfires freight task i.e. the volume of material to be harvested and exported each year
- the proposed operating hours

- the route options, with maps showing the routes and the volumes of material to be transported in each of the five years of the salvage harvest
- the impacts, noting the greatest impact would be on the last 10 kilometres of North Coast Road, which is unsealed
- options for mitigating the impacts, including the use of high productivity vehicles (specifically the use of a 7-axle 'quad dog' which would mean 34% fewer trips than a standard 19.0m semi-trailer or an 8-axle truck and dog combination which would be the safest option and require 45% fewer trips)
- the requirement for road upgrades, especially the last 10 kilometres of North Coast Road, and that KIPT was waiting for further advice from the Department of Transport about the need for further road upgrades
- management measures to mitigate the impacts including:
 - the use of traffic management plans
 - engaging haulage contractors accredited under the National Heavy Vehicle Accreditation Scheme, which focusses on:
 - mass management (to prevent overloading),
 - vehicle maintenance (to ensure trucks and trailers are maintained to manufacturers specifications)
 - fatigue management (to ensure the safety of drivers and other road users)
 - a driver code of behaviour to address:
 - noise and the use of engine brakes
 - dust management
 - general driver behaviour

KIPT advised elected members that the Minister for Infrastructure and Transport had directed the Chief Executive of the Department of Infrastructure and Transport to discuss route options and road funding options with both KIPT and the Kangaroo Island Council, and that these discussions were ongoing.

KIPT rejects Council's assertion that we have not consulted with Council. We have done exactly what we were asked to do by Council's CEO, and elected members have been provided with a detailed summary of the issues related to transporting timber products to Smith Bay.

Alternative locations

The application before the Minister is for a development at Smith Bay. Nowhere in the South Australian planning system is there a requirement that proponents must demonstrate that they have selected the best site for their development. The standard enshrined in the South Australian planning system is that sites must be suitable, where suitability is determined by a range of factors usually defined in the development plan, or the new planning code.

Nonetheless, Smith Bay is the best site on Kangaroo Island for the proposed development. Chapter 3 of the Draft EIS published in January 2019 includes a 10-page discussion of the alternative locations (see pp 27 to 37) which KIPT considered before acquiring the Smith Bay site.

KIPT has also been advised the South Australian government commissioned an independent review of the alternative locations for a deep-water port on Kangaroo Island in 2020 and that study confirms Smith Bay is the best location for a deep-water port. It is disappointing that this study has been withheld from the Council and other stakeholders on Kangaroo Island given their ongoing focus on this matter.

Alternative solutions and Council's in-principle support for recommissioning Kingscote wharf

The report prepared by Council officers refers to an alternative solution to export timber from the Kingscote wharf, and claims KIPT has not considered this option. Council's resolution asserts KIPT has failed to consider this as an alternative means of realising value from the plantation timber.

The facts are KIPT continues to have discussions with the proponent (T-ports) about barging timber from Kingscote as a short-term or interim option until the KI Seaport is built. The ASX was notified of the status of those discussions on 22 February 2021. Neither KIPT nor T-ports see this as an alternative to the KI Seaport. Neither party believes the impact of exporting at least 3.0 million tonnes of timber from the Kingscote wharf over the long term would be acceptable to the Kingscote community.

Council refers to a presentation from T-ports on 24 September 2020. Council records show this was a confidential discussion – no members of the public were able to attend, and KIPT did not attend. Council subsequently convened a Special Meeting on 23 October 2020 to consider a single item of business, namely a proposal to recommission the Kingscote wharf. The minutes of this meeting and the paper prepared for Council also remain confidential.

Former Councillor Graham Walkom, however, has provided a copy of the discussion paper in his submission to the Minister on the Second Addendum. This document confirms, contrary to claims made by Walkom in his submission, the opportunity to barge timber from the Kingscote wharf is a temporary solution to enable some of the fire-affected pine to be harvested and shipped before the timber deteriorates to such an extent that it no longer has market value.

In terms of impacts on traffic and the roads, the alternative of exporting **all** of the Island's timber from Kingscote instead of Smith Bay would have a significantly greater net adverse impact on the Kangaroo Island community. None of these impacts have been disclosed or explained to the public, especially none of the stakeholders in Kingscote who would be directly affected if the Kingscote wharf was to be reactivated as the export hub for all plantation timber grown on Kangaroo Island.

The Council has not explained to the Kangaroo Island community why it favours reactivating the Kingscote wharf as a better option than building a modern multi-user port at Smith Bay. In terms of traffic and road impacts, the only stakeholders who benefit from the alternative of exporting timber from Kingscote are the small number who live or work along North Coast Road, one of whom, Mayor Pengilly, acknowledged his conflict of interest at the Council meeting of 19 January 2021.

Road funding

The issue of funding options and sources to upgrade the transport routes is the subject of active discussions between KIPT, the Kangaroo Island Council and the South Australian Government. These discussions are being led by the Chief Executive of the Department of Infrastructure and Transport, who has made clear to KIPT that the South Australian Government will lead the discussions with the Commonwealth Government.

Council's staff and elected members are fully aware of this arrangement and should know that KIPT cannot provide any further information or clarity about the status of government funding.

KIPT notes that while in Opposition, Steven Marshall promised his government would establish a dedicated regional roads funding program, and the Marshall government's first budget in 2019 included a commitment to spend \$1.1 billion on regional roads over the following eight years.

In 2019 the Marshall government and the Commonwealth government agreed to provide \$7.0 million each to provide a new, 2.2 km access road and junction leading to the new Thomas Food meat processing facility north of Murray Bridge. The new facility replaces the abattoirs destroyed by fire in 2018.

In 2020, 95% of the timber plantations on Kangaroo Island were severely damaged by fire – more than \$0.5 billion of future timber revenue was impacted by the fires.

Tripartite Agreement

KIPT has consistently stated, publicly and to the Council itself, that it does not expect ratepayers to fund the upgrades required to enable timber products to be hauled to Smith Bay. On numerous occasions KIPT has made clear its commitment to fund the upgrades to any feeder roads we would use (which are Council roads) and repair any damage we would cause. At issue is the cost of upgrading and maintaining a core route to Smith Bay.

Appendix A1 of the Second Addendum includes a draft memorandum of understanding between KIPT, the Council and the DIT. The draft clearly acknowledges Council's concerns about financial viability and costs – see clauses 3 (d) and 8 (a) (v) (3).

Kangaroo Island Council's claim that their concerns have not been recognised or considered is rejected.

In addition, KIPT notes the submission to the Second Addendum by the former Mayor of Kangaroo Island Council, Peter Clements, who says:

“The previous Council under my leadership recognised the importance of the timber industry and assisted in developing a formula for the maintenance and development of the road infrastructure. It is based on a tripartite model but also included accessing Commonwealth funding for economic based infrastructure. There is no better time than now to be applying for these funds while the Commonwealth continues to provide economic stimulus to areas where primary industry can be boosted.”

The social, economic and environmental impacts of heavy vehicle use

KIPT believes the claim by Council that these impacts have only been given cursory consideration is not substantiated by the facts of the matter.

The social, economic and environmental impacts of heavy vehicle use have been the subject of numerous meetings and discussions with the Council since September 2016 when KIPT first met with Council's then CEO. These matters have been addressed in the main report of the Draft EIS, in Appendix P of the Draft EIS, and in the Response Document for the Smith Bay Wharf Draft EIS and the Second Addendum.

As indicated by their submissions on the Second Addendum, the DIT and other government agencies support the use of high productivity vehicles instead of standard 19.0 metres semi-trailers specifically because they would mitigate the social, economic and environmental impacts of hauling timber to Smith Bay, or indeed to Kingscote, Penneshaw or any other destination on Kangaroo Island. Council alone seems not to recognise the benefits of this mitigating option.

3. RESPONSE TO SUBMISSIONS FROM OTHER STAKEHOLDERS

3.1 YUMBAH

Yumbah's submission repeats many of their claims presented in the previous rounds of public consultation (e.g. the impact of light, noise, dust, vibration etc). These are matters which are outside the scope or purpose of the Second Addendum and the third round of public consultation.

The new material Yumbah presents includes a number of criticisms of the quality of the draft management plans which deal with biosecurity risks and marine pests e.g. there would be insufficient surveillance and monitoring to detect the introduction of marine pests, the plans do not show a proper understanding of the pathways by which new diseases may be introduced, and the obligations to report to government are not adequate.

Yumbah also argues KIPT has used a flawed risk management methodology in order to understate the consequences of introducing marine pests to Smith Bay. Yumbah argues the mitigation measures may reduce the likelihood but not the consequence of an adverse outcome; that, invariably, the consequence would be 'disastrous'; and, therefore, the development should not be approved.

In response, KIPT notes:

- The Marshall government has introduced a new biosecurity regime into SA, and the PIRSA website says the threat to aquaculture from introduced marine pests is to be managed by:
 - monitoring for the entry and spread of new pest species,
 - responding to sightings of pest species before they establish, and
 - supporting control programs that minimise the impact of pests if they can't be eradicated.
- Given the draft plans published in the Second Addendum were prepared in consultation with PIRSA, it is reasonable to assume they are consistent with this approach.
- The details of the monitoring and surveillance program have yet to be developed, however KIPT will develop these in consultation with relevant government agencies.
- The plans are drafts, not final documents.

3.2 OTHER STAKEHOLDERS

Of the 77 submissions received from other stakeholders, 45 (i.e. 58%) raise issues or make comment on matters outside the scope of the Second Addendum.

Of the remaining 32 submissions, 21 (i.e. 66%) deal with traffic and road network issues such as the suitability of North Coast Road, impacts on other road users such as tourists and school busses, impacts on native fauna, and the cost to the community or the Kangaroo Island Council of upgrading and maintaining the roads. A further seven submissions raise concerns about marine pest management.

With the exception of the issues relating to North Coast Road, all of the issues raised were also raised in the two earlier rounds of public consultation and have been addressed in the Response Document for the Smith Bay Wharf Draft EIS and Addendum, published in March 2020.

The adverse impacts of driving on the unsealed section of North Coast Road from Emu Bay to Smith Bay were acknowledged in the Second Addendum (see section 2.4.3). The discussions with DIT include sealing this portion of unsealed road to mitigate these impacts.

Similarly, the impact on school buses has been acknowledged.

KIPT has obtained the maps of school bus routes on Kangaroo Island. KIPT's contractor harvester Harvestco and its forestry management contractor PF Olsen are consulting with the Council and with KI Community Education regarding routes and intersections that will be used by both school buses and log trucks, in order to establish safety protocols. These will include "kilometre markers" on the approach to intersections, which will then be used by truck drivers to signal their approach to those intersections by a common UHF channel to be used by both trucks and buses.

4. CONCLUSION

KIPT has reviewed the material provided on 1 March 2021 and advises the SPC that the draft amended EIS to be placed before the Minister for consideration in accordance with section 47(2)(b) of the *Development Act 1993* is presented in the Draft EIS (published in January 2019), as amended by the Addendum to the Smith Bay Wharf Draft EIS (published in October 2019), and the Second Addendum to the Smith Bay Wharf Draft EIS (published in December 2020), except that KIPT will not use the routes shown in Figure 2-2, 2-3 and 2-4 of the Second Addendum.