

THE SMITH BAY WHARF



THE OPPORTUNITY

Global demand for plantation timber is growing and logging native forests is increasingly untenable and undesirable. Global timber supplies are diminishing as competition for land increases. Sustainably-grown, environmentally certified timber is in high demand. Kangaroo Island's plantation timber is perfectly situated to meet this demand.

WHY NOW?

There is approximately 4.0 million tonnes of timber ready to harvest as soon as approval is obtained.

WHO IS BEHIND THE PROJECT?

KIPT plan to build and fund the full capital cost of the wharf.

KIPT has a market capitalization of more than \$100 million and has the backing of its shareholders, coupled with funding from the Commonwealth Bank. It has already established timber supply arrangements with the Japanese trading house Mitsui & Co.

No government subsidies will be required to construct or operate the wharf.

THE PROPOSAL

A deep-water wharf at Smith Bay will enable Kangaroo Island Plantation Timbers (KIPT) and independent timber growers on Kangaroo Island to export plantation timber products to established markets in North Asia. The wharf will also be suitable for other cargo and be available to other users. There is no such facility on Kangaroo Island at present.

\$60 million

Existing plantations on KI are able to produce timber for export with a sustainable value of \$60 million each year.

600,000 tonnes

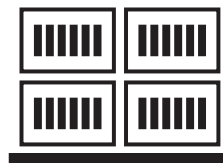
This equates to about 600,000 tonnes of timber annually.

WHY SMITH BAY?

Smith Bay was chosen because it is the closest, practicable and sheltered north coast site to the timber resources that is not in a marine park. Shelter is required to enable year-round, all-weather operations. Smith Bay's suitability is determined by a combination of factors:



- It has deep water suitable for berthing large ocean-going vessels relatively close to shore.



- The adjacent land is relatively flat, and suitable for safe storage of cargo, and is cleared and somewhat degraded.



- The adjacent seabed has already been disturbed by dredging activities.



- There will be no loss of critical habitat.



- It minimises conflict with population centres, tourism and agriculture on Kangaroo Island.



- Any risks to the neighbouring on-shore aquaculture business can be assessed with confidence, and any measures required to protect water and air quality are practical.



JOBS AND EMPLOYMENT PROSPECTS

234 fte

The number of full-time jobs that will be created during the operation of the Smith Bay wharf.

22 fte

The number of full-time jobs that will be created during the construction of the Smith Bay wharf.

Potential suppliers and individuals interested in employment with KIPT on Kangaroo Island should register their interest by going to kipt.com.au.

WHAT IS THE ASSESSMENT AND APPROVAL PROCESS?

The Smith Bay wharf has been declared a 'Major Project', and it is now subject to the most stringent and thorough level of environmental, social and economic assessment. This requires an independent Environmental Impact Statement (EIS) to be undertaken.

The Adelaide-based environmental consulting firm, Environmental Projects, has been commissioned to manage the EIS studies and produce the EIS document for submission to SA and Commonwealth governments.

For more information regarding the EIS and it's development and process please visit the smithbayeis.com website.

POTENTIAL ENVIRONMENTAL IMPACTS ON SMITH BAY

The most significant issues appear to be the impact of dredging on the sea floor and seagrasses in particular, and the need to manage potential impacts on water quality in Smith Bay.

It will also be important to ensure the site has appropriate dust suppression, and that noise and light pollution are carefully managed.

KIPT's aim is to avoid any harmful environmental impacts wherever possible, and it is confident all of the matters can be managed satisfactorily, if not avoided altogether.

KIPT is committed to maintaining the water quality at Smith Bay and will be required to do so by government. The only effluent currently discharged into Smith Bay comes from the existing aquaculture operation. No effluent or run-off will be discharged into Smith Bay from either the timber storage on shore, or vessels berthed at the wharf. Any dredge spoil will be pumped to land and will not be dumped at sea.

ARE THERE ANY BIOSECURITY RISKS?

The risk of introduced pests and diseases is a concern to all Kangaroo Island residents and businesses, including KIPT.

Smith Bay will not be a point of entry into Australia for vessels. National quarantine and customs measures will be enforced at another Australian port.

Existing international and national anti-biofouling and ship ballast disposal protocols (requiring discharge in the deep ocean) will further mitigate any potential risks. These are the same measures that currently apply at Penneshaw (for cruise ships) and at Christmas Cove and Kingscote (for small yachts).

Kangaroo Island-specific biosecurity protocols will be implemented to protect beekeeping, viticulture and potato industries and to prevent the introduction of any pest species.

KIPT has met with PIRSA's Biosecurity SA division and is investigating ways for KIPT to develop best-practice biosecurity protocols.



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FOR MORE INFORMATION GO TO KIPT.COM.AU