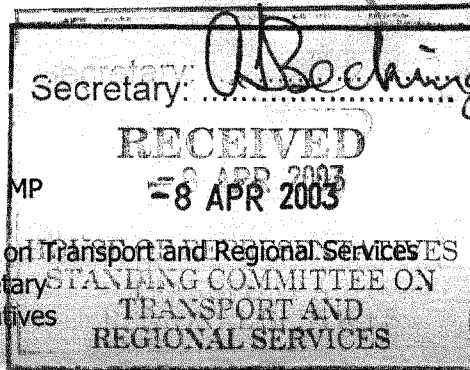




3 April 2003

Hon. Mr Paul Hinkler MP
 Chair
 Standing Committee on Transport and Regional Services
 C/- Committee Secretary
 House of Representatives
 Parliament House
 CANBERRA, A.C.T. 2600



FAXED
 9/4/03

By facsimile: 02 6277 4424

Dear Mr Hinkler

Inquiry into Commercial Regional Aviation Services in Australia and Transport Links to Major Populated Islands

The purpose of this correspondence is to draw the Committee's attention to the concerns of the plantation forestry industry on Kangaroo Island regarding the "adequacy of alternative sea services", investigation of which forms part of the terms of reference for the above-named Inquiry.

The Kangaroo Island Regional Plantation Committee is the peak industry body for plantation and farm forestry growers on the Island. It is funded and supported by the Commonwealth and State governments and industry to facilitate the implementation of Commonwealth and State government forestry policy, notably *Plantations for Australia: The 2020 Vision* and the national farm forestry program.

The Island's privately owned plantation estate currently stands at over 10,000ha. Independent professional expertise has identified that there is in excess of 80,000ha of cleared agricultural land suitable for plantation development on the Island. The industry is working towards a plantation estate of around 30,000ha, representing 6.8% of the Island's land base. Of this, a projected 20,000ha Tasmanian blue gum estate will generate a woodchip freight task of 470,000 tonnes from 2010, destined for international export markets. A range of other timber products will also be produced from the Island's Radiata pine estate.

At present there is no loading facility on Kangaroo Island capable of direct export. The plantation industry is therefore actively involved in planning for and developing infrastructure to meet its current and future needs. Wherever possible, the industry is seeking to maximize the benefits of infrastructure development to the Island's broader economy and community. For example, a bulk commodity loading facility has the potential to assist with more cost effective handling of the Island's agricultural produce, including grain, export hay and wool, as well as associated supplies, notably fuel and fertilizer.

*Chairperson: Malcolm Boxall - ph. 8553 9016; email: mboxall@kin.on.net
 Executive Officer: Anthea Howard - ph/fax. 8553 0427; mob. 0427 53 0427; email: antheahoward@bigpond.com
 PO Box 561, Kingscote, S.A. 5223*

Of particular relevance to the present Inquiry is the proposed development of a bulk commodity loading facility on the Island at Ballast Head, approximately 3km north of American River in Eastern Cove. Negotiations regarding this project are underway between WRF Forestry Pty. Ltd., who hold an option over the Ballast Head site, and Adsteam Marine and Flinders Ports. This facility would have the capacity to operate as a Port of First Entry.

The KI Regional Plantation Committee (RPC) has worked closely with the KI Development Board on the development of a heavy and bulk freight loading facility on the Island for the past three years. The RPC's interest is to address this issue on behalf of the Island's plantation industry, and to that end the Committee continues to support WRF's commercial efforts to develop the Ballast Head loading facility.

We believe that a barge loading facility at Ballast Head, as currently proposed by WRF, would offer a competitive and vital alternative to the existing roll-on, roll-off freight transport, and have direct export as well as domestic capacity. This has the potential to improve the profitability of a number of existing Island enterprises. The geographical separation of heavy and bulk freight from passenger services would also be beneficial to the Island's tourism industry.

The KI Regional Plantation Committee seeks the support of the Standing Committee for the proposed Ballast Head loading facility development, and would be pleased to answer any queries you may have regarding this matter. The RPC's Executive Officer can be contacted on (08) 8553 0427 or 0427 53 0427, or via email at antheahoward@bigpond.com.

Yours sincerely,



Anthea Howard
Executive Officer

Cc. Mr Patrick Secker MP, Member for Barker
Mr David Furniss, KI Development Board