



**Kangaroo
Island
Development
Board
Incorporated**

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Media Release

The Kangaroo Island Development Board has secured \$91,000 of funding from the Office of Regional affairs to assist with the development of a business case for the recognition of Backstairs Passage as an extension of the national highway grid, thereby reducing the costs of access to and from the mainland.

An announcement was made at a recent Regional Development Conference in Port Lincoln in front of a range of regional development practitioners, local, State and Federal Government representatives and interested industry and business leaders.

The KIDB's CEO, Pierre Gregor said "This is a great result, and we would like to thank the many businesses and government agencies, local and State for committing financial and/or in kind support to our funding submission." "We will be calling in the promised seed funding shortly", he said. "We must now make the most of this opportunity and precedents currently being set elsewhere in Australia to ensure our case is robust enough to ensure that businesses and the Kangaroo Island community do not continue to suffer disadvantage because of the costs of sea access".

The Chair of the Development Board indicated that this project was listed in the Development Board's Strategic Plan and was a priority one target. Mr Lavers said "The Kangaroo Island Development Board charged its CEO Pierre Gregor with the task of pursuing this project. This is the most important single project that the Board has had to handle. If successful the resultant outcomes will be of huge benefit to all sectors of the island's community."

The KIDB CEO stated that the funding submission argued that the cost of transport across the water gap between the mainland and Kangaroo Island has a significant impact on Kangaroo Island's economy and growth prospects. Mr Gregor said that there was considerable material and anecdotal evidence to suggest that the cost of transport generally impacts on all aspects of Island life. "The resultant cost of doing business acts as a disincentive to business attraction and expansion, makes competitive pricing of export goods difficult, influences the cost of housing, acts as a disincentive for tourism, acts as a disincentive for population growth and impacts heavily in areas of social equity and social inclusion."

In the last few weeks the CEO has traveled to Canberra and has had discussions on this issue with the relevant government departments. This has been followed up with letters to both the Prime Minister Mr John Howard and the Leader of the Opposition

Mr Kevin Rudd. Mr Gregor said that it was pertinent to note that the Coalition Government has made a pledge that “a re-elected Coalition Government will extend the Tasmanian Freight Equalisation Scheme to the communities of King Island and Flinders Island. This scheme ensures that businesses on the islands do not suffer a disadvantage because sea freight costs are higher than land transportation costs”. Material released by the Government identifies that this potential change in policy will also apply to freight traveling between King Island and Tasmania. “This strengthens the already genuine case that Kangaroo Island has for transport cost support” Pierre Gregor said.

The provision of the funding grant and the support from the community for the project is a very important first step. There is still a lot that needs to be done and certainly outcomes are not guaranteed. Nevertheless the developed business case for the recognition of the water gap would be a foundation document that will provide the quantitative data necessary to present to government for as long as is necessary. Mr Lavers said, “This is an issue that cannot be resolved by just one Island organization alone, it will require a whole of Island approach. On this subject we need to be seen to speak with one united voice, if we wish to have any impact on the final decision”.

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