

Kangaroo Island Plantation Timbers Ltd

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Kangaroo Island Plantation Timbers receives further \$19.6 million insurance progress payment

Kangaroo Island Plantation Timbers Ltd (KIPT) (ASX:KPT) has received a further progress payment of \$19.6 million from its treecrop insurance policy following the devastating summer bushfires on Kangaroo Island.

Including this latest payment, the company has now received \$49.6 million in progress payments on the treecrop insurance policy.

This policy has a limit of claims of \$65 million and additional benefits of \$3.2 million for other items.

Balance being progressed

The balance of the company's claim is being progressed by the insurer and further details will be released once the claim has been finalised.

Shares have been more than 12% higher today to 94 cents.

Buildings claim finalised

Last month KIPT had its building insurance claim stemming from the fires finalised for \$5.9 million.

In April, the company agreed a sum of \$4.2 million to cover the replacement cost of fire-damaged houses and stated that an agreement had yet to be reached in relation to sheds.

In June, KIPT agreed to a total of \$5.9 million to cover the replacement cost of fire-damaged houses and sheds and received the final progress payment of \$1 million.

At that time, the company said it had extinguished its debt using the progress payments already received from the building insurance as well as the separate treecrop insurance.

It said the final progress payment together with the remaining treecrop insurance would be used to fund the company's future operations.

KIPT has previously confirmed its commitment to conducting a plantation-based forestry business on the island off South Australia.

Keelty report welcomed

The company has welcomed the report of Mick Keelty AO, chair of the Independent Review into South Australia's 2019-20 Bushfire Season.

This stated that local knowledge, use of forestry experts and better understanding of fire behaviour in plantations was critical for future fire management on Kangaroo Island.

Price: 1.08

Market Cap: \$60.98 m

1 Year Share Price Graph



October 2019 June 2020 October 2020

Share Information

Code: KPT

Listing: ASX

52 week	High	Low
	2.4	0.7

Sector: Forestry & Paper

Website: www.kipt.com.au

Company Synopsis:

Kangaroo Island Plantation Timbers Ltd (ASX:KPT) is Australia's only listed timberland company, managing a portfolio of hardwood and softwood forestry plantations.

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Keelty said Incident Management Teams (IMTs) and fireground leaders needed access to people with local knowledge, including suitably trained and qualified forest industry professionals.

His report released this week also recognises the scale of losses by the forestry sector in the 2019-20 fire season in South Australia, with \$143.31 million out of \$186.57 million (76%) of losses incurred by agriculture attributed to the forest industry. Most of this loss was on Kangaroo Island.

Keelty recognised the "devastating blow" to forestry from the fires and in his key findings said "the inclusion of liaison officers and greater use of sector commanders with experience in plantation fire-fighting may have helped improve the strategies and tactics used in and around areas of plantation timber".

Forestry brigades welcomed

KIPT managing director Keith Lamb also welcomed the State Government's recent action to establish Forestry Industry Brigades, as previously recommended and widely used interstate.

"Our fire-fighting team and vehicles already work under CFS direction, but this extra recognition will enable forestry expertise to be better integrated into the IMTs and will make a real difference on the ground."

The 180-page report also recognises the importance of reducing fuel loads on public and private property and makes more than 60 findings and 15 recommendations about resourcing and response to bushfires, urging the State Government to implement recommendations from previous bushfire inquiries.

Lamb said vegetation management for fire risk was the responsibility of all landowners and managers, government and private.

"All have role to play"

"Local government has a role to play and can use its existing powers to work with the community, farmers and foresters, to improve landscape planning and prevent future disasters such as we saw on Kangaroo Island.

"State government has a role to play, as the manager of national parks, and in reducing red tape and unnecessary bureaucracy.

"Researchers and professional managers can assist in educating the public on the natural role of fire in the Australian bush.

"Fire is part of the Australian landscape and is essential to the health and wellbeing of our ecology," he said.

"But when the balance is not right, and policies and practices allow unnecessary build-up of fuels, particularly near farms, dwellings, timber plantations and infrastructure, we see the disasters such as the 2019-20 bushfires which cause so much unnecessary damage to the local communities and economies.

"We all have a role to play in ensuring the lessons learned from the 2019-20 fire season are not forgotten".

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