



Rural and Regional Affairs and Transport Legislation Committee

Submission to the Inquiry into Northern Australia Infrastructure Facility Amendment (Miscellaneous Measures) Bill 2023 [Provisions]

Background

The PRL Group Ltd is a wholly owned subsidiary of CI Resources Limited an ASX listed diversified industrial company with interests in Phosphate Mining, Asset Management, Energy, Agribusiness and Marine Pilotage services, and Tourism. Our business operations extend beyond Christmas Island and Cocos Keeling Islands, to the Australian mainland, New Zealand, Malaysia, Singapore, and Europe.

Phosphate Resources Ltd (PRL), has operated a phosphate mine on Christmas Island since 1990, providing rock phosphate to primarily South East Asian, Australia and New Zealand markets. The Company was founded by the community and workforce of the previous mining company after it was closed by the Australian Government in 1987. PRL commenced operations in 1991 after convincing the Australian Government to allow the mine to be reopened. Many of those involved back then, are still present in the Company today as employees and shareholders, including our Managing Director Lai Ah Hong.

The Company has been built on strong social and environmental foundations with a track record of supporting the local communities and environments where we operate. Our rock phosphate mine on Christmas Island, has exported over 16 million tonnes of rock phosphate since 1990 to Australia, New Zealand, Malaysia, and Indonesia contributing over half a billion dollars in taxes and charges to the Commonwealth. We continue to contribute approximately half of the Island's Gross Regional Product (\$45Mp.a.) and directly and indirectly employ half of the Island's workforce.

Phosphate mining commenced on Christmas Island over one hundred and twenty years ago with PRL being the modern-day part of the deep mining heritage on the Island. It can be argued that the Island's mining operations help to provide the stability and economic resources to maintain a peaceful, cohesive, well-functioning and largely self-sustaining remote community. However, knowing mining is finite the PRL Group have been actively diversifying since we commenced over 32 years ago, our current mining lease expires in 2034.

Phosphate Resources is committed to contributing to the economic development of the Indian Ocean Territories and the wellbeing of the community. However, there are many challenges to economic development including the high cost of living, access to land for development, access to bank finance and shortages of housing. Nevertheless, the PRL Group has continued to invest and successfully diversify its business away from a historic reliance mining. As a key investor and economic contributor to the Christmas Island economy and community we believe the inclusion of the Indian Ocean Territories within the definition of 'Northern Australia' and the Northern Australia Infrastructure Facility Act 2016 to be critically important. If successful it will assist in making the IOT more economically sustainable and able to support their unique communities and maintain Australian sovereignty in the region.

Australia • Christmas Island • Malaysia • Singapore

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Response: The bill amends the definition of ‘Northern Australia’ within the Act to include Christmas Island and the Cocos (Keeling) Islands, collectively known as the Indian Ocean Territories.

The PRL Group has been a strong advocate for the inclusion of the IOT in the definition of Northern Australia in the Northern Australia Infrastructure Facility Act 2016. Because of the strategic importance of the IOT Territories to the Commonwealth (see relevant links below), it is deemed essential to maintain viable communities in the IOT and sustainable economies which can support them. While PRL have made good progress in diversifying our business more effort and support is needed in order to realistically transition from a narrowly-based economy to one which is diversified and more sustainable. There are multiple challenges to economic development in the IOT. These include remoteness and isolation, reliability and cost of freight and air travel, deteriorating infrastructure and limited public services. A major constraint to development in the IOT is the difficulty in accessing to finance for investment therefore inclusion of the IOT into Northern Australia and access to the NAIF becomes even more critically important.

Whichever way you look at it the IOT are geographically and politically a part of Northern Australia, forming part of the electorate of Lingiari in the Northern Territory. The region also faces similar issues of remoteness and isolation that impact the development of other parts of Northern Australia. It is in the interests of the Commonwealth, and the IOT communities that the region is considered part of the Northern Australia agenda, therefore we hope the proposed change to the geographic coverage of the Northern Australia Infrastructure Facility (NAIF) legislation is fully supported by the inquiry.

Response: The bill also clarifies that the objectives of the Act include the provision of financial assistance for the development of Northern Australia economic infrastructure for the benefit of Indigenous persons.

Prior to settlement of the IOT, respectively 1890 for Christmas Island and 1820 for Cocos Keeling Islands the Islands were uninhabited. There is no evidence of any indigenous habitation prior to settlement, given the remoteness of the IOT and distance from the Australian mainland that is not unexpected. The requirement for an Indigenous engagement strategy for NAIF projects, that demonstrates objectives for Indigenous participation, procurement and employment in the region of the project, while critically important on the mainland would be of little benefit to the local populations and businesses in the IOT or the Indigenous communities on the mainland. In fact it could be potentially be an impediment to local companies being eligible for finance through NAIF. We recommend for the IOT, a local participation, procurement and employment strategy would be more suitable, and would more likely benefit the local populations and regional economy.

Relevant Links;

Joint Standing Committee on the National Capitol and External Territories - Report into the Strategic Importance of the Indian Ocean Territories.

https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/National_Capital_and_External_Territories/~/_link.aspx?id=30C52611D44C4D7E9DB2E2BA5516BA56&z=z