

Inquiry into governance in the Indian Ocean Territories
Submission 18
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THE SECRETARY OF THE COMMITTEE

Joint Standing Committee on the National Capital and External Territories

NEW INQUIRY INTO GOVERNANCE IN THE INDIAN OCEAN TERRITORIES

Submission via Email 21. April 2015

jscncet@aph.gov.au

Dear Senators,

I welcome the opportunity to submit my points of view in relation to the Terms of Reference.

1. the role of the Administrator and the capacity (and appropriateness) of the Administrator taking a stronger decision-making role;

POINTS: - With more than 25 year association doing business on Christmas Island of which I lived permanently on the Island for over 8 years my views are formed from "experience".

In 1988 I was invited to visit Christmas Island by the then Administrator Don Taylor with the aim for transition of the Island economy following the British Phosphate era when many residents were encouraged/forced to leave the Island. Most Government houses in Settlement were empty. – I commissioned a report to the Administrator with proposal to refurbish the old buildings to be used for the purpose of accommodation for paying visiting scientists from universities from around the World as well as for ECO tourism. – The Administrator "favoured" my report. – Although, back then, the Administrator was considered "King" of Christmas Island, my proposal was 'put on hold' from Canberra – and later 'of no interest'.

Following a few further visits to Christmas island, we purchased from the Commonwealth in 1993 a vacant block of land in Settlement and constructed three houses which were leased back to the Commonwealth. – In 1998 we purchased from the Commonwealth the Old Hospital complex for redevelopment. Now known as "Rocky Point Development". – In the year 2000 we purchased a large vacant block of Crown Land at Commonwealth Auction. This lot (Location 448 Phosphate Hill) we developed into 25 fully serviced duplex building blocks (now known as "Christmas Highland Estate") based on Commonwealth Policy were private developers were encouraged to develop residential land in order to cater for the current and future need of Commonwealth and the private sector. – We are currently



holding a 6 lot fully serviced Tourism Development situated Ocean front in Settlement (vacant land ready to be build on).

From the above mentioned experience over the years since 1988 with changing Administrators appointed by changing Governments I strongly recommend that NO *“stronger decision-making role”* should be granted to the Administrator. – As an example I would like to mention statements by two Administrators – a) Mr Don Taylor who was Administrator during the “Tampa” incident and after, one day on his way back from the Jetty in Flying Fish Cove having inspected a “boatload” of asylum seekers commented to the public *“do not go near them – they stink”*. – b) on the same subject (asylum seekers) the current Administrator Mr Barry Haase was quoted in the media of commenting along the lines *“do not blame the Government for Children being held in Detention – their parents brought them there”*. - One can only question if comments along these lines reflect Government Policy and thinking. – Christmas Island today is now seen (my opinion rightfully) as a prison island. As an eye witness to many incidents while living there I will offer to Joint Standing Committee, as a witness, to reveal further from my experiences.

Among the many changing Administrators (appointed by changing Governments) there have been a few “good ones” working in the best interests of the population on Christmas Island. I like to mention Mr Brian Lacy and Mr Jon Stanhope.

The appointment by Government of an Administrator , my opinion, is a left-over from the old British Colonial era where “directives” now come from Canberra with no say for the residents of Christmas Island and Cocos Islands. With their elected representative residing in NT it is not to be considered as a true democracy.

2. Opportunities to strengthen and diversify the economy, whilst maintaining and celebrating the unique cultural identity of the Indian Ocean Territories.

Christmas Island is culturally, geographically and by nature *unique*. – Attempts have been made by Governments over the 25 years of my experience conducting business on Christmas Island. Government Policy is essential for business people forming and making business/investment decisions in any region. I based my business/investment decision on Government Policy for Christmas Island. Please refer to our submission lodged with Joint Standing Committee in 2005 in their inquiry into *“Current and future governance arrangements for the Indian Ocean Territories”* leading to their Report 2006 reference Submission from Northern Bay Pty. Ltd. (John Sorensen). Findings and recommendations by the Committee following their investigations are printed on pages 46 – 47 & 48 in Report 2006 by the Committee. Conclusions and Recommendations are very clear. Refer recommendation 3 *“that the Australian Government compensate Northern Bay / John Sorensen”*. – Response by Government (The Howard Government) with regards to Recommendation 3 *“DO NOT SUPPORT”*.

- *Difficult to comprehend how the accused/guilty party and the judicator can be one and same. We refer to the fact that the Federal Government by the Joint Standing Committee was found “guilty” of breaching their Policy let alone also breaching Policy of Competitive Neutrality .Recommendation was that Government pay compensation to Northern Bay*

Pty. Ltd. – That the same guilty party (Federal Government) can then self adjudicate and decide to NOT support recommendation. This erodes the cornerstones of an apparent functioning lawful democratic society.

Our experience from dealing with Government has taught us that they could not be trusted. Asked by Government to provide *further evidence in support of recommendation* we have provided Government with Statutory Declaration by Mr Alexander Richardson (former Real Estate and Property Manager, Christmas Island Administration). –The reply we received was: *“you have not provided any new information that has not previously been considered in the decisions on your case”*. I attach copy of Statutory Declaration for this Joint Standing Committee to read.

I followed recommendation by a MP to lodge a complaint with Commonwealth Ombudsman. The Ombudsman commented on a *brief* that our case was worthy investigation by his Office. We submitted all relevant material to his office. Following investigations by Ombudsman we were informed following: *“The Ombudsman is expressly prohibited to investigate a decision taken by a Minister”*. – Naturally disappointed with this reply from Ombudsman we ask ourselves *To whom is a Minister responsible if not to the Ombudsman*. – I call it a shameful denial of justice.

I would be grateful if this Joint Standing Committee in their NEW INQUIRY into governance in the Indian Ocean Territories would investigate *the decision taken by a Minister (Hon Wilson Tuckey) to award the subject Tender for housing to Consolidated Construction building on FREE Crown Land in direct competition with our fully developed land. Land developed based on Government Policy*. I will be willing to give further evidence as a witness at Joint Standing Committee hearing.

On the question of opportunities to strengthen and diversify the economy of Christmas island I have following comments/suggestions: - Each Minister responsible for Indian Ocean Territories during my time operating business there has promised to “fix” the problem relating to air fare and shipping being so expensive compared with other destinations on mainland and international. None of Ministers have managed to “fix it”. – I have suggested that a “direct subsidy” from Government is required to get a tourism industry up and running. Not enough to just allocate a few dollars to help pay the wages of staff at the Tourism Centre. -- A big injection of millions of dollars by Government to promote this “mini Galapagos” island nationally and internationally is required. Government should undertake building of tourism infrastructure (access tracks / roads in the rain forests etc) this would lead to development of a self sustained tourism industry employing the island residents. The provided ‘subsidy’ combined building of infrastructure would, over a very short period of time, come back to Government in savings from unemployment benefit paid now.

Re-issue of a gaming licence to the Christmas Island Resort should be re-considered . This would support development of a sustainable tourism industry. – It’s proven before when the Resort Casino was operating employing over 300 staff.

Encouragement and support from Government to establish a ‘Foreign Student’ industry for the Island should be re-considered. Close location to South Asia is an obvious advantage.

Establishment of a Marine Research facility / university campus could focus on exploration of the unexplored depths of the surrounding ocean including the Java Trench. May lead to discoveries of resources to the benefit of the whole nation/the World.

Christmas Island has been used & mis-used since discovery of phosphate. A unique cultural community has developed from the early 'settlers'. They deserve to be treated with respect.

I would be pleased to accept an invitation to appear as a witness for the Committee.

Regards

John Sorensen

Northern Bay Pty. Ltd.

CONCLUSION STATEMENT

Honourable Senators,

- 1. Recommendation 3, with reference to JSCNCET Report 2006 "The Sorensen Case", was made following that Committee's investigations. Please respect and honour their work.*
- 2. The Statutory Declaration by Mr. Richardson was made under oath. Please respect and consider the truth of the matter.*
- 3. The Ombudsman considered the case worthy of investigation. Please respect the integrity of the Ombudsman.*
- 4. Had I not entered into business venture on Christmas Island (which were based on Government Policy – please refer JSCNCET Report 2006 and Statutory Declaration by Mr. Richardson) – then I would have been a happy self funded retiree. All my life savings from running a healthy business (prior to Christmas Island) are lost. Now at the age of 71 I find it impossible to survive on the basic pension (half of which comes from the country of my birth, Denmark) – to cover living expenses and servicing of heavy borrowing as a consequence of the losses on Christmas Island. – My pride is reduced to that of a "beggar". All I wish for is justice and financial satisfaction enabling me to get on with the rest of my life in Australia, the country of my choice for over 40 years.*

It is with great expectations I await the outcome of your further investigations and considerations resulting in Recommendations to our current Government.

Sincerely

John Sorensen