



COMMONWEALTH OF AUSTRALIA

JOINT STANDING COMMITTEE

on the

NATIONAL CAPITAL AND EXTERNAL TERRITORIES

Reference: Communications and the external territories

COCOS ISLAND

Saturday, 22 August 1998

OFFICIAL HANSARD REPORT

CANBERRA

JOINT STANDING COMMITTEE ON THE NATIONAL CAPITAL AND EXTERNAL
TERRITORIES

Members:

Senator McGauran (Chair)

Senator Allison	Mr Dargavel
Senator Crossin	Ms Ellis
Senator Lightfoot	Mrs Johnston
Senator Lundy	Mr Nehl
Senator West	Mr Neville
	Dr Southcott

To inquire into and report on:

Communications to and within Australia's External Territories, with particular reference to:

1. identifying the elements of a comprehensive and modern communications system required by communities with the characteristics of the External Territories;
2. the adequacy of existing services in meeting the communications (being broadcasting, postal, internet and on-line services, and telecommunications) needs of the residents of the External Territories;
3. the extent to which communications services available to the residents of the External Territories are of a similar standard to those available in Australia generally; and
4. the strategies required to address the future communications needs of the residents of the External Territories, including the costs, the roles of government, the private sector and the communities themselves in addressing those needs.

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JOINT STANDING COMMITTEE ON THE NATIONAL CAPITAL AND EXTERNAL
TERRITORIES

Communications and the external territories

WEST ISLAND,
COCOS ISLAND

Saturday, 22 August 1998

Present

Senator McGauran (Chair)

Senator Crossin

Senator West

Committee met at 3.20 p.m.

Senator McGauran took the chair.

ANTHONEY, Mr Noor, Manager of Administration, Cocos Islands Shire Council, Home Island, Cocos (Keeling) Islands, Indian Ocean 6799

CAPSTAN, Mr Yakin, Cocos Islands Shire Council, Home Island, Cocos (Keeling) Islands, Indian Ocean 6799
through Mr Adim Hajat, interpreter

MACRAE, Mr Ismail, Councillor, Cocos Islands Shire Council, Cocos (Keeling) Islands, Indian Ocean 6799

CHAIR—I declare open this public hearing of the Joint Standing Committee on the National Capital and External Territories. I remind everyone present that these are the proceedings of the parliament and warrant the same respect as the proceedings of the parliament itself. The committee does not require witnesses to swear on oath or make an affirmation, but that does not diminish the importance of the evidence before the hearing this afternoon.

Resolved (on motion by **Senator West**):

That the committee authorises publication of submissions 40 and 41.

CHAIR—I welcome witnesses from the Cocos Islands Shire Council. I invite you to make an opening statement.

Mr Capstan—I would like to welcome all the representatives that have come from Canberra. I would also like to ask a few questions in relation to whether the submissions have been commented on by the representatives themselves.

CHAIR—We have received your submission.

Mr Capstan—Does the committee have any comments in relation to the submission?

CHAIR—No, not prior to your opening statement.

Mr Capstan—The following points are provided for consideration and included in the submission to the joint standing committee inquiry into communication and telecommunication in the territories. There are six major points. The first point is the existing service and infrastructure. The Commonwealth is currently responsible to provide domestic and international telecommunications on Cocos Islands. The second point is the telephone service. The third point is the television broadcasting and its disadvantages. The fourth point is the radio. The fifth point is the Internet and on-line services. The last point is the postal service and air services.

CHAIR—Perhaps as an opening point, on the way in here we saw the air service leaving—National Jet. Perhaps you could tell us how that is working, particularly in relation to postal services?

Mr Capstan—In relation to the air services, the community feels dissatisfied with that service. At the moment it receives only one flight a week. The service charter itself is very small and very limited in relation to cargo constraints and passenger constraints going to and from the island. In relation to the postal service, sometimes because of its freight constraints most normal freight, for example, fruit and vegetables, have first priority on the list. Therefore, a lot of the postal service does get off-loaded. I ask the committee to look into the air service constraints. In relation to the prices that the community pays to get on and off the island, I would like the committee's response in relation to that matter.

CHAIR—We have heard about the problems of the postal service from Christmas Island, and we know well of the unloading that does occur. But how frequent is the problem?

Mr Capstan—It is not frequent. Sometimes if there are other items in the air service the mail gets off-loaded and the fruit and vegetables get on; sometimes it is the other way around. A lot of people rely on the postal service because a lot of people here on the island are on social security benefits and rely on social security cheques and other mail. The health service itself does have a few problems with its postal service in relation to medicine and documents that do not get on the plane and sometimes get delayed for two weeks.

CHAIR—Would you have any idea of the solution? Is it a bigger plane?

Mr Capstan—Because Cocos Islands and Christmas Island are the most westerly islands in Australian ownership, they do not have the privilege like next day delivery. Maybe the community could have a look at what is acceptable and what the community wants in relation to its air services.

Senator WEST—Did I understand you correctly when you said that sometimes fruit and vegetables were off-loaded as well?

Mr Capstan—That is correct. Basically, it is the cooperative management of the community to have a look into the perishable food items that are brought up by the air services.

Senator WEST—Sometimes they are off-loaded?

Mr Capstan—Yes.

Senator WEST—Can you give me some idea of how often—once a year, twice a

year, once every six months?

Mr Capstan—Once a month fruit and vegetables and perishable goods are off-loaded.

Senator WEST—What do people on the island do to overcome that problem?

Mr Capstan—The community orders food to come up by ship, and the ship comes about every five weeks. Unfortunately, they are not as fresh as they could be.

Senator WEST—So the ship comes about every five weeks?

Mr Capstan—Five weeks.

Senator WEST—That means you have to plan ahead to do the bookings for the ship.

Mr Capstan—Yes.

Senator WEST—You have said you have only one flight a week. Do you have flights coming through Jakarta like Christmas Island does?

Mr Capstan—There are no flights from Jakarta to Cocos Islands. We only get one from the mainland to here.

Senator WEST—You have mail that comes. What other communications do you have? Do you have radio and telephone? What problems do you have with those? What sorts of things go wrong with them?

Mr Macrae—I will make a comment about the Internet service for the island. At the moment on Cocos Islands, the speed of telecommunications is limited to 9600bps. We are limited in using the Internet service. As you are probably aware, the Internet service is one of the major telecommunications services that people use. Also, it is only available for schools and government organisations. As far as I know, 9600bps is not available for private use or for the residents of the island. That is one of the issues that the council would like to address as far as communications are concerned. Basically, we would like the service improved, if possible, to the same standard as one would normally get on the mainland.

Senator WEST—We are on West Island now. How difficult is it to ring Home Island? Is that a problem? Do you have a problem with those phone calls?

Mr Macrae—No problem.

Senator WEST—What is the charge? Is it the cost of a local call?

Mr Macrae—Yes.

Senator WEST—If you want to ring the mainland, can you get any special times of the day when it is cheaper to ring the mainland?

Mr Macrae—For example, on weekends you get cheaper rates.

Senator WEST—You say that Cocos Islands has experienced difficulties with Telstra payments. Would you like to explain that, please? Is that because the mail is slow to come and the bills do not come or you do not have banking facilities?

Mr Macrae—Yes, we do not have electronic banking. Islanders pay their telephone bills through their local post office here. The mail gets sent once a week. It takes two or three days before it reaches the mainland. Sometimes we get overdue notices before we get the first bill.

Senator WEST—What banking facilities are there here on West Island and Home Island?

Mr Macrae—We have a Commonwealth Bank agent. It is not a full bank, just an agent.

Senator WEST—The shire president talked about social security cheques. Do the people who are on social security get paid by cheque or is it transferred into a Commonwealth Bank account and they can draw money out of the agency?

Mr Macrae—Yes, some people do have it transferred to their bank account.

Senator WEST—But do some people still get cheques?

Mr Macrae—Yes.

Senator WEST—But what happens if they get lost in the mail for a week?

Mr Macrae—Sometimes, yes.

Senator WEST—They could be lost for three weeks.

Mr Macrae—Yes.

Senator CROSSIN—Is there no opportunity to have an EFTPOS facility through the bank?

Mr Macrae—No.

Senator CROSSIN—The Commonwealth Bank spent 10 days on Christmas Island until they got EFTPOS established. Have you ever asked the Commonwealth Bank to do the same here?

Mr Macrae—Not especially, but I personally asked the bank here whether they could do phone banking, but I was told it was not possible for me to do that on the island.

Senator CROSSIN—Has the person who actually runs the Commonwealth Bank agency here ever made an approach to the Commonwealth Bank to put in an EFTPOS facility?

Mr Macrae—I am not aware of it.

Senator CROSSIN—I want to know what the situation is in terms of access to television channels. Do you have ABC, GWN or no television service?

Mr Anthony—Some of the transmission for television is quite poor. As stated in the submission, sometimes in bad weather the transmission has been cut off. There is no transmission coming through at all. In the past, I think Home Island hardly received television. I think the Commonwealth government is looking at getting another dish to improve the standard of reception on Home Island.

Senator CROSSIN—What do you get to watch now?

Mr Anthony—On West Island we have GWN and ABC.

Senator CROSSIN—On the other island?

Mr Anthony—On Home Island five per cent cannot get TV reception. They have ABC.

CHAIR—What was five per cent?

Mr Anthony—Five per cent cannot receive TV because it is not very good.

CHAIR—What is the television home ownership percentage? You do not have to be precise.

Mr Anthony—Just about every household has a television.

Senator CROSSIN—On Christmas Island they talked about the same problem with the Palapa satellite, so Cocos Islands is caught up in that as well.

CHAIR—Yes.

Senator CROSSIN—What Internet provider do you use? You talk in your submission about going through the mainframe on the mainland. What is the actual provider's name?

Mr Macrae—I do not use it in a personal capacity. At work we use an Internet service provider in Perth. If we do not use the service provider, we are not able to get through.

Senator CROSSIN—Would there be anybody who has access to Internet in their own homes here?

Mr Macrae—I think a few people do have access to Internet. Because of the line, not very many people have that at the moment.

Senator CROSSIN—Do you have any idea of the cost?

Mr Macrae—To use the Internet service provider it probably costs about \$80 to \$100 a month plus the telephone line.

Senator CROSSIN—That is just a fee to actually access the line or to access the service provider, and on top of that is the cost of using it.

Mr Macrae—Yes.

CHAIR—You have in your submission that Cocos Islands receives the ABC Regional radio and FM96. I take it that is a Perth station.

Mr Anthony—That no longer exists. Now we have 94.5 from somewhere in Kalgoorlie.

CHAIR—That would be of no interest to the people of Cocos Islands.

Senator CROSSIN—What about Radio Australia?

Mr Anthony—Yes, we have Radio Australia.

Senator WEST—Does Radio Australia come on the short wave?

Mr Anthony—I am not quite sure.

Senator WEST—We can find that out.

CHAIR—You said in your submission that there is a lack of options in radio. Do you know what radio stations you would particularly like to tune into? Radio National was heard on Christmas Island, but they were not interested in Radio National. Other possibilities were ABC Classic FM; Radio National, which is of no interest, at least to the Christmas Islanders—Radio National is not of interest to me—and SBS. Do you know for sure what options you would choose?

Mr Anthony—I am not quite sure. I personally do not know what choices there are available. I am aware that we only have three. We get one transmitted from up north somewhere. ABC FM no longer exists. I am not sure what options there are to choose from.

CHAIR—I think you would be disappointed. There are not that many out there.

Senator WEST—Turning to the issue of Australia Post and their Christmas Island and Cocos Islands stamp sales, do those sales of stamps provide any benefit to the island? Australia Post has a very wide service of selling stamps to stamp collectors. Some of the sought after stamps do come from Christmas Island and Cocos Islands. Do you have any thoughts about those stamps? Does anybody know about them? Maybe people do not know about them.

Mr Anthony—Cocos Islands used to have a philatelic bureau here. You are probably aware of that. That was closed a few years ago. I do not believe that the sales of stamps are any benefit to Cocos Islands.

CHAIR—Do you pick up any Indonesian television or radio?

Mr Anthony—Yes, we do have television. The radio is only at night from 7 to 8 o'clock.

CHAIR—Is it popular?

Mr Anthony—To the Home Island community yes, very popular.

CHAIR—Is it more popular than English speaking radio?

Mr Anthony—It depends on what age group. Indonesian radio and television is more popular with the older ones who are not bilingual.

CHAIR—I take it from your submission that what you are really seeking is greater options and clearer broadcasting.

Senator WEST—In your submission you talk about difficulties with the Department of Transport and Regional Development communicating through e-mail. Do I

understand correctly that the department likes to do a lot of its communications through e-mail but, because the e-mail is so slow and not particularly efficient, that causes a problem in communications between the department and the council?

Mr Macrae—Yes. You are saying that the problem is slow and unreliable. Is that what you are saying?

Senator WEST—Yes. So it does hamper the communication between the department and the council.

Mr Macrae—I believe so, yes.

CHAIR—Thank you very much.

[3.55 p.m.]

FEYREL, Mr Badlu, Deputy Chairman, Cocos Congress, Cocos (Keeling) Islands, Indian Ocean
through Mr Adim Hajat, interpreter

ANTHONY, Mr Haji Adam (Rabuhu), Chairman, Cocos Congress, Cocos (Keeling Islands), Indian Ocean

CHAIR—On behalf of the committee, I would like to welcome the members of the Cocos Congress. I invite you to make an opening statement and, within that, perhaps you could tell us about the congress and give us a backdrop to what the congress does within this community.

Mr Anthony—You require some background about the Cocos Congress. The Cocos Congress was established back in 1995 by the Cocos Islands community, the Malay community. So the Cocos Congress is a bit different from the Shire Council. The functions and responsibilities of the Congress are to convey the message into and out of the community and also other concerns that the community have.

We put forward four issues in our submission: first that the ABC or SBS be provided as alternative television facilities on the islands; second, that the Commonwealth assist with funding to upgrade the receiving system for the Malaysian and Indonesian channel; third, that measures be taken to improve reception; and, fourth, that we have the ability to incorporate local programming. They are essentially the issues of importance to the local community. The other points in the submission concern the postal service and the Internet and on-line services.

CHAIR—Yes, expand on those points by all means.

Mr Anthony—At the moment we have stations available on West Island with the ABC and GWN. But, in order to receive GWN on Home Island, they have to have an antenna available because there are no suitable connections completely available at the moment from here to Home Island. So if people on Home Island want to have GWN available, they need to have an antenna set up. We do have TV stations taken from Malaysia and Indonesia available on Home Island from separate dishes on Home Island which the council provides. We only receive about five channels at the moment on Home Island: two from Indonesia, one from Malaysia, SBS, plus GWN if we want to put on an extra antenna.

CHAIR—You receive SBS television?

Mr Anthony—Yes, that is right. At the moment we do not have SBS but we have the ABC program on Home Island. Last month we had the SBS connected to Home Island

because of the soccer program that was very big—the World Cup. So at the moment the SBS has been replaced with the ABC. We have gone back to ABC.

With the Malaysian and Indonesian stations that we receive on Home Island there is sometimes a lot of interruption due to the weather situation. So the reception we receive on the Home Island is not good enough. It is sometimes very good, but we do have a lot of interruptions when the weather on the island is not very good.

Senator CROSSIN—At Christmas Island they mentioned that, through the satellite station they had there, they turned off ABC and turned on SBS for the soccer. Is that how come you have had the World Cup soccer? Does what Christmas Island do impact on the transmission that you get or is it separate? Do you have your own transmitter station?

Mr Anthony—The transmitter is available on this island. We do not have the facilities here on Home Island. For instance, last month we had the SBS available for the World Cup. We disconnected the ABC and then we connected with SBS. When we take SBS out, we have to reconnect the ABC back anyway. So the facility is not available on the other island. It is available at this site.

Senator CROSSIN—In your letter you talk about the television system degrading with time. Can you tell us a bit more about that? Is it out-of-date or does it need parts replacing—what is the problem?

Mr Feyrel—In relation to the satellite transmission, on Home Island we do not have the facility to upgrade the satellite dish there to get a better transmission and to get a better option—for example, the ABC, GWN and maybe have another channel. If some other equipment could be provided and utilised, we could then get that option available for Home Island people.

Senator WEST—If you do not get very good television and you do not get good radio on Home Island, what do the young people do with their time? What does anybody do with their time?

Mr Anthony—Before we had the television stations available on the islands, most of the people on the islands listened to most radio stations. But at the moment when we have these TV channels or stations available, not many people are interested in listening to radio. So the young people who are out of school and on weekends spend most of the time watching videos or watching televisions. That is what the young children been doing.

Senator WEST—What does the community think of that? What do the older people think of that?

Mr Anthony—We think the programs we receive are essential to the young people because of their school background and they can learn from the televisions anyway. But

for the people who have no education and who do not understand reading and writing, they find it very difficult to understand the programs that the young people like to see. That is the problem.

That is why I stated in my submission that community radio could be important for those people on Home Island who do not have the educational background. If the Cocos Malays had access to broadcast facilities, they would be able to understand the programs broadcast from the various organisations. At the moment we have a broadcast coming from this island with English broadcasting. Not many people on Home Island are really interested in the radio because they are English programs anyway. That is why I put in my submission whether the committee would be able to consider establishing some radio program on the Home Island to assist those Home Island people who do not have the education background to understand the program.

Senator WEST—What about the telephone services, does your organisation have any comments or thoughts on how good the telephone service is?

Mr Feyrel—There have been many problems in relation to the telephone service. We would like a better service in the future.

Senator WEST—Can you outline the problems for me please?

Mr Feyrel—The problems are firstly they break down quite a lot, very frequently, and secondly in relation to the payment of telephone bills.

Senator WEST—When the telephone breaks down, what is the process that is involved in having it repaired?

Mr Feyrel—The problem is in relation to the procedure. The fact is that, because most of the Home Islanders cannot speak English, they have problems in saying to the operator or to Telstra that they have a problem with the telephone.

Mr Anthony—With a telephone problem on the Cocos Islands we have to contact Telstra for the fault anyway. Telstra have to contact Air Services here on Cocos island to fix it. We have to go from here to there and back to the officer here to fix it because we have to have authority from Telstra before they can fix the fault. That is how the system works.

Senator WEST—How long does that authority take to get?

Mr Anthony—Sometimes it takes a little while—four or five days—depending on how much work that they have on their hands before they could do the service that we require.

Senator WEST—Do you know how many telephones there are on Home Island?

Mr Anthony—Everybody would have a telephone anyway.

Senator WEST—Everybody has a telephone?

Mr Anthony—Yes. Some houses have two telephones, some have one, some have three telephones.

Senator WEST—There are lots of telephones.

Mr Anthony—Every household has a telephone on Home Island.

Senator WEST—You say it takes three to five days to get it repaired because there is so much work for the contractor.

Mr Anthony—Yes, depending on the officers here. If they do not have too much work to do, it sometimes takes only two or three days to fix the problem. Sometimes we have contacted Telstra with the message, but they have not contacted the officer to do the fixing. Sometimes they forgot or sometimes they gave the information a bit late to the officer before they can go and fix the fault. That is a bit frustrating.

Senator WEST—Sometimes with people whose English is not very good Telstra do not understand what the problem is.

Mr Anthony—That is right. We have the officer here who is the licensed fixer. People on Home Island who do not speak English can see Adim for help. But sometimes it is very difficult because the Telstra people in Perth require the person to speak to them and not the officer on their behalf.

Senator WEST—You also said there was a problem with Telstra because of the slowness of the bills coming in?

Mr Anthony—That is right. Again, I mention the postal service arrangements in our submission. Mostly the charter flight is available only once a week on the island. So sometimes if the mail is off-loaded then we do not get the mail until the next week. There is often a delay. As far as bills are concerned, if we have the flight arrangements twice per week, sometimes we get very quick mail available but other times the mail coming on the plane is off-loaded because of the capacity with a small plane.

CHAIR—You mentioned the community radio station in your submission. Perhaps you could outline the role that the community radio station plays in the life of the island, who operates it and why would it be better over on Home Island rather than West Island?

Mr Anthony—As I stated to you earlier, this is in relation to the education problem for the people on Home Island who are Cocos Malays, especially with older people. It is essential to have the broadcasts available on Home Island in their own language so that the Cocos Malays could understand all the information being provided from the various organisations.

At the moment, as I said, we have the radio station available on this island but it is limited to English broadcasting only. On the Home Island, the young people learn more English at school so they can understand. But those people who are very low in education and understanding—they do not have the educational background at all—feel very frustrated. They feel very worried, concerned and so on. That is why we think it would be good to get up the facilities on Home Island that can be operated by the shire, the cooperative or any organisation to assist the elderly people who do not have the schooling background so that they would be able to understand what is happening on the island.

CHAIR—So it has nothing to do with the reception of the station; it is more just the agenda of the station?

Mr Anthony—That is right.

CHAIR—Is it well listened to?

Mr Anthony—At the moment it depends on the weather. If the weather is really clear then we can receive the broadcasts very clearly. If the weather is not very good, it is very difficult to receive any program outside.

CHAIR—There being no more questions, I thank you for coming here today and giving your evidence. A transcript of your evidence here today will be sent on to you so that you can make editorial corrections. Thank you very much.

[4.20 p.m.]

FISHER, Dr Gary Robert, Medical Officer, Indian Ocean Territories Health Service, Cocos (Keeling) Islands, Indian Ocean

CHAIR—I welcome Dr Fisher from the Cocos (Keeling) Hospital. I invite you to make any opening statement you may wish. Perhaps you could also paint a picture of the hospital, the number of staff, the types of patients you get, et cetera, just to give us a nice backdrop.

Dr Fisher—I am the medical officer employed by the Department of Transport and Regional Development. The health service on Cocos comprises one doctor and at best four community nurses. The service is split between West Island here and Home Island which is across the lagoon. Most of the Cocos Malays live on Home Island where there is a population of some 500 people of varying age groups. We have two Cocos Malay health workers who assist us in the functioning of the health service and who also help in interpreting and translating, bearing in mind that 70 per cent plus of the Cocos Malays do not speak sufficient English for us to communicate effectively without an interpreter.

We run various community health projects. I suppose our philosophy is a primary health care model which means trying to preserve good health by education, health promotion, disease prevention and early detection. That is our brief. I suppose the reason for the health service presenting before this committee is to express our concerns about communication and some of the difficulties which we have, and then to highlight some of the areas where improved or differing communication may help the health service and the delivery of health care to the people.

CHAIR—We have certainly been taken by the possibilities of telemedicine in this inquiry for the territories and for Norfolk Island.

Senator WEST—Rural Australia full stop—whether they be off the coast or on the coast.

CHAIR—And rural Australia. We do not really need convincing but, perhaps for the record, you could outline the advantages of telemedicine for the island.

Dr Fisher—I suppose like most isolated communities, access to more specialist diagnostic facilities and indeed specialist services are very limited. Here on Cocos we do have a regular service of visiting specialists, but it is not always predictable. We have a good paediatric service which comes up every three to six months. But, as far as other specialties, it is difficult to access them.

One of the benefits of telemedicine is in the diagnostic area. One example of the disadvantages at present is with X-rays, because there is a significant time delay in getting

reports back. First, we get the X-ray taken here and then it is sent down to Perth for reporting. There is also a delay in getting the X-ray seen by, say, an orthopaedic specialist and then getting the report back to Cocos. One of the advantages of telemedicine would be that we could get that image reviewed much more quickly and without having to shuffle it from place to place.

The other area which is reasonably covered is that we tend to use the fax for ECGs and similar types of things on which we want a quick response from a cardiologist. That process is fairly well established and works reasonably well across many different areas. That aspect works okay. It is more the medical imaging and sometimes being able to consult with a specialist. We have the telephone which obviously is adequate.

CHAIR—Do you have a case of late where that would have been essential?

Dr Fisher—There are cases, say, in psychiatry where someone has an illness which does not necessarily need physical contact or closeness but definitely does need some sort of on-line consultation. Psychiatry is an area in which telemedicine may have a significant role to play. There is also minimal technology involved as opposed to some of the ones where you have to send images and so on.

That is an issue for Cocos Islands, because we are an isolated community with its inherent stresses. We have limited access to psychological and psychiatric services here. A lot of that falls back on the local staff who may not have the benefit of some skills. Also, being so close in a community, it is sometimes difficult to separate. So sometimes an outside person reviewing a particular case is of more benefit than in families and things.

Senator WEST—Have you had cases where—if you had had better communications such as telemedicine or the use of more sophisticated things of sending ECGs or X-rays down the line—you had to evacuate someone because you could not get X-rays or other results read or you could not get a second opinion?

Dr Fisher—We have had to send people. There are two ways down: one is on the commercial flight if there is time; and the other one is for more urgent cases where we need to charter a jet through the RFDS to get them down to Perth. There have been cases I have been involved with where it has caused significant stress to myself and to the staff trying to make that decision. There are a lot of considerations, not only economic, in making a decision to move someone off island. There is the private kind of stresses in moving a family member off.

We have the phone and we can discuss it over the phone, but it is not the same as actually having the patient seen. I do not think it would have influenced the outcome, but it may relieve some of the stress and discomfort which the decision making process sometimes engenders, particularly in this type of environment so far away with only one doctor. If you make the wrong decision, well, what are the possible outcomes? Then, if

you send someone down inappropriately, there are other people barking at you saying, 'Did you really need to send this patient?' These are usually people who have not worked in isolated communities. There is that.

Definitely diagnostic technology is limited on Cocos. We really have to send everything off. There are some new technologies which would allow for, I suppose, more diagnostic procedures being done on Cocos and the results being interpreted in a specialist centre. That is one area which could be useful. For instance, with an X-ray or ultrasound where the images can be taken but then the interpretation of the images is something which is beyond a general practitioner's scope.

Senator WEST—What is the cost of an evacuation—full bells and whistles?

Dr Fisher—Probably in the order of \$35,000 to \$40,000.

Senator WEST—That is Australian dollars?

Dr Fisher—Yes, Australian. The RFDS aircraft based in Perth or wherever do not have the range to fly here, so they have to charter a jet. I believe that because of our flying hours if we want a quick turnaround they have to have two crews, so that adds to the expense. The RFDS usually supply either a doctor and/or nurse, but that is covered in a different budget. If you are just looking at the cost of charter, aircrew and whatever other expenses are involved in flying, it is in the order of \$30,000 to \$40,000.

Senator WEST—How often would you do an urgent evacuation; how many a year would you average?

Dr Fisher—If you look back through the statistics over the last few years, it is an average of maybe four times a year. We have had two this year so far, but something could come up tomorrow. A lot does depend on the timing of when the chartered aircraft is coming. Say something happened now, the plane has just gone so it is a week until the next and that may be too long to wait. But if something happened on Friday, depending on the condition, it could be sent. Pregnant women are a problem.

Senator WEST—I was going to ask about pregnancy—what do you do?

Dr Fisher—The policy of the Indian Ocean Health Service is that women are evacuated either to Christmas Island where there are two doctors and more facilities or to Perth for their delivery. So that needs to occur somewhere around 36 weeks to our best estimate. That is a policy which has been adopted in the last few years for reasons which really revolve around the possibility of a complication arising and needing an operative delivery. In the old days, it was done by the solo practitioner here but, with changing standards in medical standards, it is just me. I cannot do both ends such as the anaesthetic and delivery for a caesarean. Whereas at Christmas, depending on who is working there,

they have two doctors on; so one can do the anaesthetic and the other the operative delivery, if necessary. That does not always work out, so most of our women have to go down to Perth. Sometimes things go wrong a bit earlier; maybe our dates are a bit out. We have had deliveries recently on Cocos, very successfully, but that is more—

Senator WEST—With crossed fingers.

Dr Fisher—Fortuitous. It is one of those unpredictable times in life, which usually come out fine but which has that small percentage of unpredictable complications.

Senator WEST—I will ask a question I also asked on Christmas Island: given your duty-free status, have customs laws caused problems with getting goods to or from the hospital or to the health centre?

Dr Fisher—I am not aware of any problems on the customs side.

Senator WEST—What about your schedule 8 drugs, or do they come through from Christmas?

Dr Fisher—They come through from Christmas or directly from Perth, depending on which way the flight is going. I have not been made aware of any problems with getting narcotics or schedule 8 drugs through the customs here.

Senator WEST—What about getting things out?

Dr Fisher—No, usually not. Again, most of our pathology specimens either to Christmas or to Perth to get tested. There does not seem to be any hiccup along that line. It runs smoothly, if anything. Sometimes there is a bit of a delay because of the flight. We have to think about which way the aircraft is going, whether it is Perth-Cocos-Christmas-Perth or Perth-Christmas-Cocos-Perth.

Senator WEST—Okay. But the ordering of drugs and stuff is done centrally from Christmas?

Dr Fisher—Yes.

Senator WEST—So you would not know if there is a problem with procedures?

Dr Fisher—I have heard there have been some problems on Christmas in getting things, but not here. They sort that problem out before it gets to us.

Senator WEST—Okay.

Senator CROSSIN—Doctor, regarding professional material for yourself so that

you can keep up to date, we have heard submissions where people have got medical journals two, three or four months later. It is a bit like having last year's news really. But just perhaps for our sake could you talk about that?

Dr Fisher—Continuing medical education is a keystone of all the various colleges and the important part of keeping up is difficult on Cocos. A lot of the mainland rural practitioners, even in fairly isolated areas, have access to satellite broadcasts which are done on a fairly regular basis both through the federal agency and often the local state run rural education program. Unfortunately, on Cocos and on Christmas because we are out of the footprint, we do not have access to the satellite broadcasts.

One way we could overcome that, to some extent, is actually getting a video of the broadcasts sent up. It is up to a month or so late, but it is one way. Although the video the satellite broadcasts are interactive so that you can ask questions to the panel, to the specialists, we do not have access to that.

The journals do sometimes take a while. It depends on whether they are sent by air but more likely they come in the ship, so there is a bit of delay. It is also difficult to access meetings. You often read about all these lovely meetings on the weekends or in the evenings and, obviously, it is not possible to get

Getting back to Internet access, there is a lot of information and things on the Internet which some people have found useful. It is sometimes a way of communicating with other doctors in similar isolated areas, not just for professional reasons but also for a bit of personal communication.

Senator CROSSIN—So e-mail access and Internet access are not provided by your funding body? Is that the Department of Transport and Regional Development?

Dr Fisher—Yes, it is through the Indian Ocean Territories Health Service, which I suppose is a subgroup of the department.

Senator CROSSIN—So, as part of funding health services here on Cocos, that does not include an automatic computer and Internet access for yourself as part of the professional package?

Dr Fisher—No. There are computers in the health service which are used by everyone, but there is no actual communication package in my package, if you like.

Senator CROSSIN—What I am trying to get at is that it is not built in as part and parcel of the budget for funding that the medical service here would have access to the Internet for official reasons.

Dr Fisher—It has been discussed. In the last six months or so they have tried to

access an e-mail kind of service but the time delays, the slowness of it, has really made it difficult. I think the health service would be prepared to fund for the modems and various hardware, if a viable service was available.

Senator CROSSIN—So the Internet access is slow and the downloading time is slow?

Dr Fisher—Yes. I have tried to access it personally and it is possible, but it does seem to take an extraordinary length of time.

Senator CROSSIN—Fifteen minutes a page or so?

Dr Fisher—Text is okay but if there are any graphics—and most of the sites have significant graphics—it slows the downloading to such an extent that one loses interest or it costs significant money, depending on where your provider is.

CHAIR—You have got Internet access here?

Dr Fisher—Yes, you can access it.

CHAIR—How many kilobits is it or you do not know?

Dr Fisher—That is getting beyond my computer knowledge, I am not sure.

CHAIR—It is slow.

Dr Fisher—It is very slow. Some of the teachers use it more often, but it is still something where you can spend the whole night downloading a few pages.

Senator WEST—So what is the cost of that?

Dr Fisher—The service provider I have been using is in Darwin. So it is a call to Darwin—I am not quite sure of the cost—and it probably goes from Perth to Darwin.

Senator WEST—So we are talking quite significant amounts of money?

Dr Fisher—Yes, not just a local call, it is an STD timed call.

Senator CROSSIN—Can you explain what you meant when you said it would go from Perth to Darwin for your provider?

Dr Fisher—Yes, various service providers. It depends on what kind of system you have been plugged into previously. I had previously been using a service provider in Darwin.

Senator CROSSIN—Who was that—Opt4?

Dr Fisher—I cannot recall. But other people use Perth. I am not sure whether there are any service providers in Christmas or whether the agent service providers closer are more expensive. I would have thought Perth would be the site where people try, but it is still a long distance call.

CHAIR—Could you give us a measure of the usefulness that an 1800 number could have?

Dr Fisher—I have used 1800 numbers twice today to access some services in Perth. We do use it, yes.

CHAIR—For example, who did you access?

Dr Fisher—I accessed an emergency psychiatric service and I had a brief discussion with RFDS about a patient.

Senator WEST—So the RFDS operate a 1800 number?

Dr Fisher—Yes, they have a 1800 number.

Senator CROSSIN—So if there is a 1800 number provided on the mainland, you do not have any problem ringing and accessing from the home telephone system?

Dr Fisher—From the home telephone system we can access it, but we cannot from mobile phones. Although the home phones are a kind of mobile phone—I am not sure of the technical side of it—because they are a mobile network. But you cannot access 1800 numbers on hand-held mobile phones. It usually says, ‘This number is not available to mobile phones.’ I got through this morning using the health service phones.

CHAIR—We may as well ask you this because we have asked everyone else: what do you think of the postal service?

Dr Fisher—I think the postal service works pretty well for letters and for the satchels, the post packs—

Senator WEST—Express Post packs.

Dr Fisher—Yes, Express Post packs. There seems to be an appropriate turnaround based on the frequency of aircraft movements. For larger packages, there is sometimes significant delay given that it is coming by sea. It does depend on when the last boat left. If you miss the time, it can be two months or thereabouts. But that usually only applies to larger packages and maybe journals.

CHAIR—You have had no serious unloading problems?

Dr Fisher—I am aware of the off-loading of some freight but I am not aware of the off-loading of mail postage.

CHAIR—There being no other questions, I thank you very much for coming before us. You will be receiving a transcript of your evidence today to which you may wish to make editorial changes. If we need to contact you for any further matters, the secretary will be in contact with you.

[4.52 p.m.]

CAPSTAN, Mr Yakin, Vice Chairman, Cocos Islands Cooperative Society Ltd, Cocos (Keeling) Islands, Indian Ocean 6799

CASEY, Ms Grace, Chairperson, Cocos Islands Cooperative Society Ltd, Cocos (Keeling) Islands, Indian Ocean 6799

DEDIAN, Mr Woren, Operational Manager, Cocos Islands Cooperative Society Ltd, Cocos (Keeling) Islands, Indian Ocean 6799

CHAIR—I welcome members of the Cocos Islands Cooperative Society. I invite you to make an opening statement and give us an understanding of what the Cocos Cooperative does and how it fits into the Cocos community, and then go on to talk about the communication problems or whatever you would like to talk about.

Ms Casey—I am chairperson of the cooperative. I would like to introduce Woren, who is operational manager, and also Yakin Capstan, who is the vice chairman of the cooperative. Mainly the cooperative is the business of the islanders—the big business for the community. We run the travel agency and the Commonwealth Bank as an agency. We run that as a cooperative. We are looking after the ships as well, dealing with cargoes from Australia. Woren will be talking about that. He knows more about that than me. I know we did not put any submission in, but by reading through the submissions of the council and congress we are in the same position as well.

We have problems with communication. Also we look after air services. I find it hard dealing with communication of Cocos, especially when I am the travel agent, regarding bookings and telephone calls. It is really hard because we have to dial 1300 numbers to do a booking. Also we cannot necessarily get them. It takes time. Making reservations is the hardest part.

CHAIR—In your business, how do you use conference calls?

Ms Casey—How do we use it?

CHAIR—You are in the travel business.

Ms Casey—The communication I normally deal with is the fax and telephone. We have not got the Internet whatsoever to make reservations. Every time I have to make a booking, I have to ring up. In emergencies that is the most important thing.

CHAIR—You call to Perth.

Ms Casey—Yes, I have to call to Perth to make reservations.

CHAIR—Obviously that is expensive.

Ms Casey—Very expensive.

CHAIR—Would a five-minute call be the average call to make a quick booking or maybe longer?

Ms Casey—It usually takes 20 minutes. It is not very easy. It is very hard. It is also very expensive. We have problems even sending a fax. Sometimes they can get it straightaway; sometimes they cannot. We have difficulties with that as well.

CHAIR—How much is it, say, per minute to Perth.

Ms Casey—Fax or telephone?

CHAIR—Either.

Ms Casey—Fax is 5c a minute. Telephone is about that as well. I can make from 20 to 25 phone calls in a day doing bookings.

CHAIR—That is a very good case example you give us. Perhaps the other two gentlemen can give us similar examples of the cost of communication.

Mr Dedian—I am the Operational Manager of the Cocos Islands Cooperative Society Ltd. We are a commercial business that includes transport, retail, stevedoring, airline services, reservations, cargo handling—all those things. As Grace has mentioned, ticket reservation is very hard to do by phone. We are not connected to the Internet in the organisation. From listening to other people, the Internet is very slow. I think it will have to be upgraded. Telephone is very expensive, as Grace mentioned.

CHAIR—Who would you make your calls to?

Mr Dedian—There are various people we contact on the mainland. I look after the purchasing as well. So we try to get stuff from the mainland by ringing and using the fax. The fax also gets very slow. If everyone is using it at the same time, it is slower. The phone has the same problem. As Grace mentioned, I think the congress and council submissions cover the issues that we are not happy with in relation to the communications and telecommunications. We like mail coming in on the island. It is not that good at the moment. Sometimes we receive it; sometimes we do not. That is because the airline system comes in once a week. To summarise, I think it is all covered in the submissions from the congress and the shire council.

CHAIR—Mr Capstan, can you tell us what your business is and also give us a case example of communications?

Mr Capstan—I am vice chairman of the cooperative. I was working with the management committee. We have a monthly meeting with the management committee. But what Woren and Grace were saying is true. It is very good for them to make a booking. It is hard to make a reservation on the mainland because it takes a while. It takes time when the line is busy.

Senator CROSSIN—Grace, with your travel agency, flight bookings are made through what company—Perth National Jet?

Ms Casey—I used to but not any more. Just a month ago we changed to Qantas. I am dealing with Qantas for bookings at the moment. Even now it is very difficult. I am using the 1300 numbers to get different reservations.

Senator CROSSIN—How often does Qantas land here?

Ms Casey—No, the flight is National Jet but for the reservation we go through Qantas.

Senator WEST—How much do the 1300 numbers cost you?

Ms Casey—From 45c to 80c.

Senator WEST—That is per minute or per call?

Ms Casey—Per minute.

Senator WEST—So you do not get those at local call rates as we do elsewhere in the country?

Ms Casey—No.

Senator WEST—Do you make much use of 1800 numbers?

Ms Casey—Not really, no. Sometimes I use them for reservations.

Senator WEST—Do you get the 1800 numbers at the free call rate?

Ms Casey—Yes.

Senator WEST—But the 1300 numbers you do not get at the local call rate.

Ms Casey—No.

Senator WEST—How reliable is the fax operation?

Ms Casey—Not really. I guess we have not got any other ways—one is the telephone and the other is by fax. Even though we have difficulties sending by fax—it is not easy actually—we have not got any other ways apart from that.

Senator WEST—I understand you do not have any other ways, but I would like you to tell me—so that we have it on the record and we can use it—how it is not easy. If you have two pages to send, does one go through and the rest not go through? Can you explain to me simply and in detail why it is a problem?

Ms Casey—My bookings normally take at least four to five pages. For prepaid tickets I have to send through to Qantas for them to issue a passenger ticket. To send those five pages they normally go through two or three at a time—not all of them at once. Even though I have tried, they inform me that they never get the other half of the fax. Even though it says ‘transmission okay’, it is not. They only receive half the fax I sent.

Senator WEST—It is not your fax machine playing up?

Ms Casey—No. I have already checked that with the flight services technician. They said everything is okay. There are just difficulties on the line.

Senator CROSSIN—So the line drops out after the second or third page?

Ms Casey—Yes, exactly, especially an incoming fax. I have already explained to them to send one or two every time, not all the pages. Otherwise we keep going without receiving the end of the fax.

Senator WEST—How long does it take to send one page?

Ms Casey—Five minutes.

Senator WEST—That is very slow.

Ms Casey—Very slow, especially if it is an emergency. Sometimes I give up. There is no way I can get everything done in time. It is very frustrating. It is very hard, very difficult.

Senator WEST—Do they have to fax back to you a confirmation of the booking?

Ms Casey—Yes.

Senator WEST—And then you write the ticket here?

Ms Casey—Yes.

Senator WEST—When you talk about emergency services, is that when someone is sick and needs to go to the mainland?

Ms Casey—Yes, like medivac or emergency. Normally we never know because we are far away from our relatives on the mainland. For example, my mum and dad have been really ill in Perth and I have to get the next flight available. Even booking that flight is very hard. Sometimes it is fully booked because we have only a once a week flight. Even now, up until December the flights are already booked—every weekend, both ways.

Senator WEST—The flights are fully booked from now until December?

Ms Casey—Yes. That is why we are asking for additional flights for passengers.

Senator WEST—What happens if you need to get somebody to Perth for a medical emergency? Does somebody not get to go on the flight?

Ms Casey—Either we talk to the other passengers about whether it is important for them to go. They may have to go back to work or anything like that. That is what I have been worried about. It is really hard. There are 20 to 30 people on a waiting list. The hard part is that people complain, but I have to say, ‘I cannot do anything more. I will just put you on the waiting list.’ Some people do not understand that.

Senator WEST—Are there a certain number of seats allocated to Christmas and a certain number to Cocos or is it first in first to go?

Ms Casey—The first to book are the first in. It is only an 86 seater.

Senator WEST—How many seats does Cocos get?

Ms Casey—Thirty.

Senator WEST—So there are 30 seats available for people from the Cocos Islands to fly to and from.

Ms Casey—During school holidays is the very tough part. All the students want to come back and visit parents, but some of them cannot make it on the plane because it is so full. That is why as a cooperative we are also running tourism. Our tourism industry is very slow at the moment because we cannot book seats.

Senator CROSSIN—Grace, do any of the aircraft go to Jakarta and then down to Perth or do they fly straight from here to Perth via Christmas? That is the way National Jet goes, is it?

Ms Casey—Yes. Like today the plane went from Perth to Christmas to Cocos and

then back to Perth. Next week it will be vice versa.

Senator WEST—Is there much traffic between Christmas and Cocos and Cocos and Christmas?

Ms Casey—Not really, no. We used to have a direct trip from Cocos to Christmas but not any more. The flight actually is really hard.

CHAIR—Just for the record, the council's submission was concerned about the postal services. We have heard that there is offloading from time to time. Do you have the same concerns?

Mr Dedian—Yes.

CHAIR—Is it hurtful to business?

Mr Dedian—Yes.

Ms Casey—Mail is very poor to tell you the truth, very poor.

CHAIR—Would you use it much, Grace? I know the other gentlemen would, but you would require it faster.

Ms Casey—Yes. Some tickets have been sent by travel agents in Perth. Some travel agents in Perth do not know that we exist on Cocos, so they have to send all the tickets by post. So normally we do not get them on time. I have to contact them and explain that to them.

CHAIR—You issue tickets from this side. I would imagine you would have to if you rely on the postal service.

Senator WEST—Do you have trouble getting the blank tickets to write out? Is Qantas slow in sending them up to you?

Ms Casey—Not Qantas but National Jet is, even though I say it is urgent.

CHAIR—Grace, you have raised an interesting point that the plane is full until December, which means it is fantastically in demand. It is a success really as far as passengers are concerned. I am glad you said that because you have given some good evidence. There was a suggestion from Christmas that what you need is a bigger plane, not just for the passengers but to carry all the mail. It seems that your only solution is to get a bigger plane.

Senator WEST—Or more frequent flights. Which would be the better?

Ms Casey—Frequent flights would be much better than a bigger flight. Twice a week would be much better.

Mr Dedian—Not on a Saturday or Sunday.

Senator WEST—No, you would want Monday to Friday.

CHAIR—Even for a bigger plane you may have to trade one less flight once a week for one big plane or two flights a week with what you have now—a smaller plane. I should not imagine the government would subsidise a big plane twice a week, as was suggested by my parliamentary colleague—a 737, a big one. That would not come in twice a week. That would be expensive and you would find the demand would not be there, but the demand may be there to come once a week. Would you look at that as a trade-off?

Ms Casey—It could happen. If you are thinking of passengers, that would be really good. If you are talking about mail, that would not be good. We want mail on Wednesday and mail on Saturday. If there is another one it is much quicker. A bigger plane would be good but if they still come once a week that would not be really good.

CHAIR—We will look into that. It is only an idea that would solve two problems. Do you have any other comments?

Mr Dedian—If you want to get spare parts and things like that from the mainland urgently, you cannot get them at the moment because of the airline system. It is very hard. If you need really urgent spare parts and it is very small, you cannot put it on the ship; it has to come by air. That is also difficult. Is the EFTPOS system running at the moment on Cocos? I am not sure whether it is or not.

Senator WEST—That is the system where you swipe your credit card and you get money or do a transaction.

Ms Casey—We do not have that here. Also every time we go to the mainland to upgrade our passbook it is never correct. As I say, the mail is only once a week. If we do a deposit, it is dead. We have to wait two or three weeks until our book has been upgraded.

Senator WEST—What is the cost of a ticket to Perth?

Ms Casey—Full airfares are \$1,472.

Senator WEST—Is that one way or return?

Ms Casey—Return.

Senator WEST—Are there specials?

Ms Casey—The cheapest is \$1,008.

Senator WEST—How do you get one of those?

Ms Casey—If you want to book now for December. It is very hard to get actually. It is supposed to be if you book 14 days ahead, but not on Cocos. You have to book at least five months ahead to get those airfares.

Senator WEST—Is that because there is a limited number of seats available?

Ms Casey—No. It is because they are going so fast.

CHAIR—Thank you very much for your evidence here to today. It has been most useful to us. We will be sending you a transcript of your evidence in case you need to make any changes.

[5.15 p.m.]

DEVEREUX, Mr Brian Nicholas, Principal, Cocos (Keeling) Islands District High School, PO Box 19, Cocos (Keeling) Islands, Indian Ocean 6799

GOSSAGE, Mr Stephen John, Teacher and Information Technology Coordinator, Cocos (Keeling) Islands District High School, PO Box 19, Cocos (Keeling) Islands, Indian Ocean 6799

WINTON, Ms Kim, Acting Deputy Principal, Cocos (Keeling) Islands District High School, PO Box 19, Cocos (Keeling) Islands, Indian Ocean 6799

CHAIR—On behalf of the committee, I would like to welcome you. I congratulate you, Mr Gossage, on your submission. It is incredibly extensive and well thought out. It is one of the best we have received. You spent a large portion of your submission talking about the Internet. In your opening statement, could you give us a background of the school so we can picture the size and number of students, et cetera. Also, as you have dedicated a large part of your submission to the Internet, could you speak to that part of your submission in particular?

Mr Gossage—I am the teacher in charge of information technology at the school. The school has approximately 120 children. It has two campuses. One is situated on Home Island and the other is situated on West Island. The Home Island campus houses children from pre-primary to year six and has approximately 60 children. The West Island campus has a small contingent of children from West Island from pre-primary to year six, but it also houses all of the children from year 7 to year 10. So all of the children from Home Island travel by ferry every day to West Island to high school. The school has a majority of Cocos Malay students who are ESL, or English as a second language, learners. They show signs of geographic isolation. Their awareness of the world is very narrow and is confined to these islands or the occasional trip to Perth where they still stick within their cultural group in Perth or in one of the other country towns in Western Australia.

CHAIR—What about the curriculum?

Mr Gossage—The school is funded by the Commonwealth government. It is under contract to the Western Australian education department. All of the curriculum is similar to any Western Australian school with allowances for the cultural and language background of the children. The school is working on an outcomes based educational program which has been developed over the last four or five years Australia wide. The school teachers and students have been working within that framework for the last four years. There are obvious differences. The school is quite unique. In fact, one difference is that it is geographically isolated. Another difference is that it is funded by the Commonwealth government but the majority of the people are from the Western Australian education

department. The nature of the children are unique because they are ESL learners who come from a very unique background culturally and geographically.

CHAIR—Would you like to speak to your submission?

Mr Gossage—Yes. I will deal with Internet and e-mail because that is the area that concerns me the most. We are trying to address the isolation of the children in the school through different programs we are doing. One of the major programs we have been trying to get off the ground is e-mail and Internet access. We want the children to converse with people around the world and on the mainland through e-mail and the Internet. We want them to get information and search around for ideas, to widen their horizons and to give them a sense of being part of Australia and part of the worldwide community. The Internet access has been difficult.

I started three years ago at home trying to get Internet access. After six months I was able to get a link at home. It was a very slow link. It was intermittent and kept breaking up. The school has tried to get Internet access for three years but difficulties with Internet and e-mail access have made it difficult and uneconomic. The problems are mainly due to the slow access speeds of the lines that we have. We run at 4800 bits per seconds. On the mainland now they are selling modems that will run at 54000 or 52000 bits—I am not sure. There are service providers who will give you information at that speed.

Since my submission, Telstra has linked the school up with a landline, so speeds of 9600bps have been achieved, which is in excess of what I thought we would get. I have been running a trial with Internet and e-mail access on the West Island campus for the last month. It has only been up and running for that month. I had trouble getting funding for the trial. I managed to convince the finance committee from the school to give me \$500 so we could oncost it to the Territories Office in Perth or find some way of funding the access.

So far this month it has cost the school \$167 for Internet access for one month for one computer. It has cost the school—and this is only an estimate because I had to ring Telstra today to get the cost—\$477 in STD charges for that month. That is a cost for one month in excess of \$500, and my trial is over. In that month I was able to start developing with the children an Internet website. We were able to start using e-mail. Access across the Internet was slow but achievable.

I have done a rough estimate that if we were to include both campuses on the e-mail and Internet, as we have done for this month on West Island, it would cost the school approximately \$13,000 per annum to run two computers with e-mail and Internet. This Internet trial for one month was limited. I restricted the access of the children substantially. So \$13,000 under present conditions is very conservative. I do not think under current financing conditions and current line speeds and Telstra rates that the school can afford to

continue to run the program as it is now. That is not an issue that I can address in my role. That is something for the principal and Territories Office in Perth to fund.

My submission was for a dedicated band to be set up for Perth for all of the service providers on the island. There is a dedicated band set up and the people from Air Services use them. They have access to Internet, e-mail and do not have any trouble whatsoever using that service. My understanding is—and I am not sure whether there is—that the RAAF have another strong link. If the same facility was provided for all of the service providers on this island, that would be enough—I am suggesting the cooperative, the hospital, the school, the AFP, and I have probably forgotten a few. My figures came from Paul Ryder. I think that was in my submission.

Paul Ryder came up to the island two years ago and gave me this idea. It was his suggestion that this is a possibility and that it was something we could do. The options are: first, we stay like we are and we do not have access at all and we admit defeat; second, we continue with existing conditions and some way is found to fund the access that we already have; or, third, we get a dedicated link using a similar set-up to what Air Services has which has to be funded.

Paul Ryder suggested over two years ago that it would cost \$55,000 a year to lease the communication band. The setting up would be approximately \$45,000. Once again, they are not heavily researched figures, but they are figures I have been given. Another option is that we upgrade the satellite links so we have a far better satellite link to the island. That way everyone on the island can have some sort of reasonable access to the Internet. At the moment at home I cannot get 9600 bits per second. I have 4800bps. I cannot access Telstra Big Pond because the speeds do not go that slow.

CHAIR—Thank you very much.

Senator WEST—You need a lot of money, don't you?

Mr Gossage—Yes, but I think the school runs on a fairly hefty budget anyway because of where it is.

Senator WEST—Once your students have finished year 10, where do they go? What happens to them?

Mr Gossage—The majority of them go to the mainland to high schools in Perth.

Mr Devereux—We encourage year 11 and 12 to go to the mainland and complete their education. The vast majority do. However, some do not and they choose to stay on the island and get local work, if that is possible. We certainly encourage them. We talk about it from the point of view that their education is not complete until they finish year 12.

We have been fairly successful in increasing the amount of tertiary education our students are participating in over the last three or four years. We see that as a significant factor. We currently have a couple at university. You would be aware that there are only two tertiary Cocos Malays. We will do something about that in the future.

Senator WEST—We are coming toward the end of the school year. How many have you got in year 10 now?

Ms Winton—At the moment we have 14. All of the Cocos Malay students will be going off island to study next year. We have a new student who is from the mainland. He may stay here and do distance education privately. But the Cocos Malays have all enrolled in a mainland school.

Senator WEST—What are the challenges of doing distance education on this island?

Mr Devereux—I can probably answer that from personal experience. My daughter did year 11 and 12 through distance education and was very successful. As a result of that, some of the Malay students thought that this may well be a good idea. We suddenly found ourselves with five looking to do the same thing. None of them completed the course. There were problems on the way through. It is one of those factors that has to do with individual students. Some are suited to that kind of study and some are not.

One of the major issues is the level of their language development. By year 10 they are probably not, by and large, proficient enough with the English language to study what is basically a written course. All the instructions and all of the work they have to read. So that is a problem for them. There are other issues as well to do with their motivation and so on, but I think the biggest issue is language. What we notice is that when our year 11 and 12 come back to the island their English proficiency has gone through the roof because they have been living in an English speaking community in Perth rather than a Malay speaking community on the island.

Ms Winton—It is quite amazing that within six months they come back to visit and they use Australian colloquialisms. It is an amazing change.

Senator WEST—If you had better communications facilities and you could link into satellite teaching and telematics, where you would get groups of schools linked up together by teleconferencing, et cetera, would that improve their English?

Mr Devereux—We believe it would. Anything that has the students interact with a native English speaker is going to help their English develop. One of the programs that is offered by the distance education facility in Perth is called telematics. They are able to have a telephone and television link with their tutor or with another group in Perth so that interaction is going on as well as the actual material they might be studying. We believe

that is very useful. We can set it up, but it is problematical because of the baud speeds that Stephen has outlined.

Mr Gossage—You could set it up to a point where information is coming over the phone or over a computer. As far as face to TV screen and real interaction is concerned, it just will not happen, to my knowledge.

Senator WEST—With distance education you have to get material backwards and forwards. How much of a problem is that with the communications systems on the island?

Mr Devereux—Do you mean through the mail?

Senator WEST—Mail or however you get it here.

Mr Devereux—I do not know that that is an issue. The mail system is reasonable. Once the people in Perth understand the situation, they make arrangements to make sure it is on the plane and so on. I have not had many experiences of it being a problem with my daughter or other Malay students involved.

Senator WEST—Does it require sending things a week earlier than they would normally send them, or is there sometimes a delay in getting the material back?

Mr Devereux—I would not think so. It is quite a reasonable service. A once a week service is a reasonable service for that. You get the bulk of the material at the beginning of the term. They send their assignments off monthly. It is not as if they have something going and coming back in less than a week. You are generally talking a couple of weeks to a month for assignments and things. I do not see that as a problem.

Ms Winton—My opinion is that telecommunications would help the people up to year 10 no end and make them more prepared for the mainland. However, I do not think anything replaces them for going onto the mainland for year 11 and 12. I think for the worldly experience, the awareness of what is happening in the world, their whole education, their interaction with their different peers—I do not think anything replaces them moving onto the mainland. Certainly the communications up here could help them be more prepared by the time they left year 10.

Senator WEST—What about personnel issues for teachers getting material backwards and forwards and getting leave forms properly filled out and properly processed and all that?

Mr Devereux—It is going to become an issue because the Education Department Western Australia has just computerised all of its staffing details. We have a network set up at the school now, and we will be expected to communicate with the central office via that system, which we cannot currently do because of the baud speed. At the moment it is

not an issue because it is a paper based arrangement. Certainly for relief staff, for information about people's leave entitlements, holiday arrangements, et cetera, all that can be done electronically. It is being done electronically now. Increasingly, the paperwork will become more and more the problem. That will become an issue.

Mr Gossage—Along with my submission, there was a letter from the Education Department WA which gave us the baud speeds we needed to be part of the Peoplesoft 2000 that supports administration. They suggested that a minimum would be 28000bps. If it is any lower than that, then there is no point.

Senator WEST—I am not sure we have received that letter.

Mr Gossage—It was part of the submission.

Senator WEST—It is not in the material I have been given. What is the department going to do to make sure the computer equipment is up to speed?

Mr Devereux—The computer equipment is already up to speed. The problem is the line connection. I think the suggestion that Stephen has made in his submission is that the island have a dedicated satellite link that perhaps several agencies might share. That would solve our problems. We have it all set up. It is all set up in Perth. It is the link between the two that is missing.

Mr Gossage—The letter is included in my sheets here—S204.

Senator WEST—It has been left off.

Senator CROSSIN—The very last thing you say in your submission is that 95 per cent of EDWA schools including remote schools have some form of Internet connection as at the end of 1997. Without a doubt you are considered remote schools. Are you in that percentage that does not have the Internet connection or are you in the 95 that does but it is not adequate?

Mr Gossage—Last month we were in the five per cent that did not. This month we are not. We have some sort of Internet connection now. But is it adequate? In my opinion, no. It has taken a fair bit of work to get to that point.

Mr Devereux—The problem is the baud speeds. Children do not like having to wait while it is being downloaded. This is the problem. We do actually have a connection, which we have not had previously.

CHAIR—There being no other questions, thank you for coming and giving your evidence. Again, I congratulate Mr Gossage on his submission. It is very detailed and he obviously knows a great deal about this particular area. The transcript of this evidence will

be forwarded to you in case you need to editorialise it. Thank you again for appearing today.

[5.45 p.m.]

CAMERON, Mr James Andrew, Chairperson, Cocos Islands Regional Business Association, Old Pax Quarters, West Island, Cocos (Keeling) Islands, Indian Ocean

CLUNIES-ROSS, Mr John George, Vice President, Cocos Islands Regional Business Association, Old Pax Quarters, West Island, Cocos (Keeling) Islands, Indian Ocean

CHAIR—I welcome two members of the Regional Business Association. I notice that Mr Clunies-Ross has been in the audience all day. I thank you for being so patient. Clunies-Ross is a name that is well embedded in Australian history and is known far and wide. I invite you to make an opening statement and in that if you could give us a bit of background on the association.

Mr Cameron—I am Chairman of the Cocos Island Regional Business Association. The association was formed two years ago to address the recognised need for a cohesive approach to private sector development on Cocos Islands. It is an organisation that has identified and focused very strongly on bringing together the interests of all the private sector so that they are able to work together jointly to solve the difficulties they have been facing in the territories. I suppose the most important needs are those that this committee is here to make an inquiry into; so, for that reason, we have made ourselves available. I will now hand over to John Clunies-Ross.

Mr Clunies-Ross—I am the Vice-President of the Regional Business Association at the moment. I would like to underline Andrew's comments about the Regional Business Association on the island. We are the lobbying force for the private sector. We recently went to Canberra lobbying for larger aeroplanes and better communications. We fill in grant applications for communications. We advertise and read the newspapers, tell the people over on Home Island who might be illiterate or whatever that grants are available for them and try to help them through that part of the process. I will now hand back to Andrew.

Mr Cameron—The most urgent needs or challenges that face the private sector on Cocos Island are communication issues—communication not only in Internet mail services but also in the delivery of freight and of people backwards and forwards to the territory. I have prepared a little example of what is a very routine situation for association members. This is something that happens quite regularly. If an association member's business is to be in receipt of a cheque from Perth for the payment of an invoice or for the funding to put forward a tender proposal or for some other reason, quite routinely this is what happens—with no blame at all to be made on Australia Post. If that cheque is posted in Perth on Friday, it will miss the Saturday aircraft and it will then arrive on the following Saturday's aircraft. It will not be available to the business until the following Monday and they will not be able to bank it here in the agency until they have received it on the Monday. It then will not return to Perth for banking until the Monday following that on

the next Saturday's aircraft.

By the time those funds are cleared through the banking system, 24 days have expired before those funds become available to that business. If they are commencing a tender or some work that requires goods and services out of Perth, until those funds are cleared the Perth supplier will not supply that equipment or those materials. Because very few business houses on Cocos Island can get credit ratings from banks, they have to pay for the goods before the goods are put on the ship. It is not unusual for two or three months to pass between a cheque being issued and the person receiving the goods to be able to commence that job.

That also has implications for electronic communications. If we had electronic banking, a 24-day initial lead time would be back to two, possibly three, days. That is probably I suppose the most succinct example of the sorts of things that we have to address here. Many of our association members cannot get mainland credit because they cannot offer any mainland real estate as security; therefore, it is a compounding problem.

CHAIR—What type of business would they give credit to—the travel agent?

Mr Cameron—They give credit to businesses who have mainland real estate.

Mr Clunies-Ross—There are a few people with real estate interests in Perth but not many businessmen.

Mr Cameron—I handle credit applications for member businesses where their own personal reserves in their main bank account far exceed the credit they are seeking for the operation of their business, and the banks deny it on the basis that they do not have mainland real estate. Despite the fact that they may have two, three or four times the amount they are seeking to borrow as personal wealth in the bank, that same bank would deny them credit.

CHAIR—So everyone in business basically deals by cheque?

Mr Cameron—We have no electronic funds transfer of any sort.

Mr Clunies-Ross—I do my business banking by phone. I have authorised my manager to transfer funds. So I will authorise a funds transfer by fax and it will be done that day. But a lot of people are not comfortable with that kind of procedure—the accountant for a start. It only shows up as a debit over your account and you have to write down all the details for the account later on.

CHAIR—I am not comfortable with that myself, but banks are pushing us that way, are they not?

Mr Clunies-Ross—Yes.

Mr Cameron—The only alternative for those businesses who have those sorts of hassles—it is not a liquidity problem but the duration of time involved in these transactions going through the system—is to purchase by credit card out of Perth. But, again, because people do not have mainland real estate, the credit card limit can be a maximum of \$5,000 but is generally only \$1,000. The use of the credit card is also a normally fairly expensive way of making purchases, particularly people for people in business where maybe \$8,000 or \$10,000 is involved when they require equipment. Credit cards do not run to that sort of limit.

Another issue is that most of the Home Island people in the Malay community in business do not have credit ratings. They have never had a car on hire purchase; they have never had a housing loan; so they do not have a credit rating. Because they do not have a credit rating, they do not qualify.

CHAIR—If I were to go to the Cocos surf shop, which I saw, and buy big on my Mastercard. Would they accept Mastercard?

Mr Cameron—Yes.

CHAIR—But then they have to put the slip in the mail and shoot it back to Perth. They must hate Mastercard or any sort of credit card.

Mr Cameron—We all pay 3½ per cent on our credit card sales.

CHAIR—That is a very interesting example you give.

Mr Cameron—Another classic example, I suppose, is that we receive our bills from the mainland for our telephone accounts. It is almost impossible to pay the bill and have the amount receipted without getting an overdue notice from Telstra. It is very rare. You virtually cannot do it.

Senator WEST—You all have a bond that you have to pay before—

Mr Clunies-Ross—No, we are all pre-existing accounts, so we got out of that one.

Senator WEST—But for people setting up a new account, how many of them would be given a bond because they are repeatedly late with payments?

Mr Cameron—Our members have not been asked for a bond. I recently had two association members on Home Island put mobile phones on, and neither of them has been asked for a bond. I am not aware of any that have been asked for a bond at this time.

Mr Clunies-Ross—The way the Telstra bills turn up also highlights the flow of mail. You have different types of mail such as parcel post, regular mail, airmail and then the express parcel and express letter. What happens is that the express parcel and express letter will generally get on the aeroplane, except three-kilo express parcels will sometimes not get on the plane; The airmail will be off-loaded before the express post; and the airmail parcel service will be off-loaded before that. It is not uncommon for airmail to turn up on the ship, which takes a week or sometimes 10 days to get here, because the post office perceives that that will be the quickest way of getting it here.

We can have a final reminder from Telstra about our bills because that came on the plane when there was space available that week, but the actual bill will not arrive until the ship comes in the next week. That is the way it is. It is a matter of availability of transport for the mail. It teases out the plane issue that I heard you talking about earlier. I went to Canberra recently to lobby for a more suitable air service. We worked very heavily on it because, basically, we have seen tourism die. There is no tourism either on Christmas or on Cocos Island any more due to the lack of an air service. The chicken and the egg situation is the argument from most of the carriers. They are saying we do not have the facilities for tourists here to fill up the plane, but I think the real issue is that they are not prepared to make a loss for any period of time at all, which you need to do to create the market. We do have the facilities on both Christmas and Cocos Islands to fill a larger plane twice a week—a 737 aircraft. There are tourist facilities available to fill it existing now.

CHAIR—I am sorry to interrupt you because this is very interesting—do not lose the thought—but, just for my clarification, I am a little confused about the number of flights that come in per week to this island. Can you clarify that?

Mr Clunies-Ross—During the holiday periods when there are a lot of high school kids specifically moving in and out of the territories, the plane that flies in here then prioritises passenger movements over freight movements. We then get an extra flight in the middle week on Wednesday which prioritises freight over passenger movements. But that is only during holiday periods. We recently got an updated schedule put out by National Jet which shows us having Wednesday flights through the next two holiday periods and with a couple of extra catch-ups. I can give it to you for your information after this.

CHAIR—So the second flight is on again, off again. The first flight is the only permanent one.

Mr Cameron—Yes, the Saturday rotation every week—the one that the department of transport has contracted National Jet to provide. National Jet are paid a granted minimum return every time they brought that aircraft on a Saturday. We understand that figure is \$20,000. So the National Jet system has gained all of the revenue from the operation of the aircraft, and the department of transport contract was \$20,000 which was

added to that figure on a weekly basis.

CHAIR—The second one is National Jet on their own?

Mr Cameron—No, the second one is funded totally by the department of transport. When the Wednesday flight occurs, the department of transport funds the movement of the aircraft and receives the revenue.

Mr Clunies-Ross—We estimate the underwriting of the Saturday service will be around \$20,000 and the underwriting of the Wednesday services will be between \$50,000 and \$60,000.

Senator CROSSIN—Are there any flights without that subsidy that National Jet pay for themselves?

Mr Cameron—No, absolutely not.

Senator WEST—What is their profit like?

Mr Clunies-Ross—Pretty good, I would say.

Mr Cameron—It would be interesting to know.

Mr Clunies-Ross—We would have to buy National Jet to find out.

Mr Cameron—There is a grave concern at the moment about the manner in which tickets are issued for travel to both Cocos Island and Christmas Island. There are a large number of people arriving on Cocos and on Christmas conveying stories of being told that tickets were not available and that they were waitlisted on this date or on this sector of the aircraft movement. Further investigation and further inquiry then reveals—I have three or four cases of this where they have rung requesting more information about why they are still waitlisted, and people have been advised that if they pay \$500 each they can be put on the flight on the day they want to go.

There is a couple who just left today for South Australia who paid their airfares three months in advance, were left waitlisted and were then told another \$500 each would get them from Cocos Island to Christmas Island, which was the sector they were waitlisted on. They refused to pay it. They made contact with National Jet senior management and they were confirmed over the telephone.

Mr Clunies-Ross—Another method of picking up the same error, or whatever you would like to call it, is that you can phone up National Jet—or the Co-op here as their agent—and say, ‘I want to fly on a certain date,’ and there is a 50 per cent chance even right up to Christmas time that they will say, ‘Sorry, there are no apex fares available.’ If

you get hold of Island Bound Travel in Perth who are directly on the Galileos system, they will say, 'Yes, there is a seat available. How many do you want?' But the other two are pushing you towards a non-apex fare. That has the appearance of ramping the prices so that National Jet get the money for the non-apex fares plus the \$20,000 from the government. So they are maximising their income from it. We will go back to the aeroplane thing now.

CHAIR—If you can pick up from where you said controversially that the island would take two 737s.

Mr Clunies-Ross—We have 50-plus beds here. It also would not be that hard to increase the tourist facilities with houseboats and such like, which would be quite a cheap option and easy holiday to sell. While the casino is shut on Christmas Island, the facility is still there. They have facilities for over 100 people there. So for some to say that the tourist facilities do not match the aeroplane is wrong; the aeroplane does not match the tourist facility.

We cannot get tourists on this plane because we cannot book them on the plane. Tourists want confirmation six months in advance. They have paid a lot of money for their holiday; they want to know it is confirmed. They want to know what price it is six months in advance. That service is not available. It is incompatible with tourists.

Turning to the economics of flying the BAE 146. We have done a fair bit of work on it and talked to people in the industry. The BAE 146 aircraft are uneconomic to fly the distance over water with the need to have double crews. They did not immediately comply with operational safety requirements—I am not sure about the government statutory safety requirements—which were then changed not once but twice so the plane could actually get here without infringing their safety requirements.

It got to the silly situation where the plane flies out of Perth and is five minutes away from Cocos or Christmas Island and, because they cannot get a clear weather report, they turn around and go about. Or their fuel level gets to a critical level and they have to return to Perth rather than go five more minutes to Cocos Islands. That has happened three or four times. Everyone on the plane has to go all the way back again and then, if you are from interstate, you have to get a hotel and the whole thing. It is a very amateur way of flying people into the territories.

Mr Cameron—On the cost side of operating BAE 146 aircraft here, we have put a great deal of effort into liaising with the department of transport over provision of air services to Cocos and Christmas Islands after the Christmas Island casino resort aircraft ceased operating in April. The minister for finance allocated \$1.1 million for the provision of air services to the territories in the 1998-99 financial year.

On top of that, the additional Wednesday services are now having to be underwrit-

ten by the department of transport because the minister for finance has declined further funding for the operation of additional air services. Our projection of that is based on a \$50,000 per rotation loss, and we believe that to be the figure. I must say that I have a personal interest in air freight consolidation and the operation of aircraft and I have a fairly sound understanding of all of that.

We believe the government has agreed to provide up to 22 additional services on Wednesdays at a rotation cost of \$50,000. So in excess of \$100 million will be required annually to bring aircraft to the territories that are still patently and transparently inadequate.

The rotation of a 737 aircraft through the Indian Ocean Territories on a weekly basis—this figure is based on a knowledge of international aircraft charter costs—would be in the order of \$115,000 to \$120,000 Australian per rotation. But it would offer up to 115 seats and two and a half tonnes of freight for that \$115,000 investment. The actual net cost to the Commonwealth in terms of underwriting the 737 aircraft would be far less due to the revenue gained from the high number of seats and higher freight load.

Senator CROSSIN—Andrew, out of Darwin every day from Monday to Friday National Jet fly to McArthur River mine in the Gulf of Carpentaria which is about a 2½ hour flight. They leave at 5.30 a.m. and head down and then come back at 4.30 each day. It took us three hours to get across to Christmas; it should be about the same amount of time to here. Has there been any discussion with National Jet about coming out of Darwin or a service similar to that? If it is possible for them to go to McArthur River mine, which is a similar distance, surely they could come here?

Mr Cameron—There are logistical difficulties in that the service needs of the territories are based out of Perth. That includes all the service deliveries the government has with the Western Australian government departments. Education and health are two of the most important ones. All of the product sourcing is out of Western Australia through Perth.

National Jet themselves have logistical problems because the aircraft that comes through the Indian Ocean Territories today and on Wednesdays is an aircraft that National Jet Systems actually use to provide mining services to Telfura goldmine. The aircraft is available two days a week. Therefore, it is good financial sense for them to fully utilise the aircraft. We have an aircraft already positioned in Perth that does not have to be repositioned. While National Jet may have the logistical ability to service out of Darwin, I think it would then lead themselves in a situation where the Telfura aircraft was sitting in Perth for two days doing nothing.

Mr Clunies-Ross—The other issue we have found out after talking to the industries is that Australia basically over-purchased BAE 146s. Most of the passenger movements are on the east coast are in situations where cities are an hour or less apart.

The BAE 146 was designed for that situation in Europe as short-haul shuttle craft. It is not designed for long-haul distance flying.

The 737 aircraft, whatever series, have generally been designed for long-haul flights. But Western Australia is the only state that requires long-haul flights. So the economic rationale is that you buy a small plane and use it in Western Australia where there are not many people anyway. And we have to cop it. We cannot get a service from, say, Indonesia because their planes would be non-compliant for repeat passenger transport. An open sky type policy might warm up the issue a bit more but, at this stage, the planes are available out of Jakarta and out of Singapore. But there are none available in Australia with Australian carriers.

Mr Cameron—The requirements for aircraft to operate from an international port into Australia also create difficulties because only an Australian registered aircraft can carry passengers between Cocos and Christmas Islands, and to and from Perth. It is not possible for an international carrier to start a service from the north that might involve Jakarta to Christmas to Cocos, because Australian regulations will not allow them to pick up passengers or freight up from Christmas Island and fly them to Cocos Islands. The existing Australian airlines would no doubt have a great objection to that because of the requirement for the aircraft to be Australian registered.

There are also a lot of aircraft available internationally that do not have chapter 3 noise compliance and therefore they will not be allowed to fly into mainland Australia. Chapter 3 noise compliance need not apply to the territories. We have residential areas surrounding the airports, and there would be a whole range of other issues that might have the same impact in Sydney or in Perth. We cannot, for instance, use an Indonesia or Singaporean carrier to fly to Christmas and then extend to Cocos island because we are not allowed to carry people or freight between two points.

Senator WEST—On another issue that relates to aircraft and air travel, because it is a duty-free port here, are there any problems with that customs wise?

Mr Clunies-Ross—Well, we have an issue with export clearance numbers which we have raised with customs and we are making a bit of headway with it. Anything that is worth more than \$500 that leaves Australia has to be issued with an export clearance number under the harmonised export scheme. There is a book larger than the old-fashioned bible which has all the different divisions of materials, machinery or whatever. You have to know which division it is in and you then have to apply for an export clearance number under the harmonised export scheme.

Technically there are methods available for transporting it without the clearance number, as long as you intend to have an export clearance number, but it can cause things to be left behind. I think these days we have got over those issues, but we are trying to can the export clearance numbers altogether. It seems to be a bit of furphy in that we are

not exporting them from Perth; we are taking them to Cocos which is an external territory. External it may be but those figures are used in the Australian export figures. So we are not really exporting them. We are arguing that there should not be a requirement for export clearance numbers.

The progress we have made to date is that we might be able to get a web site which leads us on to the net and customs would then supply us with free access to their page. We would put in what is leaving Australia; they would assess whether it requires an export clearance number for their own use; and they would give it an export clearance number without anyone filling in any paperwork. That is as far as we have got. But they say the duty-free items would probably still be required to have ECNs. But the businesses are used to supplying the export clearance numbers, and generally as a matter of course they would issue an export clearance number from their own office. So those do not slow the system down.

Mr Cameron—It is a very complex issue because the Australian Customs Service claim not to be the originators of the export clearance number system. They in fact claim to be service providers on behalf of the Australian Bureau of Statistics who require this to be done. So it is the ABS who do not have the logistics to apply the system and who are asking Australian Customs Service to apply the system, which they do. There is then the imposition of a fee on that. The comment from government in the past has always been that if you want to be duty-free then you better wear the ECNs. That is the solution I suppose.

Mr Clunies-Ross—We have made some leeway in that. It has become obvious that sometimes you would pay maybe five or six times as much for buying an ECN as you would in paying the freight alone. So it is a big impost on people, especially smaller traders. With the present system we are trying to work our way towards maybe some form of compliance but a cheaper form of compliance.

Senator WEST—You said the website and stuff was another matter. Perhaps you better deal with it now.

Mr Clunies-Ross—We have applied for funding. I will hand you back to Andrew.

Mr Cameron—The minister for transport came through and did a territories tour earlier this year. In the course of that visit, he made a funding grant to both Christmas Island and to Cocos Island for the provision of tourism related services and other important community based organisational services. Cocos (Keeling) Islands have been allocated a sum of money for the preparation of a website. That is advanced. The Regional Business Association office is one of only 30 lines on the island which has the upgraded capacity to work 9,600 band instead of 2,400 which I think was the old figure. It is still very slow but workable. I believe that in six to eight weeks time we will have a web site for tourism for services on Cocos (Keeling) Islands.

The web site which John referred to as far as customs is concerned is a lot further away than that because there are decisions that still need to be made. We will basically have a workable web system in place within the next four to six weeks.

Senator WEST—How efficient is it?

Mr Cameron—Very efficient by mainland standards, extremely efficient.

Senator WEST—How many of the businesses and systems that you will be trying to interact with on the mainland will be compatible with 9,600 bits?

Mr Cameron—They will all be compatible. They will be able to receive our data but very slowly. It is our output rate that is the limiting factor. That output time is limited by the communications services that exist from here through our own network on the island. Everything then goes into Sydney and it then goes across to Perth.

Senator WEST—Have you done any estimates as to the time and cost of that time? Whilst you have a service, have you done any estimates of just what the 9,600 bits is going to mean?

Mr Cameron—We have had the system in place not long enough to even receive an invoice for it. The best knowledge we are going to have is when we get our first bill. We certainly do not have dropouts which used to be a problem and caused a huge increase in cost. Under the old system it was so slow that the lines would drop out. That was a massive cost. Particularly people using the Telstra \$3 maximum call late at nights would frequently go on the Internet at that time. It would drop out after five or six minutes and you would chew up another \$3 to get back on-line for it to drop out again. We seem to have alleviated that. Until such time as we are invoiced for the association's Internet system, which has only been in place four or five weeks, I do not know how much it has cost us.

Senator WEST—Maybe if you get an invoice in the next few weeks, you might like to let us know.

Mr Cameron—Yes.

Mr Clunies-Ross—Also four or five months ago the department of communications asked for expressions of interest for grants to upgrade rural community communications systems. We have started off on that, but I think our problem with Cocos was that all the territories and states were given a specific allocation of money. While Cocos Islands and Christmas Island were mentioned, we had to fight Western Australia and the Northern Territory for the money. I do not see that as either fair or equitable, because WA will obviously tell us where to go and the Northern Territory is even more likely to because they have a bigger problem. We will be Buckley's poor relation in the whole issue.

Our estimates are that it would be non-economic to put an on-island server in. It would be required to be subsidised for maybe two or three years, which would then give you an empirical base of who the likely users going to be. Then after two or three years you can say to those users how much it is going to cost them a year without subsidy, and they can then make an informed decision whether to continue with the on-island server or go to a lesser system with a mainland server. Our estimate is a requirement for between \$150,000 and \$250,000. But I do not think there is anyone on island who is expert enough at the moment to make an informed decision about which would be our best way to go from here on Internet services.

But also within that communications grants system was money for the first step, which was to get an independent person to assess the requirements and assess which one would be the best given a couple of choices. So I think that we should be allocated at least the first stage on both islands. Regardless of the next stage where we may have to fight the states for it, the territories should be given the first stage which is a specific requirement that would allow an independent person to assess our requirements.

CHAIR—I take it you are speaking of the Networking the Nation infrastructure?

Mr Clunies-Ross—That is the one, yes.

Mr Cameron—We have done our own costings and our own revenue analysis on-island at the existing speed, which we all recognise is incredibly slow. At the moment, we have identified the cost of electronic communications, excluding telecommunications cost to organisations such as the Commonwealth administration, the Australian Federal Police, Parks Australia, the private sector, schools and health as being some \$65,000 to \$70,000 a year. That is what is currently being outlaid in the provision of electronic communications services.

A 64k chip on a satellite is, from my recollection, somewhere in the order of \$70,000 to \$75,000 in year one and a continuing cost in the order of \$50,000 to \$60,000 for its continuing availability. It is our submission that that is an appropriate direction in which to head. It will give us a speed that is compatible with the mainland; it will give us the ability to communicate not only with other businesses and other bodies on the mainland but also introduce services such as electronic banking so that these two and three months delays I alluded to at the start of this submission can be eliminated.

CHAIR—What is your business, Mr Cameron?

Mr Cameron—I have a management contract with the Cocos Club. I own an air freight consolidation company which provides air freight services through National Jet and also through Jakarta to Christmas Island, and I have a charter fishing vessel here.

CHAIR—The Christmas Island-Jakarta service you just mentioned, is that the one

the locals have just struck up?

Mr Cameron—No, that is the not the one we struck up. That is the one we started a week before they did.

CHAIR—They claim they struck it up. They did last night. But you are involved in it. Mr Clunies-Ross, I understand you have the shipping line.

Mr Clunies-Ross—Yes, we do shipping, and net access would be very useful for that, especially for the legal forms that we have to fill in for customs clearance and such like. At the moment, if the ship leaves on Friday, I cannot get the paperwork to clear it through this port until after the ship gets here. So everything has to be fixed up. The police have to be satisfied with a facsimile copy rather than hard paper and so on. Everyone is pretty used to those kinds of problems, but sometimes I have had to have about 150 sheets of paper come through the fax machine to clear a vessel. Of course, probably half way through, it will drop out and we have to phone them up and start again. That can be a problem. We have software now where all the paperwork can be generated from one office but it is not worth connecting into because the systems would take too long to do it. So we are still relying on faxes. Faxes are quicker than e-mail.

Senator WEST—How reliable is fax?

Mr Clunies-Ross—We have hardline into our fax now. It is not as good as the mainland, but it is the best as it has ever been.

Senator WEST—If you do not have a hardline you would have a dedicated line?

Mr Clunies-Ross—It was patchy because we were using a semi-mobile system. That had its own problems because of the low information rate that is available to it.

CHAIR—Earlier on you mentioned in passing that you had met with the minister, Alex Somlyay.

Mr Clunies-Ross—Yes.

CHAIR—Was that pre National Jet contract?

Mr Clunies-Ross—We were told it was.

Mr Cameron—It was during that process. This association had a huge amount of communication with the department of transport, with the various ministers and with the local member in relation to the identified need for aircraft services and what form they should take. The recommendations of this body to that process—

CHAIR—Was it the same recommendation you have just given us—to have the 737 aircraft?

Mr Clunies-Ross—Yes.

CHAIR—Or have you changed it?

Mr Cameron—Our position has always been that the 146 is inadequate, even twice weekly. A much larger aircraft would be needed on a once weekly rotation if it carried certain minimum passenger numbers and certain minimum freight numbers.

Mr Clunies-Ross—The way we explained it to Alex was that, with one flight a week, we are going backwards with freight. So we need a second one to make up on freight, and then if we get more passengers on it we start going backwards again. It is a very fast spiral track. If we start to put tourists on it, then we need more air freight because they consume a lot more fresh vegetables than the locals would. There is no way you could catch up using a 146. You would have to have another one bringing the luggage.

CHAIR—Is it turning out that way?

Mr Clunies-Ross—Very much so. One thing we warned them about was that the second flight would be very expensive because of the freight priority on the second flight, and it is more expensive so people do not get on that one.

CHAIR—What did he say to that?

Mr Clunies-Ross—He said we will go and see the minister for finance for some more money. But it has gone to National Jet and we still have a 146.

Senator CROSSIN—When was that contract signed and how long does it go for?

Mr Cameron—It will be up for renewal on 30 June next year. Perhaps a polite way of putting it is that the department of transport staff in Canberra are not advising us of what is in the contract. We believe there are exclusion clauses in that contract, but the whole tender process by which the aircraft was acquired from National Jet was the subject of an expression of interest in the very early part of this year.

From that expression of interest—there were 14 expressions of interest lodged—they went to a five tender process. Of the five tenderers, all were identified as being non-compliant in some tender requirement as a result of which the whole tender process was scrapped. The department of transport then entered into private negotiations with individual service providers and, as a result, National Jet were appointed to provide the service.

Mr Clunies-Ross—There were 737 options within those expressions of interest, but they fell by the wayside. The word from the airline industry was that the tender was impossible to comply with unless you were Qantas or National Jet. So it was aimed at an existing carrier and did not encourage a new carrier into the market. So as soon as the tender came out, all the other people who had put in expressions of interest just walked away.

Mr Cameron—One of the most obvious things that came out of the whole process was that there was no clear understanding of the needs of the territories first when the expression of interest itself was raised and then when the tender process itself was addressed. There was no understanding, despite the best efforts of this office. Certainly the Christmas Island Chamber of Commerce were unable to give a clear understanding of what the specific needs were. We do not expect Commonwealth departments to be experts in aircraft movement. It is not their role. But, when they are receiving a high level of input and of information from the territories people who are users of the service, we were optimistic that we might be heard. But it seemed that the government's advice from other private sector interests was the advice that was used in the decision making process.

Mr Clunies-Ross—They might not have had any choices.

Mr Cameron—There are only two aircraft based on the west coast of Australia which are capable of providing a service to the Indian Ocean Territories, and that is a 737, 300 series which is the minimum standard they operate. There are only two aircraft and both belong to Ansett. Ansett have clearly stated that they have no intention of being involved in providing air services to the territories. They made the decision to pull out last September.

CHAIR—Not Qantas?

Mr Cameron—They have no 737 aircraft based in Perth. When it comes from the east coast, the aircraft then has to be given a 14- to 16-hour turnaround time which impacts on their ability to provide air services to the east coast. The 737s are doing north-west routes and also Adelaide but they will not release them.

CHAIR—I should not ask you to do the thinking for Qantas, but surely they would be interested in a contract with the government for the subsidy that we are giving now.

Mr Cameron—Qantas and National Jet are very close as a company. They have a close relationship and National Jet is leasing of some of the 146 aircraft that Qantas use through Airlink. It is a very brother-sister type relationship between those two organisations. Qantas probably felt it was appropriate for National Jet to proceed on this one.

CHAIR—Do you wish to add anything?

Mr Cameron—I will add a couple of things. I am sure the cost of foodstuffs is something that has been covered previously. But particularly on Cocos Island because we rely solely on the Perth origin service, for instance, we have hit \$11 for lettuces this year. The Western Australian newspaper, which most of us would like to have access to, normally arrives once a week. We certainly do not expect a daily paper up here but, at the moment, if we were to bring 20 copies of the Western Australian newspaper up here under the existing system it would cost us \$9.25 per copy. If we only brought 10 copies, it would cost us \$10.50.

Senator WEST—Do food and vegetables perishables get taken off?

Mr Clunies-Ross—They have done.

Mr Cameron—We have been in situations where there has only been Saturday services, where we have had an extended period of no Wednesday aircraft services, when vast volumes of fruit and vegetables have been off-loaded and we have received no airmail at all. In fact, the aircraft has been required to service both Cocos and Christmas with a single Saturday movement. If the 146 is travelling to the Cocos Islands with full passenger loads of 68, as this aircraft is configured, then they have about 800 kilos of cargo left once they have the passengers' luggage on. The Indian Ocean Territories' combined requirement for air freight is in excess of three and a half tonnes per week.

Senator WEST—What do the people do if there are no fresh fruit or vegetables?

Mr Clunies-Ross—Drink beer and eat frozen or tinned vegetables that come in on the vessels.

Mr Clunies-Ross—Another quick point: VKW actually have a back-up communications system between the islands so that you can give your storm warnings over the local radio station. The FM band is totally inefficient because of the lagoon storm.

CHAIR—Who runs the community station?

Mr Clunies-Ross—The VKW committee. My wife is the chairperson.

CHAIR—This is a bit off the track but we received some evidence that they would like the transmitter over there at Home Island?

Mr Clunies-Ross—Yes. I think if you could use this one as a repeater, because the base equipment and the transmitter is here, you could just have a smaller unit over there and just lock the time in as you require it or land line.

CHAIR—They can hear it okay over there?

Mr Clunies-Ross No, it is really bad. If it rains, you cannot pick it up.

CHAIR—I thank you for coming today. Just for your general information and for those in the audience, we hope to have this report out in late September. That would be in the normal course of the parliamentary calendar, and only an intervening election could disturb that timetable. If an election is called—and it is most likely that will happen—then the report will be handed down in the first session of the next parliament most likely.

Resolved (on motion by **Senator Crossin**):

That this committee authorises publication of the proof transcript of the evidence given before it at public hearing this day.

Committee adjourned at 6.35 p.m.