



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

JOINT COMMITTEE ON PUBLIC WORKS

Reference: Proposed common use infrastructure on Christmas Island

WEDNESDAY, 12 JUNE 2002

CHRISTMAS ISLAND

BY AUTHORITY OF THE PARLIAMENT

JOINT COMMITTEE ON PUBLIC WORKS

Wednesday, 12 June 2002

Members: Mrs Moylan (*Chair*), Mr Brendan O'Connor (*Deputy Chair*), Senators Calvert, Ferguson and Forshaw and Mr Jenkins, Mr Lindsay, Mr Lloyd and Mr Ripoll

Senators and members in attendance: Senators Calvert and Ferguson, and Mr Brendan O'Connor, Mr Lloyd and Mrs Moylan

Terms of reference for the inquiry:

Proposed common use infrastructure on Christmas Island

WITNESSES

ASIMS, Mr Michael, Representative, Christmas Island Office, Asia Pacific Space Centre	45
BRIDGES, Mr Don, Airport Manager, Christmas Island International Airport.....	49
CHEONG, Mr Choon Foo, Resident Manager, Phosphates Resources Ltd.....	18
GREENACRE, Mr Graham Scott, Senior Manager, Gutteridge Haskins and Davey Pty Ltd	2
.....	49
HUSTON, Mr Michael, Adviser, Commercial Projects, Christmas Island Phosphates	18
JONES, Mr Philip, Manager, Technical Services, Phosphates Resources Ltd	18
KWON, Mr David, Managing Director, Asia Pacific Space Centre.....	45
LOVE, Mr Edward Charles, Manager, Planning, Building and Health, Shire of Christmas Island	42
PARKER, Ms Kate, Manager, Government Affairs, Asia Pacific Space Centre.....	45
POTTAGE, Mr David Arnold, Private Citizen.....	43
TAYLOR, Mr William Leonard, Administrator, Christmas Island Administration	2
TAYLOR, Mr William, Administrator Indian Ocean Territories	49
TURNER, Mr Edward, Director, Christmas Island Aviation Services Pty Ltd	40
TURNER, Mr Edward, Private Citizen.....	41
WEATHERSTONE, Mr John, Assistant Director, Regional Office Perth, Department of Transport and Regional Services.....	2
.....	49

Committee met at 1.53 p.m.

CHAIR—I declare open this public hearing into the proposed common use infrastructure on Christmas Island. This project was referred to the Public Works Committee on 21 March 2002 for consideration and report to parliament. In accordance with subsection 17(3) of the Public Works Committee Act 1969:

- (3) In considering and reporting on a public work, the Committee shall have regard to –
 - (a) the stated purpose of the work and its suitability for that purpose;
 - (b) the necessity for, or the advisability of, carrying out the work;
 - (c) the most effective use that can be made, in the carrying out of the work, of the moneys to be expended on the work;
 - (d) where the work purports to be of a revenue-producing character, the amount of revenue that it may reasonably be expected to produce; and
 - (e) the present and prospective public value of the work.

I would like to remind everyone here today that we are dealing with the new terms of reference, of 21 March, which limit the scope of this particular reference to the extension to the runway at Christmas Island Airport. If you are making a presentation today could you keep that in mind and keep your presentations in line with that new reference to parliament; that is, within the scope of this hearing.

During the course of the committee's visit to Christmas Island, it inspected the proposed works site and its environs and has received a briefing by the Department of Transport and Regional Services on the proposal. I take this opportunity, on behalf of the committee, to thank all of those who have assisted us with the inspections on the island in the last couple of days and particularly to the administrator and the administrator's staff.

The committee will today hear evidence from the Department of Transport and Regional Services; representatives of Christmas Island Phosphates; and Mr Horst W. Kambeck, a private citizen with experience of projects undertaken on the island. If anyone else here today wishes to comment on the proposal at this hearing, would you please let our secretary know and we will make some time available to you. We will, however, keep those statements to no longer than five minutes each.

[1.57 p.m.]

GREENACRE, Mr Graham Scott, Senior Manager, Gutteridge Haskins and Davey Pty Ltd

TAYLOR, Mr William Leonard, Administrator, Christmas Island Administration

WEATHERSTONE, Mr John, Assistant Director, Regional Office, Perth, Department of Transport and Regional Services

CHAIR—Welcome. The committee has received a submission and several supplementary submissions from the department. These submissions will be made available in a volume of submissions for the inquiry, and they are also available on the committee's web site. Does the department wish to propose any amendment to any of the submissions made to the committee?

Mr Taylor—No, thank you.

CHAIR—I invite the Administrator, Mr Bill Taylor, to speak on behalf of the Department of Transport and Regional Services, and after that we will proceed to some questions.

Mr Taylor—Thank you. Firstly, a very warm welcome to Christmas Island. I hope that we have been able, over the last couple of days, to give you a feeling for what we have before us this afternoon. Before asking Mr Weatherstone and Mr Greenacre to formally present our case, I thought it would be helpful to the committee if I were to remind you of the genesis of this reference, particularly the financial situation we are faced with in terms of the airport proposals. In the middle of last year, the federal government approved up to \$100 million to be expended against common use infrastructure enhancements on this island in four areas: (1) including the airport, (2) including the alternate port, (3) some roadworks with that port, and (4) some miscellaneous items which were associated with Asia Pacific Space Centre and associated telemetry.

Your reference in September, which was postponed until this parliament because of the prorogation of the last parliament, actually included a reference of \$68.6 million, which incorporated three of those four elements. It did not include the fourth element of telemetry and the items associated with the Asia Pacific Space Centre. Since that time, of course, the situation has changed quite dramatically. In March, the federal government announced some other initiatives for this island—in particular, the establishment of a permanent immigration reception and processing centre on this island. Incorporated in that project are two of the three items that previously had been referred to this committee; namely, the roadworks leading down to Waterfall and the alternate port facility at Nui Nui close by Waterfall.

So today you are really dealing with a net figure. We will not go into the fine detail, but it would be fair to say that in excess of \$50 million is associated with this particular work. Before we give our formal presentation, does that give committee members a reasonable expose of where we are at the moment in terms of this reference?

CHAIR—Yes, I understand so.

Mr Taylor—I will ask Mr Weatherstone to lead off with his presentation.

Mr Weatherstone—Thank you, Bill. Madam Chair and members of the committee, leading into this overview of the airport upgrade, we have had consultation on the island and given two presentations of this overview, and each time we have moved the design along a little bit further. We did have approval by the Public Works Committee to do documentation and design up to the tender stage. We have been doing that over the last few months. We still have a fair way to go on the documentation and design, but this will be the third presentation to the island on where we are at on the upgrade of the airport.

Overhead transparencies were then shown—

Mr Weatherstone—As an introduction, we will make it clear that the Commonwealth government has made a commitment to upgrade common use infrastructure on Christmas Island in the form of an upgrade to the existing airport. I point out that the red areas shown on the transparencies are those areas where we are upgrading the airport. The grey area is the existing airport strip and apron. We are intending that the facility will provide improved services for Christmas Islanders and support the proposed space launch facility at South Point. For those of you who are not familiar with the shape of the dog, this map gives you an overview of the island and the airport vicinity here in ‘dog’s head’. This is a close up of the ‘dog’s head’ area and the extended areas of the airport.

I will give you an overview of this presentation. It will cover the following items: aircraft operations and airport capability, the need for upgrading, options which have been considered, proposed upgrading, environmental issues, funding and, finally, the construction program. On aircraft operations, scheduled air services are currently provided by BAe146s or the RJ70s, as they are referred to, which have a 70- to 85-seat capacity. NJS has recently upgraded that to three flights per week, and the airport caters for Boeing 737 aircraft on a once a week basis. Defence and other aircraft of course use the airport. This was in the vicinity of 300 movements in the last year. The space launch facility will require Boeing 747-400 and Antonov 124-100 freighter aircraft. We are looking at approximately 144 aircraft movements per annum. The number of aircraft using the airport is forecast to rise from 423 to a peak of approximately 1,350 in 2006 and subsequent years.

Mr Taylor—Can I just break in there, Madam Chair, to remind you of what you were shown yesterday, which has not yet been formally announced on the island but I will be doing so in the next couple of days, and that is that those figures may vary slightly as a result of the establishment, by the end of this month, of a permanent Defence Force helicopter facility on this airport which will obviously add to those aircraft movements.

Mr Weatherstone—Those operations will be by a Sea King helicopter, I understand, which will utilise the airport as it is now. On the current airport capability, the runway, taxiway and apron capacity: the existing runway is 2,100 metres, with a taxiway and apron, and was designed for aircraft of Boeing 737-300 size, which is 140 passengers. Boeing 767 sized aircraft can use the runway, however they do exceed the pavement design loads and could shorten the pavement life, but not to the taxiway or apron, which is inadequate for turning space—they

have to remain on the runway strip. The runway length and strength is inadequate for the required freighter aircraft—747-400 and Antonov—for space launch facility purposes.

On safety: the OLS—the obstacle limitation service—is a requirement for clearance for aircraft. This is infringed by ground penetration to the north of the runway—in these two areas I am pointing out to you here. The existing terminal is adequate for non-simultaneous handling of passenger aircraft of current size. What we mean there is that when the freighter aircraft are using the runway, it is not expected that passenger aircraft will be using the runway.

The need for upgrading: we need to increase the strength and length of the runway from 2,100 to 2,650 metres for the requirements of the 747s and the Antonov and we need to provide a new taxiway and apron for these aircraft and to enable Boeing 767 sized aircraft to access the terminal area. We also need to improve safety by providing greater obstacle clearance at the northern end of the runway—committee members saw that yesterday—and constructing runway end safety areas, which are known as RESAs, at both ends of the runway to comply with CASA requirements. This is really a 90-metre square grid at the end of the runway. We also need to increase the width of the runway strip from 150 metres to a CASA requirement of 230 metres, as a minimum requirement.

Consequences of not upgrading the current facility: the space launch facility would not be able to import satellites by the freighter aircraft required by APSC operations and, hence, may not proceed; employment and skills acquisition would be forgone; Boeing 767 sized aircraft would continue to exceed design runway pavement loadings; the airport would continue to be closed when Boeing 767 sized aircraft are on the ground because they must, as I said before, remain on the runway; and safety would not be improved.

On the options considered, runway extensions at the present site require major earthworks to fill substantial mining excavation at both ends of the runway. Options considered included relocating the airport to another site, and runway extensions at the present site ranging between a full 550-metre extension to the south or a full 550-metre extension to the north. Reasons for the proposed option: the alternate airport sites were not feasible because of high economic cost and environmental impacts; it minimises the amount of fill required—950,000 cubic metres; it exceeds the minimum length of 0.8 per cent gradient runway at the northern end, and this of course improves the safety for larger aircraft; it does not necessitate relocation of navigation aids north of the runway to achieve obstacle clearance; and it minimises environmental impacts. Again, looking at all these options, it was the least costly.

The proposed upgrade: the major elements comprise extending the runway 460 metres to the northern extension and 90 metres to the southern extension; a 90-metre earth construction RESA at each end of the runway, strengthening the existing runway with an asphalt oversheeting; a second taxiway and expanded apron area, which is this area here; reducing ground levels at the northern end and the northern sides of the runway to improve OLS clearances—that is this area here and this area here; relocating and lowering parts of Lily Beach, Phosphate Hill and Vagabond Roads, and I will come to that later on in the presentation.

This gives you an overview of the existing runway which is currently from this point to this point, which is 2,100 metres, and this shows the areas that we are extending. This gives you an overview of the southern end. We are looking at the extension, the RESA areas. This is giving

you a look at the southern end once again with the existing runway, and the extension and the RESA area. This is giving you a look at the work comprising the apron—you can see there it is about twice the size of what the current grey area apron is—and associated road works for access in and out of the airport. This is the northern end. As you saw yesterday, we are looking at extending to the northern end, and you can see the precinct boundaries as we go around. You will see there also the road works. The current road is running through here; we want to run it up here and along here.

Mr Taylor—Could I come in before we go on to the next overhead?

CHAIR—Yes.

Mr Taylor—One thing I should point out at this stage is that, as you will have heard, it does not include a provision for firefighting. In the summary of evidence that was prepared for the September hearing by this committee, that was included. It has subsequently been excluded. I have to put on the record from a community point of view that, even though there is a CASA exemption for the existing aircraft that operates from Indonesia to operate without firefighting services, if, for example, we were to have further services from the north—and that is my minister's aim, to have more services from the north—I would have to say to your committee that most of the airlines, if not all, would not be happy to come to Christmas Island International Airport without the provision of fire services. So while this reference does not include firefighting services—and from a community viewpoint, not from a departmental viewpoint—I have to make the point to the committee that in my view it would be very desirable to make works provision for that particular facility.

CHAIR—Thank you.

Mr Weatherstone—This is showing you a long section of the northern end of the runway. It is showing you the amount of work that has to be done. You can see that area that requires filling and the extension to the runway. This is an end section showing you the work that is required there. If anyone wants some more technical detail on what that is we will cover that with Graham later on. Minor elements of the upgrade: what we have looked at is relocation or replacement of visual landing aids which are currently on the ends of the runway. They need to be removed and relocated. Runway, taxiway and apron lighting: we have a bigger area to cover. There will be the extension of refuelling facilities to the new apron so that fuel will be available to these aircraft that are on the new apron.

Drainage and pollution control on this apron area: there will be a collector drain and a separation pit somewhere else to separate any fuel spills or anything else of that nature. There will be relocation of water, power and telephone services near Phosphate Hill Road as they are currently located in areas such that we need to relocate them. Finally, there is rehabilitation of the earthworks.

Work not included: the items not included in this upgrade include an upgrade of the terminal in which we are located today. It is regarded as adequate for the requirements of passenger users. The airport rescue and firefighting service: the apron has an exemption because of the low frequency of flights. That is a Civil Aviation Safety Authority exemption. Land acquisition and access: in terms of land to be acquired for the airport or road reserves, there are

approximately 11 hectares of crown land and 18 hectares of mining lease. Short-term access to mining lease to reduce ground levels: five hectares approximately. Long-term access for vegetation trimming: approximately 90 hectares in the mining lease and 13 hectares in crown land. That is for trimming trees, keeping them at a certain height.

Restriction on development buffer from future parallel taxiway: we are looking for a buffer zone in this area—and that will come up later on one of the overheads. We have the parallel taxiway here but we require a buffer zone because of the noise of the aircraft. That will show here; the buffer zone, the parallel taxiway will be in this area. We are looking at this as a buffer zone. Currently we are looking at that as a mining lease, and there are negotiations going on with Phosphate Resources Ltd for Asia Pacific Space Centre purposes. They require land in this area. The brown area shows a mining lease at the southern end of the airport, and the rest of it shows the proposed airport precinct.

I will go through the legend. The light blue is unallocated crown land. The lighter area is mining lease. We are looking at national park, which is the light green. Mining lease to be acquired for the purposes of the airport precinct is this area and this area. The blue, in these areas, is vacant crown land to be acquired for the purposes of the airport precinct. The hatched area is access for level reduction. The darker green is vacant crown land access, which is this area. The purple hatched area is the one I mentioned before and is a buffer zone, and that could be light industrial or storage space or land available for airport users.

Environmental impacts: the project is required to be assessed at the environmental impact statement level under the Environment Protection and Biodiversity Conservation Act 1999. A draft environmental impact statement has been prepared and is currently with Environment Australia for assessment. We hope to have that assessment completed in time for an award of a contract. The draft environmental impact statement has not identified any significant environmental impacts. Runway extensions at both ends are previously mined areas; road relocations are through previously mined areas; excavation for fuel and ground level reduction is in previously mined areas; and runway extension and earthworks avoid primary rainforest. Heritage issues: the airport upgrade does not impact on any heritage areas.

Noise: there were 846 aircraft movements, landings and take-offs in 2000 and 2001. Aircraft movements are forecast to rise to approximately 2,700 in 2006 and in subsequent years. Movement forecasts include 288 movements per annum for Boeing 747-400 and Antonov freighter aircraft. Movement forecasts have been adjusted to include the immigration reception and processing centre. Based on the Australian noise exposure forecast, land where development may be restricted by aircraft noise—that is, areas above what is residential—extends only slightly beyond the airport boundary.

CHAIR—I thought at the beginning of your presentation you had some different aircraft numbers. Which ones are correct?

Mr Greenacre—It is a bit of technical talk.

CHAIR—Some are take-offs and landings—and they arrive at the number of aircraft.

Mr Greenacre—That is right; so you are doubled.

Mr Weatherstone—Some are movements; some are operations. Operations are in and out and movement is one. Graham will go through the Australian noise exposure index for levels of noise at this proposed upgrade.

Mr Greenacre—This is the current ANEI for the airport. It is basically developed using computer modelling of the current aircraft and the number of aircraft that are landing on the runway. As you can see, at the moment they are generally all within the airfield precinct except for a little bit to the south where you have got some of this 20 to 25 extending beyond the south but into the area where we propose to extend the airport precinct. We have then done a forecast for 2020 with the larger aircraft. You can see that the area of impact is much larger, but generally still within the area. It is only once again the 20 to 25 with a little bit of the 25 to 30 that have snuck outside the proposed airport precinct. Generally we propose that to the north there will be a buffer area and I do not think there is any proposed development to the south. The extensions on either end—the pointy bits sticking out to the north and to the south—are caused by the take-offs and landings of the aircraft. Obviously the noise follows the aircraft, particularly on take-off. Most of the take-offs are to the south and when they are powering off the runway you get the larger extension to the south. On this airfield up to 90 per cent of operations are to the south.

Mr Weatherstone—With respect to the construction program, completion of the airport is required for APSC purposes by early 2004. The program is based on completion of major earthworks and aircraft pavement before the onset of the 2003 wet season, which is roughly November. The program proposes an expression of interest, which went out early in June, tender assessment in August 2002, awarding of a contract in October and completion in February 2004. With respect to funding, as Bill mentioned earlier, the estimated outturn cost is roughly \$51.3 million, and this will be funded from the \$100 million provided by the Commonwealth government for common use infrastructure on Christmas Island and other works associated with the proposed APSC facility.

This is an aerial view of the proposed works, looking north. You have got the southern extension, the apron and the northern extension. This is another view just giving you an overhead view of what the airstrip will look like when it is completed. The cut areas will be going into these fill areas. That is another view looking across to the north-east of the airstrip. This will give you an idea of the apron area that needs to be provided for these aircraft.

Mr Taylor—It might be worth while to point out where the Defence Force helo hangar and pad will go—roughly in that area there. It does not interfere with either this project or the master planning for the airport.

Mr Weatherstone—This is giving you an overview to the south, and also the road works that are coming. As I said before, it cuts through about here at the moment; we are bringing it further down. That is Phosphate Hill Road, and that is Vagabond Road into the cricket ground area.

This gives you an idea looking south, but also you can see the road works and the cut that is required to get the road at the appropriate level for OLS purposes. This is the northern end view. This is the road works looking west, and that gives you an idea—there is Vagabond Road, Phosphate Hill Road, and Lily Beach Road coming down here. This is the road that currently runs off to the crush quarry on the island. This is giving you a road eye view of Lily Beach

Road heading up to Phosphate Hill Road. That gives you an idea of the sorts of earthworks that are required to get these limitation levels. That is the end of my presentation.

CHAIR—Thank you. I will lead off with a question on firefighting and safety. Obviously, there is a prediction there of fairly high growth in air traffic and also, I would imagine, with the permanent helicopter facility that would perhaps provide another impetus for the firefighting facility to be made available here. It seems obvious to me that this is very important if we are going to see the increases in the traffic that are predicted.

Mr Taylor—The community sees it as being important and you may hear further evidence from other witnesses to this extent. From a community view point, as the Administrator I support that. What emphasis, if any, you give to this is a matter for the committee to consider in their deliberations. We see it as being very important and we have already tested the market to a fairly large degree. I am sure one or two people may give oral evidence on the same point. For example, once Silk Air and others know that there are no firefighting facilities at the airport, irrespective of the CASA exemption in terms of our domestic arrangements, they are not interested in coming to Christmas Island Airport.

CHAIR—We did have some late evidence in relation to this matter, which I think we should table as exhibits to this hearing. One is a letter to the Civil Aviation Safety Authority from Christmas Island Aviation Services. They make the point that supports your comment, Bill, about airlines coming from the north that would require to land on Christmas Island. These are very relevant to what we are doing here today. The other is a letter from the Minister for Regional Services, Territories and Local Government to Christmas Island Aviation Services. Then there is a letter from Christmas Island Aviation Services Pty Ltd to the Minister for Regional Services, Territories and Local Government.

Resolved (on motion by **Mr Brendan O'Connor**):

That the letters be received by the committee and tabled as exhibits.

CHAIR—Can I ask John or Graham: was this considered in the original proposal and why was an exemption then sought from CASA?

Mr Weatherstone—It was considered in our original brief. What happened was that the airport upgrade was associated with the APSC facility at South Point; it was for freighter aircraft only. I guess the exemption was sought because for freighter aircraft and the underutilisation of the airport we were looking in our brief at freighter aircraft for the upgrade, and in CASA requirements there was an exemption on the use of rescue and firefighting services.

CHAIR—But, by your own figures included in your briefing, some of this extra traffic is going to be from normal air traffic, from passenger carrying planes. Is that correct or not?

Mr Greenacre—Just a minor alteration to that: there is a current exemption and we did not seek an exemption, it was just extended. CASA assessed that, because of the nature of the work, there was no reason to change that current exemption.

CHAIR—When you did those figures, those projections, did you see that as all being in relation to the transport of goods and materials rather than passenger arrivals?

Mr Greenacre—Most of the work for this airport is to do with the increased freighters or, now, the fact that the freighters are coming. There has been some work on the master plan to predict increased numbers. At the time that we went to CASA they believed that it was appropriate to say that the exemption would be extended.

CHAIR—I suppose what I am getting at is that in your own evidence you are saying there will be considerable increase in traffic up to, you have predicted, the year 2006. In the past it reached a peak at about 800 movements of aircraft here. Most of that, I imagine, would have been for passenger aircraft, wouldn't it?

Mr Greenacre—Previously, yes.

CHAIR—So wouldn't you have foreseen that there would be a need to upgrade the fire services here?

Mr Greenacre—Basically, the determining authority is CASA, we provided them with the information and they made their decision. We are actually not party to the decision.

CHAIR—Okay. Thank you.

Mr BRENDAN O'CONNOR—Just following up on that matter with respect to CASA, I note that the submissions clearly state that the upgrade is there for the purposes of improving services to the Christmas Island community and to support the proposed operation, so I can understand why there would be a view that there should not be an exemption, particularly in view of the allegations that Singapore Airlines and other commercial carriers may not land here. With respect to that, will the extension of the exemption have an adverse economic impact on this island because it will fail to attract commercial carriers? Is that a likelihood or a possibility?

Mr Taylor—It is a chicken and egg: if you have the airport enhancements to the degree that is being proposed, then it makes for a lot of operational flexibility for airline operators. I think that is in the interests of the island. My written ministerial directive is for economic development and job creation. It seems to me that it is very consistent with economic development of this island if we have access to the island by aircraft that normally would not be allowed in. Take the example of the 767: yes, we have had 767s in here for lift of the detainees and, as you know, the aircraft cannot leave the T junction. The 767 is a very common aircraft amongst operators in South-East Asia in particular. It seems to me that that would just add flexibility to the argument for economic development of the island.

Mr BRENDAN O'CONNOR—It is clear that the proposed Immigration Reception and Processing Centre is not within the ambit of the inquiry today however its construction is going to have some impact on the services of the airport. With that in mind, I wonder whether the upgrade of the airport has considered the need to develop sufficient immigration, customs and quarantine processing areas in view of the construction of the centre. If I can put that in short: will there be a greater need to have a processing centre at the airport in view of the fact that there is going to be a large detention centre that may be, at some point, filled to capacity?

Mr Taylor—I cannot specifically answer that question because I am not the expert. I think we do have Quarantine and Customs officers in the audience and if you would like to explore those areas, I am sure they could give you the information. As Mr Weatherstone indicated in the presentation, in the buffer area we certainly have made provision, for example, for areas where containers both for APSC and general freight would probably have to be cleared. One would hope that we do have sufficient resources, but I really refer your question to the experts.

Mr BRENDAN O'CONNOR—With respect to employment, there have been admissions made in the submission that there would be some potential benefit, as a result of the improvements, purely as a result of short-term, medium-term and possibly even permanent employment. Has there been any consideration, firstly, as to what the proportion of short-term to long-term jobs in place as a result of the construction would be and, secondly, has there been any effort to ensure that there is some capacity to employ local people in areas where that is possible?

Mr Taylor—Mr Weatherstone can talk about this in a little more detail but, in principle, as you would know—and I give as an example the IRPC arrangements—in the tender evaluation we did put some weight on those considerations. It is important; it is an issue that is raised in this community all the time and is something that we should consider. As you know, under the Trade Practices Act we cannot specify but at least we can give some added weight, in terms of the tender processes, to ensure that the appropriate island labour or resource is utilised in a project like this.

Mr Weatherstone—I just want to emphasise that point. We do have an arrangement with the Indian Ocean Group Training Association on the island to make sure that with any Commonwealth contracts let they are in touch with the contactors to let them know the availability of their trainees, potential employees, apprenticeships et cetera. They then arrange for those contractors to be in contact with those people and we make sure that every opportunity is given to locals for employment on any of our works.

Mr LLOYD—In relation to the establishment of the Defence Sea King helicopter base, has there been any discussions as to the likely provision of rescue and firefighting from the Defence area and whether that may satisfy category 5 requirements?

Mr Taylor—No, there has not; but I think it would only add to the community argument that we should have some sort of facility depending on the number of operations that they intend to fly. Without getting into the detail in this hearing, that helicopter will be supporting offshore operations and could be expected to fly a fairly large number of sorties. You would have to ask the Defence Force people in Canberra about that but I would have thought that it would add to the argument.

Senator FERGUSON—Mr Weatherstone, I understood from briefings we received yesterday that there would also be a taxiway from the apron out to the main runway; was I mistaken?

Mr Weatherstone—No.

Senator FERGUSON—And as I understand it that taxiway is going to be on an angle. The other issue is that I was left with the impression yesterday, when we were discussing the

extensions to the airport, that the land required, particularly the northern end where there is 460-odd metres, is in fact an existing mining lease. Could you explain to the committee what the situation is because in reading your submission it appears as though there is an application for an exploration licence for that area but that it currently is not a lease.

Mr Taylor—That is correct. It is not a mining lease. It is an area of application under exploration licence arrangements. That perimeter that John is indicating has no mining lease involved in it. The only mining lease implications are to the south.

Senator FERGUSON—In the case of the area that is required in the south, is there any reason why arrangements could not be made for mining to take place on a restricted basis, as has happened in other places?

Mr Weatherstone—I had a discussion yesterday with the airport manager and apparently the understanding is that if there is a mining lease, particularly in the area in question, the mine could operate under restricted management provisions with the airport manager. I understand that that is the case. Maybe the airport manager could explain how that would work.

Senator FERGUSON—Because there is a mining lease on the southern end, there must have been reasons as to why you did not put the whole 500 or 550 metres on the northern end where there is no mining lease. Was it too difficult to extend it for the extra 90 metres on the northern end?

Mr Taylor—Yes. I think Mr Greenacre made the point that it is a cost factor. That is why we have gone for the 90 metres to the south and 460 to the north. One of the options—without impinging on anything—would have been to have the 550 to the north. It would not have gone anywhere near a mining lease, and we would not have had the requirement to the south.

Senator FERGUSON—My final question is in relation to community consultation. In I think it is paragraph 50 of your submission, I noticed you list a whole number of organisations that were consulted prior to your submission being put in place. Were they consulted by way of invitation to a public meeting so they could get the information if they wanted to, or did you discuss it with each of these individual organisations on the island on a one-to-one basis?

Mr Weatherstone—We held two public consultation meetings on the island where everyone was invited to attend a similar presentation to what you have witnessed today. Outside that, by way of explanation and clarification, other organisations were contacted, as listed there, for their input on a range of issues in the documentation and design, and then they were forwarded back to the relevant authorities for their information.

Senator FERGUSON—The reason I raise this is I do not think we have had a public works proposal where somebody comes along and says there has been sufficient community consultation; there is always criticism of a lack of community consultation. But you are saying to us that the opportunity was there, on two occasions, for public meetings?

Mr Weatherstone—We had a public consultation meeting in September last year and again in March this year which gave everyone an opportunity. We had quite a number of

participants—up to 35 to 40—at each of these consultation sessions, where there were questions and answers and a whole range of issues discussed, and that is documented.

Senator FERGUSON—Were concerns raised at those meetings?

Mr Weatherstone—It was all fairly positive, actually. Some were worried about the environmental impact and, as we have stated, it is in a disused mine lease area so we are not impinging or impacting on any primary rainforest. There are birds nesting in the vicinity of the airport now. There are other issues like the movement of soil and the possibility of transporting crazy ants—disturbing the flora and fauna. All these considerations were put into the environmental impact statement and are being worked through with Environment Australia. Other than that, I would have to go back over the record to see if there were any major concerns.

Senator FERGUSON—Are there any concerns that you think you have not addressed?

Mr Weatherstone—If we have not, we are still in the documentation, design and negotiation stage, so there is plenty of scope to incorporate any of those concerns and address those as best we can.

Mr Greenacre—Just to clarify that, in the September consultation, what we did was, over three days, have individual sessions for all the groups listed, and then we had the public consultation. So there were the individual sessions as well as the general public consultation. People had two chances at most of it.

Senator CALVERT—Just following on from that, have you completed your EIS yet?

Mr Weatherstone—The draft EIS is with Environment Australia as we speak.

Mr Greenacre—The current status is that we have submitted the draft, we have had comments back, we have addressed the comments and those replies have gone back to EA.

Senator CALVERT—Have you identified any endangered flora or fauna on the site? Having been a member of this committee for a long time, I can tell you that we always seem to find little things popping up like mouthless moths, legless lizards and rare plant species that have cost the Commonwealth hundreds of thousands, perhaps millions, of dollars in the past. Is it likely that anything will pop up that could cause a problem?

Mr Greenacre—Not to our knowledge. It has not been addressed in the discussions with Parks Australia North or EA. All of these issues are being addressed with those agencies.

Senator CALVERT—I was going to ask you a few questions about the vegetation, but I think you have covered that in your presentation. How do you actually go about trimming the trees? Do you have cherry pickers or something like that or do you just have a low flying hedge clipper?

Mr Greenacre—That is why they are relocating the Defence helicopter!

Senator CALVERT—You are going to fly it upside down?

Mr Greenacre—Seriously, we are basically using the equivalent of a rigger. Someone will have to scale the tree and trim the appropriate parts of the tree.

Senator CALVERT—That would be a quite significant job, wouldn't it?

Mr Greenacre—It depends on how many trees.

Senator CALVERT—When we were out there yesterday inspecting the runway, the point was raised—I think you raised it, Mr Greenacre—that it is quite an unusual runway in that it has a slope heading to the north and most of the approaches to the runway—80 to 90 per cent of them—come down the slope, if you like to call it that.

Mr Greenacre—Yes.

Senator CALVERT—Will these extensions to the runway make any difference to the current situation—as far as safety is concerned and as far as the actual comfort of the pilots bringing in the planes and all the rest of it are concerned?

Mr Greenacre—In relation to all of those areas, I was talking to the airport manager just before today's meeting. The current longitudinal grade of the airport complies with the requirements for the current aircraft that are using this runway. With the extensions, and because of the nature of the area to the north in particular, the longitudinal grade will comply with the average grade required for the new aircraft. The centre strip of the longitudinal grade is steeper than usual but, as you suggested, on the northern end we are extending what they call the flatter area—the target zone for the landings—and that will improve the safety of the runway.

Senator CALVERT—We did see this morning that a fair amount of work has been carried out down at the APSC project, particularly since Senator Ferguson and I had a look at it last July. If, by some unforeseen circumstances, works were to cease on that, would you proceed with the extensions to the runway?

Mr Weatherstone—The project brief is that we are working in parallel with APSC. We had Public Works Committee approval to do the documentation and design for this project up to tender stage. We are meeting our requirements to complete the upgrade by 2004 to allow APSC to meet their launch requirements. We have regular meetings with APSC to make sure that we are tick-tacking in our time frame. I guess the answer to the second part of your question is that it would be up to APSC to let you know how they are tacking with their time frame to meet their 2004 launch. But we would only go to tender stage. If, for unforeseen circumstances, APSC did not get any further, then the documentation and design would be put on hold and it would not go out to tender.

Mr Taylor—That has been made very clear at official level to APSC. It is a question that is better addressed by APSC themselves, but I think it has been made very clear that in the context of the time scale that Mr Weatherstone has spelt out in the presentation they will have to give firm indication of the project going ahead. Assuming that your committee does endorse what we

are proposing and it gets parliamentary approval, then my minister has made it very clear that APSC will have to indicate very clearly before work will actually start.

Senator CALVERT—If we had had this hearing in September last year, when we were thinking about having it, I guess the evidence of the space centre probably would not have been as much as we saw this morning.

Mr Taylor—There would not have been the progress that you have seen this morning, but I think the government's commitment and APSC's commitment in the joint announcement that were made last year was much closer to that September hearing. So I think the same analogy applies.

Senator CALVERT—Just one question about the actual process. You are saying you put this out to tender. You do not ask for expressions of interest first?

Mr Weatherstone—We will just run through the progress stage as we had up on the display. Graham, you might like to go through the stages with the expressions of interest down to letting of a tender.

Mr Greenacre—For a project of this size, we would be calling for registrations of interest. An advertisement is placed in the national papers and the Western Australian papers, and translated into three languages. That ad has already been placed. I do not know the exact date when it is closing, but normally we give people three to four weeks to put in their expressions of interest. Those people who put in expressions of interest have to reply to a set number of criteria and provide information on those criteria. Then the submissions are evaluated by a panel, which comprises largely DOTARS people and with technical advice from GHD. Then a short list, probably of the order of four tenderers, will be selected. Once the documentation is complete, they will be issued with the tender documentation to put in a formal tender. Then they will be assessed.

Senator CALVERT—Could you some time today or tomorrow find out and give me a time when expressions of interest will be closing. I was approached by a local firm in Tasmania who have interests in Timor. We are thinking they might be able to put in an expression of interest. I will take that back to them.

Mr Greenacre—Certainly I will be able to provide that to you, Senator.

Senator FERGUSON—Who is looking after Tasmania?

Senator CALVERT—We are a struggling island, too.

CHAIR—I would like to go back for a moment to the safety issues. You made a strong point about the poor visibility for pilots in poor weather conditions. Are you able to provide to the committee CASA's advice as to the reasons why they reversed original advice that the airport no longer requires emergency services? Could you also give the committee some idea of whether there have been safety incidents or whether you think we may need to call the airport manager to give us a better idea on the safety issues?

Mr Taylor—Mr Bridges can be called if that is what you require. As I indicated to you yesterday, there is strong anecdotal evidence from operators and aircrew I have spoken to personally. The runway has a particular windshear problem to the north. My understanding is that that windshear will be dramatically reduced by the earthworks that are proposed. That must, of course, enhance the safety. I do not know whether you want Mr Bridges to elaborate on that.

CHAIR—What does the committee feel about this? Do you want additional elaboration? Can you provide us with the CASA reasons?

Senator CALVERT—Perhaps the manager could tell us, but I was told that it was only anecdotal that Christmas Island was probably in the top seven most dangerous airstrips in the world. I guess lengthening it and taking out the windshear could improve it.

CHAIR—I also wanted to ask some questions on that. Again, it may be that you could answer these questions. Perhaps I can put the questions to you and then we can decide whether we call the airport manager. I notice in your submission that you are going to take out of service the non-directional radio beacon—or the NDB, as it is commonly known.—and you will install a GPS descent procedure later in 2002. I thought we should have an explanation for the public record of what those two systems are and why you would replace the NDB with a GPS descent procedure system.

Senator FERGUSON—Could I make the suggestion that, because we will be recalling the department, we could recall the airport manager at that time. There may be other issues that come up during the questioning which could all be answered later at the one time.

CHAIR—Can you answer those questions now, or should we wait until we have the airport manager?

Mr Greenacre—It is so complex that some of the things you are actually asking are in fact not logically connected. The issue with the fire service is not necessarily connected with the approach beacons and methodology of landing a plane. Also, CASA did not actually change their decision. The sequence was that, in preparing the scope of works, DOTARS and GHD put in a fire service and, when we went to CASA, they actually said that it was not needed.

CHAIR—I was not actually putting those two together. They are technical issues that I thought were perhaps more relevant to airport management rather than yourselves. But if you can answer those questions, we can deal with them now rather than later.

Mr Greenacre—The issue with the NDB is that there are three systems that are currently operating on the airport. It is generally believed by the airport staff and also CASA that the NDB is not being used. What the airport management is proposing to do is to turn off the NDB and see what reaction they get from the planes using the runway. If there is not any reaction, they are proposing to close it down permanently, because there are other systems used—including the VOR, which is what they use to find Christmas Island, effectively. The NDB is not used as any approach methodology; it is a non-directional beacon which they use to find Christmas Island.

Senator FERGUSON—I would like to add to the question that might be placed on notice in relation to the fire truck. Was the decision of CASA not to require a fire truck or emergency services here based on the number of flights that currently come into Christmas Island and did not take into account the proposed number of flights that may come in the future?

Mr Greenacre—No, it was based on the proposed number. We went to CASA before the DIMIA facility was brought up, so the information we provided to CASA did not include the DIMIA information. At that stage, we had also proceeded with a revision to the master plan for Christmas Island, and that did not include the DIMIA information. We then went back to the master plan people and said, ‘You need to update your draft, because there has been a change.’ We propose to go back to CASA with the final information when we get the revised draft of the master plan and say, ‘Could you now review your previous advice to us?’

Mr BRENDAN O’CONNOR—It seems to me to be a cyclical problem: if you include emergency services, that may precipitate an increase in flights and that may realise the need for the service. That is an issue in itself, I guess.

Mr Greenacre—To develop the master plan, a specialist consultant looks at predicting flights, effectively. He interviews all the current people on the island and all the prospective businesses. When he has talked to APSC people and gone back and talked to DIMIA people, he will make best estimates of what he thinks the flights will be in the future. So obviously any prediction into the future is just an estimate. That information is then used to work out what services you need.

Mr LLOYD—Can I just foreshadow another question, probably for the airport manager. You mentioned, Mr Greenacre, that it is believed that current users of the airport do not use the non-directional radio beacon and that it was planned to turn it off and see if anyone was concerned about that. Could someone elaborate on the safety issues of switching something off and finding out whether or not people really need it? I would appreciate that, thank you.

Senator CALVERT—This may also be a question for the airport manager, but I think it is a more general one. It is a question on security. When you are doing the site works, I presume you will make your own arrangements. But, given what Mr Taylor said today about a naval facility being here for a helicopter and the fact that you have the sensitivity of bringing in satellites and rocket ships from Russia, have any arrangements been made to upgrade security at the airport here, or is that something that the Asia Pacific Space Centre are responsible for?

Mr Greenacre—During construction, we have a procedure called a method of work plan. The contractor has to develop a method of work plan that has to be approved by the airport operators so that the work can proceed in an agreed manner during construction. Once the airport is operational, then that really is an issue for the airport operator.

Mr BRENDAN O’CONNOR—The question I have relates to money—certainly one of the important matters we have to consider. There have been suggestions that the upgrade could well have been a joint venture, that it could have been a combination of government moneys and moneys and resources provided by the APSC. Have you considered the feasibility of entering into joint funding with the APSC, given that they are likely to be the greatest beneficiaries of the airport upgrade?

Mr Taylor—You are dealing with a government decision here. All I can say is that the government has decided what it has put forward today. I have no further comment to make. Private individuals may have a view, but that is a government decision and we are complying with a government decision.

CHAIR—Could I perhaps add to that question somewhat, because \$51.3 million is a very significant Commonwealth investment in this project and part of the reason given for it is, of course, the Asia Pacific Space Centre. Would you like to comment on what the situation would be if, for example, the Asia Pacific Space Centre did not proceed. Would there be the need for an upgrade of this magnitude in that eventuality?

Mr Taylor—Maybe there is somebody here this afternoon who will make this point, but anecdotally, again, and within my advisory committee there has been a consistent view that, irrespective of APSC—and we all hope that that project goes ahead; it strengthens the argument—we should have that sort of facility anyhow to cover some of the safety issues that we have raised.

CHAIR—Thank you.

Senator FERGUSON—It is also a fact, though, isn't it, that the only reason that we are looking at a proposal today is the fact that the government entered into this strategic investment agreement with APSC? Otherwise we would not even be contemplating extensions to the airport. When we talk about whether or not it goes ahead, the reason we are doing this is because of a decision that was made as part of the strategic investment agreement that in fact there would be extensions to the airport—otherwise we would not be here.

Mr Weatherstone—That is correct.

CHAIR—I think we are all done with questions. Thank you very much.

[3.06 p.m.]

CHEONG, Mr Choon Foo, Resident Manager, Phosphates Resources Ltd

JONES, Mr Philip, Manager, Technical Services, Phosphates Resources Ltd

HUSTON, Mr Michael, Adviser, Commercial Projects, Christmas Island Phosphates

CHAIR—On behalf of the committee, I welcome you to this hearing. The committee has received a submission from you. Do you wish to make any amendments to the submission made to the committee?

Mr Cheong—We will leave the written submissions as they are. What we would like to do this afternoon is present to committee members a number of maps which Michael is putting up on the wall. If the committee wishes, you can take those maps with you. In addition to that, we will talk to our written submission. Mr Jones will talk about the botanical details of what we have submitted, and Mr Huston will add any other details that will be necessary.

CHAIR—Before I invite you to speak, can I remind you that we are on a time limit here today. If three of you are speaking, you need to sort out the time you take. I think we have 30 minutes in total, otherwise we will run into problems with other people who wish to address the committee today. I now ask you to make your statement, after which we will proceed to questions.

Overhead transparencies were then shown—

Mr Cheong—I will just give you a brief general outline of the CIP mining leases, our exploration licence application and our mining lease applications. Mr Jones can then speak to those leases in detail. The area of our exploration licence application is indicated by the black line on the first map. Obviously, that is on the eastern part of the island including the ‘dog’s head’ area, which we were talking about.

Subsequently, we also applied for nine mining leases within that exploration licence area. These are indicated by the areas in green. Quite a number of the mining leases surround the airport area. Our existing mining leases are outlined in red and that is better shown in the next map. We have mining leases over most parts of the island. This shows the area of the airport a bit better. The area of our mining lease application is shown in pink and our mining leases that surround the airport are shown in yellow. Mr Jones will speak to them in detail.

Mr Jones—I will talk about this plan because everyone is more familiar with it. We have a mining lease boundary that comes through here, which includes most of that area shaded in green. At the northern end the mining lease boundary follows this white line and we have another one on the other side. This part will be excised from an existing mining lease. As stated earlier, it is an area that was mined some time ago when the price of phosphate was lower and a higher grade was required to be profitable. We can now mine much lower grade phosphate than they did in the past. As a result, some of the phosphate contained within this area may be

profitable. We have not had time fully to drill that area; we started but because of other commitments at the detention centre at North West Point our drill rig is now fully occupied there. However, we want to continue looking for phosphate here and if we find suitable phosphate we would like to be able to mine.

I do not think any of the runway will be in our mining lease but the area shown in green would bury any phosphate that may be in that area. A large part of that area at the northern end—especially this area—falls within the mining lease application that we submitted some time ago. It has not been granted yet but it is under application; it has been submitted to the mines department and the procedures have been correctly followed.

We believe there would be quite substantial phosphate resources in that whole area. We are proposing that, even if we are not granted a mining lease, certainly the areas where excavation or filling is going to occur, we have the opportunity to mine the phosphate out. In the yellow areas, that would be doing the project a favour because we would be cutting down material basically for free. If we mine in the green area, we would probably be removing at most one or two metres of phosphate. That would then require backfilling afterwards. The important thing about this is that we will be maximising the recovery of our resources on the island, it would provide revenue to the government presumably in part to pay for this operation in royalties, company taxes and income taxes from employees. There is potentially a substantial revenue possibility there for the government.

In the areas that are not shown in yellow or green, there is certainly some phosphate there as well. Although it will not be immediately removed in the yellow areas or filled in the green areas, we would like the opportunity in the future to dig that material out, in part to further lower that area and perhaps to make it safer—that is a good excuse. Up in the northern area, we have several road realignments. The realignment shown here impacts on us. Although it is just an engineering problem, we certainly would require this intersection here to be suitable for use by road trains with two trailers, as we commonly use in this area. We need to be able to turn that corner. The other things is that this cut through here will remove quite substantial amounts of phosphate—there is a large stockpile in this area that we would like access to. That is not in an existing mining lease; it is in a mining lease application.

Down here, we have some realignments occurring. They all occur within our existing mining lease. That is a large flat area. The reason it is flat is that it has not been mined yet and we certainly intend to mine in that area. That is quite high grade phosphate and we would not be wanting to leave that behind or be dug up and wasted somewhere else. The whole area is very high grade. It is particularly useful to the company because it is close to our driers. Therefore, the cost of production would be much lower than it would be elsewhere. The other thing about this large flat area is that somebody in the past has requested that we consider handing that area over for a temporary lay-down area for use by contractors to maintain their vehicles, dump equipment, supplies and whatever. We are not really happy about that because that flat area is earmarked for two purposes: mining and also we are committed to accelerated mining at the spaceport area at ML 100 and 101. Substantial tonnages will have to be stockpiled ahead of being processed. We expect three million tonnes at least to be stockpiled and that area is an ideal stockpile area for us. We would like to keep that flat area to ourselves for that purpose. Any equipment maintenance may result in spillage of oil and fuel and that would contaminate the phosphate underneath, perhaps completely destroying the use of that phosphate.

You talk about digging through here. We have stockpiles in this area. With this particular cut, which is in our mining lease, and that area in there, which is in our mining lease, if there is any phosphate there, we would certainly want to get it out beforehand. If there are any restrictions in heights through here with other stockpiles, we would like to make sure we get it out first. Unfortunately, because of our commitments elsewhere on the island, it is going to be difficult for us to schedule any earthmoving here. We would need lots of time and some consideration from the contractors and the people involved in this project.

As Christmas Island Phosphates supplies a lot of chalk on a commercial basis on this island, it is important to us that any chalk that comes off our mining lease as part of these excavations is ours because, quite simply, we would be selling that to our customers elsewhere on the island. It is a valuable resource to us.

Mr Huston—I thank you for the opportunity to allow me to make some comments which will enable the committee and parliament to be better informed about the community's reaction to the airport upgrade. I will provide particular comment as to its effects and impacts upon the operations of Christmas Island Phosphates. You have heard a reasonable amount of detail, and hopefully it was sufficient enough to inform you of some of the particularised impacts the airport upgrade will have on our operations and logistics, and of how we schedule equipment and schedule our exporting of stockpiles and so on.

By way of some general background, it is important to advise you that Christmas Island Phosphates is the single largest business and employer on the island. It is the backbone of the island community, and it is proud of its operational history, environmental record and community involvement. Christmas Island Phosphates will retain this role, even with the advent and operations of APSC. By way of business background, it is important to note that Christmas Island Phosphates is a Western Australian export award winner and an Australian export award winner. Christmas Island Phosphates is a medium-sized business but, nevertheless, it makes a significant contribution to the Australian and the island economy.

Just to give you some figures, adding to the presentation made by Mr Jones, over the last 10 years, which basically covers the life to date of Christmas Island Phosphates, we have generated export revenue of \$350 million. We have generated royalties, taxes and levies to the Commonwealth in excess of \$30 million. We have made employment tax payments on behalf of our employees to the Commonwealth in excess of \$20 million. We have made other contributions to the island by way of payments to Commonwealth authorities that we have to make and of other payments on the island in excess of \$70 million over that time. That is a total contribution in the life of the company to date of half a billion dollars.

That is our contribution to the Australian economy, effectively. You can add to that our direct contribution to the island economy in terms of wages and payments made to contractors that we have outsourced to on the island, which would be somewhere in the range of a quarter of a billion dollars to half a billion dollars in that period as well. If we are allowed to operate in the way that we have planned, without these continued interruptions from government projects, over the next 15 years we will be able to make a contribution in the order of double that which I have just described to you. That is what you are talking about affecting in an adverse way, which I will seek to outline to you shortly.

Now I want to come to the airport upgrade. The company considers that infrastructure upgrade on the island and improvements generally should come, wherever possible, as an additional rather than net benefit to the island economy and the island community. By that I mean exactly what the words say: there should be no losers, only winners. If there have to be winners and losers, so that there is a net benefit for an upgrade which the community wishes, the next test should be that there are no significant losers and no significant new winners. In particular, existing enterprises such as us—export award winners—that are major economic contributors to the Australian community and to the island community should not be disadvantaged in the way you are talking about.

I want to quickly outline, in the time that you have given me, some of the particular aspects that cause us grave concern. As I have already detailed, there are very significant adverse impacts on the resource life of the company, on our leaseholding if you resume further lands, and on the economic logistics of how we operate and how we meet the export demands of the customers that we have been able to generate—which the Australian and British governments in previous operations on this island failed to do. In addition, this will have all the adverse impacts of the equation going in exactly the reverse direction from that which I outlined in the Commonwealth revenue numbers and island revenue numbers I gave you a moment ago.

I want to take issue with a number of points set out in the DOTARS submission prepared for the committee and in the DOTARS submission entitled *Christmas Island master plan*. There have been no discussions of any merit with this company in regard to this proposal. There have been no submissions of any real sort made to this company by DOTARS or anyone in the Commonwealth. What submissions and information we have received, we have received due to our request for meetings. In September we were given some information about the port, the road, the proposed temporary detention centre and the airport, and were given a large range of possibilities, alternatives and options. In March, when there had been no follow-up from the Commonwealth—none—we sought follow-up meetings and were advised that only one project was going ahead in 2002. So in September 2001 we were given some options. In March 2002, we sought information on what the hell was going on and we were told, ‘All projects are off the agenda. The only project that is happening is the new port upgrade. There is no need for you to consider any other matters at the moment.’ We have hummed along on that basis until this Public Works Committee—thank goodness—has come along to give the community, the company and others on the island a chance to have some real input rather than to be told what will and will not happen and that it is a like it or lump it situation.

I emphasise that, as far as we are concerned, there has been no proper consultation to date. I note that in the master plan DOTARS talks about consultation with GHD, CASA, Parks Australia and Environment Australia and, as a result of that consultation, about making a large number of changes and removing a number of options regarding extensions and which end to extend and so on. That sort of consultation has never occurred with the company and yet you want to strip us of a significant portion of our phosphate resources and of large sections of operating areas on our existing lease. These are in our most economically favourable area, where the grade of the phosphate and its location to our infrastructure make it more profitable and more economic for us to extract that phosphate. There have been no consultations in regard to that matter, no formal submissions, no request and no documents—nothing. We note, in the DOTARS response to the submission we have made, that they say that it is unlikely that mining

will be permitted in the airport zone areas, which are the application areas that we have made at the top end. That is the north end of the airport.

We have never, in any of the meetings that I have had with the Commonwealth, whether it has been with members of parliament, ministers or with government departments, ever had that advice put to us that mining was not going to be likely to be permitted in any of those areas. That is a new surprise that has come out of the documents that have been unearthed by the Public Works Committee hearing. In any case, our exploration licence application was made a couple of years ago and our mining lease application was made late last year, pre-empting all of these proposals from the Commonwealth. The Commonwealth is nevertheless proposing to sweep aside in its own interests existing economic interests on the island to meet its own agenda.

I would have to say to you also that, despite the fact that we would argue that there has been no real consultation, in the meetings we have had that we have sought where we have sought to respond to what limited information has been given to us, we have at least tried to provide some off-the-cuff responses along the lines of those already outlined to you by our geologist, Mr Phil Jones, a moment ago. If consultation is what is supposed to prevail and if consultation with EA, PA, GHD, DOTARS and others means that changes can be made and voices can be heard, there has been no consultation of that type with the company. All of the problems that we raised in those initial meetings that we sought that have just been raised by Mr Jones were raised also at the time; and there have been no changes, no alternatives put, no consideration of any of that. So the desire seems to be to steamroll ahead and sweep aside the economic interests of the community, the fact that we are the largest single employer on the island, employing 180 people, and all the other economic figures that I mentioned to you a moment ago, for some agenda that the government has.

I point out that the Commonwealth seems happy to seek all sorts of exemptions for itself in terms of the slope of the airport, the run-off grades at the end, air safety factors and fuel factors. We are going to be having APSC bringing in highly hazardous, dangerous substances in heavily fuel loaded planes, super fuel loaded planes, because there is going to be no fuelling capacity for them here. That fuel alone is a danger. In every extent that I can read so far, every safety limit is going to be exceeded by virtue of exemptions having been granted, mostly by CASA, it would seem. I find that surprising and a recipe for a major disaster that will impact on this island in the most adverse way, particularly if you allow the airport to be extended to the north, which means you are extending it towards the only settlement areas on the island, towards the only population areas on the island.

The Commonwealth wants to get all sorts of exemptions. When Christmas Island Phosphate goes to the Commonwealth seeking a similar approach, as we are entitled to as a company, to try and seek whenever economic gain and other benefit we can from whatever exemptions and by operating within the rules, they are rejected. Yet for space launch fuels and other highly hazardous chemicals on overladen jet fuel planes the Commonwealth feels quite happy to sweep aside all of those existing safety requirements and seek exemptions, and impose that danger by extending the danger towards the settlement. I find that amazing. I would be uncomfortable to do that if I were a member of parliament.

Despite what I would regard as the offhand response that was given today in regard to employment opportunities, once again, as with the immigration reception and processing centre, as with the current temporary detention centre, as with this airport upgrade, as with all other Commonwealth projects on the island, it is amazing, given that you do have job programs yourself, that there is no defined job program, no defined employment pathway for employment opportunities on the island.

There is the notion that existing contractors on the island will be asked to consider existing employees where possible. Well, whoopee do. Thanks very much. That is a petal in our direction. It is really a pretty pathetic effort and a pretty poor response from the lead contractors and the lead tender advisers. And it is a pretty poor response from the Commonwealth, given that you do have programs that your government has established but you are not even bothering to implement them on the island. We would like to see it happen.

All of this happens because the Commonwealth is always in a mad rush to do things, because there is no overall land strategy for the island. The national park was implemented poorly in the first place and scientific consideration was not given to the boundaries. So what happens is that the only land that is available for development and for use is leasehold land already granted, as it happens, to our mining company. We have had it with Jindalee, we have had it with the temporary centre, we have had it with the new permanent centre and we have it now with the port upgrade, the road upgrades, the airport upgrade—and so the list goes on. You constantly come to us to take leased land away from us and there is never any consideration to provide alternative lease lands that are available and in the Commonwealth's province to hand back. Instead of using your own land, you come and take our land. There is no proper consultation about it. And you propose that that is a way to deal with the major existing economic enterprise on the island which, even with APSC, will continue to be the major economic contributor on the island to the island.

We have also had the surprise announcement, of course, that there is now to be a naval helipad installation. There has been no information about that other than a kind of announcement today. I would say to you that, contrary to the DOTARS submission and contrary to the information you received today from the GHD people, there have not been comprehensive consultations with the community. In September there was an announcement—along the lines that I have already talked about—about a range of possible activities: the port, the road, the airport, the temporary detention centre, as it was at that stage. There was no talk of a permanent immigration reception and processing centre. They were all put forward as just a range of proposals and we were inundated with some technical data which does not mean a lot to people in the community on the island until they have a chance to digest it.

If you have operated on the island and been around anywhere, you will have seen that you need to do things in three languages: English, Malay and Chinese. Even local signs are done that way. That is how presentations on the island need to be done. That has not happened. The consultation has been Clayton's consultation. It has been a charade and a facade, just as it has been with the company. The so-called update in March 2001 was in fact the minister coming to the island, announcing the permanent processing centre and cancelling the sessions that were to be held about Christmas Island infrastructure upgrades.

In addition to the community concerns that I have raised in regard to extending the airport to the north, and in addition to the safety concerns that I have raised, I would add that from an environmental point of view it makes no sense to extend to the north. You can extend to the south into our existing mining lease. We would be able to mine those areas out, as we are entitled to now—extract the phosphate for our export customers, to the benefit of our employees, our shareholders and Commonwealth revenue. We would be able to clear that area, because we have existing environmental approvals under existing EA protocol, under existing Parks Australia protocol, not requiring any new EIS works. We could clear that area and prepare it and leave it ready for you.

That would be the logical way to go. Extending the airport away from the population would also be the safer way to go. It is also where 30 per cent of landings and 90 per cent of take-offs occur, and from an existing operational viewpoint it would therefore make sense to enhance the possibility of that continuing. If you extend to the north, what is more, you are extending into the only large nesting area of the endangered Christmas Island frigate bird. The Christmas Island frigate bird is more endangered than the booby bird. At the last survey, there were only 1,500 breeding pairs of the Christmas Island frigate bird. They all nest to the south and, in part, along the strip of the area that you are proposing to extend towards. The booby bird, which is much talked about as being endangered, has double the number of nesting pairs. Based on the last survey, there are 3,000 nesting pairs elsewhere on the island, well away from these areas.

I also take issue with the noise surveys. I do not know anything about this ANEF business, but based on your own master plan if you compare figure 3.7 for an Antonov to figures 3.17 and 3.18 for a dash 8, looking at arrivals and take-offs for those respective planes, you are moving the decibel zonings from in the fifties for the whole residential population—which is a permissible noise limit for any residential use up to any industrial use—into the eighties and eighty-fives. That is almost a 50 per cent plus increase in noise level for the community. There is only one area where the community lives, and you are proposing to triple the number of flights and increase by more than 50 per cent the noise levels for all those residents. In fact, you will delimit all known human use, from residential use all the way through to light industrial use, in all the Taman Sweetlands, in half of Poon Saan and half of Silver City and in much of the settlement, if you move those levels into the eighties and eighty-fives, as is shown by your own computer modelling. For some convenient reason, only the ANEF figures have been presented here today and not the decibel ranges I have just presented.

The final issue I would like to raise is in regard to bird hazards, which are regarded as an extreme aircraft hazard. If you extend towards the south, as I have already pointed out, you will be extending into the Christmas Island frigate bird nesting area. I am less concerned about the bird hazard level for the planes there and more concerned about the numbers of the 1,500 known nesting pairs that exist there. How in the world Parks Australia North or Environment Australia can recommend that you extend toward those areas and toward the settlement and not toward an area that can be cleared and dug out and refilled—that is, to the south—is totally beyond any logic I possess. Although I have other matters I wish to raise, I will leave it there, in the interests of time.

CHAIR—Thank you very much. I have noticed that in the submission by DOTARS, they list Christmas Island Phosphates and also the Christmas Island Chamber of Commerce as groups they have consulted with. You say you have not been consulted at all?

Mr Huston—I put it in exactly the terms that I proposed earlier. In September, I sought meetings about other matters—so that is how I know—and these matters were raised. It was not just the airport upgrade; it was a whole range of issues. It was a smothering of issues.

CHAIR—A public meeting was organised in September 2001: were you part of that public meeting?

Mr Huston—An invitation to that was sent, yes.

CHAIR—Did you or your representatives attend?

Mr Huston—I am not sure if we attended, but that initiated my request for a more detailed briefing from DOTARS when I was in Canberra, which other company representatives attended as well.

CHAIR—This is quite a critical issue and obviously of major importance to you, so why would you not have had a representative at that initial publicised meeting in September 2001?

Mr Huston—Firstly, certainly I was not on the island and, secondly, we have a company operation to run and cannot attend every meeting that is held on the island, so we sought to supplement with our own follow-up meeting.

Senator FERGUSON—You cannot attend every meeting on the island, I am sure, but this was a special meeting concerned with something that affects your operation.

Mr Huston—We sought that information and sought to follow it up. We were given generalised information about a range of alternatives and projects. When there was no further follow-up—and we sought follow-up in March—we were told that all of those alternatives and projects were off the agenda for 2002.

CHAIR—Who on the island is representing your interests who perhaps should have been aware of this meeting? Were you aware that this meeting had been publicised?

Mr Huston—No, I was not. It was not sent to the Perth or Singapore office.

CHAIR—Who is your island representative, and were they aware?

Mr Cheong—At the moment, I am the representative for Christmas Island Phosphates. I was not on the island at that time. I was employed in January this year. I am not trying to get out of it, but I do not know at this stage whether the company had a representative at the meeting or otherwise.

CHAIR—The reason I ask is that this committee has always been very particular about the community consultation process, and that includes, obviously, all interested parties. From our point of view, it is a pretty serious allegation that no consultations took place with Christmas Island Phosphates and, as I said, they are listed in the list of organisations that were consulted

with. The other organisation is the Christmas Island Chamber of Commerce. Are you a member of that chamber?

Mr Huston—We are certainly involved with the Christmas Island Chamber of Commerce, and we assist them pretty extensively. The key point is that consultation, from our point of view, is not holding a meeting and presenting a range of options, alternatives and projects and a lot of technical information and then saying, ‘Are there any questions?’ when you have only just seen it.

CHAIR—But there has to be starting point. I am trying to establish for the committee what this process has been. No doubt we will have more questions on this for DOTARS when they are recalled.

Mr Huston—I agree that there has to be a starting process. I would suggest that a reasonably good effort was made in September to have a starting process, but there has been no proper follow-up. How can people absorb that sort of documentation and information? How can they think of how it is going to affect their lives and operations?

Mr BRENDAN O’CONNOR—I think Mr Jones put forward the fact that it is obviously a preference of the company to mine some areas in the event of the upgrade going ahead. Can you estimate time lines for the mining of either parts of the surrounding areas of the airport to be upgraded?

Mr Jones—I could make an estimate of the time required, but I have not seen plans like this before, showing the areas to be mined and the areas to be backfilled. I could only speculate before. Basically, we would be prepared to put in a drill rig, drill those areas to find out what exists there, and then mine what time allows us to mine within those areas.

Mr BRENDAN O’CONNOR—How long would it take for you to come up with a credible estimate, now that you have seen the plan?

Mr Jones—An estimate cannot be properly made until we are drilling through that area. We would need to drill that area and it would require a good month at least to drill, or maybe two. Once we have the drilling results, we could mine. Once again, it depends on what we find, but I would expect some of that material to be very high grade. It may be three, four, five or six months—that is, within those yellow and green areas. What I am also proposing is that, in the darker areas contained within the white line, there are very large phosphates deposits, mainly in a stockpile shown on that map. That would require many months, but it would not hold up the progress of the construction. Between flights, if you like, we would go out there and dig. It would not interfere with the construction of that extension.

Mr BRENDAN O’CONNOR—Specifically with respect to the southern end of the airport or the runway, do you think it is feasible to mine in a restricted sense even if the extension of the southern end were to happen?

Mr Jones—Once again, we would need to do some drilling down there—and it is a bit like asking, ‘How long is a piece of string?’ We would certainly want to drill all that area shown in green before we could decide how long it would take. Part of the problem we have is that we are

currently working all over the place to meet requirements for land that we have to relinquish—like South Point for the space centre and North West Point for the immigration centre. Our drill rig right now is ready to drill at North West Point for a similar reason: to identify what resources lie within that area. Mining will be difficult for that reason. We are committed very heavily to mining what we can out of the space centre. We would maybe have to mobilise other equipment and people to mine that material.

Mr BRENDAN O’CONNOR—Clearly, from all submissions made, Christmas Island Phosphates is a very important part of the local economy. It is the largest employer—that is correct, isn’t it?

Mr Jones—Yes.

Mr BRENDAN O’CONNOR—Therefore, it is an integral part of the community—and I think you have made that point very emphatically clear, if it was not already self-evident. Are you able to estimate how viable Christmas Island Phosphates will be in the foreseeable future? Have there been any estimates as to whether there is going to be any decline of mining, whether it is going from strength to strength or whether it is going to maintain its viability? So that you understand where I am coming from: clearly, if the mine is going very well then the need to attract other activities probably is not as necessary, I would think. Would you answer that question?

Mr Cheong—The existing mine leases that we have have limited resources within them. In the area at the South Point, where the space project is taking part, the majority of our resources in that area are confined to two mining leases. The other large area where our resources are located is in the North West Point, where the Commonwealth now is asking us to relinquish. To the company, the future lies in the granting of further mining leases to the company. As I have pointed out, we have applied for nine of those mining leases in addition to the exploration licences that we have applied for. That really is where the company sees its future. There are limited resources—phosphate, like all minerals, is a finite resource—and what we have in our existing leases will not last beyond a decade, I would suggest, and our longer-term future lies in the granting of the mining leases that we have applied for.

Mr Huston—I think it is a most relevant question and a pretty important one which, for some reason, Commonwealth members we have been making submissions to in a range of matters have not fully appreciated. They seem to think that, because we have made a success of an operation which the British government and the Australian government were unable to, we will be just be able to continue doing that.

We have been able to make a success of the operation not just because of the resources that exist on the leases that we have, but because of the way we have been able to blend those resources to meet the just-in-time requirements of a range of customers which previously were not purchasers of phosphate resources from Christmas Island, mostly in South East Asia. So it is most important not only to understand the volume of resources but also the nature of the way the company operates and uses those resources to meet its customers’ demands, new customers which we have developed. We have already been making run-down plans—the company is already in a run-down mode over the next several years, based on its nine resources. That is

why we have applied for new resources. Between what you propose for the Immigration Reception and Processing Centre and these sorts of works—

Senator FERGUSON—We are not proposing anything. We are a parliamentary committee and I think, perhaps, you ought to change your tone. We are not proposing anything.

Mr Huston—Thank you, Senator. Between what the Commonwealth proposes in regard to the immigration processing centre and in regard to the road upgrades and the airport upgrades, that significantly shortens an already short life. It significantly alters the way the company can run. It significantly alters the outlook for our employees. It is a pretty major factor, so I am sorry if my tone has sounded somewhat exasperated but that is why. We are talking about the life of the company and the life of the community.

Mr Jones—As a geologist I am responsible for estimating the resources for the company. After we lose our land at South Point at ML 100 and 101, after we lose the land at North West Point for this detention centre and after we lose the land up here, 90 per cent of our resources are gone. So we need to fight for what remains obviously.

Senator FERGUSON—Mr Huston, listening carefully to your evidence, I can only assume that you do not want the airport extensions to go ahead.

Mr Huston—To the contrary. We are very much in favour of improving the airport, improving the safety of the airport and increasing the number of services that can come to the airport. In terms of the test that I outlined, if the airport upgrade can be altered in the way that we have suggested, towards the south, then all of those matters can be met and all of the company's desires and the community's safety can be met as well as the environmental factors. If it is not then the upgrade fails that test.

Senator FERGUSON—So you would prefer it to be extended to the south, over more of your mining leases?

Mr Huston—Yes. That can be done in a way which would enable us still to clear that area. You are talking of a program that extends out to 2004.

Senator FERGUSON—Yes, but you have to start building before 2004 if you want to finish in 2004.

Mr Huston—Sure. I understand that.

Senator FERGUSON—So how much time are you asking for? If we extend it to the south, how much time would you need to mine that area out before we could start extensions?

Mr Huston—We would have to do what we could in that time.

Senator FERGUSON—But that does not answer my question. You said you want to mine it out. How long would it take you to mine that area out?

Mr Huston—I do not know, and it has not been drilled and no-one knows that. Not enough information has been provided to date to enable that.

Senator FERGUSON—It could be three years, four years, five years. We have no idea, have we?

Mr Huston—At this stage we have got no idea. We have got no idea in regard to the north, either.

Senator FERGUSON—Yes, we have got some idea on the north because currently you have not been granted a mining lease.

Mr Huston—We have the mining lease application.

Senator FERGUSON—But you have not been granted it, have you?

Mr Huston—That is correct.

Senator FERGUSON—So in fact there is nothing to stop it going ahead.

Mr Huston—But we do have the mining leases on the sides which you are now proposing to impact by virtue of your excavations. We do not know that, either.

Senator FERGUSON—I must correct you. It is not ‘my’ proposal—

Mr Huston—I am sorry, Senator.

Senator FERGUSON—and I find it quite offensive, to be honest, with the way that you have gone through this whole process talking about it as if it was ours. We are not the Commonwealth; we are not even the government. We are here as a parliamentary committee with members from both parties inquiring into a public work. All through your evidence you have talked as though it is us who are doing something for our own benefit when in fact we are not. We are here to look into the whole project for the benefit of Christmas Island people.

Mr Huston—I accept that point.

Senator FERGUSON—Where did you gain your expertise in safety management, in environment and in all the other issues where you have criticised Parks Australia, Environment Australia, as though you know more about the birds that are to be protected than any of these official organisations? What expertise do you have in these areas to override any recommendations that they might make?

Mr Huston—I have relied on the information that has been provided in the master plan and in the information that has been provided in the DOTARS submission to your committee.

Senator FERGUSON—What do you think Environment Australia have based their decisions on?

Mr Huston—I do not know, but they have obviously come to a different—

Senator FERGUSON—Exactly the same stuff.

Mr Huston—That is a question you would have to put to them, Senator; not to me. I do not know.

Senator FERGUSON—They are experts in their field. That is the point. You go to the people who are responsible in their own field to get the decision; not the people who have no expertise in the field.

Mr Huston—I can only comment, as I have done, on the information that has been released for public comment. I have commented in that regard. The bird information that I have suggested to you has in fact not been referred to in any public way by Parks Australia or Environment Australia. I am not sure when they last did a survey.

Senator FERGUSON—But whenever—

Mr Huston—You would have to ask them.

Senator FERGUSON—Whenever a proposal is put forward by DOTARS or by any other department that Public Works has to investigate, they go to the relevant organisations and the relevant departments to get their opinions, their clearances and their approvals, and in this case they have not, so why should we accept your evidence about danger to species of birds or danger of sound volumes when they might be using a method that you are not aware of? If we do not go to the people who have expertise, to whom are we going to go to get some clearance?

Mr Huston—Of course you go to your department, Senator—sorry, not your department—the government will go to its department, and the Public Works Committee will seek that advice as well. That is quite proper. And it is quite proper for us to comment on it as well.

Senator FERGUSON—It is certainly proper for you to comment on it.

Mr Huston—That is all I have sought to do, and to highlight matters which are of concern, and to highlight what at least on the surface, as a matter of logic, seems strange, that you would extend into an area that is going to have some kind of environmental impact rather than extend into an area which already has environmental approvals for clearing, for digging and for refilling.

Senator FERGUSON—There is also, of course, if the airport extension were to go to the south, the amount of cost involved when the department said, I think in the brief they have given us, that in fact there is a greater cost in going to the south than there is to the north because of the amount of fill required and a number of things, and there is only a certain amount of money that the government has committed to this project as part of a strategic investment decision that was taken over 12 months ago.

Mr Huston—Yes, and I have not sought to comment on that costing exercise. As that information is not revealed, there is no basis upon which I could make such comment, and so I have not sought to do so.

Mr LLOYD—In connection with the life of the processing plant, you talk about the amount of reserves of phosphates on the island. What about the capital investment in the processing plant, and what is the expected life of that plant?

Mr Cheong—The processing plant is a matter of upgrading, as required. The infrastructure is relatively old, but it is upgraded on a fairly regular basis.

Mr LLOYD—What is the long-term viability of that plant?

Mr Cheong—I do not have a finite period for the life of that plant, but we are confident that we can continue to operate it for the duration of the existing mine life, if you like.

Mr LLOYD—Mr Huston, for a whole range of issues, you were very critical of the extension of the runway to the north. What is the distance in kilometres from the end of the runway to the closest residential area?

Mr Huston—I am afraid I could not give you that figure. What I can tell you is that the proposal, as I understand it, is to extend the runway by about 500 metres to the north and, as a result, to extend by about a further 400 metres to the north the existing airport zone. Mr Jones has tried to do a calculation. He is a lot better with maps than I am, and so maybe he could tell you.

Mr Jones—It is approximately two kilometres from the existing runway at the northern end to Settlement, due north.

Mr LLOYD—Are there any existing noise issues at the moment in the community; are you aware of any?

Mr Huston—I am not. Based on the information at 3.17 in the master plan, you would not expect there to be because the noise levels only reach 50 decibels at the most over even perhaps, say, the Taman Sweetlands. That is the closest area at the moment and, as we have just heard, is currently about two kilometres away; under the extension, it would come to about one and a half kilometres away. That decibel noise limit, under the information that has been provided, meets all human activity requirements and housing, habitation and dwelling requirements and so on. So, based on that modelling, one would not expect any noise issues.

Mr LLOYD—As Senator Ferguson has said, you were critical of a whole range of issues. From my own point of view, I will be looking at the evidence that is presented by experts in those areas also. I would put on the record that, whilst I am a new member of the Public Works Committee, I have been on a number of standing committees since 1966 and I have found, Mr Huston, your attitude towards the committee as being very aggressive. I am just putting on the record that we are here trying to do our best at a public hearing for the community of Christmas Island, and I just found that your evidence was quite confrontationist.

Mr Huston—I accept what you say. That has come out of the process that has developed so far. It is certainly not meant as any reflection on committee members in any way whatsoever. We are quite thankful for the opportunity to be able to present the case and present the concerns that we have.

Mr LLOYD—I think that some of it may have been driven by frustration.

Mr Huston—A great deal of it. Can I just say on the noise level, since you raise that issue, that one concern I do have about that is that it has all been based on computer modelling. To our knowledge, there is no noise meter on the island to test any actual noise levels.

Mr LLOYD—So you think it would be a good recommendation that some noise level testing be carried out under present conditions, and then they can project that if the runway is extended?

Mr Huston—Yes.

Senator CALVERT—I think it is fair to say I am the longest serving member of this committee. Jim, for your benefit, we do have other aggressive witnesses from time to time—I can recall one or two anyway. There are a couple of things that concern me. One is something Mr Jones said, that three projects—the airport extension, what is happening down in the south and what is happening with the other business—are going to take 90 per cent of your resources. Is that your total resources?

Mr Jones—The number is not exact, but it is of that order. By far our largest reserves exist in those three areas—very much so. We have a time to mine what is down at South Point which is going to be very difficult to meet. That is why we have this accelerated mining process under way and that is why we need to stockpile up in this area.

Senator CALVERT—We observed that this morning and I observed that when I was here last year, where you had started clearing out areas, so I accept that.

Mr Jones—When we hand over that land we will have large stockpiles, so the driers will last for a lot longer than that period. But if we lost it tomorrow—all those three areas—I think almost, if not over, 90 per cent of our resources would be lost.

Senator CALVERT—The area to the south that you are working on now: how much more work has to be done there? I noted that quite a large area had been completed, particularly where the space centre people are drilling at the moment for the proposed launch centre, and there does not seem to be any phosphate left there.

Mr Jones—There are many millions of tonnes down there.

Senator CALVERT—Are there?

Mr Jones—Yes.

Senator CALVERT—Right where they are drilling now?

Mr Jones—Not where they are drilling, no.

Senator CALVERT—That is what I meant, sorry.

Mr Jones—I am sorry. There is a thin strip in the middle, which I have not put on this map here, that we have relinquished already. I will point it out to you on the map: there is a thin strip through here which has now been relinquished. Except for 50,000 tonnes remaining down here, that is pretty well cleaned out. But we have many millions of tonnes remaining here and in here, and those two leases will be relinquished in the middle of 2005 and the middle of 2006.

Senator CALVERT—In the meantime, you will continue to work those as much as you can?

Mr Jones—Yes. We have to remove what we can by those deadlines.

Senator CALVERT—You will be compensated, I presume, for what you do not remove. Is that correct?

Mr Jones—No. We are compensated for relinquishing that land. To be honest, I think the compensation is far under what we should be compensated, but that is another story. But if we leave anything behind it is gone forever.

Mr LLOYD—Can I just clarify something on that point. You have been compensated for relinquishing the leases. Does it increase or is it relative to the amount of phosphate that you remove? Or have you been compensated and it is basically a gain to the company if you can remove anything between now and whenever the space port—

Mr Jones—It is a lump sum that has been paid to the company, the lump sum being a reduction in royalties from the government, a sum of money from APSC and some of our mining leases are being converted to freehold land. So there is a value in all that. My personal comment is that it is not sufficient to cover the extra expenses in the accelerated mining process plus what phosphate we will leave behind.

Senator CALVERT—If you had more resources, in the time available you could probably remove larger areas of phosphate out of there and store it somewhere else. Is that possible?

Mr Jones—That is exactly what we are going to be doing.

Senator CALVERT—So that is where your problem arises, because while you are doing that you cannot do this.

Mr Jones—That is correct.

Senator CALVERT—Most of the area up north is in the airport zone, is it not?

Mr Jones—To the north it is, yes, except for the road realignment. The T-junction there is entirely within our lease, and a little bit of this is in our lease. The yellow area there, which is going to be cut down, is in our lease, as is the south end.

Senator CALVERT—The third area is out in the proposed Linkwater Road area.

Mr Jones—Yes. That is yet another phosphate resource.

Senator CALVERT—Therefore 90 per cent of your resources are in danger.

Mr Jones—So, just to re-emphasise what Mr Cheong said, that is why we are very keen on getting those mining lease applications approved—but that is another story.

Senator CALVERT—I presume that obviously you have been having consultations with the government on that.

Mr Jones—Yes.

Mr Huston—Yes, but hence our level of frustration and perhaps the level of my tone to the committee too, in terms of the concern we have for the company's future life and our employees.

Mr Jones—As a geologist, I am experienced in many other commodities. Perhaps everyone here would be familiar with gold deposits. A typical gold deposit is between two to three grams per tonne, and that is a very high grade ore body. Our phosphate here is worth something like five or six grams per tonne. That is a very high grade gold deposit in dollar terms. It is a very valuable resource. So, tonne for tonne, this is worth a lot more than most other gold mines; it is very valuable.

Senator CALVERT—I do not know whether Mr Huston was here when I asked of the previous witnesses whether, in fact, any endangered species could cause problems, and they said no. But now you are saying that 1,500 frigate bird nesting sites and booby birds could be in danger. If setting the runway to the north creates a problem, why would not mining that area create a problem? What is the difference? As far as the birds are concerned, what is the difference between building a runway and taking phosphate out? I would have thought both would be intrusive sort of activities.

Mr Huston—Where the Christmas Island frigate is an endangered bird—that is the one with 1,500 known nesting pairs—is in this belt here, 'existing national park', and the government is proposing to extend in that direction.

Senator CALVERT—That is over in that bank we can see through here. Is that correct?

Mr Jones—It is over the cliff.

Senator CALVERT—According to the DOTARS report—and I quote from 45, 46 and 47, which you may or may not have seen:

Environment Australia has advised that the airport upgrade is to be assessed at the level of EIS ...

The draft EIS, as we have heard today, has already been submitted. The report goes on to say:

None of the environmental investigations carried out for the preparation of the EIS revealed any significant environmental impediments to the construction of the airport upgrade. Overall the environmental impacts are considered to be minor.

As a result of discussions with Environment Australia and Parks Australia during preliminary design, greater emphasis has been given to extend the runway to the north rather than the south because of Environment Australia and Parks Australia objections to a major southern extension.

So you are saying that it is better for the environment to go south and the experts are saying that it is better to go north.

Mr Huston—Yes.

Senator CALVERT—That is a problem that the committee will have to face, I suppose.

Mr Huston—That is exactly the text of my submission, yes.

Senator CALVERT—But from the point of view of safety, in that you have pointed to the danger of overlaid jet planes and all the rest of it, whether the runway is extended that way or not, the approaches will still be the same. The aircraft will still come in the same way; even if it were to be left as it is now, the aircraft would still come in the same way. I cannot really see your argument about that particular point. However, both you and I queried yesterday the assertion that extending it and making it level at both ends—we heard this again in evidence this morning—will increase safety because, when planes land, they will impact on the runway on the level areas rather than where they do now. So, by extending it both ways, north and south, you increase the safety of the airstrip quite significantly. Given the fact that it was rated as one of the seven most dangerous airstrips in the world, I would have thought that removing any of these things would be an advantage to the community rather than, as you make out, a disaster.

Mr Huston—The problem that I foresee and about which I am worried is an overall problem arising from the government's proposal. This proposal, even with the increased flattened area at each end, still involves moving to extreme engineering tolerances—this is by their own submission and not by me being an expert; it is just by me being able to read English documents—in all such situations. That is, exceeding an N grade slope of two per cent and taking it to 3.3 per cent, for example, by using a CASA exemption. Regardless of it being a bit more flattened out, it still requires a CASA exemption.

The point I am raising is an overall point. If you are going to have a sloping runway, which of itself is not desirable; if you are going to exceed the allowable safety limits at the run-off ends and get CASA exemptions; if you are going to seek exemptions in regard to other safety issues, such as fire safety equipment and so on: if you are going to seek all those exemptions each time and yet extend towards the population and be bringing in highly hazardous substances, that seems to me to be the wrong way of going about it. What is more, at the moment you have 90 per cent of take-offs towards the south and 30 per cent of landings from the south. If you extend towards the north, you will encourage more activity as far as landings and take-offs are con-

cerned to the north, particularly if in the process you try to improve it. No matter how bad what I have just described is, it is at least better than it is now. So, if you are going to extend and improve it to the north, you will encourage activity to the north, which will only encourage the dangers and the noise problems that I have outlined being swung to the north.

Senator CALVERT—I am not going to get into an argument about technicalities. But over the years I have been involved—and this committee has been involved—in quite a few airport upgrades and facilities, and I have never heard anything else but the ANEF zones being used for noise levels. That includes Sydney, and do not tell me that that is not an area that is prone to activity as far as noise is concerned. In fact, the city of which I was mayor had the Hobart airport located in it. We have a suburb, which is a bit larger than the one you have here, that is located much closer to our airport. But our airport is covered by the same ANEF zones that are being opposed here. Even though you might know a bit more about it than I do, I think the experts in these areas would show that a minor extension of 400 metres to the north would not create any problem. We will be able to ask more about that later.

Mr Huston—To the extent that I can comment quickly, I doubt very much that I have more expertise than you do, based on what you have just told me. I am only relying on the master plan's decibel maps at 3.6 and 3.7 compared with those at 3.17. With the knowledge I have, decibel maps are what I understand and what I was able to make comment on and raise concerns about. So it was based purely on that information provided.

CHAIR—I can see the level of frustration that is evident with Christmas Island Phosphates. Clearly the government has a commitment to this development, the extension to the airport; but Christmas Island Phosphates clearly has concerns about its ability to mine being reduced by future development. You have been critical of the lack of consultation, as you have seen it. I just wonder: if you have that opportunity, what kind of consultations might take place to satisfy your requirements; and how do you see a resolution to the situation that Christmas Island Phosphates is faced with?

Mr Huston—Thank you very much for that response. To the extent that I have caused concern in any way to members of the committee, I certainly withdraw that. I was not meaning to reflect in any way on members of the committee and I certainly was not meaning to say that the committee was doing this, that or the next thing. It is, as I have said already in response to that, quite the reverse. We are extremely thankful at last to be able to have these sorts of sessions. In response to your comment, Madam Chair, I would say that this is exactly the sort of session we would have hoped to have had more of before now and we would hope to have more of later, whether a public hearing opportunity as in this case, public meetings on the island, or direct meetings that we may seek or the various departments may seek with us. There is really no other way. We accept that everything we might want in the world, the largest Christmas tree and all that sort of stuff, we might not be able to get. But we would like to be heard; we would like to have had some formal submissions put to us. But, honestly, no formal document has been put to us ever on this matter.

CHAIR—No. I am saying now that you have made criticisms—and that is reasonable—and DOTARS will get an opportunity to respond to those. But, proceeding forward from here, the government clearly has a commitment to this development. You have obvious concerns about your ability to continue to mine, given the level of development. We have heard from Mr Jones

that it interferes with 90 per cent of the areas that you would expect to mine. What is the way through? What do you want in the way of consultation now from this point; and how do you see this problem being resolved, bearing in mind that the government has a commitment within a time constraint?

Mr Huston—No doubt Mr Jones would be able to elaborate much more than I can, but there are a number of pretty obvious things that I think Mr Jones has touched on. One is the cutback areas at the side in yellow that need to be excavated to provide fill; there is phosphate in there. If phosphate is to be taken off us, then give us the opportunity to get back to phosphate that you are going to dig up any way.

CHAIR—You want the opportunity to negotiate, but can you do that within the time constraints that are available?

Mr Huston—Unfortunately I am a corporate person not a technical person, but my understanding—

Mr Jones—Perhaps I can comment here. An obvious way that consultation could go forward would be for the engineers involved with the extension to talk to the engineers and geologists with our organisation.

CHAIR—Has that happened to date?

Mr Jones—Not that I know of. In terms of timing et cetera, we have seen proposals only through public events like this one. There is no actual final design to work with. Unless we know it is definitely going ahead, it is very hard for us to justify spending lots of money on drilling and mining. This is still a proposal. When timetables are decided upon and things are more definite, we could try to work within those time constraints.

CHAIR—So consultation up to this point would not have been useful anyway because there is not sufficient definition for you to make the kinds of decisions you need to make?

Mr Jones—No, that is not true. What I am saying is that consultation would have been very useful to date. We could have talked about ways of mining in areas that are going to be buried or excavated as part of the project you are talking about here. We could have perhaps put forward time requirements for us to explore and mine these areas and incorporate that within the time lines that are involved for this project.

CHAIR—Have you made a formal submission to DOTARS in that respect—a preliminary proposal?

Mr Jones—No, not that I am aware of.

Mr Huston—No, I do not think so.

Mr Jones—I would have expected that the engineers—from GHD or whoever is involved—would talk to us as part of their putting together a project like this.

Mr Huston—With respect to the marshalling yard off to the side of our lease, you are going to be eating into our lease down here at the south anyway in a time frame which would possibly not allow us to mine it. We do not know if that is going to be the case. It is also eating into the lease with the marshalling yard. We did receive submissions and we have raised these issues before. We have raised the cutback issue and the marshalling yard issue. We have asked, ‘How much of the pie do you want? Why cannot that marshalling yard be somewhere else in some of these flattened off areas that the Commonwealth itself would need to develop as part of its airport requirements?’ So I would argue that we responded with what limited information we have had. We have responded with a range of alternatives that we would see as possible. As to the point that I think you were raising as to whether consultation would have made much difference up to now if it was all still a jumble anyway, yes it would have. It is very hard to explain quickly; I do not want to take up any more of your time.

CHAIR—Let’s just accept that what is past is past. What the committee needs to look at is how this can proceed with the best outcomes for everyone. Let’s focus on what we can do for now to resolve this. I would have thought, being in business and, as Mr Jones said, fighting for the life of the mining enterprise, that you would have been really in there working closely with DOTARS to try to put forward propositions that would perhaps help you to maximise the resource.

Mr Huston—I would just emphasise that, at the last session we had with DOTARS, they told us this project was off the agenda for this year.

CHAIR—We will have an opportunity to speak to DOTARS. I think Mr O’Connor has another question.

Mr BRENDAN O’CONNOR—I have two questions. In the event that the proposal goes ahead, what benefit, if any, would the company derive from the upgrade? My next question may have been answered in some way, shape or form. If it proceeds without any change, what proposed comparable sites could the company put forward for a lease? In other words, are there areas which you think are comparable to those that you are already making application for that are not at the moment under a lease arrangement that you could put forward in lieu of any loss—so, if you like, that form of compensation rather than any other form of compensation?

Mr Jones—In relation to the second question, we have made nine mining lease applications: any of those nine would be very useful, but of course one of them includes the airport extension.

Mr BRENDAN O’CONNOR—Okay, so how many are not affected by all of the activities? I know there are three major activities.

Mr Jones—All of those nine mining lease applications, bar the one that includes the airport extension, are free of other activities, although there are objections put forward by APSC on three of them, which we feel are not really kosher.

Mr BRENDAN O’CONNOR—So there are no other areas on the island where you could seek to have a lease application?

Mr Jones—I am saying we have made nine, and one of them, or part of that mining lease application, is affected by the airport extension.

Mr Huston—Any one of the other eight would be suitable.

Mr Jones—Unencumbered by other activities, yes.

Mr BRENDAN O'CONNOR—Just going back to the first part: is there any benefit derived from the actual upgrade for the company?

Mr Huston—In a direct sense, probably not. The airport meets our requirements at the moment, but I would re-emphasise the point I made before: regardless of the concerns I have raised, and the need to not do things at the limit of their tolerances, there is the need to improve the current safety of the airport for safety's sake, never mind for the company's sake.

CHAIR—Thank you very much.

Mr Huston—Madam Chair, do you want us to leave these maps with you? Is that something you would want?

CHAIR—Yes, thank you. They would probably be useful. At least the first two are probably the most useful.

Mr Huston—I am happy to leave them.

CHAIR—I would now like to invite some members of the public to give evidence and I will call on those in the public gallery who have advised the secretary of their wish to make a statement in relation to the airport upgrade. We are running close to time and we will need to close these public submissions at about five o'clock. That means you have about five minutes to do your presentation, so we ask you to keep it brief. Committee members will not be asking questions but we will reserve the right to perhaps question you at the end of the proceeding.

[3.37 p.m.]

TURNER, Mr Edward, Director, Christmas Island Aviation Services Pty Ltd

CHAIR—Welcome. Is there anything you would like to add about the capacity in which you appear?

Mr Turner—Christmas Island Aviation Services operate a Boeing 737 between Jakarta and Christmas Island on a weekly schedule.

CHAIR—You might bear in mind that we do have your letter, which the committee will be examining closely. I invite you now to make your statement.

Mr Turner—I have a couple of comments I would like to make regarding that letter. Firstly, just a little bit of background. The exemption that was given by CASA was given in the year following the closure of Christmas Island Resort and at that point in time we only had two flights from Perth and no international flights. That is when CASA put an exemption in, exempting Christmas Island from rescue and firefighting services. Australia is a signatory under the ICAO rules, and that requires rescue and firefighting services to be in place for any international flight. That has not occurred. Even though an exemption has been given by CASA, Australia being a signatory to that international agreement means we had to have rescue and firefighting services here, which we have not. I am not sure—and that is something the committee could possibly look into—but I do not think the exemption that CASA has given has got any standing under the international agreement. That also may mean that the full responsibility and legal liabilities, should something occur, fall squarely on the Australian government, even though that department may have given an exemption.

The other comment that I would like to make is that three international carriers have refused to fly to Christmas Island on a regular scheduled basis. Our company has approached them for flights from Singapore and Kuala Lumpur to Christmas Island. They have refused to fly here because we do not have those facilities in place.

Finally, the costs of what may be required are possibly not significant in that it is probably not necessary to have a \$1.5 million fire truck facility here. There is good second-hand equipment that could be transferred from the Australian mainland. The actual cost of the service, including the payment of training and wages, could go to our local fire brigade who could be trained up, as happens on the Australian mainland. The administrative cost could be paid for out of charges levied on the airlines. So the ongoing costs would probably not fall on the Commonwealth. Therefore, for a suitable shed and a suitable second-hand tender, we might be looking at a figure of \$200,000 to \$400,000. That is not a significant cost to comply with these requirements. Then we certainly would be in a position where international carriers would fly here on a regular basis.

CHAIR—Thank you for your contribution.

[4.42 p.m.]

TURNER, Mr Edward, Private Citizen

Mr Turner—Could I make a comment as a public citizen, not in my capacity as a director of Christmas Island Aviation Services Pty Ltd?

CHAIR—Yes.

Mr Turner—I declare an interest here. I am an advocate for Christmas Island Phosphates. I am also very good friends with many of the directors. Speaking on a public basis, I certainly disagree with many of the comments that were being made by Mr Huston. The extensions being proposed here are very important for the long-term economic benefit of the community. I noticed that no tonnages and no value could be quantified of the phosphate in these areas. That being the case, the other economic benefits to the whole of the community must be measured. This project should not be delayed by that mining process. I certainly would not advocate that Christmas Island Phosphates should be crushed or in any way disadvantaged, but the position of the community is also very important, and that must be considered by the committee.

I have lived here a long time. The island is carved up into either national park or the mine. As a person who has lived here for many years, I sometimes disagree with the expectations of both the bodies who say, 'This is our property; this is our land.' Neither of those organisations should have sole use or be making sole demands on sections of the land. There are certain parts of the land that should be left for the community and not mined. We do not want another Nauru or Ocean Island. There are proposals to mine up in the 'dog's head' area, and, while I have been a strong advocate for the government to give other leases to the mine, I certainly am not in agreement with the mine being given a lease up in that area, because the community is entitled to have some land for itself that is not being mined.

[4.45 p.m.]

LOVE, Mr Edward Charles, Manager, Planning, Building and Health, Shire of Christmas Island

CHAIR—On behalf of the committee, I welcome you here today. I understand that we do have a submission from you, which I would like the committee to approve for inclusion in the evidence. There being no objection, it is so ordered. As you have heard, we are on a tight time constraint, so I would like you to keep your comments to five minutes or less.

Mr Love—As you said, a written submission has been presented to you. I would like to add two points to that submission. One is in relation to the roadworks for the realignment and lowering of the roads to the north of the airport. The shire currently maintains those roads and, with resources being at a premium on the island, we would like the excavated material that results from those roadworks to be provided to the council as a resource. The other point is that waste disposal is a problem on the island, due to its isolation, and there are some large amounts of steel et cetera that are accumulating close to the waste tip. This was previously put to the Public Works Committee in September, and we again ask that it be considered that that waste be utilised for fill in non-controlled fill-in areas to aid in reducing the amount of waste that needs to be disposed of on the island.

As a summary of the written submission, from the shire's point of view, we hope to get an assurance that adequate assessment of not only the ecological and environmental issues but also the social impact of the works is undertaken. Noise, trees and birds are very tangible and very easy to grab hold of, but vibrations in association with noise and the impacts of traffic and air pollution all need to be assessed so that we are assured that the community is not significantly detrimentally affected by the airport proposal.

CHAIR—Thank you very much. We appreciate your submission today.

[4.48 p.m.]

POTTAGE, Mr David Arnold, Private Citizen

CHAIR—On behalf of the committee, I welcome you to the hearing today. Could you please observe our time restriction of five minutes maximum.

Mr Pottage—I work for the Bureau of Meteorology; I am the weather observer here on Christmas Island. I would like to speak as a private citizen today. I bring the weather to the committee's attention. Senator Calvert alluded to this before, but there was no real answer. I have been on the island for only about 10 months but I have seen an enormous variety of weather conditions here. Because the island rises from sea level to roughly 1,000 feet—we are 900 feet above sea level here—we get tremendous orographic lifting. Because of the climate, you get air rising up over the hill and then condensing, and then as soon it reaches the top of the hill and goes over the other side it rapidly dries out. You get a characteristic effect of the air coming up as very low cloud often precipitating, while just a kilometre over the hill you can see the cloud breaking up and fine sunny conditions. This happens on the northern approach where the aircraft come in. They are coming in over the sea and then they hit Settlement and they come over Poon Saan and then they land on the northern runway. Most approaches are made from the north because the predominant wind here is east-south-easterly, about 120 degrees, and so they fly into the wind.

The approach at the northern end of the runway is very steep. You can see on some of the maps today that the actual rise of the air comes here, and the area from this hill here over to Irvine Hill is noted for low cloud. We can be standing here and see the cloud over there at about 200 feet or 300 feet, while at the southern end of the runway it is at 400 feet or 500 feet. The cloud is perhaps the one layer but, because of the slope of the runway and this orographic lifting, which is pronounced here because of the very steep rise and the two hills, Irvine Hill and Headridge Hill but at the southern end of the runway here we have divergence happening, if you understand. Because the air is actually coming up over the Lily Beach area, it is diverging, and you are not getting as much uplift and condensation. Therefore, the air or the low cloud and weather conditions at this end of the runway tend to be considerably less marked than on the northern runway. I just wanted to make that personal observation: extending the runway 400 metres or 500 metres to the north, you are encroaching into an area of bad weather.

We have not got an instrument landing system here, we only have DME VOR approach. The pilots tell me that they are going to have GPS approach; I do not know whether that is going to be approved or not, although that is the latest thinking. The GPS approach would get them a little lower, but the last comment I will make is that under the current system the pilots coming in can only get to about 400 feet, and landing on the existing runway threshold is about the best they can do when they break at 400 feet. If you bring it 400 metres back, they still cannot get out of that cloud and land on the end of that runway, because they are not going to get over that hill. They come up from Settlement and there are beautiful fine conditions, but in the last 1,500 metres they hit a wall of cloud and until they can break out they need that extra length. There are often missed approaches there, and they come around and come in via the southern runway here. I am not sure how much tailwind component 747s can take, but I know the National Jet

Avro can take up to 15 knots of tailwind component. Therefore, many times they come in from the south and land successfully, whereas they cannot land from the northern runway. I am a little bit concerned that the approach to the north will always have that hill position disturbing the weather pattern.

[4.54 p.m.]

PARKER, Ms Kate, Manager, Government Affairs, Asia Pacific Space Centre

KWON, Mr David, Managing Director, Asia Pacific Space Centre

ASIMS, Mr Michael, Representative, Christmas Island Office, Asia Pacific Space Centre

CHAIR—Welcome to this hearing. We are restricted for time, so please keep your comments to about 20 minutes.

Mr Kwon—Thank you for giving us the opportunity to be here today. My apologies, my English is not standard, but I will do my best. I really appreciate that the Australian government has committed \$100 million. I think it is important for APSC to commit to Christmas Island rather than Brazil. At the time of our request we wanted a proper airstrip, port and proper road access to South Point. Without those, this commitment is difficult for us.

In comparison, the Brazil government offered to APSC to make sure and they invited us to Brazil. I am an Australian citizen and our company is Australian owned—the major shareholders are Australian. At that time we negotiated with the government. The minister for industry was at that time Senator Minchin and we committed to a government investigation. The minister himself had a visit with the Brazilian Minister for Science and Technology, Mr Sardenberger, and finally we committed and the government agreed to extend the Christmas Island airstrip. This is a very important factor for the project to go ahead or not. At that time we announced to the media with Minister Minchin and Minister Ian Macdonald, then the territories minister, a firm commitment by APSC to the project to go ahead in the Christmas Island Indian Ocean Australian territory.

Since then, we have spent big money on the project—so far over \$70 million. This is a serious commitment from APSC. Also we have had to undertake a serious environmental impact study and draw up an environmental management plan. We have already spent over \$7 million on these. For this commitment we had to consult with the community. As members of the committee have seen this morning, we have already started construction on South Point of Christmas Island. We wanted to start this project earlier because time is very important—we have agreed with our investor who has committed to this project that their satellite will be launched in the year 2004.

If we delay this launch date, we will have to tell them that we cannot make the launch. That means that our commitment with our investor will not be met. We wanted not only a short-term investor but a strategic investor to come here, and that is what we now enjoy. To get that, we had to progress all necessary regulatory issues with the government. We have had to progress those from the early stages up to now, especially with the department of the territory, the department of the environment and the department of industry. Because of our commitment, we have had to compromise rather than have delay caused by one part. We have even obtained licences separately in several different ways.

So we have gone very well. We understand the process, what are the government's requirements and for there to be the necessary community consultation. Also, we appreciate the fact that the department has done its job very well and has kept us pretty well informed, especially in that Michael Asims keeps reporting to head office what is happening here locally. Not only that, but members of the community continually send us letters and telephone us, including my staff and me. They want the project to be sped up. They encourage it. They welcome our commitment. Especially with the airport, they want to enjoy and share in the excitement.

We have started committing to the construction, and I understand that already the community construction company and construction material consultants, including GHD, who are involved, are enjoying the project. On top of that, as far as the South Point is concerned, we have had commercial negotiations over many years. We appreciate that the department of the territory has also helped us, particularly with the royalties that are concerned. Already, we have a firm, binding contract with PRL phosphate mines. According to that contract, we have already paid to their satisfaction; we have signed it and then paid \$3.5 million with regard to the land, the site.

The project is very important for us. Christmas Island is a good location. Not only is Christmas Island close to the equator, but also there is political stability in Australia and the weather is very good. We have investigated in many different ways seriously and we have committed to the Christmas Islanders that we will go ahead. But it is very critical, very important, that the airstrip is finished at the latest by February 2004. That has to be. So we want to see a commitment from the government that delay will not occur before 2004. We are putting in over \$650 million for this total project, and this can be put in jeopardy. This is very critical element for us in continuing to go ahead. We have already committed ourselves, and we will continue to work to solve any obstacle we come against. But the timing for the airstrip is very important because the satellite will be brought in by a big aeroplane: a Boeing 747 or Antonov 124-100. That is what the client wants, and the airstrip must fit the aeroplane. Another possibility is a Beluga from France, but that still is a big aeroplane.

We already have very good teamwork, with the APSC team and the territory team. Every month we have continuous teamwork ongoing. We are satisfied. But what we need is commitment from the department and commitment from the government. Please make sure that it is consistent with the APSC—or at least, through consultation, satisfy us. The project that we have here is for \$100 million, and any money that is left has to be spent on the project for APSC.

Especially, we are encouraging infrastructure. The island is barren of infrastructure. With everyone using the facility there will be common use of infrastructure. But if it is suspended or not necessary for the project—I think it is what we are agreeing: commit Australia, from the commercial view, to APSC and at the time agreeing that what we signed—the deed—is against that.

I want to keep it as we agreed with the department, with the government. The money spending should be restricted and strict. What we need over there when we unload the equipment or the material that we bring—we had a talk with the department and at the moment the talking is not concluded. We want an unloading facility and temporary storage area. I

understand that it is progressing in the department but it has not commenced. I want to emphasise that it has to go there. Make sure this project continues.

It is also important to understand that we spent major money for an environmental impact study. At the time also we had enough consultation. We had all necessary environmental consultation. There are more than 100 pages of public documents. The fuel we are launching is liquid oxygen and kerosene. It is environment friendly fuel. The technology is well developed. We bring the fuel not by air plane. Liquid oxygen will be manufactured on South Point of Christmas Island. There will be a liquid oxygen plant. We will bring the satellite fuel by ship. There has been no single accident in the world ever by transporting the satellite fuel. This will be a very safe fuel. It will be a very environmentally friendly spaceport with launching vehicle. The launching vehicle is a very reliable vehicle. It comes from the Soviet Union. It is the best, most reliable launching vehicle. Even the human space station or space trip launching vehicle can only be launched by a Soviet launching vehicle—like Mr Tito and the South African guy. This is inherited from that. This has a 99.8 per cent success rate.

We had to change the name because we want to sell to Australia. The Australian name is Aurora. We have worldwide exclusive marketing rights. This business is very important for Christmas Island—a combined company, a Soft Star holding at the moment, 100 per cent. We are seeking a hotel operator. They are not interested until APSC operate. They used to employ 400 people. They want to open. They will employ more than 400 people with the facility. But without the spaceport they will not go ahead and it cannot be opened. For the spaceport we need a similar number of people from the construction period. That will be continued.

We want to educate the island people and we have committed \$14 million for education purposes. This has already been announced in a public meeting. Christmas Island people should not be discriminated against and should have the benefit of this APSC education commitment. For the total project, we believe the market is 100 billion over the next 10 years and we will try to capture at least 30 per cent of this. We have a very different benefit in the price and in the liability concern. We already have a satellite client lined up which we will be announcing in the near future. For us, the timing is critical. The airstrip has to be finished by 2004. I do not want to delay the time for the tender process or the construction process. What the government is doing and what we are doing has to be parallel. If it is one-sided, our commitment could be in jeopardy.

There are a few other important issues. Islanders are already benefiting from what the APSC is committing. Many people are excited and they are already making big money during the construction. Not only this, even the restaurants and other businesses welcome the project. When we bring in more people, they welcome them. That is creating jobs and providing more business opportunities. People are asking us, 'Can I buy this equipment or that equipment? Can I do this business or that business?' We are giving them honest advice and consultation on what is best. Our information is that over 95 per cent of the Christmas Island community welcomes this project and they are very excited. Even the children consult us about which subjects to study at university to bring long-term benefits. I think it is important that we have a commitment from the members of the committee to make the right decision. I really appreciate having the opportunity to speak to you and I will answer any questions you may have.

CHAIR—Thank you very much. Would anyone else like to speak?

Mr Asims—I will briefly mention a couple of things about the resort and the relationship between APSC and the full reopening of the Christmas Island resort. When the resort closed in 1998, it was put into receivership and then into liquidation. I was retained by the liquidator to assist him in preparing the resort for sale. I can tell you that people were not falling over each other to buy the resort. We had very few interested parties. In fact, only one party other than Soft Star Pty Ltd put in a sincere offer, which was below the amount that was paid by Soft Star Pty Ltd. It is the intention of Soft Star Pty Ltd to reopen the resort and brand the resort. By that I mean that we seek in the future to appoint a major hotel operating company to brand the hotel, reopen it and manage and operate it on behalf of the owner.

We have made preliminary approaches to a number of these major companies and, whilst they have shown an early interest, their feedback has been on every occasion that they are not interested in proceeding, simply because there is no core business. There is no major business that will come to Christmas Island until such time as APSC becomes operational. They are aware that APSC will then provide a major business segment for the resort, because every time you have a launch there is a large number of people that travel for that launch. For example, if you are Telstra Australia and we are launching your satellite, there are people that will come here from your company—your public relations people, your own clients, your board of directors and so on—and they will bring business to the resort. I can tell you that until such time as APSC becomes operational we will not have any parties interested in reopening the resort under a management agreement.

Between 1993 and 1998, the resort was the major employer on this island. I arrived on the island in 1996, and there were 396 full-time people working at the resort. That is more than three times the number of people, I believe, who currently work at CIP. It is their intention to go back to those days, but we know that, based on the information we have from the industry, unless the flights increase—by that I mean that the airport is able to take large-capacity aircraft—and until there is a guaranteed core segment that will come to the island, no hotel management company and certainly no casino management company will be interested in opening the resort. Thank you.

ACTING CHAIR—Thank you, Mr Asims. Ms Parker, as you have nothing else, perhaps we could move to questions.

Mr Kwon—If I could just emphasise that our aim is for market capture at over 30 per cent and, in that case, the APSC will be the major taxpaying company in Australia. We expect to pay many hundred million dollars tax each year to the government.

CHAIR—Thank you very much for your contribution today.

[5.17 p.m.]

BRIDGES, Mr Don, Airport Manager, Christmas Island International Airport

GREENACRE, Mr Graham, Senior Manager, Gutteridge Haskins & Davey Pty Limited

TAYLOR, Mr William, Administrator Indian Ocean Territories

WEATHERSTONE, Mr John, Assistant Director, Regional Office Perth, Department of Transport and Regional Services

CHAIR—We would now like to recall DOTARS and we would also like to call the airport manager, Mr Don Bridges. There are a number of questions that have been raised. I will perhaps start with one or two. I am sure the committee members have additional questions to ask you. One of the issues that came up from the shire's statement to the committee was in relation to the social impact, which involved vibration, traffic management and dust control. Before we move on to questions about safety and so on, I wondered if we could perhaps get DOTARS to tell us what plans, if any, they have put in place, and whether they are going to put in place plans to manage those social issues.

Mr Weatherstone—There will be management plans put in place for the whole construction program. The contractor will be required to clear an environmental management plan with Environment Australia, through Parks Australia North, which is the environmental control body on the island, and also through the shire. The company will be required to have a plan in place to reduce dust from any construction activity. This is a requirement on all our projects. That plan will be supervised closely by our product managers, and we have staged procedures in place to make sure that there is full consultation with the contractors prior to the commencement of work. Any environmental management plan has to be ticked off prior to the commencement of work and will be closely supervised by our project managers.

CHAIR—So you are telling us that there will be a comprehensive management plan to manage all these issues?

Mr Taylor—One other thing we should mention is that the Christmas Island Chamber of Commerce has been working for some time on a video or some sort of program for visitors—particularly large numbers of workers—coming to the island. That has been developed because of the ethnicity of the island in particular. There are community interests that have to be reflected in that and that is an important element in the education program, if that is the right phrase, as well.

CHAIR—You do raise another issue which did come up in the submission by Christmas Island Phosphates, and that is having information programs available in appropriate languages. That is again another social issue, I suppose, involved in the project. Can you outline quickly what you are doing about that?

Mr Weatherstone—I might just add there that on all our construction programs over the last couple of years we have developed orientation brochures which our project managers hand out to all contractors. They have a session with them. The brochures are in all the island's

languages. They are distributed prior to the commencement of any of our capital works projects. We have developed them in consultation with the requirements, and I understand that the chamber are now embellishing and going further with those orientation brochures.

Mr Taylor—Yes, there are a lot of English, Mandarin and Malay translations on lots of documentation going out from the administration on a wide range of issues, particularly where it is very likely to affect the community. That is standard.

CHAIR—Was this the case in the beginning: at the time of the public meeting in September 2001, for instance? Was that advertised appropriately in other languages?

Mr Taylor—I think this is an appropriate time to make a comment. Let me say at the outset that Christmas Island Phosphates is an important element on this island and in no way will I ever belittle what happens in terms of that mining operation. As Mr Huston has said, it is an important economic player in the island's economic base. However, I want to raise this in the context of consultation, which I think is probably what you are leading to.

CHAIR—I was going to ask that question, that is right.

Mr Taylor—I think the committee has to understand this, and I am not being critical in any way of either Mr Huston or Mr Cheong. Mr Cheong has been here before and he is an outstanding registered manager on this island, and I would never criticise what he attempts to do professionally. However, both those gentlemen were not here when this started. Mr Jones may have been here and gone and come again. Mr Weatherstone can go into the detail of this, but I am absolutely amazed that the comment can be made that there was no consultation: there was so much consultation that it was coming out of our ears.

CHAIR—I would like to pursue that briefly, if I may. We all understand that Christmas Island Phosphates has made and continues to make an important contribution to the economy and the social wellbeing of this island. I wonder if you and perhaps Mr Weatherstone and Mr Greenacre would like to comment on the criticism by Christmas Island Phosphates that there was no consultation, given that on page 7 of your submission you talk of comprehensive community consultation. I understand that Mr Cheong was not here; that came out when Christmas Island Phosphates appeared before us. Also Mr Jones was not here. But surely given that Christmas Island Phosphates is the primary industry on this island, there would have been some attempt to communicate with its management. Can you explain the process you engaged in to consult?

Mr Weatherstone—The announcement for the common use infrastructure was made on 22 June 2001 by the government. From that date onwards up until 12 March 2002 we had three major projects that came under common use infrastructure and that have been mentioned before—the airport upgrade, the Linkwater Road and the additional port. We made a very positive approach to the consultation and this followed our previous consultation on the island with all our capital works. I make a point visiting the island and making myself available for consultation with our project managers and with the Christmas Island administration. We make ourselves available to anyone and everyone on the island. It is up to the community to confirm whether that is the case or not.

We had two public consultations on the airport upgrade and we also had one consultation on the additional port and the Linkwater Road. We were on the island on 12 March and Minister Tuckey flew in and made an announcement. We were ready to go ahead with the consultation process on 13 March and his announcement was for an IRPC. The announcement was also made that the Linkwater Road and the additional port would be part of the IRPC infrastructure. Graham Greenacre and I, along with the CI administration and the project managers on the island, went ahead with our presentation and consultation on the upgrade of the airport. As part of the consultation process we also had CI administration and GHD staff on the island with displays at appropriate venues throughout the island—up at Poon Saan, down at the supermarket and at venues that most people visited—so that people would be able to ask questions and get a good idea of what we were doing in this process. I can only say that we have bent over backwards to consult and provide detail, as you have seen today. Admittedly there has been a little bit of advancement in our documentation and design but the concept has been there all along. I cannot say more than this: I think we did consult. We kept a record of all those who attended the public consultation process and I am nearly sure that that has been submitted to the Public Works Committee as part of the additional papers that were required.

Senator FERGUSON—Are the people on that list in your submission the people who actually attended the public meeting?

Mr Weatherstone—That is correct. A list of the attendees at our consultation process was provided to the Public Works Committee.

CHAIR—Did that include people from Christmas Island Phosphates?

Mr Weatherstone—I would have to go back and have a look at who attended.

Mr Taylor—I think I attended the first one but perhaps not the second. But I certainly went to that first one. My recollection is that, specifically in relation to Christmas Island Phosphates, Ismail Mahmood, who was then the registered manager, in other words, Mr Cheong's present job, was actually an attendee at that first meeting. I am almost certain. I could be corrected if there is a record of that.

Mr Weatherstone—It is on the record, Chair.

Mr Greenacre—And Mr Jones.

Mr Taylor—The point I am making is that all I can deduce from what I heard Mr Huston say is that those who may have been responsible at that particular time have not been feeding to the management all the information that we have been providing.

Mr Weatherstone—I am not aware of the confidentiality negotiations between the phosphate mine and Canberra on application licences and mining licences. I am aware of this project and the boundaries we are looking at for the upgrade of the airport.

Mr Taylor—There is one other specific point relating to Mr Huston's comments and it goes to consultation. He commented that somebody in DOTARS indicated that 'all projects are off the agenda, except to the port'. I do not know where that came from nor who he was talking to.

He certainly was not talking to Christmas Island administration or DOTARS people here. There may have been some links with others. I do not know where he got that comment from.

Mr Weatherstone—I have been involved on this project from day one. I assure you and the committee that this project has never been off the agenda from day one. We have preceded. We had the permission of the public works committee to proceed with documentation design. We have done that through our program managers and they have been in full consultation with experts on all the relevant areas required for this upgrade.

Mr BRENDAN O'CONNOR—Some concerns were raised about the prospect of losing a lot of potential mining area as a result of a number of activities, including the one we are focusing on today.

Senator CALVERT—90 per cent.

Mr BRENDAN O'CONNOR—90 per cent, that is exactly right. If that were the case, clearly that would have a consequential impact upon employment. I asked the question earlier today about what efforts had been made to consider local employment and you made a remark, Mr Taylor, understandably, concerning a breach of the Trade Practices Act. I presume you mean about the extent to which you can favour anybody else. Given the size of the economy of the island and the potential adverse effects if that were the case, if the oral testimony of Christmas Island Phosphates is correct with respect to this matter—that is, potential losses—is it fair to consider that the public interest test applying to this island with respect to employment would be such that greater effort could be made to ensure that there was no net employment loss? It would be awful to think that, as a result of what is a very positive project, there could be significant employment loss which would have an adverse impact on the economy. I know you have mentioned you are in touch with contractors. Are the contracts put together so that there is a capacity for local contractors—I imagine they would not be of great size—to tender for works?

Mr Taylor—You have asked a fundamental question. The answer to it is not what we could do; it is what we will do and what we are doing. In the tender evaluation criteria and without getting into the detail I can assure the committee that in terms of the IRPC, for example, for which I personally did the tender evaluation, as did Mr Weatherstone—two of the panel—there were a number of elements which involved the local labour resource and subcontractor work, all of that sort of thing. That was achieved in terms of the successful tenderers.

Mr BRENDAN O'CONNOR—Would you like to see that principle applied here?

Mr Taylor—Yes. It cannot be specified.

Mr BRENDAN O'CONNOR—You cannot prescribe it.

Mr Taylor—That is right. You cannot prescribe it, but it is an aim we work towards and we have worked towards in the past. We could have done better in the past but in the last 12 months, from my personal observation, we bent over backwards. The general secretary of the local union and I have talked about this on many occasions. He may still not be satisfied in

some areas, but in general terms even he might have to concede that we are moving in the right direction.

Mr BRENDAN O'CONNOR—In relation to the alleged 90 per cent that may be lost, has there been consideration by the department or the administration of sites that the mining company may claim instead? As a result of all the new activities which have impacted on their leases or at least their applications, are there other areas that the administration might consider which the company could claim instead for mining?

Mr Taylor—Let me refer the committee to the exploration lease grid. Have a look at the size of that grid in relation to the island. It takes up a very large proportion of the island. I think Mr Cheong was involved in establishing that grid two years ago when he was last in his present job. The point made to us very clearly by the company at that stage was simply that because we are establishing this exploration licence grid does not mean to say that we will want to mine in all of these areas. I think the committee has to understand the scope of what they are looking at and it is a commercial interest which none of us should criticise. That said, it is a bit difficult to balance their commercial requirements against the Commonwealth's requirements.

In the last 2½ years in conjunction with CI Phosphates, Parks Australia North and others we have developed a list of about 35 sites around the island that could be used in the future for other things apart from mining. Some of those sites are existing mining leases and Christmas Island Phosphates have been very actively and extensively involved in those consultations. As a matter of principle—and this is a personal view not necessarily a departmental view—I see some merit in what I think your question is alluding to and that is land for land. I think that is what you are getting at. The only problem with that, of course, as I have discussed recently with the general secretary and others in private conversations—and I am sure they do not mind me raising the issue now—is the practical difficulty that if you have a land for land deal you cannot guarantee that if you give up one piece of land another piece of land that you might offer in lieu is going to come up with the same sort of phosphate tonnage. That is the practical difficulty in doing that. Maybe you could have a spectrum of possibilities—if you are talking about compensation that might be payable, it might be total cash, it might be a mixture of cash and land, or it might be total land.

Mr BRENDAN O'CONNOR—You could not do it with such precision as to have identical lots. Clearly the point is that, in relation to ensuring other areas to mine, land is more likely to benefit the local communities in relation to employment than possibly paying out compensation, which may not be ultimately left and spent on the island. I take your point: you are obviously considering the issue and it is just about whether it is possible.

Mr Taylor—I think it is a fundamental issue and I understand Mr Huston's frustration, I understand the difficulties and the commercial realities for Christmas Island Phosphates. We would hope that we could work all of these issues through to mutual satisfaction. That might be in an ideal world. I do not think we are ever going to achieve that but I think we can work our way through some of these things and today we are specifically dealing with the airport. There may be ways and means of working our way around partially, but maybe not fully, satisfying their requirements in terms of some—unquantified—of the phosphate that may or may not be there. Whether it is high-grade or low-grade I am not sure even Mr Jones could guarantee.

Mr BRENDAN O'CONNOR—I have a final question, although it might be better asked of Mr Greenacre or Mr Bridges. A private citizen, Mr David Pottage, who appeared in a personal capacity, made some comments about the potential dangers as a result of the cloud cover of landing at the northern end. I think that was also referred to in submissions so it has been acknowledged. Is there any response to those comments made by Mr Pottage this afternoon to satisfy us that that concern has been properly considered?

Mr Bridges—Whether you extend the runway to the north or the south does not influence where the aircraft land. If set conditions require that it lands at the northern end, which currently is high and affected by cloud, extending the runway in either direction will not change the fact that, on that particular day and under those circumstances, it needs to land at the northern end.

The difference in height, as you can see on that photograph, is five metres. If the aircraft has to make a visual sighting of the runway at 400 feet above that, five metres is not a lot of difference. Yes, it is a safety issue but, in overall terms, extending the runway to the north as opposed to the south will affect that issue by five metres.

Senator FERGUSON—But wasn't he saying that the further north you go the heavier the cloud concentration is? By going another 400 or 500 metres that way, I understood he was saying that there was more likelihood of heavier cloud—not that it was five metres higher—that the further north you go the more cloud there is. That was what I took him to say.

Mr Taylor—I think that is what Mr Pottage was saying, but my experience is that— anecdotal as it might be, talking to NJS operational staff in particular—the cloud is not too much of an issue. If it is beyond them, they will not attempt it. But on many occasions—and I am sure that Mr Bridges will bear this out—the way those NJS aircraft come under the cloud on long finals and then, at the last minute, actually pop up onto the end of the runway is a bit scary. I do not think that is going to change too much. Pilots will always look after what they are paid to look after, but I think life would be a lot easier for them—with those cuttings on the eastern side, particularly—if the windshear element were taken away. That is a point that has been pushed at me over and over again.

Senator FERGUSON—I am a bit ignorant in these matters—but if the runway were extended, the normal aircraft that land here now on a daily basis, the smaller aircraft, do not need the full length of the runway anyway, do they?

Mr Taylor—No.

Senator FERGUSON—So they would not necessarily have to land right at the northernmost point. The bigger aircraft may have to, and they may just have to be more careful of the weather. But I would have thought that particularly national jets could land about here and still stop!

Mr Taylor—I am no longer current but, as a pilot, I think it is a matter of personal pride that you aim for the end of the runway and that is where you like to touch down.

Senator FERGUSON—But not if there is a cloud there!

Mr Bridges—Keeping in mind that, as far as missed approaches go, we probably have in the order of 10 to 20 a year and in the order of three to four where the aircraft cannot land altogether and have to divert to another airport.

Mr Taylor—Can I come back to Mr O'Connor's question in terms of this give and take and what might be available. Just in case the committee has got the impression that what is happening at the moment is that the horrible Commonwealth is taking things away from Christmas Island Phosphates and others, let me correct that misconception. In fact, nothing is further from the truth. As far as Christmas Island Phosphates is concerned, we are in the process of negotiating with them to transfer to Christmas Island Phosphates very major assets—not the least of which is the mine office—and a very large tract of land around the airport, so it is already happening. It is not a one-way street.

Senator CALVERT—I was a bit concerned when I heard Mr Jones's evidence that 90 per cent of the known reserves were going to go. When he put it in the terms of gold versus phosphate, and phosphate is worth more than gold, I thought: 'Well, there is gold in them there hills, and what is going to happen when you take the hills away? Is that going to take away the windshear and is it going to alter the cloud problem that Mr Pottage was talking about?' He quite eloquently told us the effects of the up draughts and whatever. By taking those hills down when you fill the end of the runway, is that going to make any difference? I do not know. That was one of the questions I was going to ask. More importantly, we seem to have got onto the track of what effect two other projects might have when we really should be talking about the runway we are looking at today. In terms of that, what effect do you believe the proposal in front of us today would have on Christmas Island Phosphates? Has there been any thought from the engineers and the powers that be to coming to some arrangement to retrieve that phosphate if it exists when you commence the work?

Mr Greenacre—That is really a policy issue.

Mr Weatherstone—That is not a decision for me to make in the capacity of the airport upgrade. That is a decision that is being negotiated by the mine and the government, regarding applications for mining leases and future mining requirements on the island. I am not in a position to answer that question.

CHAIR—Thank you. Do you have any other questions?

Senator CALVERT—I will talk to Mr Pottage afterwards about the wind drift.

CHAIR—Mr Bridges might be able to answer that question for you.

Senator CALVERT—I do not think anybody can answer it until the hills have been moved.

Mr Bridges—The extension to the north will move the landing zone away from the hill that is thought to be responsible to some degree for the wind shear.

Senator CALVERT—So theoretically, it cannot get any worse; it can only get better?

Mr Bridges—Theoretically, yes.

Mr LLOYD—The question I foreshadowed earlier—about the positioning beacon being turned off and seeing if anyone noticed—worried me a little. If you could elaborate on that, I would appreciate it.

Mr Bridges—Certainly. I have written to the airlines that operate into here, notably National Jet, Merpati and the RAAF. I have also had consultation with CASA and Airservices. Before any navaid is switched off, we put out a notice to all airmen that if a pilot is flying to a particular aerodrome they have to acquire the NOTAMs for it. All that is done prior, so nobody should rock up without knowing that the NOTAM is not serviceable. There will be a six-month trial period, after which we will take comments from airlines, evaluate the effect that not having an NDB will have on their operations and assess whether it is appropriate to dismantle the towers.

Mr Weatherstone—Explain why they do not use them.

Mr Bridges—I will just explain the role of the NDB. The NDB gets the plane into the general area. The VOR will then locate it with some precision on the runway centre line.

Senator FERGUSON—What is a VOR?

Mr Bridges—It is a visual omni-range.

Senator FERGUSON—Thank you. I do not know any more.

Mr Bridges—The VOR and the NDB that we have here have similar ranges. The airlines tend to use just the VOR because it gives them more accurate information. They tend not to use the NDB.

Mr LLOYD—So you are saying that there is a duplication of facility there and you believe that all airlines that come in here are using one system and not the other?

Mr Bridges—Yes. I received no response from any of the airlines to oppose the proposal.

Senator FERGUSON—You only have to fly out now, Jimmy.

Mr Taylor—The other thing is that it would give us more crown land, which we perhaps could use. If the NDB is dismantled, there is a very large antenna farm area which would be available as vacant Crown land. There could be some phosphate under it.

CHAIR—I have two quick questions, one of which is to Mr Bridges, as the airport manager. I know that CASA have exempted this airport from the normal emergency and fire facilities but, as the airport manager, would you prefer to see that as part of this airport development?

Mr Bridges—Certainly, yes. There would not be an airport manager around who does not want a fire service; so, yes.

CHAIR—I just want to get that on record. My other question is that I notice in the reference to parliament by the parliamentary secretary that the estimated cost of the airport upgrade is \$48.7 million and in the DOTARS submission the estimated cost is \$51.3 million. Can you please explain the differential between those two amounts?

Mr Weatherstone—Initially it was an indicative cost to meet the requirements for that motion. We then did further, more detailed, costings and got information back and that brought us up to \$51.3 million.

CHAIR—All right. I thank all the witnesses who have appeared today. I particularly thank everyone who has been involved in assisting the committee to carry out the preliminary inspections. I thank everyone for the preparation that has been made today: Mr Bridges for making the facility available and the administrator, Mr Bill Taylor, and his staff for assisting us in our inspections. Before closing, it is necessary that the committee authorise the publication of evidence.

Mr BRENDAN O'CONNOR—I move that, pursuant to the power conferred by section 2(2) of the Parliamentary Papers Act 1908, this committee authorises the publication of the evidence given before it and submissions presented at the public hearing today.

Committee adjourned at 5.51 p.m.