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The Parliament of the Commonwealth of Australia

# **Indian Ocean Territories**

## **Review of the Annual Reports of the Department of Transport and Regional Services and the Department of the Environment and Heritage**

Joint Standing Committee on the National Capital and External Territories

August 2004  
Canberra

Commonwealth of Australia 2004

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## Foreword

No man is an island, entire of itself;  
Every man is a piece of the continent, a part of the main.<sup>1</sup>

The Committee commenced this review of the work of the departments of Transport and Regional Services and the Environment and Heritage in the Indian Ocean Territories in July 2002. The completion of the review was delayed by the Committee's inquiry into governance on Norfolk Island which commenced in late March 2003. The findings and recommendations of this report, therefore, reflect the evidence received in 2002 and 2003. Since the Committee visited the territories in March 2003, some of the evidence received has been superseded by new developments. The Committee therefore acknowledges any perceived inadequacies with this particular report.

Nonetheless, two key issues identified in the evidence - the future economic sustainability and administrative direction of Christmas and Cocos (Keeling) Islands - continue to be of great concern to the Committee. The recent decision not to re-issue the casino licence on Christmas Island and the manner in which this was done is troubling. The Committee is firmly of the view that genuine ongoing consultation with the Island communities must always be a priority for any Federal Government. Consultation cannot simply be dismissed as being in the eye of the beholder.

The Commonwealth is also implementing major changes to the administrative arrangements of the territories. In light of this and the casino licence decision, the Committee believes that an inquiry into the future governance arrangements for the Indian Ocean Territories is essential.

My Committee colleagues and I will take a keen and active interest in the responses to this report and in ensuring equality and a sustainable future for the communities of Christmas and Cocos (Keeling) Islands.

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1 John Donne (1572-1631), Meditation XVII

The Committee is grateful to all those who participated in this inquiry. We are especially grateful to those in the Indian Ocean Territories who assisted the Committee and for the hospitality shown to the Committee by the island communities during our visit in March 2003.

**Senator Ross Lightfoot**  
**Chairman**





# **40<sup>th</sup> Parliament**

## **Membership of the Committee**

Chair            Senator Ross Lightfoot

Deputy Chair   Senator Trish Crossin

Members        The Hon Ian Causley MP

Ms Annette Ellis MP

Mr Michael Johnson MP  
(to 19 February 2004)

Mr Paul Neville MP

The Hon Warren Snowdon MP

Mr Cameron Thompson MP

Dr Mal Washer MP  
(from 19 February 2004)

Senator John Hogg

Senator Kate Lundy

Senator Nigel Scullion

Senator Natasha Stott Despoja

## **Committee Secretariat**

Secretary            Mr Quinton Clements

Research Officer    Mr Justin Baker

Administrative Officers   Mrs Donna Quintus-Bosz

Mr Daniel Miletic



## **Terms of reference**

That, in respect of its review of the Annual Reports of the Department of Transport and Regional Services 2002-2003 and the Department of Environment and Heritage 2002-2003, which stand referred to the Joint Standing Committee on the National Capital and External Territories by the House of Representatives, it monitor the External Territories in order to review the development of services and the implementation of programs to a standard commensurate with equivalent mainland communities. In particular, the review should consider:

### **Christmas Island and Cocos (Keeling) Islands:**

- Justice and community safety;
- Education
- Environment and heritage;
- Health and community care;
- Transport, housing, land management and other urban services;
- Land use and land transfer by the Commonwealth Government;
- Economic development and tourism;
- Social and welfare services;
- Utilities.



## List of recommendations

### 2 Governance in the Indian Ocean Territories

#### Recommendation 1

That the Federal Minister with responsibility for the external territories refer for inquiry and report the governance arrangements of the Indian Ocean Territories to the Joint Standing Committee on the National Capital and External Territories.

### 3 Justice and community safety

#### Recommendation 2

That the Federal Government provide ongoing funding for the additional services needed to provide for use of the Christmas Island Recreation Centre as an emergency management centre and negotiate the relevant service delivery arrangement with the Western Australian Government for the establishment of a volunteer marine rescue group.

### 4 Education

#### Recommendation 3

That the Federal Government continue to provide financial support for Christmas Island residents wishing to complete years 11 and 12 on the mainland.

#### Recommendation 4

That the *Education Services for Overseas Students Act 2000* (Cth) be amended to include the Indian Ocean Territories.

## **5 Environment and heritage**

### **Recommendation 5**

That the relevant Federal Government agencies – in collaboration with other relevant stakeholders on Christmas Island – undertake an assessment of the threat posed to the Island’s ecology from introduced species and support the ongoing campaign to control the yellow crazy ant problem.

### **Recommendation 6**

That the owner of Oceania House, the Cocos (Keeling) Islands Shire Council and other relevant parties, consider forming a legally binding agreement for the return of the Clunies-Ross busts and proclamation board for public display at Oceania House once restorations are complete. This agreement should include provisions to ensure public accessibility, security, maintenance and monitoring. In the interim, the Shire should make arrangements for the secure storage and preservation of these heritage items and consider how they may be displayed.

## **6 Health and community care**

### **Recommendation 7**

That the Commonwealth continue to consider ways of attracting suitable medical professionals to the Indian Ocean Territories, including special funding for Island residents undertaking relevant studies in health related professions, so they are encouraged to return to the Territories.

### **Recommendation 8**

That an additional community nursing position responsible for aged care, child care and aspects of women’s health be established in the Indian Ocean Territories.

### **Recommendation 9**

That a formal process be established whereby representatives from the Christmas Island and Cocos (Keeling) Islands’ Shires meet regularly with representatives from the Indian Ocean Territories Health Service (IOTHS) and other relevant bodies to discuss public health issues and delineate responsibilities for dealing with them.

## **7 Transport, Housing, Land Management and other Urban Services**

### **Recommendation 10**

That, as a matter of urgency, the Federal Government undertake the construction of new port facilities in the Cocos (Keeling) Islands.

### **Recommendation 11**

That the Federal Government ensures the following:

- that a ferry service continue to operate between West Island and Home Island; and
- the abolition of fares for this service.

### **Recommendation 12**

That the Federal Government consult more fully with those affected by its policies of disposing of its properties before taking any further action to dispose of the properties.

### **Recommendation 13**

That the Federal Government negotiate with the Shire of Cocos (Keeling) Islands with respect to the transfer of utilities on which there is mutual agreement.

## **9 Social and Welfare Services**

### **Recommendation 14**

That the Department of Transport and Regional Services establish a part-time social worker position for the Cocos (Keeling) Islands.

### **Recommendation 15**

That the Federal Government exempt non-profit community groups from paying rent for Commonwealth facilities in the Indian Ocean Territories.

### **Recommendation 16**

That the Commonwealth arrange for a survey of the sporting and recreational needs of the Cocos (Keeling) Islands with a view to providing appropriate facilities in accessible locations.



## Introduction

### Terms of Reference

- 1.1 On 21 March 2002, the Committee resolved that a general review of each of the external territories be conducted as part of an annual monitoring of the territories by the Committee.<sup>1</sup> The basis for this would be a review of the annual reports of the two Commonwealth departments with direct responsibility for the external territories - the Department of Transport and Regional Services and the Department of the Environment and Heritage. Section 2 of the Resolution of Appointment, passed by both Houses of Parliament on 14 February 2002, establishing the Committee for the 40<sup>th</sup> Parliament provides that:

Annual reports of government departments and authorities tabled in the House shall stand referred to the committee for any inquiry the committee may wish to make. Reports shall stand referred to the committee in accordance with a schedule tabled by the Speaker to record the areas of responsibility of each committee, provided that:

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1 The Committee's Resolution of Appointment enables the Committee to inquire into and report on matters relating to the Territory of Cocos (Keeling) Islands; the Territory of Christmas Island; the Coral Sea Islands Territory; the Territory of Ashmore and Cartier Islands; the Australian Antarctic Territory, the Territory of Heard Island and McDonald Islands, and Norfolk Island.

- any question concerning responsibility for a report or a part of a report shall be determined by the Speaker; and
- the period during which an inquiry concerning an annual report may be commenced by a committee shall end on the day on which the next annual report of that department or authority is presented to the House.

1.2 As part of its monitoring of the external territories, the Committee would review the development of services and the implementation of programs to a standard commensurate with equivalent mainland communities. On 26 June 2002, the Committee resolved that the review of the Annual Reports of the Department of Transport and Regional Services 2000-01 and the Department of the Environment and Heritage 2000-01 specifically include reference to land use and land transfer in the external territories by the Commonwealth Government.

1.3 The Indian Ocean Territories – Christmas Island and Cocos (Keeling) Islands - were the second of Australia's external territories that the Committee examined as part of this process. The Committee chose to focus on the following issues in relation to the Indian Ocean Territories:

- justice and community safety;
- education;
- environment and heritage;
- health and community care;
- transport, housing, land management and other urban services;
- economic development and tourism;
- social and welfare services;
- utilities;<sup>2</sup> and
- land use and land transfer by the Commonwealth Government.

An additional issue – future governance arrangements - was brought to the Committee's attention in the evidence received.

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2 See Department of Transport and Regional Services, *Annual Report 2000-2001*, p. 86.



## Conduct of the inquiry

- 1.4 The inquiry was advertised in *The West Australian* on 6 July 2002 and in the Christmas Island community newsletter, *The Islander*, on 19 July 2002. The Committee received 39 submissions and eight exhibits. Evidence was received in relation to all the areas listed in the terms of reference.
- 1.5 Initially the Committee was to review the departments' 2000-2001 annual reports. However, as the Committee's visit to the Indian Ocean Territories was delayed until March 2003, the Committee resolved that the annual reports which were tabled in the House of Representatives on 16 October 2002 should also be reviewed. Submissions and exhibits received in relation to both years were considered in evidence.
- 1.6 The completion of this report was further delayed when the Committee commenced the first part of its inquiry into governance on Norfolk Island in March 2003. Accordingly, the Committee extended this review to include the annual reports of the Department of Transport and Regional Services and the Department of the Environment and Heritage for 2002-2003 tabled in the House of Representatives on 8 October and 4 November 2003 respectively. Submissions and exhibits received in relation to all three years were considered in evidence.
- 1.7 The Committee visited Christmas and Cocos (Keeling) Islands for inspections, private meetings and public hearings from 10 to 13 March 2003. Facilities and sites on Christmas Island identified as being relevant to the review were inspected on 10 March 2003. These included the proposed Asia Pacific Space Centre launch facility site, the new crab crossings funded by Parks Australia, the school, wharf and police station. The Committee undertook an inspection of relevant facilities and sites on West Island and Home Island, Cocos (Keeling) Islands, on 12 March 2003. These included the police station and courtroom, and a return trip on the local bus and ferry service from West Island to Home Island. The Committee was also given a private inspection of Oceania House by the owner, Mr Lloyd Leist.
- 1.8 The Committee held a number of informal meetings whilst on Christmas and Cocos (Keeling) Islands. On Christmas Island the Committee met with the Christmas Island Administration and the Shire Council, as well as a number of community groups. These included the Chinese Literary Association, the Christmas Island

Women's Association, and the Islamic Council. On Cocos (Keeling) Islands the Committee met with the Shire Council, the Cocos Co-op, the Cocos Congress, the Cocos Women's Group (Kaum Ibu) and the Islamic Council.

- 1.9 The Committee held public hearings in the Old Shire Chambers on Christmas Island on 11 March 2003 and in the community hall on West Island, Cocos (Keeling) Islands on 13 March 2003. The Committee also held hearings at Parliament House in Canberra on 28 March and 12 May 2003.

## **Role of the Committee**

- 1.10 It is the function of the Federal Parliament to participate in developing law and policy, to scrutinise government action and public administration and to inquire into matters of public interest on behalf of all Australians. A system of Federal parliamentary committees facilitates the work of the Parliament. A Resolution of Appointment, passed by the House of Representatives on 14 February 2002 and by the Senate on 15 February 2002, is the source of authority for the establishment and operations of the Joint Standing Committee on the National Capital and External Territories.<sup>3</sup> The Committee is appointed to inquire into and report to both Houses of Parliament, in an advisory role, on a range of matters.
- 1.11 The Committee was established in 1993. Prior to 1993, inquiries relating to the external territories were dealt with by other committees - for example, the House of Representatives Standing Committee on Legal and Constitutional Affairs reported on legal regimes in the external territories in 1991. A Joint Standing Committee on the Australian Capital Territory has been appointed in each Parliament since 1956. In 1992, the Joint Standing Committee on the Australian Capital Territory changed its name to the Joint Standing Committee on the National Capital, to emphasise the significant change in the focus of the Committee's work which occurred following the introduction of self-government in the ACT in 1989. At the start of the 37th Parliament in 1993, a committee specifically to cover Australia's external territories was established for the first time.

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3 By convention, where the Resolution of Appointment is silent joint committees follow Senate committee procedures to the extent that such procedures differ from those of the House.

- 1.12 The Committee has produced seven reports in relation to the external territories so far:
- *Delivering the Goods*, February 1995;
  - *Island to Islands: Communications with Australia's External Territories*, March 1999;
  - *In the Pink or in the Red: Health Services on Norfolk Island*, July 2001;
  - *Risky Business: Inquiry into the tender process followed in the sale of the Christmas Island Casino and Resort*, September 2001;
  - *Norfolk Island Electoral Matters*, June 2002;
  - *Quis custodiet ipsos custodes?: Inquiry into Governance on Norfolk Island*, December 2003; and
  - *Norfolk Island: Review of the Annual Reports of the Department of Transport and Regional Services and the Department of the Environment and Heritage*, July 2004.

## Service Delivery in the Indian Ocean Territories

- 1.13 The strategic objective of the Department of Transport and Regional Services in relation to Australia's territories is for:

Territories which provide for their residents the same opportunities and responsibilities as other Australians enjoy in comparable communities.<sup>4</sup>

The key strategies implemented to help achieve this objective were:

- develop effective and appropriate governance for each territory
- implement or improve government services to bring them in line with those available in comparable mainland communities in order to meet non self-governing territory needs
- facilitate economic and infrastructure development in non self-governing territories.<sup>5</sup>

- 1.14 In the case of the Indian Ocean Territories, the Department "administers arrangements for the provision of state and local

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4 Department of Transport and Regional Services, *Annual Report 2002-2003*, p. 107.

5 Department of Transport and Regional Services, *Annual Report 2002-2003*, p. 110.

government equivalent services and regulation”.<sup>6</sup> These services and regulation included justice and community safety; education; environment and heritage; health and community care; transport, housing, land management and other urban services; economic development and tourism; social and welfare services; and public utilities such as electricity, water and sewerage.<sup>7</sup> Many of these services are provided by Western Australian State Government agencies under 29 Service Delivery Arrangements with the Commonwealth through the Department of Transport and Regional Services.<sup>8</sup> The Service Delivery Arrangements are reviewed regularly, and the reviews include community consultation on agency performance.

- 1.15 The Department stressed that in the longer term the Commonwealth is seeking to develop a whole-of-government arrangement for the delivery of services to the Indian Ocean Territories.<sup>9</sup> In the interim, the Department is “expanding the scope of agency specific arrangements on an as needs basis”.<sup>10</sup> In 2002-03, the Commonwealth’s operating expenses for the Indian Ocean Territories totalled \$69.8 million, with an additional \$39.9 million directed to capital projects.<sup>11</sup>
- 1.16 Those services not provided under the Service Delivery Arrangements are provided through direct service provision, contracting private companies and providers, or the local shires in each territory.<sup>12</sup> The Christmas Island Administration, for example, is responsible for the provision of electricity to the Island through the Christmas Island Power Authority. The Administration also oversees the provision of health services, including a social worker, to both Christmas and Cocos (Keeling) Islands through the Indian Ocean Territories Health Service. Management of the water and sewerage services on Christmas Island are the responsibility of the Administration, which has a contract with WaterCorp, a Western Australian State Government agency. The Cocos (Keeling) Islands Administration is responsible for providing the following services:

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6 Department of Transport and Regional Services, *Annual Report 2002-2003*, p. 108.

7 Department of Transport and Regional Services, *Annual Report 2002-2003*, p. 108.

8 Department of Transport and Regional Services, *Annual Report 2002-2003*, p. 108.

9 Department of Transport and Regional Services, *Submissions*, p. 683.

10 Department of Transport and Regional Services, *Submissions*, p. 683.

11 Department of Transport and Regional Services, *Annual Report 2002-2003*, p. 109.

12 Department of Transport and Regional Services, *Annual Report 2002-2003*, p. 108.

- utilities (water, sewerage and electricity) under contract to WaterCorp;
- airport management through an agreement with Westralia Airports Corporation in conjunction with Christmas Island;
- public transport, including ferry services currently under contract to the Cocos Co-op;
- marine services including ferry and jetty maintenance;
- West Island Housing; and
- public building maintenance, including the administration centre and cyclone shelter.

## Outsourcing services

1.17 The Department of Transport and Regional Services noted that successive Federal Governments have determined that the direct delivery of State and local government services is not core Commonwealth business and that the most efficient and effective delivery arrangements are via Western Australian government agencies or private providers under contract to the Commonwealth. In part, this is because the scale of direct service provision means that direct provision is very expensive, but also due to the Commonwealth having had limited experience in direct service provision. The Department stated that it was working with the Christmas and Cocos (Keeling) Islands shire councils to define the roles of the Commonwealth and the shires. As part of the process, the shires have expressed a desire to take on more service delivery.<sup>13</sup>

## Outsourcing to the private sector

1.18 Witnesses raised two issues related to the outsourcing of services to the private sector. One was the operation of the inter-island ferry service between West Island and Home Island, Cocos (Keeling) Islands.<sup>14</sup> The second was cleaning and gardening at the airport, the school, the hospital and the administration building on Christmas Island. A number of residents of the territories raised concerns about the implications of the outsourcing proposal and requested that the ramifications of privatisation and contracting out of services be

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13 Mr Mike Mrdak, Transcript, 28 March 2003, p. 189.

14 See Chapter Seven.

considered, and that the Commonwealth suspend any decisions in the interim.<sup>15</sup>

## **Outsourcing to the Shire Councils**

1.19 Both shire councils have expressed an interest in taking responsibility for many services that are currently provided by the Commonwealth. The Shire of Cocos (Keeling) Islands, for example, is interested in harbour control and managing the airport.<sup>16</sup> The Shire Council noted that:

the Shire could deliver many of those services in a more cost effective manner and with considerably more local input as the only directly elected body permanently on island.<sup>17</sup>

Both shire councils indicated that they were not averse to the transfer of almost any services, on the proviso that they were appropriately resourced.

## **Structure of the Report**

1.20 The report is divided into nine chapters. Chapter Two discusses governance arrangements in the Indian Ocean Territories while the remaining seven chapters address each of the inquiry's terms of reference.<sup>18</sup> Chapter Three focuses on justice and community safety, Chapter Four on education and training and Chapter Five on environment and heritage. Chapter Six examines health and community care while Chapter Seven looks at transport, housing, land management and other urban services. Chapter Eight examines economic development and tourism and includes general concerns that residents share about the future economic status and direction of the territories. Social and welfare services are discussed in Chapter Nine of the report.

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15 Mr Gordon Thomson, Transcript 11 March 2003, p. 48.

16 Shire of Cocos (Keeling) Islands, Submissions, p. 265.

17 Shire of Cocos (Keeling) Islands, Submissions, p. 265.

18 Department of Transport and Regional Services, *Annual Report 2000-2001*, p. 86. Eight areas of state and local government level service provision to the non self-governing territories are identified.

## Governance in the Indian Ocean Territories

### The Existing Situation

#### The Enabling Legislation

- 2.1 The Minister for Territories, Local Government and Roads exercises ministerial powers and responsibilities in the Indian Ocean Territories in accordance with the *Christmas Island Act 1955* (Cth) and the *Cocos (Keeling) Islands Act 1955* (Cth). The Acts provide the legislative basis for the Territories' administrative, legislative and judicial systems.
- 2.2 In 1992, a contemporary body of Commonwealth and Western Australian law was applied to the Territories, with a view to extending to residents the same rights, responsibilities and obligations enjoyed by Australians on the mainland. This was implemented by way of the *Territories Law Reform Act 1992* (Cth) which amended the *Christmas Island Act 1955* (Cth) and the *Cocos (Keeling) Islands Act 1955* (Cth).

#### Local Government Arrangements

- 2.3 An Administrator, appointed by the Governor-General, under the *Administration Ordinance 1975*, is responsible for the law, order and good governance of the two territories. The Administrator acts in accordance with any instructions provided by the Federal Minister and reports to the Minister.<sup>1</sup> One Administrator is appointed for both Territories. The Administrator resides on Christmas Island and has, in the past, been

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1 Department of Transport and Regional Services, Submissions, p. 19.

assisted by two Official Secretaries, one on Christmas Island and the other on Cocos (Keeling) Islands.<sup>2</sup> The Administration is funded and supported by Department of Transport and Regional Services through its offices in Canberra and Perth.

- 2.4 Local government in the Indian Ocean Territories was established through the *Local Government Act 1995* (WA).<sup>3</sup> The Shire of Christmas Island Council is comprised of a President, Deputy President and eight councillors. The Shire of Cocos (Keeling) Islands Council consists of seven members. The role of the Shire Councils is similar to that of local government councils on the mainland.

### Federal Parliamentary Representation

- 2.5 Electors in the Indian Ocean Territories are enrolled in the Federal electoral division of Lingiari in the Northern Territory and are represented in the House of Representatives by the Hon. Warren Snowdon MP. The two senators for the Northern Territory, Senators Trish Crossin and Nigel Scullion, provide representation for the Christmas and Cocos (Keeling) Islands communities in the Senate.

### Federal Government Policy

- 2.6 In August 2000, the Federal Government determined that:
- the Commonwealth's preferred long-term solution for the Territories is the incorporation of the Indian Ocean Territories (IOTs) into an existing State or Territory, with Western Australia (WA) as the preferred option;
  - the Commonwealth should progressively withdraw from the direct delivery of State type services in the IOTs (as non-core functions);
  - legislative, administrative and institutional frameworks in the IOTs should be aligned with those of remote communities on the mainland (with WA as the model).<sup>4</sup>

The Committee notes that there was no consultation with Island communities by the Government in reaching this policy position. In its

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2 The Official Secretary on Cocos (Keeling) Islands has been relocated to Christmas Island – there is to be one Official Secretary for both Territories.

3 The *Christmas Island Assembly Ordinance 1995* established an elected Christmas Island Assembly which was empowered to control municipal services on the Island via the Christmas Island Services Corporation. The Assembly was dissolved, by the Federal Government, in November 1987.

4 Department of Transport and Regional Services, Submissions, p. 691.



1999 report on the Indian Ocean Territories, the Commonwealth Grants Commission recommended the consultation processes be strengthened, noting:

That dissatisfaction over consultation remains widespread suggests to us that the consultation mechanisms are not sufficiently effective. A comprehensive approach to consultation is needed, and it must provide for both formal and informal processes.<sup>5</sup>

2.7 The Department of Transport and Regional Services noted that, as a result of the Government's decision, it was "in the midst of a major reform process in relation to service delivery, administrative and management arrangements for the Indian Ocean Territories".<sup>6</sup> The territories were experiencing the "same types of economic and service delivery reforms as have occurred on the mainland".<sup>7</sup> The impetus for these reforms was to ensure the efficient delivery of government services and align the administrative, legislative and institutional frameworks in the territories with those of remote communities on the mainland.<sup>8</sup> This 'normalisation process' involved replicating the governance arrangements and responsibilities which would apply to the territories were they part of Western Australia.<sup>9</sup> The Department noted that while the formal incorporation of the Indian Ocean Territories is "many years away", the Federal Government's current policies are:

consistent with the aim of incorporation and 'normalisation' aimed at making the border between the mainland and the Indian Ocean Territories as 'seamless' as possible.<sup>10</sup>

2.8 The Department stated that it intended to implement these aims by:

- expanding current service delivery through the Service Delivery Arrangements with Western Australian state agencies;
- adopting mainland service models such as outsourcing and privatisation; and

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5 Commonwealth Grants Commission, 1999, *Report on the Indian Ocean Territories*, Canprint, Canberra, p. 37.

6 Mr Mike Mrdak, Transcript, 28 March 2003, p. 190.

7 Department of Transport and Regional Services, Submissions, p. 513.

8 Department of Transport and Regional Services, Submissions, p. 513.

9 Department of Transport and Regional Services, Submissions, p. 5.

10 Department of Transport and Regional Services, Submissions, p. 691.

- limiting Commonwealth service delivery and encouraging local government service delivery (including the transfer of freehold land and assets where appropriate and identifying opportunities for an increased role for local government).<sup>11</sup>
- 2.9 The Department also pointed out that its intention is to significantly reduce Administration staffing on both Christmas and Cocos (Keeling) Islands.<sup>12</sup> The Cocos (Keeling) Islands Administration office has been closed and the staffing level on Christmas Island is being significantly reduced.<sup>13</sup> The Department's rationale for this was that the present number of staff and level of Commonwealth activity encouraged Territories' residents "to look to the Commonwealth to solve any problems and this attitude stifles community initiative".<sup>14</sup>
- 2.10 However, many residents on both Christmas and Cocos (Keeling) Islands expressed their concern with the future direction of the Indian Ocean Territories under the Federal Government's 'incorporation' and 'normalisation' policy process.<sup>15</sup> Of particular concern to these residents was the Department's policy of 'market testing' a range of Government provided services and the outsourcing and/or possible privatisation of these services.

## Future governance arrangements

- 2.11 A number of Territories' residents also pointed to some uncertainty in the Island communities as to the Federal Government's policy regarding the future status of the Indian Ocean Territories. Mr Ron Grant was concerned that, because of the non self-governing status of the Indian Ocean Territories, the local communities have no say at the territorial level in the Federal Government's policy changes:

They do have a say at local government level through local government councils and also at the federal level through elected members of parliament, but specifically in relation to territorial affairs the communities have no say at all.<sup>16</sup>

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11 Department of Transport and Regional Services, Submissions, pp. 683-684.

12 Department of Transport and Regional Services, Submissions, p. 513.

13 See above with respect to the relocation of the Official Secretary on Cocos (Keeling) Islands to Christmas Island.

14 Department of Transport and Regional Services, Submissions, p. 513.

15 Mr Gordon Thomson, Transcript, 11 March 2003, pp. 45-47.

16 Mr Ron Grant, Transcript, 13 March 2003, p. 92.

- 2.12 Mr Grant proposed that the territories of Christmas and Cocos (Keeling) Island be merged into one new territory with limited self-government called the Indian Ocean Territory.<sup>17</sup> This territory should have an elected legislative assembly, which would complement the current arrangements of the shire councils and Federal parliamentary representation. Mr Grant described how such a system would work:

Just the one assembly for two islands, with representatives from both islands being elected to that assembly. That assembly should have its own bureaucracy based within the islands and that assembly should assume responsibility for state type functions like health, education, law enforcement, justice, economic development. I believe the residents of the territory have that right. We are the only community, to the best of my knowledge, in Australia, that does not have the right of elected representatives at territorial level. I believe also that it is absolutely essential that the residents of the territory have the right to be heard on how funding is allocated to state territorial services such as education and health.<sup>18</sup>

- 2.13 Mr John Clunies-Ross concurred with Mr Grant on the issue of the lack of territorial or state level representation in the Indian Ocean Territories:

The administration of legislation by a non-representative body is still a colonial administration and you will continue to have problems with both territories until such time as there is a representative legislation.

My feeling is that it should happen sooner rather than later...whilst we try and duplicate the state level facilities, there is no proactive component in either council, admin or the department of territories. If you have a state government, it is proactive in the economics of the state and on the social side, sports side and everything else. Here, we are sadly lacking that level of proactiveness.<sup>19</sup>

- 2.14 Having considered the evidence and the current governance arrangements for the territories, the Committee believes there is clear need for an inquiry into governance of the Indian Ocean Territories. Such an inquiry, to be conducted by the Committee as the most suitable body, should examine measures to improve the role and structure of government in the

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17 Mr Ron Grant, Transcript, 13 March 2003, p. 93.

18 Mr Ron Grant, Transcript, 13 March 2003, p. 93.

19 Mr John Clunies-Ross, Transcript, 13 March 2003, p. 144.

territories, ensuring that it is both accountable and representative. The inquiry should consider proposals for future governance arrangements. This proposed inquiry would examine issues such as the legal framework for the territories, the role of the Shires, consultation with the Island communities, accountability and transparency in government processes, whether an elected legislative assembly should be established, and the current and future relationship of the territories with Western Australia and the Commonwealth. Accordingly, the Committee seeks a reference from the Minister for such an inquiry.

### **Recommendation 1**

- 2.15 That the Federal Minister with responsibility for the external territories refer for inquiry and report the governance arrangements of the Indian Ocean Territories to the Joint Standing Committee on the National Capital and External Territories.**

## **Justice and community safety**

### **Policing**

- 3.1 The Australian Federal Police provides community policing services for the Indian Ocean Territories under an agreement with the Department of Transport and Regional Services. During its visit to the Territories, the Committee inspected the police stations on both Christmas Island and Cocos (Keeling) Islands. Police officers on both Islands noted that the stations were run like typical country police stations on the mainland and that crime levels on the Islands were low.<sup>1</sup> On Christmas Island, police officers suggested that additional special constables drawn from the community were needed. Some residents suggested that more female special constables were needed to better cater for the community's diverse cultural composition.

### **Justice and other community safety matters**

- 3.2 Justice and other community safety services are provided by relevant Western Australian Government agencies through Service Delivery Arrangements with the Department of Transport and Regional

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1 The AFP advised that the primary areas of concern were traffic management, domestic violence and alcohol induced offences.

Services. These include court services, legal aid, equal opportunity, Ombudsman, fire and emergency services, workplace safety and workers' compensation, and explosives and dangerous goods.<sup>2</sup> Annual performance reports produced under the provisions of the Service Delivery Arrangements indicate that these services in the Indian Ocean Territories are comparable with those in regional areas of Western Australia.<sup>3</sup>

- 3.3 The Shire of Christmas Island made the following suggestions for possible improvements in the areas of justice and community safety:
- construction of a purpose-built court house;
  - evaluation of the equipment needs of the volunteer Christmas Island Fire and Rescue Service;
  - establishment of a Volunteer Marine Rescue Group; and
  - Commonwealth funding of the ongoing costs of providing services in the new recreation centre to equip the centre as an Emergency Management Centre.<sup>4</sup>
- 3.4 The Council's first two suggestions depend on a projected increase in population and infrastructure associated with the Immigration Reception and Processing Centre and the Asia Pacific Space Centre on Christmas Island. As these developments have stalled, however, it would be premature for the Committee to recommend them at this time. The Committee has concluded that the establishment of a Volunteer Marine Rescue Group and an Emergency Management Centre would contribute significantly to the services available to the Christmas Island community and that the Federal Government should give serious consideration to supporting them.

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## **Recommendation 2**

- 3.5 **That the Federal Government provide ongoing funding for the additional services needed to provide for use of the Christmas Island Recreation Centre as an emergency management centre and negotiate the relevant service delivery arrangement with the Western Australian Government for the establishment of a volunteer marine rescue group.**

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2 Department of Transport and Regional Services, Submissions, p. 50.

3 Department of Transport and Regional Services, Submissions, p. 50.

4 Shire of Christmas Island, Submissions, pp. 327-329.

## Military exercises

- 3.6 The Committee was informed that the activities of the Australian Defence Force Christmas Island Detachment had caused some distress among Island residents.<sup>5</sup> Their concerns related to the unexplained presence of armed military personnel at Flying Fish Cove, the most public and easily accessible beach on the Island, as well as the alarm caused to children and the apparent prohibition of photography.<sup>6</sup>
- 3.7 The Committee wrote to the Minister for Defence, Senator the Hon. Robert Hill, in March 2003, seeking information about the exercise. The Minister replied in June, explaining why the Detachment was deployed to Christmas Island and describing the exercise at Flying Fish Cove. The Minister stated that the Australian Defence Force had noted residents' concerns, initiated a review of public relations on the Island and would address community concerns.

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5 Ms Virginia Jealous, Submissions, p. 500. The Christmas Island Detachment consists of a Royal Australian Navy Boarding Party and an Australian Army Transit Security Element. Their role is to provide an on-shore capability to manage arrivals of suspected illegal entry vessels.

6 Ms Virginia Jealous, Submissions, p. 500.





## Education

### Background

- 4.1 The Western Australian Department of Education and Training has provided school based education (from pre-school to year 10) on Cocos (Keeling) Islands since the late 1970s and on Christmas Island since the early 1990s. A Service Delivery Arrangement between the Department of Transport and Regional Services and the WA Department of Education and Training establishes the provision of services. Schools in the Indian Ocean Territories are managed by the Kimberley District Education Office.<sup>1</sup>
- 4.2 There is one campus on Christmas Island, the Christmas Island District High School, which caters for approximately 400 students. There are two campuses on Cocos (Keeling) Islands with a total enrolment of approximately 130 students. The Home Island campus provides primary education only, while the Cocos (Keeling) Islands District High School on West Island provides primary and secondary education to Year 10. English is the principal language used, except at the Home Island campus where education is bilingual in the early primary years.<sup>2</sup> Consequently, teachers on Cocos (Keeling) Islands are specialists in English as a second

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1 Department of Transport and Regional Services, *Service Delivery Arrangements [SDA] Performance Reports 2001/2002*, Regional Office Perth, p. 15.

2 Commonwealth Grants Commission, 1999, *Report on Indian Ocean Territories*, Canprint, Canberra, p. 85.

language.<sup>3</sup> School accommodation on Christmas Island has recently been upgraded, and appears to be adequate. Some work is needed on the school buildings on the Cocos (Keeling) Islands. The Committee understands that tenders have been called for this work.

## Secondary Education

4.3 Students usually undertake years 11 and 12 in Western Australia, with the Department of Transport and Regional Services providing travel costs for a return flight each semester and a means-tested isolated students living allowance.<sup>4</sup> A four-year trial to provide some year 11 and 12 units on Christmas Island commenced at the start of the school year in 2002.<sup>5</sup>

4.4 The 2001-02 performance reports for the Service Delivery Arrangements identifies the attempt to reduce dependence on distance education through the availability of post compulsory education on Christmas Island as a 'key change' in the delivery of education services.<sup>6</sup> The Department of Transport and Regional Services noted that:

If the year 11 & 12 trial is assessed as successful, it is envisaged that the majority of year 11 and 12 students and or their families will prefer the on-Island post compulsory option rather than the off-Island option. This will be further reinforced if the financial support for the off-Island option is eventually withdrawn.<sup>7</sup>

4.5 During meetings with community groups on Christmas Island, the Committee was informed of community concern that the allowances currently provided to all students completing years 11 and 12 in Western Australia will be phased out. Island residents stressed that they want to retain the option of sending their children to the mainland. They considered that some students may be disadvantaged if forced to remain on-Island to complete their secondary education.

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3 Commonwealth Grants Commission, 1999, *Report on Indian Ocean Territories*, Canprint, Canberra, p. 85.

4 Commonwealth Grants Commission, 1999, *Report on Indian Ocean Territories*, Canprint, Canberra, p. 145.

5 Department of Transport and Regional Services, Submissions, p. 60. Year 11 studies commenced at the Christmas Island District High School in 2002 with 8 students enrolled. Year 12 studies commenced in 2003.

6 Department of Transport and Regional Services, *Service Delivery Arrangements [SDA] Performance Reports 2001/2002*, Regional Office Perth, p. 16.

7 Department of Transport and Regional Services, *Service Delivery Arrangements [SDA] Performance Reports 2001/2002*, Regional Office Perth, p. 16.

- 4.6 The Committee would be concerned if the allowances for students from Christmas Island intending to complete years 11 and 12 on the mainland were to be withdrawn. The Committee assumes that this will not occur during the trial, and expects that the trial will include a thorough assessment of whether the curriculum able to be offered on the Island will cater adequately for students of all abilities. The Committee, therefore, recommends the following:

### Recommendation 3

- 4.7 **That the Federal Government continue to provide financial support for Christmas Island residents wishing to complete years 11 and 12 on the mainland.**

## International Students - Christmas Island

- 4.8 Christmas Island community groups and residents noted that economic benefits could be realised from the provision of educational opportunities for foreign students. The Chinese Literary Association suggested that research into a role for Christmas Island in the Indonesian English Second Language (ESL) market be conducted. The Association further suggested that the newly-built units associated with the construction of the IRPC centre could be used as ESL student accommodation. However, currently the relevant Commonwealth legislation, the *Education Services for Overseas Students Act 2000* (Cth), does not extend to the external territories.
- 4.9 The Service Delivery Arrangements performance reports for 2001-02 canvass the possibility that the *Education Services for Overseas Students Act 2000* (Cth) be amended so that post compulsory education courses on Christmas Island could be offered to full fee paying students from South-East Asia.<sup>8</sup> The Department of Transport and Regional Services noted that the Western Australian Minister for Education, Sport and Recreation and Indigenous Affairs had written to the Federal Government asking that the *Education Services for Overseas Students Act 2000* (Cth) “be extended to the external territories in order to allow the school on Christmas Island to attract fee paying overseas students”.<sup>9</sup> The Federal Minister for

8 Department of Transport and Regional Services Office, Perth, *Service Delivery Arrangements [SDA] Performance Reports 2001/2002*, p. 16.

9 Department of Transport and Regional Services, Submissions, p. 686.

Education, Science and Training, the Hon. Brendan Nelson MP, advised the WA Minister that the request would be “thoroughly considered”.<sup>10</sup>

- 4.10 The Committee believes that the proposal to offer educational services to overseas fee-paying students has potential, given the educational infrastructure on Christmas Island and the ethnic and language composition of the Island’s population. The Committee trusts that the Federal Government will be able to assist in the development of this initiative which, if successful, would assist the Island’s economy and broaden its narrow economic base. Accordingly, the Committee recommends the *Education Services for Overseas Students Act 2000* (Cth) be extended to the Indian Ocean Territories.

#### **Recommendation 4**

- 4.11 **That the *Education Services for Overseas Students Act 2000* (Cth) be amended to include the Indian Ocean Territories.**

### **Vocational Education and Training**

- 4.12 In 2001, the Department of Transport and Regional Services and the Western Australian Department of Training entered into a three-year Service Delivery Arrangement “to maximise employment related training opportunities for apprentices and trainees of the Commonwealth-contracted Indian Ocean Group Training Association (IOGTA)”.<sup>11</sup> Services provided by the WA Department of Training include monitoring, support and advice.<sup>12</sup> The Shire of Christmas Island noted that additional funding provided by the Federal Government for vocational education and training “has improved the services provided on Island”.<sup>13</sup>
- 4.13 However, some witnesses expressed concerns. On Christmas Island these concerns related to training in health and other professions, and tourism. On Cocos (Keeling) Islands, the concerns related to the absence of any apprentices in the basic trades. Mr Gordon Thomson, General Secretary of

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10 Department of Transport and Regional Services, Submissions, p. 686.

11 Department of Transport and Regional Services, *Service Delivery Arrangements [SDA] Performance Reports 2001/2002*, Regional Office Perth, p. 79.

12 Department of Transport and Regional Services, *Service Delivery Arrangements [SDA] Performance Reports 2001/2002*, Regional Office Perth, p. 79.

13 Shire of Christmas Island, Submissions, p. 330.

the Union of Christmas Island Workers, suggested that the Federal Government's expenditure on health could be reduced if it were "to put some money into the training of medical staff, nurses in particular".<sup>14</sup> Mr Thomson cited a case where a family's financial situation had prevented a student from completing her health care studies on the mainland.<sup>15</sup>

4.14 The Department of Transport and Regional Services pointed out that Indian Ocean Territories' residents:

are eligible to apply for funding from the Commonwealth under WA Government grants programs, including for scholarships provided by the WA Department of Health.<sup>16</sup>

The Department noted that two teacher assistants at the Christmas Island District High School were undertaking on-Island training as teachers.<sup>17</sup> It is expected they will graduate as teachers at the end of 2004.<sup>18</sup>

4.15 Ms Foo Gee of the Austasia Business Council claimed that there was "no proper training" available to Christmas Island residents interested in the tourism industry.<sup>19</sup> She suggested that funding be made available for the training of Island residents in tourism. Ms Foo also noted the high costs to employers of sending employees to the mainland for specialised training.<sup>20</sup> The Department of Transport and Regional Services pointed out that the Indian Ocean Group Training Association offers hospitality courses for Indian Ocean Territories' residents and that additional training assistance had been given to the tourism industry on Christmas Island. The Department noted that it had recently, in conjunction with National Jet Systems, "provided travel agencies on Christmas Island with airfare assistance to assist with sending a trainee to the mainland for travel agent training".<sup>21</sup>

4.16 Limited employment opportunities on Cocos (Keeling) Islands appear to be responsible for a lack of apprenticeships. The Shire, for example, does not employ any apprentices, although this situation may change with the devolution of service provision to the shire.<sup>22</sup> Mr Signa Knight, Chairman,

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14 Mr Gordon Thomson, Transcript, 11 March 2003, pp. 45-46.

15 Mr Gordon Thomson, Transcript, 11 March 2003, p. 50.

16 Department of Transport and Regional Services, Submissions, p. 652.

17 Department of Transport and Regional Services, Submissions, p. 652.

18 Department of Transport and Regional Services, Submissions, p. 652.

19 Ms Gee Foo, Transcript, 11 March 2003, p. 28.

20 Ms Gee Foo, Transcript, 11 March 2003, p. 28.

21 Department of Transport and Regional Services, Submissions, p. 652.

22 Mr Robert Jarvis, Transcript, 13 March 2003, p. 118.

Cocos Islands Co-operative Society Ltd, speaking through an interpreter, pointed out that:

We also want to go back to training of school kids who have just left school. In the old days there used to be a lot more money in the bucket, but nowadays there is very little and we never see any proper training services being provided like we had in the old days when we had five or six apprentices or various kids doing various projects or jobs. At the moment, that is very quiet. We need to see more apprenticeships for our kids, or a training program for that matter.<sup>23</sup>

4.17 The Department of Transport and Regional Services noted that it had contracted the Indian Ocean Group Training Association to provide group training and adult education services for the territories. Under the contract:

- IOGTA is paid at northern WA-equivalent rates for adult education courses it delivers, and higher rates for the training of its trainees and apprentices; and
- IOGTA is required to consult with a wide range of community representatives in developing its training plans and priorities to ensure that the services provided are meeting the community and business needs of the Territories.<sup>24</sup>

4.18 Mr Alan O'Grady, Financial Controller, Cocos Islands Co-operative Society Ltd, stated:

I would just like to reiterate also my concern, as the manager of the cooperative, about employment opportunities. There are no new carpenters, electricians, plumbers—just basic tradespeople—coming through the community from either island. Robyn Jenkins, I believe, is going to hold a meeting in the near future to see what we can do about this, but, as the older population retires, it will be somewhat difficult to imagine just how these very basic services are going to be run if there is nobody on the island to do them.<sup>25</sup>

The Committee shares Mr O'Grady's concern and believes it is vital to encourage students from the territories studying in Western Australia to return to take up jobs on their home islands.

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23 Mr Signa Knight, Transcript, 13 March 2003, p. 105.

24 Department of Transport and Regional Services, Submissions, p. 648.

25 Mr Alan O'Grady, Transcript, 13 March 2003, p. 106.

## Environment and heritage

5.1 In the Indian Ocean Territories, the Department of the Environment and Heritage has responsibilities in two key areas:

- promotion, protection and conservation of the environment, including heritage, especially those aspects that are matters of national environmental significance; and
- provision of meteorological and related services.<sup>1</sup>

In 2001-02, the Department reported that:

- the Minister had exempted the Christmas Island Immigration Reception and Processing Centre from Part 3 under section 158 and Part 13 under section 303A of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (EPBC Act);<sup>2</sup>
- a consultancy was underway for the preparation and updating of recovery plans for four bird species and one mammal on Christmas Island;<sup>3</sup>

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1 Department of the Environment and Heritage, Submissions, p. 213.

2 Department of the Environment and Heritage, *Annual Report 2001-2002*, p. 181.

3 Three endemic mammals exist on Christmas Island. The Christmas Island Fruit Bat and the Christmas Island Pipistrelle are well distributed over the island. Of the two bat species, the Pipistrelle bat is listed as endangered under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth). The other mammal species, the Christmas Island Shrew, is listed as endangered under the EPBC Act. It has not been seen since 1985 despite surveys in 1987 and work by Parks Australia North during 1997-98. Department of the Environment and Heritage, *Annual Report 2001-2002*, p. 189

- the Commonwealth had been involved in revising and updating the management plan for the Christmas Island Ramsar site;<sup>4</sup> and
- a permit had been issued under section 216 of the EPBC Act for feathers to be collected from boobys for research purposes on Cocos (Keeling) Islands.<sup>5</sup>

The Department also reported that several proposals to upgrade infrastructure on Christmas Island had been determined to be controlled actions and that construction of new recreational facilities had been approved.<sup>6</sup>

- 5.2 Expenditure by the Federal Government on environment and heritage in the Indian Ocean Territories is through Parks Australia, the Australian Heritage Commission (now Council) and the Bureau of Meteorology. Parks Australia's expenditure for 2001-2002 for the National Park on Christmas Island and other areas in the Territory was approximately \$4.5 million. Expenditure for the Pulu Keeling National Park and other areas on Cocos (Keeling) Islands amounted to \$530,000. Expenditure from the Australian Heritage Commission budget amounted to \$20,000 for provision of Register of the National Estate advice in both territories. Bureau of Meteorology expenditure per annum amounted to approximately \$118,000 on Christmas Island and \$368,000 on Cocos (Keeling) Islands.<sup>7</sup>

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4 "Hosnie's Spring, located within the National Park in the north east area of the island, is internationally listed as a Ramsar Wetland. The area of the spring covers approximately 0.33 ha and is located between 24m and 37m above sea level and 120m inland from the shore terrace. It is made up of a number of freshwater streams and seepages. The wetland is host to a number of migratory bird species that are listed under international agreements such as JAMBA and CAMBA. Hosnie's Spring supports a stand of *Bruguiera spp.* (mangrove) that has been estimated to be in excess of 120,000 years old and comprises some of the largest plants of the species ever recorded. It is also of particular interest due to its sloping location well above sea level." *Christmas Island Airport Upgrade – Environmental Impact Statement*, pp. 45-46. Located at:

[http://www.dotars.gov.au/terr/xmas/Airport\\_upgrade/Environment.pdf](http://www.dotars.gov.au/terr/xmas/Airport_upgrade/Environment.pdf).

See also Department of the Environment and Heritage, *Annual Report 2001-2002*, p. 194. In 2002-03, The Dales on Christmas Island were listed under the Ramsar Convention. See Department of the Environment and Heritage, *Annual Report 2002-2003*, p. 86.

5 Department of the Environment and Heritage, *Annual Report 2001-2002*, p. 191.

6 Department of the Environment and Heritage, *Annual Report 2001-2002*, pp. 177, 183.

7 Information provided by the Department of the Environment and Heritage.



## Federal Environmental Laws

### Environment Protection

- 5.3 The principal legal framework for environmental protection in the Indian Ocean Territories is provided by the *Environment Protection and Biodiversity Conservation Act 1999* (Cth).<sup>8</sup> Under the assessment and approval provisions of the Act, actions that are likely to have a significant impact on a matter of national environmental significance are subject to a rigorous assessment and approval process. An action includes a project, development, undertaking, activity, or series of activities.<sup>9</sup>
- 5.4 In short, the EPBC Act provides that nobody can take an 'action' that may have a significant impact on the environment of areas listed under the Act unless they have the prior approval of the Federal Minister for the Environment and Heritage. Administrative Guidelines issued under the Act provide guidance on determining whether an action has, will have, or is likely to have a significant impact on a matter of national environmental significance.<sup>10</sup>
- 5.5 Importantly, the term 'environment' is defined by the Act to mean all natural, social and cultural aspects of the area or land in question. This includes all animal and plant life, the soil, water and air, and even things like buildings and access for recreation may qualify for protection. In respect of the marine environment, for example, the Act may apply to any proposed new ventures that could cause major pollution, destroy undersea habitats for marine life or kill sea creatures. This may include new wharfs, offshore installations or even a new project on the Islands that result in significant environmental impact.
- 5.6 All actions that require approval under the EPBC Act must undergo environmental impact assessment before they can take place. This involves gathering and analysing information about the project and its impacts, consulting widely and considering ways to minimise any significant impacts. This ensures the Minister has enough information to make an informed decision about whether to approve a proposed

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8 Christmas Island is also subject to the applied Western Australian *Environment Protection Act 1986 (WA) (CI)*.

9 Department of the Environment and Heritage, Submissions, p. 225.

10 See <http://www.deh.gov.au/epbc/assessmentsapprovals/guidelines/index.html>.

action. Assessment is also designed to allow the public to comment on a proposal.

- 5.7 Different assessment approaches will be appropriate in different circumstances. The Minister must choose one of the following assessment options:
- assessment on preliminary documentation;
  - a Public Environment Report (PER);
  - an Environmental Impact Statement (EIS);
  - a Public Inquiry; or
  - an accredited process (that is, on a project by project basis).
- 5.8 Once the environmental assessment process is complete, the Minister must decide whether to approve the action within 30 business days. In deciding whether to approve an action and what conditions to impose, the Minister must consider relevant environmental impacts and economic and social matters. In considering these matters, the Minister must also take into account:
- the principles of ecologically sustainable development;
  - the assessment report on the impacts of the action (or the report of a commission of inquiry);
  - the documentation provided by the person proposing the project (for example, an environmental impact statement);
  - any other information available to the Minister on the relevant impacts of the action; and
  - relevant comments from other Federal Government Ministers (such as information on social and economic factors).
- 5.9 An approval issued by the Minister is a legal document saying that the project can proceed. Most approvals have conditions that must be complied with. Anyone working directly for, or as a contractor to, the holder or owner of an EPBC Act approval is also bound by that approval. It is the owner's responsibility to ensure the approval and its conditions are followed.
- 5.10 Importantly, the EPBC Act allows the Federal Environment Minister to require proposed actions to be referred to him or her for a preliminary assessment as to whether they may be likely to have a significant impact on the matters of environmental significance listed

and, therefore, require approval and detailed assessment under the Act as described above. Apart from requiring approval of actions, the Act also establishes systems for issuing permits to take, catch, interfere with or kill listed species and ecological communities on Commonwealth (Crown) land or in a marine area.

- 5.11 The EPBC Act requires recovery and threat abatement plans to be prepared and implemented for those species listed under it. Importantly, the Act also expressly allows for the provision of federal financial and other assistance to State and Territory Governments and to individuals to help with the implementation of such plans.<sup>11</sup> The Act also allows for the Federal Government to enter into conservation agreements with State and Territory Governments and with individuals to provide for the protection and conservation of biodiversity.<sup>12</sup>

## Heritage Protection

- 5.12 The legal framework for heritage protection in the Indian Ocean Territories is also provided under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth). The Act has been amended to implement a new national scheme for the identification, conservation and protection of Australia's unique heritage places.<sup>13</sup> Listed places will be protected under the EPBC Act with a range of enforcement options for any reported breach.
- 5.13 The Department of the Environment and Heritage informed the Committee that the new heritage regime within the EPBC Act will give rise to important changes in heritage protection in the territories.<sup>14</sup> Key features of the new regime include:
- the creation of a National Heritage List;
  - the creation of a Commonwealth Heritage List;
  - the creation of a new expert advisory body, the Australian Heritage Council, to advise the Federal Environment Minister on the listing

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11 See sections 281 & 286, *Environment Protection and Biodiversity Conservation Act 1999* (Cth).

12 See section 304, *Environment Protection and Biodiversity Conservation Act 1999* (Cth).

13 On 23 September 2003 the *Environment and Heritage Legislation Amendment Act (No 1) 2003*, *Australian Heritage Council Act 2003* and *Australian Heritage Council (Consequential and Transitional Provisions) Act 2003* received Royal Assent. The new heritage regime came into effect on 1 January 2004. Further information can be found at: <http://www.ea.gov.au/heritage/whatsnew/index.html>

14 Department of the Environment and Heritage, Submissions, p. 214.

and protection of heritage places on the National and Commonwealth Heritage Lists;<sup>15</sup>

- the retention of the Register of National Estate;<sup>16</sup>
- increased protection for places on the register; and
- the introduction of a four-year funding package for listed heritage places (\$52.6 million over four years as announced in the 2003-2004 budget).<sup>17</sup>

5.14 The amendments will also allow the Federal Minister for the Environment and Heritage to include on the Commonwealth Heritage List those places that are in Commonwealth areas and which are currently listed on the RNE. Listing will oblige federal agencies to properly manage heritage listed places for which they are responsible.<sup>18</sup> This will extend to the development of heritage strategies to identify and protect heritage places. As indicated above, there may be additional and significant funding opportunities arising out of any listing.

## Christmas Island

5.15 Ms Virginia Jealous, representing a group of concerned Christmas Island residents, pointed out that the Immigration Reception Processing Centre and related housing developments in the Poon Saan and Silver City areas on Christmas Island had been exempted from the usual environmental impact assessment procedures required under the EPBC Act.<sup>19</sup> Ms Jealous noted that, following “recent heavy rains”, there had been significant erosion in the area of the road

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15 The Council replaces the Australian Heritage Commission, whose responsibilities included assessing natural and cultural heritage places and providing advice on the protection of heritage places listed on the Commission’s Register of the National Estate (RNE).

16 The Register of National Estate includes over 13,000 places of natural, historic and indigenous significance to Australia. It can be viewed online at:  
<http://www.ahc.gov.au/register/index.html>

17 Media Release, Minister for the Environment & Heritage, The Hon. Dr David Kemp, *Quantum Leap for National Heritage*, 21 August 2003. Available online at:  
<http://www.deh.gov.au/minister/env/2003/mr21aug303.html>

18 Media Release, Minister for the Environment & Heritage, The Hon. Dr David Kemp, *Quantum Leap for National Heritage*, 21 August 2003. Available online at:  
<http://www.deh.gov.au/minister/env/2003/mr21aug303.html>

19 Ms Virginia Jealous, Transcript, 11 March 2003, p. 33.

works.<sup>20</sup> This erosion had affected the fringes of the Abbott's Booby habitat.<sup>21</sup>

- 5.16 The Department of the Environment and Heritage stated that the erosion problems on Christmas Island were being addressed.<sup>22</sup> The Indian Ocean Territories' Environmental Officer had undertaken site inspections, reviewed environmental management plans for the sites, and given instructions for upgrades and other measures where necessary. The Department of the Environment and Heritage noted that the Christmas Island Administration had also undertaken remedial work to mitigate the impacts of sediment run-off from the site.<sup>23</sup>
- 5.17 The Committee considers the exemption of the proposed Immigration Reception and Processing Centre on Christmas Island from the EPBC Act to be inappropriate and urges the Federal Government not to allow this precedent to occur again. The Committee also recognises that the associated road works have impacted on the Abbott's Booby habitat and calls on the Federal Government to properly evaluate this impact.
- 5.18 Another issue brought to the Committee's attention was the impact that introduced fauna are having on endemic species. Yellow crazy ants and feral cats pose the greatest threats. The Department of the Environment and Heritage stated that it had spent \$1.5 million on baiting the yellow crazy ant, including aerial baiting.<sup>24</sup> The Department considered that the baiting program had been successful, but that it would need to monitor the situation over the next three or four years.<sup>25</sup> Mr Mark Bennett, Environmental Manager, Christmas Island Phosphates, stated that the yellow crazy ant eradication program "has been quite successful".<sup>26</sup>
- 5.19 Mr Bennett also informed the Committee that Christmas Island Phosphates' recent studies made in connection with the company's draft environmental impact statement for new mining leases confirm

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20 Ms Virginia Jealous, Transcript, 11 March 2003, p. 33.

21 Ms Virginia Jealous, Transcript, 11 March 2003, pp. 33-34.

22 Department of the Environment and Heritage, Submissions, p. 698.

23 Department of the Environment and Heritage, Submissions, p. 698.

24 See <http://www.deh.gov.au/parks/christmas/fauna/crazy.html> Parks Australia and the Invasion Biology Group from Monash University were awarded a 2003 Banksia Foundation award for the protection of Australia's environment for their successful campaign to control the yellow crazy ant problem on Christmas Island.

25 Mr John Hicks, Transcript, 28 March 2003, p. 179.

26 Mr Mark Bennett, Transcript, 11 March 2003, p. 69.

that feral cats are having a significant impact on Christmas Island's wildlife.<sup>27</sup> Mr John Hicks from Parks Australia, on the other hand, stated that, based on research in the early 1980s, he did not rate feral cats "all that highly" as a significant environmental threat.<sup>28</sup> Mr Bennett also stated:

The Christmas Island biota faces major Island wide issues such as the Crazy Ant, exotic predators and competitors, weed invasions and other processes that require additional research. The company's technical advisors believe that there needs to be a more integrated approach to all the ecological problems of the Island - one that involves all Commonwealth agencies and the Shire of Christmas Island, private enterprise land users like our company, and the community.<sup>29</sup>

## **Recommendation 5**

- 5.20 That the relevant Federal Government agencies – in collaboration with other relevant stakeholders on Christmas Island – undertake an assessment of the threat posed to the Island's ecology from introduced species and support the ongoing campaign to control the yellow crazy ant problem.**

## **Cocos (Keeling) Islands**

- 5.21 The Shire President of Cocos (Keeling) Islands, Mr Ron Grant, stated that there were inconsistencies in the environmental impact assessment process required of developers under the EPBC Act. He noted that although a company in which he has an interest had been required to undertake a lengthy and extensive environmental impact assessment for a proposed tourist development, there was no such requirement for the sale of land at another location, Buffet Close.<sup>30</sup> The land to which Mr Grant referred was land being sold by the Commonwealth. The Department of Transport and Regional Services informed the Committee that:

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27 Mr Mark Bennett, Transcript, 11 March 2003, pp. 61-62.

28 Mr John Hicks, Transcript, 28 March 2003, p. 180.

29 Mr Mark Bennett, Submissions, p. 392.

30 Mr Ron Grant, Transcript, 13 March 2003, p. 95.

The sale of the site does not require the Commonwealth to undertake an EIS as the Commonwealth is not proposing to develop the property itself ... Should the purchaser of the land decide to develop the site they will be obliged to comply with all environmental requirements ... including, if necessary, an EIS.<sup>31</sup>

## Oceania House

5.22 Mr Lloyd Leist purchased the historic Oceania House, former home of the Clunies-Ross family on Home Island, from the Commonwealth. The contents of the house were given to the Cocos (Keeling) Islands Shire Council by the Commonwealth.<sup>32</sup> Some items of significant heritage value – “the original four Clunies-Ross busts that were in the main entry and the proclamation board” - were among these contents.<sup>33</sup> Mr Leist noted his concern that the busts and proclamation board were not stored securely and they were not on public display. Mr Leist stated that when he completed the restoration of Oceania House, he is:

prepared to open a major section of it to the public, and I would think the correct thing would be that the busts and the proclamation board should come back to their original situ.<sup>34</sup>

5.23 The Committee raised this matter with the Australian Heritage Commission. The Commission pointed out that it had “expressed concern about the removal of the items, especially the Proclamation Board from Oceania House”.<sup>35</sup> The Commission suggested that:

... if the present owner was willing to securely house some items and ensure that they were regularly accessible for public viewing, the Commission would encourage discussion between the owner, the shire and other stakeholders to enable a long-term loan to be agreed upon. Any agreement should be legally binding on all parties and include provisions to ensure public accessibility, security, maintenance and monitoring.<sup>36</sup>

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31 Department of Transport and Regional Services, Submissions, p. 648.

32 Mr Lloyd Leist, Transcript, 13 March 2003, pp. 124.

33 Mr Lloyd Leist, Transcript, 13 March 2003, pp. 124.

34 Mr Lloyd Leist, Transcript, 13 March 2003, pp. 124-127.

35 Australian Heritage Commission, Submissions, p. 599.

36 Australian Heritage Commission, Submissions, p. 599.

- 5.24 The Committee wrote to the Cocos (Keeling) Islands Shire on 27 May 2003 to enquire whether an arrangement had been made or could be reached between the shire and Mr Leist. The shire president responded that the shire had discussed the matter with Mr Leist and that it had no objections to the items being returned to Mr Leist for display. No legal documents had been prepared on the issue and the items remained in storage at the museum.<sup>37</sup>
- 5.25 While the Committee welcomes the verbal agreement between Mr Leist and the Shire, it considers that the parties should follow the advice given by the Australian Heritage Commission, namely, that there should be a legally binding agreement which should include provisions to ensure public accessibility, security, maintenance and monitoring. As it is expected that restoration of Oceania House will take several years, interim arrangements should be made for the secure storage and preservation of the objects and their public display.

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### **Recommendation 6**

- 5.26 **That the owner of Oceania House, the Cocos (Keeling) Islands Shire Council and other relevant parties, consider forming a legally binding agreement for the return of the Clunies-Ross busts and proclamation board for public display at Oceania House once restorations are complete. This agreement should include provisions to ensure public accessibility, security, maintenance and monitoring. In the interim, the Shire should make arrangements for the secure storage and preservation of these heritage items and consider how they may be displayed.**

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37 Information provided by Mr Ron Grant, Cocos (Keeling) Islands Shire President.



## Health and community care

### Service delivery

- 6.1 The Federal Government provides funding for health services in the Indian Ocean Territories.<sup>1</sup> Health services are administered by the Indian Ocean Territories Health Service (IOTHS) which is funded and managed by the Commonwealth through the Christmas Island Administration. The Western Australian Department of Health provides support and advisory services under a service delivery arrangement with the Department of Transport and Regional Services.<sup>2</sup>
- 6.2 The Indian Ocean Territories Health Service is essentially a general practitioner service. Visiting health professionals provide a range of services, including surgery. A service delivery arrangement with the Western Australian Department for Community Development provides for specialists such as psychologists and psychiatrists to visit the Indian Ocean Territories. Patients who cannot be treated on the Islands are assisted with travel to and accommodation in Perth for treatment under the Western Australian Patient Assisted Travel Scheme. Childbirth services are not provided in the Indian Ocean Territories.

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1 Department of Transport and Regional Services, *Annual Report 2001-2002*, p. 151.

2 Department of the Premier and Cabinet, Western Australia, Submissions, p. 141.

- 6.3 Health facilities in the Indian Ocean Territories are modern and well-equipped. The Christmas Island hospital, which was completed in 1995, was designed for a population of 10,000 and is therefore well resourced. There are two health centres on Cocos (Keeling) Islands, one on Home Island and one on West Island.<sup>3</sup>
- 6.4 The Indian Ocean Territories Health Service is managed by a Health Services Manager who reports to the Christmas Island Official Secretary. It also employs a Director of Nursing, two full-time general practitioners on Christmas Island and one full-time general practitioner on Cocos (Keeling) Islands. The doctors are supported by registered nurses, health workers and other staff.<sup>4</sup> Since November 2001, the Rural Women's General Practitioner Service, a fly-in-fly-out service aimed at improving access to primary health services for women in rural and remote communities by providing them with the choice of a female doctor, has provided services to the territories three times per year.<sup>5</sup> Until June 2003, Island residents received dental treatment from a visiting locum.

## Previous reports

- 6.5 Two recent reports on the delivery of health services in the Indian Ocean Territories are relevant to this review. As a precursor to service delivery arrangement negotiations with the Western Australian Government, in 2001 the Department of Transport and Regional Services commissioned the *Indian Ocean Territories Health Services Development Project* (the Bath report).<sup>6</sup> This project was intended to identify the best health programs and models of health service delivery to meet the current and future needs of the communities. Following this, in September 2002, Dr Michael Kwek, Medical Director of the Indian Ocean Territories Health Service, produced a report on the budgetary implications of future options and associated management structures (the Kwek report).<sup>7</sup> These options included

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3 Bath, R, April 2002, *Indian Ocean Territories Health Services Development Project*, report to the Department of Health, Western Australia, Perth, p. 3.

4 Kwek, Dr M, September 2002, *IOTHS Review*, p. 10.

5 See the Commonwealth Department of Health and Ageing Website <http://www.health.gov.au/ruralhealth/services/rfds.htm>

6 Bath, R, April 2002, *Indian Ocean Territories Health Services Development Project*, Report to the Department of Health, Western Australia, Perth.

7 Kwek, Dr M, September 2002, *IOTHS Review*.

maintaining the present health care delivery system or its full privatisation.<sup>8</sup>

- 6.6 Several issues raised in those reports were again raised when the Committee visited the Territories in March 2003. These included difficulties of recruiting and retaining staff, economic management, community nursing and public health programs, and privatisation. An additional matter was raised with the Committee - the supply of Class A pharmaceuticals.

### Staffing – recruitment

- 6.7 The Administration has difficulty in attracting dentists, doctors, nurses and managerial staff to work in the Indian Ocean Territories.<sup>9</sup> The Bath report identified a number of human resource practices which may have contributed to the difficulties of attracting and retaining medical staff in the Indian Ocean Territories. These included outdated employment conditions, delays in contract extension, lack of structured orientation and professional development and a lack of performance management procedures.<sup>10</sup> The General Secretary of the Union of Christmas Island Workers, Mr Gordon Thomson, referred to the difficulty of recruiting and retaining qualified nurses and doctors.<sup>11</sup>
- 6.8 During the Committee's visit to Christmas Island, the Christmas Island Women's Association voiced its concern about the lack of a proper dental service on Christmas Island. There had been no routine dental checks on-island for 12 months, with the only dental service provided by locums on an ad-hoc basis. Community groups on Cocos (Keeling) Islands also commented on the lack of dental services in that Territory. This is of particular concern to the Committee, given the Bath Report's finding that:

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8 Kwek, Dr M, September 2002, *IOTHS Review*, p. 2.

9 See Bath, R, April 2002, *Indian Ocean Territories Health Services Development Project*, report to the Department of Health, Western Australia, Perth; and Kwek, Dr M, September 2002, *IOTHS Review*, p. 18.

10 Bath, R April 2002, *Indian Ocean Territories Health Services Development Project*, report to the Department of Health, Western Australia, Perth, p. 4.

11 Mr Gordon Thomson, Transcript, 11 March 2003, p. 45.

There is a high rate of dental caries amongst children...this rate can be related to a high sugar diet, particularly in the Malay communities and often poor dental hygiene.<sup>12</sup>

- 6.9 The Committee was informed that the water supply on Christmas Island has been fluoridated since March 2002, but that this has not occurred on Cocos (Keeling) Islands.<sup>13</sup> Fortunately, a medical director, a senior medical officer and a dentist have recently been appointed.<sup>14</sup>
- 6.10 Given the Territories' isolation and the general difficulty of recruiting and retaining health professionals in rural and remote locations, there does not appear to be a simple solution to this problem. Mr Thomson has suggested that local residents should receive special support for training in the medical professions. If suitable candidates can be found, the suggestion is worth further consideration. The Committee is aware that there are Australia-wide programs aimed at encouraging medical professionals to take positions in rural areas. The Committee believes that these programs may assist future recruitment of medical professionals in the Territories.

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### **Recommendation 7**

- 6.11 **That the Commonwealth continue to consider ways of attracting suitable medical professionals to the Indian Ocean Territories, including special funding for Island residents undertaking relevant studies in health related professions, so they are encouraged to return to the Territories.**

### **Staffing - Management**

- 6.12 The Indian Ocean Territories Health Service's budget was approximately \$5 million in 2001-2002.<sup>15</sup> The Kwek report found that the Indian Ocean Territories Health Service had operated on

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12 Bath, R April 2002, *Indian Ocean Territories Health Services Development Project*, report to the Department of Health, Western Australia, Perth, p. 17.

13 Information provided by the Christmas Island Administration.

14 Department of Transport and Regional Services, *Christmas Island Bulletin*, no.42/03, 5 May 2003.

15 Kwek, Dr M, September 2002, *IOTHS Review*, p. 7.

substantial deficits for the two most recent financial years, deficits that had to be absorbed by other areas of the Christmas Island Administration.<sup>16</sup> It appears that the problems were due at least in part to weaknesses in the management structure and in certain management strategies and procedures.<sup>17</sup> Mrs Kim Gossage, clinical nurse manager, Cocos (Keeling) Islands, Indian Ocean Territories Health Service, emphasised the need for better budgetary planning.<sup>18</sup>

- 6.13 The Committee is aware that at the time of the Kwek Report, the manager of Indian Ocean Territories Health Service held the dual role of health services manager and director of nursing. Persons holding the managerial position were required to have nursing qualifications which, as the Kwek report commented, may have deprived the local communities of many well-qualified professional managers who were not nurses.<sup>19</sup> As a result of the report's recommendations, two separate positions were re-established. The Committee trusts that this change will adequately address the financial management problems of the Indian Ocean Territories Health Service.

## Community and public health

- 6.14 In a comment on the health services in the Territories, the Western Australian Department of Health noted with respect to Christmas Island that it:

emphasises to DOTARS and DIMIA the need for the presence of Public Health expertise on the island eg. a Public Health Physician, Community Nurse(s), and an Environment Health Officer.<sup>20</sup>

Although the comment was made at the time that a larger immigration reception and processing centre was planned, both the Bath and Kwek reports as well as evidence given to this review also indicated that there is unmet demand in the Territories for community and public health services.

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16 Kwek, Dr M, September 2002, *IOTHS Review*, p. 17.

17 Kwek, Dr M, September 2002, *IOTHS Review*, p. 17.

18 Mrs Kim Gossage, Submissions, p. 316.

19 Kwek, Dr M, September 2002, *IOTHS Review*, p 18.

20 Department of the Premier and Cabinet, Western Australia, Submissions, p. 141.

- 6.15 Both the Bath and Kwek reports noted the need for home nursing care and home support.<sup>21</sup> Two community groups on Cocos (Keeling) Islands informed the Committee that they were concerned with the lack of assistance on offer for aged care. One witness informed the Committee by way of a confidential submission that patients have to rely on the hospital for community-based nursing, and that this was an unsatisfactory arrangement. Mrs Gossage pointed out that:

...there were no staff permanently employed in [a community nursing role on Christmas Island] and nursing staff had to juggle service delivery with shift work and meeting roster expectation of a 24 hour hospital cover.<sup>22</sup>

Mrs Gossage suggested that a community nurse with responsibility for aged care, child health, the health of school students, immunisation and some areas of women's health should be employed.<sup>23</sup>

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### **Recommendation 8**

- 6.16 **That an additional community nursing position responsible for aged care, child care and aspects of women's health be established in the Indian Ocean Territories.**
- 6.17 The shires are responsible for public health in the Indian Ocean Territories, apparently with little input from the Indian Ocean Territories Health Service. Mrs Gossage stated that there was no process for the Health Service to be formally involved in public health issues and that Cocos Island Health Service involvement only occurred in an ad hoc way.<sup>24</sup> The Kwek Report also found that the Indian Ocean Territories Health Service had very little formal contact with local shires on public health issues.<sup>25</sup>

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21 Bath, R, *Indian Ocean Territories Health Services Development Project*, report to the Department of Health, Western Australia, Perth, p. 17; and Kwek, Dr M, *IOTHS Review*, p. 12.

22 Mrs Kim Gossage, Submissions, p. 312.

23 Mrs Kim Gossage, Submissions, p. 312.

24 Mrs Kim Gossage, Submissions, p. 312.

25 Kwek, Dr M, September 2002, *IOTHS Review*, p. 18.

- 6.18 Dr Kwek advocated the need for greater consultation between the Indian Ocean Territories Health Service and the shire on public health issues. Mrs Gossage suggested returning to a team approach to public health issues with a formal delineation of roles to ensure optimal standard of service delivery, and that "a health representative should attend shire meetings where public health or environmental health issues are discussed."<sup>26</sup> Mrs Gossage also suggested "the development of strategic plans to bring about these outcomes; from a health service perspective as well as a shire perspective."<sup>27</sup>

### Recommendation 9

- 6.19 **That a formal process be established whereby representatives from the Christmas Island and Cocos (Keeling) Islands' Shires meet regularly with representatives from the Indian Ocean Territories Health Service (IOTHS) and other relevant bodies to discuss public health issues and delineate responsibilities for dealing with them.**

## Privatisation of the Health Service

- 6.20 The Kwek Report's principal recommendation was that the management of the Indian Ocean Territories Health Service be contracted to a private health organisation.<sup>28</sup> The review of the service delivery arrangement by the Western Australian Department of Health stated that the Department of Transport and Regional Services is moving towards the use of private providers for the delivery of health services.<sup>29</sup>
- 6.21 There were some concerns that the recommendation could lead to a fee-for-service regime in the Territories. Mrs Gossage, for example, stated that if privatisation occurred, the private practitioners would have to be supported financially to cover overheads, as inadequate revenue is possible due to resident numbers. She considered that the residents on Cocos (Keeling) Islands would not be able to afford

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26 Mrs Kim Gossage, Submissions, p. 312.

27 Mrs Kim Gossage, Submissions, p. 312.

28 Kwek, Dr M, September 2002, *IOTHS Review*, p. 21.

29 Department of the Premier and Cabinet, Western Australia, Submissions, p. 141.

private health care.<sup>30</sup> Fees-for-service are not proposed in the Kwek Report, but there is a view that:

...one step in the direction of privatisation of the health service [is] the beginning of many steps which would result in the privatisation of all, or most of, the functions of the health service.<sup>31</sup>

- 6.22 The Committee has not formed a view on the desirability of privatising the management of health services in the Indian Ocean Territories. It has not been asked to judge precisely how services are to be delivered, and does not have the data to make such a judgement. The relevant issue for this review is whether health services delivered to the communities of the Indian Ocean Territories are comparable with those available to other remote communities in Australia. The Territories' isolation and their unique needs mean that it is difficult to make such comparisons. The evidence suggests, however, that there are shortcomings, especially in community nursing resources and public health generally.

## Supply of Class A Pharmaceuticals

- 6.23 Supply of narcotic medications in the Indian Ocean Territories is governed by the *Customs Act 1901* (Cth), which requires that the pharmacist on-island who is ordering the drug must obtain an import licence and the supplying company on the mainland must obtain an export permit. This procedure applies only to the external territories and has led at least on one occasion to a week's delay in providing a patient with urgent and much-needed pain relief.
- 6.24 The pharmacist on Christmas Island, Mr Baldock, gave some examples of delays that had occurred in processing export permits. The following is the most significant:

Import permit 2314 was issued by administration on Christmas Eve 2002...the export permit approved by the TGA was on 8 January 2003. That is a 15-day delay. The reason given was that TGA was on their Christmas break. Unfortunately this caused undue suffering to the patient, who, as you can understand, did not appreciate that there

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30 Mrs Kim Gossage, Submissions, p. 313.

31 Mr Gordon Thomson, Transcript, 11 March 2003, p. 46.



was a Christmas break as far as his pain management was concerned.<sup>32</sup>

- 6.25 Mr Baldock informed the Committee that he keeps stocks of narcotic analgesics for emergencies, but the pain treatment for certain patients can change rapidly and he cannot hold stocks of every narcotic for every potential situation.<sup>33</sup>
- 6.26 The Director of the Office of Chemical Safety, Therapeutic Goods Administration (TGA), Dr Margaret Hartley, provided an explanation of how the incident described by Mr Baldock occurred.<sup>34</sup> Dr Hartley also gave details of new procedures the TGA had instituted to guard against any recurrence.<sup>35</sup> The Committee has noted the prompt action taken by the TGA. It trusts that the new procedures will be effective and that the TGA will continue to monitor the situation to ensure that there is no recurrence.

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32 Mr Mark Baldock, Transcript, 11 March 2003, p. 56.

33 Mr Mark Baldock, Transcript, 11 March 2003, p. 57.

34 Dr Margaret Hartley, Transcript, 12 May 2003, p. 218.

35 Dr Margaret Hartley, Transcript, 12 May 2003, p. 219.



## Transport, Housing, Land Management and other Urban Services

### Transport

#### Air Services

- 7.1 Christmas Island and the Cocos (Keeling) Islands are Australia's most remote external territories. Christmas Island is 2,620 km north-west of Perth. The Cocos (Keeling) Islands are 2,770 km north-west of Perth. The Territories are 900 kilometres apart. The great distances from the Australian mainland, the need to fly over water and the small populations in the Territories are the main factors that influence air transport services.<sup>1</sup>
- 7.2 National Jet Systems operates regular services from Perth to the Territories on Thursdays and Mondays of each week. There is an additional charter flight operated by Austasia from Jakarta to Christmas Island on Saturdays. The National Jet Systems service is subsidised by the Department of Transport and Regional Services at levels, according to the Department, well above those available to equivalent communities on the mainland or other island communities.<sup>2</sup> The Department informed the Committee that

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1 For a more detailed examination of the commercial regional aviation services in Australia and the external territories, see House of Representatives Standing Committee on Transport and Regional Services, November 2003, *Regional Aviation and Island Transport Services: Making Ends Meet – Inquiry into commercial regional aviation services in Australia and alternative transport links to major populated islands*, Canberra. The report can be found on the Committee's website at: <http://www.aph.gov.au/house/committee/trs/aviation/report/contents.htm>

2 Mr Mike Mrdak, Transcript, 12 May 2003, p. 242

in 2002-2003 the subsidy was likely to be less than \$2 million, but that in the past it had been as high as \$3.5 million.<sup>3</sup> With the subsidy, return economy fares between the Territories and Perth range from \$1100 to \$1700.<sup>4</sup> The unsubsidised return economy air fare from Jakarta to Christmas Island is \$625.<sup>5</sup>

- 7.3 The Department of Transport and Regional Services stated that, under the subsidised arrangement with National Jet Systems, fares from Perth to the Indian Ocean Territories were based on comparable commercial fares on the mainland and the level of service. The Commonwealth subsidised the carrier to cover the difference between the fares thus calculated and the cost of providing the service.<sup>6</sup> The comparable fares were those between Perth and Brisbane.<sup>7</sup> The Committee understands that the current full economy fares for that route are similar to those from Perth to the Indian Ocean Territories, but advanced purchasing and other discounting on the Perth-Brisbane route can reduce fares by half.
- 7.4 The Department of Transport and Regional Services pointed out that the air service subsidy allows perishable goods to travel at approximately 30 per cent lower than standard airfreight rates.<sup>8</sup> The sole air freight forwarders to the Indian Ocean Territories, Airfreight, stated that 'next available flight' freight rates are lower than mainland rates, but that 'next day' or 'economy rates' are far more expensive.<sup>9</sup> The company claimed that the most valid Australian comparison is with the 'next available flight' option because "an urgent parcel for the Islands can have no higher service option, even though that option may be three days away".<sup>10</sup>
- 7.5 Freightshop also provided data on international freight rates to Madagascar, Mauritius and major Asian destinations. After taking minimum charges per consignment into consideration, the rates to the Indian Ocean Territories do not appear unreasonable. Freightshop submitted that current cargo rates represent a fair charge for the services provided.<sup>11</sup>

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3 Mr Mike Mrdak, Transcript, 12 May 2003, pp. 242, 244.

4 Christmas Island Tourism Website, <http://www.christmas.net.au/flights.html>

5 Christmas Island Tourism Website, <http://www.christmas.net.au/flights.html>

6 Mr Mike Mrdak, Transcript, 12 May 2003, p. 242

7 Mr Hugh Davin, Transcript, 12 May 2003, p. 243.

8 Department of Transport and Regional Services, Submissions, p. 643.

9 Freightshop, Submissions, p. 9.

10 Freightshop, Submissions, p. 8.

11 Freightshop, Submissions, p. 9.

7.6 The contract with National Jet Systems for the supply of air services to the Indian Ocean Territories will expire in April 2004. The first phase of a tender process for a new contract, the submission of expressions of interest, has closed, and the second phase has begun. The Department of Transport and Regional Services stated that in the tender process the Department would attempt to minimise the taxpayer subsidy.<sup>12</sup>

7.7 Evidence received by the Committee indicates that there is concern in the Territories about the current cost of air transport and about the regularity of services. Mr Signa Knight, Chairman, Cocos Islands Co-operative Ltd, stated that:

The ticket is actually getting more expensive nowadays than when we used to have a proper airline. It used to be about \$700 or \$800 and now it has become about \$1700 to travel from here to Perth and return.<sup>13</sup>

Two community groups, the Christmas Island Women's Association and the Cocos Congress, pointed out that air fares were too high. Other witnesses involved in the tourist industry also complained of the cost of travel to the islands.<sup>14</sup>

7.8 National Jet Systems pointed out that fares are high because of the distances covered and because the small populations in the Territories do not allow the airline to take advantage of economies of scale.<sup>15</sup> The Committee has noted with interest that the increased economic activity on Christmas Island during 2002-2003 had led to an increase in passengers, with a commensurate increase in the airline's revenue and a lower Government subsidy.<sup>16</sup>

7.9 The Committee would be concerned if the new tender for air services were to lead to any increase in the already-high airfares. It acknowledges the Department of Transport and Regional Services' proper concern to minimise the cost of the subsidy to taxpayers and agrees with the department's view that:

...at the end of the day we have to make judgements about what is a reasonable airfare. Are we holding back the growth of travel to

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12 Mr Mike Mrdak, Transcript, 12 May 2003, p. 242

13 Mr Signa Knight, Transcript, 13 March 2003, p. 105.

14 See, for example, Mr Fred Robinson, Transcript, 11 March 2003, p. 5.

15 Mr Hugh Davin, Transcript, 12 May 2003, p. 243.

16 Mr Hugh Davin, Transcript, 12 May 2003, p. 243.

the territories by that airfare? That has to be balanced with the amount we have available in the budget to subsidise that service.<sup>17</sup>

7.10 The Committee nevertheless would support a reasonable increase in the level of subsidy if that were necessary to maintain airfares at no more than their current levels. Mr Edward Turner, Managing Director of Austasia Airlines Pty Ltd, stated that there was “no real aviation policy established to govern the air services to Christmas Island and Cocos Island”.<sup>18</sup> Mr Turner suggested that an aviation policy specifically for both territories be developed and implemented, and that this policy should address such issues as:

- should there be subsidies to the north and to the south – that is, from Asia as well as from Australia;
- should there be a policy of establishing the coordination of air links north and south so that both islands prosper to the maximum degree in terms of bringing tourism activity to the islands; and
- there may also be ... some consideration to regulate air services.<sup>19</sup>

7.11 Mr Turner pointed out that his company, which has been operating a regular weekly service from Christmas Island to Jakarta for the past two years, was severely affected financially in the 2002 Christmas period when two other operators provided services to South-East Asia that jeopardised his operations.<sup>20</sup> Mr Turner also drew a parallel with services to small mainland communities. He stated that a recent Western Australian Government report had recommended that only one carrier should have access to all but three towns in Western Australia with populations of less than 10,000.<sup>21</sup> Mr Turner noted that the report proposed that any sole carrier’s fares and services would be regulated by the Federal Government.<sup>22</sup>

7.12 The Christmas Island Tourism Association noted that for the island’s tourism industry to grow there needs to be “assured regular flights from both the south and the north.”<sup>23</sup> The Association pointed out that:

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17 Mr Mike Mrdak, Transcript, 12 May 2003, p. 240.

18 Mr Edward Turner, Transcript, 11 March 2003, p. 20.

19 Mr Edward Turner, Transcript, 11 March 2003, p. 20.

20 Mr Edward Turner, Transcript, 11 March 2003, p. 20.

21 Mr Edward Turner, Transcript, 11 March 2003, p. 20.

22 Mr Edward Turner, Transcript, 11 March 2003, p. 20.

23 Christmas Island Tourism Association, Submissions, p. 410.

In order to prepare brochures and to market tourism packages a lead-time of a year is needed. Wholesalers must be assured that flights are reliable and fixed in place.

The dive industry on the island is heavily dependent on European tourists. Most have only a two-week window of opportunity to take their dive holidays. They need a reliable flight from the north. This is the first year that Christmas Island has been featured in major European wholesalers' catalogues. If the current flight ceases it affects not only the existing businesses, but also future bookings as well if the destination is perceived as unreliable.<sup>24</sup>

Mr Hugh Davin of National Jet Systems supported this, noting that:

Probably the most important factor that needs to be considered at the moment in terms of giving the European dive market, in particular, the confidence to test those markets is stability within the air service structure.<sup>25</sup>

- 7.13 Flights to the north are, of course, international flights and are subject to the Federal Government's aviation policies. The Department of Transport and Regional Services noted that the Government's policy is to "pursue liberal arrangements in the area of international air services".<sup>26</sup> In cases where an 'open skies' arrangement is not possible, the Government will "seek the most liberal arrangements possible".<sup>27</sup> This includes, according to the Department, a "regional airports access package which provides for unrestricted access for foreign and Australian carriers into both Christmas and Cocos (Keeling) Islands".<sup>28</sup>
- 7.14 The Committee did not receive sufficient evidence to make a judgement on the need for a subsidy for the air services to the north, but accepts that their profitability may be marginal. As regards coordination of services north and south, there is already certainty of services within the Territories through the Government-subsidised National Jet Systems flights, which other carriers no doubt take into account. This will also be a consideration during the tender process for the supply of air services to the Territories. While agreeing with the proposition that reliable flight schedules are essential for the development of the tourist industry, the

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24 Christmas Island Tourism Association, Submissions, p. 410.

25 Mr Hugh Davin, Transcript, 12 May 2003, p. 244.

26 Department of Transport and Regional Services, Submissions, p. 728.

27 Department of Transport and Regional Services, Submissions, p. 728.

28 Department of Transport and Regional Services, Submissions, p. 728.

Committee is not convinced that granting a monopoly is necessarily the only or best way to achieve this.

### Fire and Safety Services

7.15 Most international carriers require a category five standard of fire and safety services to be in place at airports. Neither of the airports on Christmas Island and Cocos (Keeling) Islands meets this standard. Mr Edward Turner pointed out that:

Currently the Commonwealth has an expression of interest for air services to Christmas Island and Cocos Island...one very important factor that has been left out of that expression of interest which will exclude nearly all major airline operators from operating RPT services to the island: there is no mention of the fire service facilities...Consequently, the expression of interest that has gone out will end up being restricted to a few what I suppose you might call regional operators.<sup>29</sup>

7.16 The Department of Transport and Regional Services noted that although consideration had been given to upgrading the airports to category five in the Indian Ocean Territories, it would not be cost-effective to maintain that level of fire service given the current operations to the islands.<sup>30</sup> The Department also noted that the expressions of interest they had received to date did not identify the level of fire services at the airport as a primary issue, and that the department would look more closely at the issue should there be a proposal from an operator which required a higher level of fire service than is currently in place.<sup>31</sup>

7.17 The Department does acknowledge, however, that if the extension of the runway on Christmas Island goes ahead – which is dependent on the Asia Pacific Space Centre project also proceeding – there may be a need to look at increasing the standard of fire and safety services to a category five, given the heightened movement expected as a result of upgrading the airport to accommodate larger aircraft.

### Shipping Services and Port Facilities

7.18 A supply ship from Fremantle, the *Finex Trader*, services both Christmas Island and the Cocos (Keeling) Islands approximately every four to six

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29 Mr Edward Turner, Transcript, 11 March 2003, p. 20.

30 Mr Mike Mrdak, Transcript, 12 May 2003, p. 235.

31 Mr Mike Mrdak, Transcript, 12 May 2003, p. 235-237.



weeks.<sup>32</sup> This is a commercial service that does not attract any subsidies; the last shipping subsidy to the Cocos (Keeling) Islands was removed in the late 1980s.<sup>33</sup>

7.19 Mr Signa Knight, Chairman, Cocos Islands Co-operative Ltd, stated that the Co-operative believed that the Commonwealth was reconsidering a shipping subsidy.<sup>34</sup> Mr Knight noted that:

In the last year or so the Co-op has been advised – not in writing; we have not seen anything in writing – that if the shipping companies become one – there used to be shipping companies, Cocos Traders and Western Shipping - the Commonwealth will put a subsidy into the freight processing onto the islands. We have watched it for a while and nothing has been confirmed.<sup>35</sup>

7.20 The Department of Transport and Regional Services informed the Committee that it had commissioned a scoping study of shipping services to the Indian Ocean Territories in 2001. The study had found that the volume of freight being shipped to the Indian Ocean Territories from Fremantle made it profitable for one operator. It concluded that while the commercial service operated between Fremantle and the Indian Ocean Territories, any form of subsidy was without basis.<sup>36</sup> The Department also stated that it was not aware of any indications that subsidies would apply in the future.<sup>37</sup>

7.21 Mr John Clunies-Ross pointed out that shipping rates varied greatly and that the contractor “has been squeezed bloodless or has made a huge windfall on the shipping sector alone”.<sup>38</sup> He considered that the Commonwealth, as the major customer either in its own right or through its contractors, should regulate rates and services. Not to do so would be “naïve and rather short-sighted”.<sup>39</sup>

## Port Facilities

7.22 The port for Christmas Island is at Flying Fish Cove on the north of the island, which is exposed to the north-west swell for part of the year. The

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32 Department of Transport and Regional Services, Submissions, pp. 52-62.

33 Department of Transport and Regional Services, Submissions, p. 643.

34 Mr Signa Knight, Transcript, 13 March 2003, p. 105.

35 Mr Signa Knight, Transcript, 13 March 2003, p. 105.

36 Department of Transport and Regional Services, Submissions, p. 643.

37 Department of Transport and Regional Services, Submissions, p. 643.

38 Mr John Clunies-Ross, Transcript, 13 March 2003, p. 141.

39 Mr John Clunies-Ross, Transcript, 13 March 2003, p. 141.

Department of Transport and Regional Services reported in its annual report for 2001-2002 that construction of an additional port was expected to commence during 2002-2003 on Christmas Island, to be utilised when Flying Fish Cove is closed during the swell season.<sup>40</sup> The Department informed the Committee early in 2003 that Consolidated Constructions had been awarded the contract to complete a \$1.6 million upgrade of the wharf pavement at Flying Fish Cove and a \$3.1 million contract to build the additional port facility at Norris Point. The Department stated that work was well advanced and that both projects were due to be completed by the end of March 2003.<sup>41</sup>

- 7.23 On Cocos (Keeling) Islands, there is a wharf on Home Island but freight for West Island is landed onto a beach.<sup>42</sup> In its 1999 report, the Commonwealth Grants Commission recommended that a new marine facility on West Island was needed immediately.<sup>43</sup> In its 2001-2002 annual report, the Department of Transport and Regional Services reported that:

Environmental and feasibility studies have been completed on the Rumah Baru freight and passenger facility ... This project will provide a safe, efficient all-weather port and offloading facility to the community.<sup>44</sup>

- 7.24 The Department of Transport and Regional Services had identified \$16 million in its capital works budget for the new offshore passenger and freight handling facility at Rumah Baru. Tenders were called, but all bids for the contract exceeded \$16 million. At the Committee's public hearing on 28 March 2003, the Department stated that it had revised the scope of the works and had gone back for new bids to the contractors who had expressed interest in the original project.<sup>45</sup>

- 7.25 The Committee is concerned that more than four years have elapsed since the Commonwealth Grants Commission recommended that a new port facility should be built in the Territory.<sup>46</sup> If the technical problems at Rumah Baru are such that port facilities cannot be constructed at a

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40 Department of Transport and Regional Services, *Annual Report 2001-2002*, p. 150.

41 Department of Transport and Regional Services, *Submissions*, p. 681.

42 Commonwealth Grants Commission, 1999, *Report on Indian Ocean Territories*, Canprint, Canberra, p. 58.

43 Commonwealth Grants Commission, 1999, *Report on Indian Ocean Territories*, Canprint, Canberra, p. xix.

44 Department of Transport and Regional Services, *Annual Report 2001-2002*, p. 150.

45 Department of Transport and Regional Services, *Submissions*, p. 681.

46 Commonwealth Grants Commission, 1999, *Report on Indian Ocean Territories*, Canprint, Canberra, p. 222.

reasonable cost, the Department of Transport and Regional Services should consider other possible solutions. The Committee has noted that Mr Clunies-Ross, for example, has suggested that the Commonwealth, like state and local governments, should become a partner in the construction. Mr Clunies-Ross said that if the Commonwealth were to buy the materials and ship them, local contractors could undertake the work within budget.<sup>47</sup>

### **Recommendation 10**

- 7.26 That, as a matter of urgency, the Federal Government undertake the construction of new port facilities in the Cocos (Keeling) Islands.**

### **Public transport - The Cocos (Keeling) Islands Ferry Service**

- 7.27 There is no public transport on Christmas Island. On Cocos (Keeling) Islands a ferry service operates between West Island and Home Island. A public bus service connects with the ferry. The Cocos Co-operative operates the services and maintains marine infrastructure under a contract with the Commonwealth, which owns the ferry and the other infrastructure. The ferry and affiliated services contract is the Co-op's main business. The contract with the Co-op has been renewed monthly since March 2003, because the Commonwealth is considering privatising the service.
- 7.28 In the latter half of 2002, the then Minister for Regional Services, Territories and Local Government, the Hon. Wilson Tuckey MP, asked the Department of Transport and Regional Services to consider and consult with the community on the possibility of privatising the ferry and marine services. The Minister reasoned that:

Provision of a free service by the Commonwealth prevents enterprising locals from starting a private ferry service or some other water transport service providing more flexibility in service frequency and services that are more responsive to demand. In addition, other Australians do not receive free service and

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47 Mr John Clunies-Ross, Transcript, 13 March 2003, p. 143.

providing them free does not provide customer service incentives nor encourage efficient service provision.<sup>48</sup>

- 7.29 The ferry service was advertised and expressions of interest were invited for the end of March 2003. The Department is currently in the process of considering the expressions of interest.<sup>49</sup> The Chairman of the Cocos Islands Co-operative, Mr Knight, told the Committee:

We are very concerned for residents living on Home Island without a proper ferry service; that it will be a crisis – that everything will be harder for the community on both islands. This is a community benefit.<sup>50</sup>

The marine contract amounts to approximately \$700,000 annually, and includes the ferry and bus services, the management of the marine assets and some ancillary expenses.<sup>51</sup> The ferry service taken alone would be less than 50 per cent of the \$700,000.<sup>52</sup>

- 7.30 The Department of Transport and Regional Services informed the Committee that user charges (other than for schoolchildren travelling to and from school) for the ferry and bus service were introduced on 1 January 2003.<sup>53</sup> The bus costs 50 cents one way and the ferry costs \$2 each way. The Financial Controller for the Cocos Islands Co-operative, Mr O’Grady, told the Committee that whilst the occasional user is not too concerned about the introduction of the ferry fares, it is the workers, particularly from Home Island, who feel the impact.

When the \$2 fare was introduced per one-way trip, there was a lot of dissension, particularly amongst the workers who have to come across here every day. Very few West Islanders go to Home Island to work. It is mostly the other way around of course ... Most of the workers are in basic trades...They are probably not on large incomes like in some of the cities...The average range of incomes on the island would be from \$15,000...<sup>54</sup>

- 7.31 Mr O’Grady indicated that were full cost recovery fares of \$5 or \$10 each way on the ferry to be introduced at a later stage, travel costs between the Islands would become prohibitive. The Department of Transport and
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48 Department of Transport and Regional Services, Submissions, p. 692.

49 Department of Transport and Regional Services, Submissions, p. 692.

50 Mr Signa Knight, Transcript, 13 March 2003, p. 104.

51 Department of Transport and Regional Services, Submissions, p. 642.

52 Mr Alan O’Grady, Transcript, 13 March 2003, p. 106.

53 Department of Transport and Regional Services, Submissions, p. 692.

54 Mr Alan O’Grady, Transcript, 13 March 2003, p. 106-107.

Regional Services informed the Committee that while it would wish to reduce the subsidy, in such a small market it is unlikely that a fully commercial service could operate unsubsidised. The Department also observed that public transport throughout Australia is subsidised.<sup>55</sup> The issue for the Department is whether the Commonwealth needs to own the ferry for the service to continue to operate.

- 7.32 The Chief Executive Officer of the Cocos (Keeling) Islands Shire, Mr Bob Jarvis, stated that the Shire considers that the Co-op is probably one of the best on-island groups to run the ferry service, given their size and resources.<sup>56</sup> The Cocos Co-op employs six crew members, one mechanic and a part-time supervisor in the provision of the ferry service.<sup>57</sup> The Department of Transport and Regional Services noted that it is conscious of the need for local employment and that employment would be an issue in the assessment of bids for the service.<sup>58</sup>
- 7.33 The Committee is in no doubt that the Territory needs an affordable ferry service and, as is the case with public transport in some other areas on the mainland, a government subsidy is probably required. A subsidy is especially warranted because of the generally low levels of income in the Territory and because the Government has located its services on West Island, whereas the great majority of the population lives on Home Island. The Committee notes that the Government appears to accept that a subsidy will be needed, and that local employment will be a factor in any decision to privatise the service.

### Recommendation 11

- 7.34 **That the Federal Government ensures the following:**
- **that a ferry service continue to operate between West Island and Home Island; and**
  - **the abolition of fares for this service.**

55 Mr Mike Mrdak, Transcript, 28 March 2003, p. 193.

56 Mr Robert Jarvis, Transcript, 13 March 2003, p. 117.

57 Department of Transport and Regional Services, Submissions, p. 643.

58 Mr Mike Mrdak, Transcript, 28 March 2003, p. 197.

## Housing

- 7.35 The Commonwealth has been the major housing provider in the Indian Ocean Territories for many years and owns a substantial stock of housing in both Territories. In December 2002 the Commonwealth owned 192 residential properties on Christmas Island and 39 on Cocos (Keeling) Islands.<sup>59</sup> Some of these properties were occupied by public housing tenants, some by Commonwealth employees and contractors, and some by local government employees and private sector organisations.<sup>60</sup>
- 7.36 The Department of Transport and Regional Services informed the Committee that it was engaged in identifying houses surplus to the Commonwealth's requirements and, where appropriate, arranging for their disposal. A number of houses occupied by Commonwealth employees have been sold with lease-back arrangements or transferred to other Commonwealth agencies. Houses occupied by contractors or other third parties were being auctioned or otherwise sold.
- 7.37 For houses occupied by public housing tenants, the Department stated that it was pursuing the application of Western Australian housing policies and practices.<sup>61</sup> In the context of the development of service delivery arrangements generally, the Department stated that:
- ...we are applying the policies and eligibility requirements on the WA housing agency Homewest to ensure that, in our State Government role, we are only providing 'welfare' housing to those who would be eligible under WA eligibility criteria. We will then be able to divest ourselves of non-core housing stock 'normalising' the housing market in the IOTs. Homewest has been assisting us with the implementation of this policy under an SDA.<sup>62</sup>
- 7.38 At the time of the public hearings, Christmas Island had experienced an increase in demand for accommodation, owing to the increased building activities on the Island linked to the Immigration Reception Processing Centre and Asia Pacific Space Centre projects. The Shire of Christmas Island pointed out that private rents had increased by 100 per cent or more

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59 Department of Transport and Regional Services, Submissions, p. 689.

60 Department of Transport and Regional Services, Submissions, p. 52.

61 Department of Transport and Regional Services, Submissions, p. 689.

62 Mr Mike Mrdak, Transcript, 28 March 2003, p. 189.

since construction relating to these projects began.<sup>63</sup> This had increased the demand for public housing significantly.<sup>64</sup>

7.39 On Cocos (Keeling) Islands the Administration is responsible for housing on West Island and the Shire Council is responsible for housing on Home Island. As stated above, the Commonwealth has been disposing of houses on West Island which are surplus to its requirements. Mr Ron Grant, a long-time resident, informed the Committee that the Commonwealth's strategy of auctioning off West Island houses had caused house prices to rise sharply, and that this had caused West Island residents a number of problems. In particular, non-residents had bought some of the properties at inflated prices and had rented them to visitors or persons on the Islands on short-term contracts. According to Mr Grant, this had not addressed the pressing housing needs of long-term residents of West Island.<sup>65</sup>

7.40 There were concerns also about the way in which the policies were implemented, the treatment of West Island residents compared with those on Home Island and lack of access to mortgage funding. The Committee was informed that residents had received only three weeks' notice from the Administration to complete Homeswest eligibility review forms that contained the following criterion:

Should you not complete the form or fail to return it by the due date this could result in you being deemed to be ineligible either to continue to rent the house you occupy or to purchase it.<sup>66</sup>

7.41 The Committee was also informed that approximately 100 houses on Home Island that had been built with Commonwealth funds and passed to the Council would be sold to tenants at prices dictated by social and economics objectives, not the market as is the case for the houses on West Island.<sup>67</sup> The Cocos (Keeling) Islands Economic Development Association (CKIEDA) proposed to the Committee three different options for disposal of the houses that it said would be fairer to West Island residents.<sup>68</sup>

7.42 The Committee has not investigated these options in depth and has not formed a view about which option, if any, would be appropriate. It has concluded, however, that the transfer of residential property on West Island has not been sensitively handled. It agrees with CKIEDA that the

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63 Shire of Christmas Island, Submissions, p. 332.

64 Shire of Christmas Island, Submissions, p. 332.

65 Mr Ron Grant, Submissions, p. 291.

66 Mr Ron Grant, Submissions, p. 293.

67 Mr Ron Grant, Submissions, p. 297.

68 Mr Ron Grant, Submissions, pp. 297-298.

various issues affecting the Commonwealth's long-term tenants should have been fully discussed between the parties before any action was taken.

### **Recommendation 12**

- 7.43 That the Federal Government consult more fully with those affected by its policies of disposing of its properties before taking any further action to dispose of the properties.**

## **Land Management**

- 7.44 Town planning schemes have been developed for both Territories according to applied Western Australian planning legislation. The Department of Transport and Regional Services has a service delivery arrangement with the Western Australian Department of Land and Administration under which the WA Department maintains land information for the Indian Ocean Territories and provides mapping products and computer access for land status and ownership.<sup>69</sup> It provides planning services to the Department of Transport and Regional Services and, where appropriate, provides the respective local governments with statutory and strategic planning assistance and advice. An independent and impartial valuation service is also provided the WA Office of the Valuer General.<sup>70</sup>
- 7.45 On Christmas Island, according to the Christmas Island Shire Council, there are five major stakeholders in land management:
- the Department of Transport and Regional Services;
  - the Department of the Environment and Heritage;
  - the Department of Immigration, Multicultural and Indigenous Affairs;
  - Christmas Island Phosphates; and
  - the Asia Pacific Space Centre.

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69 Department of the Premier and Cabinet, Office of Federal Affairs, Western Australia, Submissions, p. 139.

70 Department of the Premier and Cabinet, Office of Federal Affairs, Western Australia, Submissions, p. 194.



The Council stated that the Immigration Reception and Processing Centre (IRPC) project had increased the pressure on the availability of affordable residential and industrial/commercial land.<sup>71</sup> Another issue raised by the Council was that the Shire had been negotiating with the Commonwealth for a new landfill site for six years, with little progress, and for 18 months for a new waste transfer site. The Council stated that:

The Shire is surprised that land can be released extremely quickly for Commonwealth projects, ie. IRPC, but cannot be resolved quickly for such a critical service as landfill sites and protection of the groundwater.<sup>72</sup>

- 7.46 On Cocos (Keeling) Islands, there were two particular issues that were brought to the Committee's attention – disposal of Buffet Close and future use of the former quarantine station. In relation to Buffet Close, the Shire President, Mr Ron Grant, pointed out that the Commonwealth had offered the property for sale without considering:

a proper integrated land management plan for the development of the site ... in conformity with the land management schemes of the shire, which owns six-sevenths of the land on Cocos.<sup>73</sup>

In the event, Buffet Close failed to attract a single bid when it was put up for auction in October 2002.<sup>74</sup> Mr Grant informed the Committee that at a meeting with the Shire Council on 26 February 2003, the Minister had said that his preferred option would be to hand over the property to the Shire Council for it to develop. The Shire Council fully supports that option.<sup>75</sup>

- 7.47 Mr Grant stated that there needs to be a far more comprehensive integrated land management scheme between the Commonwealth and the Shire.<sup>76</sup> The Department of Transport and Regional Services pointed out that it had commissioned “a complete study of future land uses which took into account the various environmental issues and the like for the island” by the Western Australian planning authorities.<sup>77</sup> The Committee is not in a position to judge whether the Department can do more to meet the Council's request for a more comprehensive plan or whether there is simply a communication problem.

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71 Shire of Christmas Island, Submissions, p. 332.

72 Shire of Christmas Island, Submissions, p. 334.

73 Mr Ron Grant, Transcript, 13 March 2003, p. 94.

74 Mr Ron Grant, Transcript, 13 March 2003, p. 94.

75 Mr Ron Grant, Transcript, 13 March 2003, p. 97.

76 Mr Ron Grant, Transcript, 13 March 2003, p. 94.

77 Mr Mike Mrdak, Transcript, 28 March 2003, p. 200.

## The Former Quarantine Station on Cocos (Keeling) Islands

- 7.48 The former quarantine station is owned by the Australian Quarantine and Inspection Service (AQIS) and was to have been subdivided and sold. AQIS informed the Committee that the plans were to have been put to the Shire Council in 2001.<sup>78</sup> From September 2001, however, the facility was needed to house people who had arrived illegally. Although it is no longer used for that purpose, the Department of Immigration, Multicultural and Indigenous Affairs requested that the facility remain available until the new IRPC on Christmas Island was built and was operational.<sup>79</sup> The Department of Transport and Regional Services informed the Committee that the government is retaining the site until that time.<sup>80</sup>
- 7.49 AQIS stated that since the Department of Immigration, Multicultural and Indigenous Affairs had left, there had been several requests from the Administration and the Cocos community to secure sub-leases over buildings on the property. These had been refused because:
- ...AQIS received advice from local authorities that the facility was in need of major repairs to essential services ... it was estimated repairs could cost in the order of several hundred thousand dollars. AQIS has no access to funding for such repairs and given the current state of the property and the associated legal and insurance implications associated with providing access to the site, AQIS is advising interested parties that the property cannot be tenanted.<sup>81</sup>
- 7.50 As AQIS no longer has a local presence on Cocos (Keeling) Islands or a requirement for the site, it is intended to divest the site by way of sale or transfer at the earliest opportunity.<sup>82</sup> AQIS stated that it was discussing with the Department of Transport and Regional Services the possibility of transferring the property to the Shire.<sup>83</sup>

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78 Australian Quarantine and Inspection Service, Submissions, p. 725.

79 Australian Quarantine and Inspection Service, Submissions, p. 725.

80 Mr Mike Mrdak, Transcript, 28 March 2003, p. 200.

81 Australian Quarantine and Inspection Service, Submissions, p. 726.

82 Australian Quarantine and Inspection Service, Submissions, p. 726.

83 Mr Timothy Carlton, Transcript, 12 May 2003, p. 231.

## Other Urban Services (Utilities)

7.51 The Commonwealth is responsible for utilities infrastructure and delivery in the Indian Ocean Territories. In its annual report for 2001-2002, the Department of Transport and Regional Services reported that:

The day to day activities associated with service delivery and the provision of public utilities (eg water, electricity, sewerage) is provided by the on-Island Administrations. In 2001-2002 approximately \$25.8 million was expended by the Christmas Island Administration and \$10.1 million by the Cocos Island Administration.<sup>84</sup>

7.52 The Department of Transport and Regional Services informed the Committee that water and sewerage services on Christmas Island and most of the utilities on Cocos (Keeling) Islands are managed by WaterCorp, a Western Australian government business enterprise. The Commonwealth retains management of power generation and distribution on Christmas Island, but the Western Australian Office of Energy is assessing options for future service provision.<sup>85</sup>

7.53 Three issues were raised in evidence. The first was power failures on Home Island, the second concerned the sewerage system on that Island and the third related to public utilities management. Two witnesses on Cocos (Keeling) Islands, Mr Pirius, who appeared for the Cocos Co-op, and Mr Grant, told the Committee that there were frequent blackouts on Home Island.<sup>86</sup> The Home Island power station was destroyed by fire in 2000 and electricity since that time has been generated by portable generators. The Committee has been informed that the design and construction of electricity infrastructure on Home Island has now gone to requests for tender.<sup>87</sup> But, as Mr Grant stated, it has taken two to three years to advance this issue.<sup>88</sup> Mr Grant also suggested that the issue of sustainable energy resources be reviewed in conjunction with environmental issues which may affect the territory, such as climate change.<sup>89</sup>

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84 Department of Transport and Regional Services, *Annual Report 2001-2002*, p. 151.

85 Department of Transport and Regional Services, *Submissions*, pp. 688-689.

86 Mr Pirius, Transcript, 13 March 2003, p.113 and Mr Ron Grant, Transcript, 13 March 2003, p. 95.

87 Information provided by Department of Transport and Regional Services.

88 Mr Ron Grant, Transcript, 13 March 2003, p. 95.

89 Mr Ron Grant, *Submissions*, p. 286.

- 7.54 The Federal Government has considered initiatives for the use of renewable energy sources for the generation of electricity. The Department of Transport and Regional Services commissioned a feasibility study into renewable energy on Cocos (Keeling) Islands. The study, which was completed in June 2002, found that wind power and biomass would be economically viable as an augmentation to the existing system or any future electricity generation arrangements.<sup>90</sup>
- 7.55 The second issue of concern to the community during the Committee's hearings on Cocos (Keeling) Islands was that an inadequate sewerage system had been installed on Home Island. Mr Knight stated:
- There is also concern from residents of Cocos Island, particularly on Home Island, with the sewerage project that was put in by the Commonwealth. There were two different projects – one is on Home Island and one is on West Island. We learn that the Home Island sewerage pump is smaller or is not as good as the one on West Island. If we have a lot of rain, that facility is going to cause a lot of problems on Home Island.<sup>91</sup>
- 7.56 The Department of Transport and Regional Services informed the Committee that the cause of Mr Knight's concern was a one-off incident that had taken place on 29 and 30 January 2002.<sup>92</sup> The incident had occurred at a time when there had been significant rainfall on Cocos (Keeling) Islands and the construction of the new vacuum sewerage treatment system was still in the commissioning stage.<sup>93</sup> The Department stated that since the Commonwealth had taken over the project in April 2002, there had not been any reports of similar problems occurring during periods of heavy rainfall.<sup>94</sup> The Department has not received reports of anything other than minor operational problems since the system was commissioned.<sup>95</sup>
- 7.57 The third issue of concern related to the management of the utilities. The Shire of Cocos (Keeling) Islands informed the Committee that it was interested in taking over many of the services delivered by the

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<sup>90</sup> Department of Transport and Regional Services, Proposal Brief, Request for Proposal of the Design and Construction of Electricity Generation and Supply Infrastructure for Home Island, Cocos (Keeling) Islands, May 2003, p. 5.

<sup>91</sup> Mr Signa Knight, Transcript, 13 March 2003, p. 105.

<sup>92</sup> Department of Transport and Regional Services, Submissions, p. 643.

<sup>93</sup> Department of Transport and Regional Services, Submissions, p. 643.

<sup>94</sup> Department of Transport and Regional Services, Submissions, p. 644.

<sup>95</sup> Department of Transport and Regional Services, Submissions, p. 644.

Commonwealth, including utilities management.<sup>96</sup> The Shire Council considers that it could deliver these services in a more cost effective manner and with considerably more local input. The Council stated that it was interested in making a bid to supply the new electricity generating facility on Home Island in partnership with a company off-Island.<sup>97</sup> The Department of Transport and Regional Services informed the Committee that the shires will be free to tender for the delivery of utilities if and when they are market tested.<sup>98</sup>

### **Recommendation 13**

**That the Federal Government negotiate with the Shire of Cocos (Keeling) Islands with respect to the transfer of utilities on which there is mutual agreement.**

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96 Shire of Cocos (Keeling) Islands, Submissions, p.265; Mr Robert Jarvis, Transcript, 13 March 2003, p. 121.

97 Shire of Cocos (Keeling) Islands, Submissions, p. 265; Mr Robert Jarvis, Transcript, 13 March 2003, p. 121.

98 Mr Mike Mrdak, Transcript, 28 March 2003, p. 189.



## Economic Development and Tourism

8.1 In its annual report for 2001-2002, the Department of Transport and Regional Services reported on the establishment of economic development committees in the two territories, on the construction associated with the Immigration Reception Processing Centre (IRPC) and on the potential for employment that would be generated by the Asia Pacific Space Centre (APSC). The Department concluded that:

These initiatives – the Asia Pacific Space Centre, the permanent immigration reception and processing centre and the Economic Development Committees – will lead to improved employment levels and economic activity in the IOTs.<sup>1</sup>

8.2 The economies of the Indian Ocean Territories are narrowly based, depending on few activities. The major economic activity in both Territories is the provision of government services. Phosphate mining is also important on Christmas Island, and both Territories attract tourists in small numbers. Both also have small commercial services sectors. On Christmas Island, the Committee heard that the main economic concerns were the development of tourism, the cancellation of the IRPC contract, the lack of progress on the APSC project, and the future of phosphate mining. Evidence was also received about difficulties in obtaining insurance, the casino licence and the failure to pay entitlements to laundry workers. On Cocos (Keeling) Islands, witnesses were also interested in the development of tourism, but the majority of evidence related to developments in the Government sector.

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1 Department of Transport and Regional Services, *Annual Report 2001-2002*, p. 143.

## Tourism

- 8.3 The Treasurer of the Christmas Island Tourism Association (CITA), Mr Fred Robinson, stated that every report on Christmas Island's economy in the past decade had concluded that the Island's long-term future lay with tourism, but that no-one had produced a plan for its development.<sup>2</sup> Mr Robinson told the Committee that the three principal problems with advancing tourism on Christmas Island were assured regular flights from both the north and the south, funds to support marketing programs, and market penetration into mainland Australia and overseas.<sup>3</sup> The Committee has considered some of the issues relating to air services earlier in this report, but has not reached any firm conclusions about how services could be greatly improved.
- 8.4 The Commonwealth has attempted to assist the Territories financially by providing funding for their tourism associations. The Committee was informed, for example, that in 2001-2002 the Commonwealth contributed approximately \$61,000 to CITA and \$27,000 to the Cocos (Keeling) Islands Tourism Association (CKITA).<sup>4</sup> The Department of Transport and Regional Services informed the Committee that in 2002-2003 it provided \$114,000 to the Indian Ocean Territories tourism associations to assist them with marketing. It had also sought to establish an SDA with the Western Australian Tourism Commission (WATC), but this has not been finalised, possibly because of the potential conflict for the WATC in promoting the Indian Ocean Territories and Western Australia.<sup>5</sup>
- 8.5 The market in the Indian Ocean Territories is for 'boutique tourism', which relates to scuba diving, eco-tourism, including bird watching, and 'escaping to a desert island'.<sup>6</sup> Mr Robinson informed the Committee that to reach this market CITA has a budget of \$48,000, which is quite significant for a small community, but that its markets, in Europe, Australia and South-East Asia, are expensive to access. He also observed that:

What is lacking is the back up from the state tourism department.  
A small community such as Kalgoorlie or Alice Springs would  
have territory or state tourism departments promoting your region

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2 Mr Fred Robinson, Transcript, 11 March 2003, p. 2.

3 Mr Fred Robinson, Transcript, 11 March 2003, p. 3.

4 Mr Fred Robinson, Transcript, 11 March 2003, p. 6; Cocos (Keeling) Islands (Keeling) Islands Tourism Association, Submissions, p. 263.

5 Department of Transport and Regional Services, Submissions, p. 650.

6 Mr Fred Robinson, Transcript, 11 March 2003, p. 3.



for you to a large degree. We do not have that here and it falls on the association.<sup>7</sup>

The Department of Transport and Regional Services indicated that it might be possible to establish a service delivery arrangement for advice only, and stated that it would pursue that possibility with WATC.<sup>8</sup>

- 8.6 CITA proposed that additional funding for marketing could be raised by imposing a \$10 levy on air tickets. Based on passenger numbers for 2002, the levy could raise \$55,000 per annum which would be sufficient to employ a marketing officer.<sup>9</sup> The Committee has been unable to consider the suggestion in depth, but can see at least one obstacle in that special legislation presumably would be required for its implementation.
- 8.7 Although there was little evidence submitted relating to tourism on Cocos (Keeling) Islands, the remoteness of the Islands and the natural environment suggest that they, too, are looking at the 'boutique tourism' market. The CKITA stated that the Territory should receive the same level of Commonwealth funding for tourism as does Christmas Island, so as to employ a full-time tourism officer and to establish a visitors' centre. The Association informed the Committee that tourism infrastructure had been greatly expanded during the past four years and that this should be reflected in the funding provided by the Commonwealth.

## Immigration Reception Processing Centre (IRPC)

- 8.8 On 17 June 2002, the Federal Government announced that the Walter Construction Group had been awarded a contract for the design and construction of the permanent Christmas Island IRPC. The facility was to accommodate up to 1200 people, with the first stage providing capacity for up to 400 people to be available by the end of 2002.<sup>10</sup> On 19 February 2003, the Government announced that the contract had been terminated, and that construction of a scaled-down centre, to accommodate 800 persons, would be re-tendered. The Government remains committed to the construction of the centre.<sup>11</sup>

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7 Mr Fred Robinson, Transcript, 11 March 2003, pp. 3-4.

8 Department of Transport and Regional Services, Submissions, p. 650.

9 Mr Fred Robinson, Transcript, 11 March 2003, p. 4.

10 Hon. Philip Ruddock MP, Minister for Immigration and Multicultural and Indigenous Affairs, *Contract signed for Christmas Island Detention Facility*, media release, Canberra, 17 June 2002.

11 Hon. Philip Ruddock MP, Minister for Immigration and Multicultural and Indigenous Affairs and Senator the Hon. Nick Minchin, Minister for Finance and Administration, *Re-tender for Christmas Island Immigration Centre*, media release, Canberra, 19 February 2003.

8.9 The Chamber of Commerce told the Committee that in March 2002, community and business interests were advised by the then Minister for Regional Services, Territories and Local Government that the IRPC would bring great economic benefits to the island and that private enterprise should seize the many opportunities that would flow from the project and prepare the private business sector accordingly.<sup>12</sup> Members of the Chamber subsequently invested \$22.75 million to service the expected demand.<sup>13</sup> The Chamber stated:

...we did gear up in our varied ways and in various financial amounts, and the island economy looked solid until mid December [2002]. The shock announcement came on 19 February [2003], after weeks of rumours, and the cancellation of the Walter's contract and deferment of the project for at least nine months has bewildered, dismayed and angered the business community...

...we are collecting statistics to support the fact that the private sector, small though it is, is vital to the well-being of this Island and its future, has been derailed by this decision. It has had an immediate negative effect on business confidence in particular and the community in general.<sup>14</sup>

The Chamber of Commerce noted that the Island economy was about to enter into a recession "not seen or experienced since the sudden closure of the casino resort in 1998".<sup>15</sup>

## Asia Pacific Space Centre (APSC)

8.10 Construction of the Asia Pacific Space Centre, which is described in the Committee's 2001 report, *Risky Business*, was to have begun in 2001 with operations commencing in late 2003.<sup>16</sup> When the Committee visited Christmas Island in March 2003, some earthworks had begun at the site.

8.11 As stated in the Committee's 2001 report, the Federal Government had announced an incentive package to assist with the development of the space launch facility. An extension of the airport was included in the package but, as the Department of Transport and Regional Services

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12 Captain Don O'Donnell, Transcript, 11 March 2003, p. 11.

13 Christmas Island Chamber of Commerce, Submissions, p. 450.

14 Captain Don O'Donnell, Transcript, 11 March 2003, p. 11.

15 Captain Don O'Donnell, Transcript, 11 March 2003, p. 11.

16 Joint Standing Committee on the National Capital and External Territories, September 2001, *Risky Business: Inquiry into the tender process followed in the sale of the Christmas Island Casino and Resort*, pp. 10-11, 144-146.

informed the Committee, this is contingent on APSC committing to the project and meeting a range of conditions which the Government has set.<sup>17</sup>

- 8.12 The Manager, Christmas Island Operations, APSC, Mr Michael Asims, noted that the company had a licence to occupy and use Crown land for the site preparation of the proposed space launch facility at South Point on Christmas Island. Under the terms of the licence, APSC indemnifies the Commonwealth in respect of any legal proceedings by third parties arising from the works. APSC also has to provide a substantial security to the Commonwealth for use in the event that the construction works are abandoned or damaged, or degradation of the environment resulted from the works.<sup>18</sup> Mr Asims stated:

The company considers that the required amount of security and environmental insurance is grossly disproportionate to the level of risk that the Commonwealth is exposed to in regard to the possibility that the company will abandon the works once finances have been committed to the project and construction is commenced.

Since the site for the construction of a spaceport was identified, the company's anticipated land costs have blown out as a result of compensation payments to [Phosphate Resources Limited] and multimillion dollar government demands for security payments and insurance cover.<sup>19</sup>

## Phosphate mining

- 8.13 As stated in the Committee's 2001 report, phosphate mining has historically been the backbone of the Christmas Island economy.<sup>20</sup> The mining company, Christmas Island Phosphates (CIP), remains the major employer on the Island, with 130 people on the payroll.<sup>21</sup> The company mines and exports 500,000 to 600,000 tonnes of phosphate per year, mostly to South East Asia. In the past 12 years its exports have been valued at \$360 million.<sup>22</sup>

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17 Mr Mike Mrdak, Transcript, 28 March 2003, p. 214.

18 See Mr Michael Asims, Transcript, 11 March 2003, p. 78.

19 Mr Michael Asims, Transcript, 11 March 2003, p. 79.

20 Joint Standing Committee on the National Capital and External Territories, September 2001, *Risky Business: Inquiry into the tender process followed in the sale of the Christmas Island Casino and Resort*, p. 142.

21 Mr Choon Foo Cheong, Transcript, 11 March 2003, p. 60.

22 Mr Choon Foo Cheong, Transcript, 11 March 2003, p. 61.

- 8.14 Christmas Island Phosphates pointed out that in 1998 it had signed a 21-year mining lease with the Commonwealth, but that its resource inventory had been reduced by recent developmental projects on the Island, namely, the IRPC and the APSC.<sup>23</sup> The company stated that its current phosphate resources should last for about five more years.<sup>24</sup> Christmas Island Phosphates had developed two proposals to prolong the life of the mine, one for exploration on vacant Crown land and another for mining at nine sites on Crown land. The exploration proposal is subject to a Public Environment Report and the mining proposal to an Environmental Impact Statement.<sup>25</sup> The company claimed it can make a case for undertaking additional mining without causing long term serious impacts to the environment.<sup>26</sup>
- 8.15 The Department of the Environment and Heritage noted that Christmas Island Phosphates is seeking access to 448 hectares of vacant crown land, including significant rainforest areas. The company was advised that there would be areas in which mining would be prohibited. The Department also reminded the Committee that when the Minister makes decisions under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) he has to take into account economic and social factors.<sup>27</sup>
- 8.16 Christmas Island Phosphates stated that there should be a planned and rational transition to the Island's post mining economy. The company noted that:
- If the company is obliged to terminate its operations within the next five years, this will not be possible. The disruption that will be caused will be similar to the shattering effects of the abrupt closure of the Commonwealth's mining operation in the late 1980s.<sup>28</sup>
- 8.17 The Union of Christmas Island Workers and the Shire Council support Christmas Island Phosphates' application for the additional leases.<sup>29</sup> The company also pointed out that it was trying to gain access to phosphate stockpiles in the national park.<sup>30</sup> The stockpiles had been placed by

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23 Phosphate Resources Limited, Submissions, pp. 385

24 Phosphate Resources Limited, Submissions, pp. 386.

25 Phosphate Resources Limited, Submissions, p. 386.

26 Phosphate Resources Limited, Submissions, p. 388.

27 Mr Gerard Early, Transcript, 28 March 2003, p. 181.

28 Phosphate Resources Limited, Submissions, p. 388.

29 Mr Gordon Thomson, Transcript, 11 March 2003, p. 45; Shire of Christmas Island, Submissions, p. 515.

30 Mr Choon Foo Cheong, Transcript, 11 March 2003, p. 60.

previous miners on land that became part of the National Park. The company cannot access these stockpiles, even for sampling. At the time of the public hearings, Christmas Island Phosphates and Parks Australia were discussing whether sampling could be carried out, and whether removal of the stockpiles might assist in the Park's rehabilitation process.<sup>31</sup> The company noted that if it can access the stockpiles it may be able to increase the mine's resources and prolong its life.<sup>32</sup>

- 8.18 The Committee expects that the Federal Environment Minister, when deciding whether to approve the application for additional mining leases, will take into account the potentially serious economic and social consequences of the early cessation of phosphate mining. If the mine were to cease operations within the next few years this would, of course, have budgetary consequences for the Commonwealth.

## Insurance

- 8.19 Since the collapse of HIH Insurance in Australia, the September 11 disaster in the United States and the withdrawal of CGU Insurance from the Indian Ocean Territories, it has been difficult for some businesses and private individuals in the Indian Ocean Territories to obtain insurance coverage.<sup>33</sup> The Shire of Christmas Island described the difficulties as follows:

The situation with the availability of public liability, house and contents insurance is varied and complex. Some organisations, due to their buying power, are able to maintain and renew all required insurances. The residential sector has found it difficult to obtain due to several factors e.g. the age of the property and whether the owner has building certification, whether mortgaged, whether security systems are in place and locality. Other owners have sourced insurance but cannot afford to pay the increased premium. Not for profit organisations are also finding it very difficult to source and pay for public liability insurance. Comprehensive vehicle insurance is only available for luxury cars.<sup>34</sup>

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31 Mr Choon Foo Cheong, Transcript, 11 March 2003, pp. 61-62.

32 Mr Danny Gillespie, Transcript, 11 March 2003, p. 63.

33 Department of Transport and Regional Services, Submissions, p. 651.

34 Shire of Christmas Island, Submissions, p. 517.

- 8.20 Mr Eddie Tan, Chairman of the Austasia Business Council (ABC), referred in his evidence to the difficulties that car rental agencies on the Island had in obtaining third party vehicle insurance:

...after CGU pulled out of Christmas Island, one of our major car hire companies suffered quite financial losses...he cannot obtain a car rental licence and also third party licence against any car rental issue.<sup>35</sup>

- 8.21 The Department of Transport and Regional Services stated that, in conjunction with a WA Insurance Broker, it had endeavoured to source providers for all types of insurances.<sup>36</sup> When commenting on the car hire insurance difficulties outlined by Mr Tan, the Department noted that there appeared to be some confusion:

The Department understands that a provider for hire vehicle insurance has been identified to provide coverage of hire vehicles however the premium being quoted is significantly higher than that previously offered by the CGU.<sup>37</sup>

The Committee trusts that the Department of Transport and Regional Services will continue to explore options to enable persons and businesses in the Indian Ocean Territories to access affordable insurance cover.

## Casino Licence

- 8.22 A comprehensive description of the development, operation and closure of the Christmas Island Casino and Resort may be found in the Committee's report, *Risky Business*.<sup>38</sup> At the time of the Committee's visit in March 2003, little had changed. The resort was still owned by Soft Star Pty Ltd and the casino licence had not been renewed. Residents advised the Committee that they wanted the Christmas Island Casino and Resort to re-open because it would create jobs, and the Shire Council maintained its position that the Christmas Island Resort should re-open as a casino resort.<sup>39</sup>
- 8.23 The Shire Council stated that it was surprised at recent statements that the Commonwealth would not consider another casino licence, given that

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35 Mr Eddie Tan, Transcript, 11 March 2003, p. 27.

36 Department of Transport and Regional Services, Submissions, p. 651.

37 Department of Transport and Regional Services, Submissions, p. 651.

38 Joint Standing Committee on the National Capital and External Territories, September 2001, *Risky Business: Inquiry into the tender process followed in the sale of the Christmas Island Casino and Resort*.

39 Shire of Christmas Island, Submissions, p. 516.

every state had at least one casino and that the Commonwealth originally saw the Christmas Island Resort as the future of the Island's economic base.<sup>40</sup> The Shire Council also stated that it was concerned with the lack of maintenance and refurbishment of the resort.<sup>41</sup>

- 8.24 Mr Asims, who is also General Manager of the Christmas Island Resort and Casino, informed the Committee that without a gaming licence, the Christmas Island Casino and Resort would not be able to reopen and that there was no prospect of the licence being re-issued. He stated:

Today we face a situation where Minister Tuckey has made it clear that he is not willing to consider resurrecting the gaming licence. We have had a situation where interested parties have made approaches to the department as the first stage of their inquiries into resurrecting the gaming licence at the Christmas Island Casino. They came back to us and basically said there was really no point in pursuing it because the indications they had were that the minister will not entertain reissuing the licence. I believe there were also press articles quoting the minister to that effect ... We are very concerned that without a casino licence we will find nobody willing to look at managing or taking over the casino... we are very disillusioned and we are very concerned.<sup>42</sup>

- 8.25 The Department of Transport and Regional Services outlined for the Committee the application process for a casino licence under the *Christmas Island Casino Control Ordinance 1988*. In brief, the Minister decides whether to grant a licence based on advice from the Casino Surveillance Authority. There is no appeal possible against the Minister's decision under the Ordinance, but a review under the *Administrative Decisions (Judicial Review) Act 1977 (Cth)* in the Federal Court could be sought.<sup>43</sup>

- 8.26 An issue that has arisen since the Committee's previous report relates to water rights on the casino and resort property, as outlined by Mr Asims:

We have another problem whereby the department is now seeking to excise the natural springs from the property. What they are looking to do is take the water from the lease, excise the water in the natural springs and sell water back to the resort. We have potentially a resort which the minister says must open, fully

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40 Shire of Christmas Island, Submissions, p. 516.

41 Shire of Christmas Island, Submissions, p. 516.

42 Mr Michael Asims, Transcript, 11 March 2003, p. 82.

43 Department of Transport and Regional Services, Submissions, p. 642.

operational but without a casino; he then wants to take the water and sell it back to us.<sup>44</sup>

## Laundry Workers - Christmas Island

8.27 In its report *Risky Business*, the Committee recommended that the Commonwealth underwrite the payment of salaries and entitlements owed to former employees of Christmas Island Laundry Pty Ltd, not exceeding the total sum of \$20,000.<sup>45</sup> The UCIW stated that it was disappointed with the Government's response to the Committee's recommendation, which was that the laundry workers were not entitled to Commonwealth recompense:

It is a matter of great disappointment and regret that those workers have still not been paid their entitlements today. It is only less than \$20,000 in total that is owed. The valuer's assessment of the likely proceeds of sale was far exceeded. In fact, the profit would have been more than \$20,000 above the valuer's assessment of what the Commonwealth would raise on the sale of the property.<sup>46</sup>

The Committee has no reason to resile from its earlier recommendation and considers that the Commonwealth should reconsider its response.

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44 Mr Michael Asims, Transcript, 11 March 2003, p. 82.

45 Joint Standing Committee on the National Capital and External Territories, September 2001, *Risky Business: Inquiry into the tender process that followed in the sale of the Christmas Island Casino and Resort*, p. xix.

46 Mr Gordon Thomson, Transcript, 11 March 2003, p. 44.



## Social and Welfare Services

### Social Worker

- 9.1 A full-time social worker is employed by the Indian Ocean Territories Health Service to provide welfare services to both Christmas Island and Cocos (Keeling) Islands. The Department of Transport and Regional Services has a service delivery arrangement with the Western Australian Department for Community Development (DCD) under which the social worker is provided with professional supervision, support, consultancy and ongoing professional development.<sup>1</sup> The social worker, who spends ten days on Cocos (Keeling) Islands every nine weeks or so, is assisted by a community services officer based on those islands.<sup>2</sup>
- 9.2 The then social worker for the Indian Ocean Territories, Ms Dianne Wood, submitted that there was such demand for the social work that a part-time position should be established on Cocos (Keeling) Islands. Ms Wood stated:
- Issues dealt with range from marriage guidance, sexual assault, child abuse, eating disorders...depression, mediation...monitoring of people on community service orders...support for the disabled...visa applications...and much, much more. I also run group sessions for parenting programs...and I am either organising various groups such as the Women's Well-being Group

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1 Department of Transport and Regional Services, Submissions, p. 53.

2 Ms Dianne Wood, Submissions, p. 252.

or I am on committees that support local people such as the Youth Group.<sup>3</sup>

It would be beneficial if a 0.5 social work position could be created on Cocos as there is a considerable amount of work there. The senior social worker on Christmas Island could provide the supervision.<sup>4</sup>

The DCD reported in its performance report on the service delivery arrangement that there was a need for increased social work services on Cocos (Keeling) Islands.<sup>5</sup>

#### **Recommendation 14**

- 9.3 That the Department of Transport and Regional Services establish a part-time social worker position for the Cocos (Keeling) Islands.**

### **Centrelink Services - Cocos (Keeling) Islands**

- 9.4 The Cocos Islands Co-operative Society Ltd is currently the agent for Centrelink on Cocos (Keeling) Islands. Until November 2002 the Shire provided the service, but apparently was dissatisfied with the remuneration paid by Centrelink. The Co-op advised that:

Centrelink put out an expression of interest to the island and when they got no responses they rang us at the co-op and we could see that if we did not do something it was going to go.<sup>6</sup>

- 9.5 Mr Knight, the Co-op Chairman, noted that it was financially difficult for the Co-op to continue providing the service, but considered that it had no choice because it was such a vital community service.<sup>7</sup> Mr Knight stated that:

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3 Ms Dianne Wood, Submissions, p. 251.

4 Ms Dianne Wood, Submissions, p. 251.

5 Department of Transport and Regional Services, *Service Delivery Arrangements [SDA] Performance Reports 2001/2002*, p. 7.

6 Mr Alan O'Grady, Transcript, 13 March 2003, p. 112.

7 Mr Signa Knight, Transcript, 13 March 2003, p. 106.

...it is almost a contract not worth doing...we are getting paid \$7000 a quarter...which basically covers the wages, and...another \$27 a week to cover our postage, electricity and profits. However, if we did not pick it up, the local community, especially the Cocos Malay community, would have no option but to try to talk to someone in Perth about not only employment opportunities but other social security matters. Their language is slightly different from Indonesian and Malay. So I would anticipate that they would have real problems trying to communicate with a Centrelink interpreter in Perth.<sup>8</sup>

- 9.6 Mr Robin Salvage, National Manager, Business, Rural and Rent Assistance for Centrelink, noted that the agency on Cocos (Keeling ) Islands is:

at the lower end in terms of traffic through that particular agency in comparison to many other agencies. In our reviews of those arrangements we have indicated that we think the amount [paid to the agency] should be less.<sup>9</sup>

Mr Salvage noted, however, that Centrelink had decided that there were special issues relating to language and isolation in the islands and that it would continue to maintain payments at the current level of \$28,500 per annum.<sup>10</sup> Centrelink was keeping the matter under review. Mr Salvage also informed the Committee that Centrelink intended to increase the rates paid to agents by five per cent in 2003-2004.<sup>11</sup>

- 9.7 The Committee considers that the presence of a Centrelink agent on the Cocos (Keeling) Islands is essential if residents are to be afforded services at the same levels as are available to comparable communities on the mainland. If it were to become necessary the Committee would recommend that the service be subsidised directly by the Commonwealth to the extent that was practicable to maintain the service.

## **Children and Youth Support Services and Recreational Facilities**

- 9.8 The Service Delivery Arrangement performance report of the Western Australian Department for Community Development concluded that the

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8 Mr Signa Knight, Transcript, 13 March 2003, p. 106.

9 Mr Robin Salvage, Transcript, 12 May 2003, p. 257.

10 Mr Robin Salvage, Transcript, 12 May 2003, p. 258.

11 Mr Robin Salvage, Transcript, 12 May 2003, p. 258.

development of youth services in the Indian Ocean Territories was an issue that requires “ongoing consideration and/or action”.<sup>12</sup> The Christmas Island Shire Council pointed out that both “childcare services and youth programs on CI are lacking and, with the increase in population, needs to be addressed”.<sup>13</sup>

- 9.9 At the time of the Committee’s visit in March 2003, there were no formal childcare facilities in the Indian Ocean Territories. There were informal play groups in both Territories, and there were plans to establish a licensed childcare facility on Christmas Island. The Department of Transport and Regional Services noted that:

\$85,000 was committed in the [2001-2002] financial year to establish a childcare facility within the neighbourhood centre. The renovations to the centre include the conversion of the social worker’s office into an infants’ care area and the establishment of a new office for the social worker within the centre. These changes with minor renovations to the existing facilities should enable it to be licensed for use as a registered childcare facility. The work for the new office for the social worker is near complete, but works for the renovations to the day-care rooms are waiting on materials - delayed because of delays to shipping. Most materials are now on-Island and work is expected to be completed near end August 2003.<sup>14</sup>

## Youth Groups- Christmas Island

- 9.10 On Christmas Island Mrs Elizabeth Sorrenson, Mrs Julie Coloquhoun and other parent volunteers run a weekly youth group, the Christmas Island Youth Coordination Group (also known as Club HI), which meets at the neighbourhood centre on Friday evenings. The group offers a venue where young people aged thirteen and over from all cultures represented on the island can come together, socialise and play games in a supervised environment.<sup>15</sup>
- 9.11 The Commonwealth owns the neighbourhood centre that is used by the youth group for five hours a week. The Department of Transport and Regional Services is responsible for the building’s upkeep and it had

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12 Department of Transport and Regional Services, *Service Delivery Arrangements [SDA] Performance Reports 2001/2002*, p. 7.

13 Shire of Christmas Island, Submissions, p. 331.

14 Information provided by the Department of Transport and Regional Services.

15 Mrs Elizabeth Sorrenson, Transcript, 11 March 2003, p. 70.

begun charging rent to users as part of its 'normalisation' policy. This rent has to be met from Club HI's fundraising activities in the small island community.

- 9.12 Mrs Sorrenson informed the Committee that the club enjoyed community support, which included fundraising efforts and donations of second hand equipment, but that it had experienced difficulties in obtaining government assisted funding. The funds were needed for the following purposes:

Our immediate concerns are:

Payment of rent in 2003, payment and securing of public liability, payment of electricity accounts, water rates and cleaning common areas.

Our ongoing requirements include:

Replacement of furniture that was retrieved from the rubbish tip, paint for walls, storage cupboards and other general furnishings, replacement of donated equipment and computers.

On our wish list would be:

A paid coordinator able to direct teenagers for activities organise outdoor activities and one off events away from the venue.<sup>16</sup>

- 9.13 Following the group's representations, the Department of Transport and Regional Services was able to inform the Committee that the long-term rental for the neighbourhood centre had been reduced by 40 per cent from the valuation the Department had obtained, to \$1800 per annum, that a rent holiday had been given for 2002, and that rent in 2003 would be \$900.<sup>17</sup> The Department also reported that the group had received two government grants – one of \$15,760 for the development of a musical program and to support its activities as a youth group and another of \$34,500 for the employment of a youth worker.<sup>18</sup>

- 9.14 The Committee welcomes the decisions to award grants to the youth group and wishes them well. The Committee also acknowledges the decision to reduce the rent payable on the premises used by the group. However, the Committee is perplexed as to why there is a policy that requires non-profit community groups to pay rent at all.

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16 Mrs Elizabeth Sorrenson, Submissions, p. 257.

17 Mr Andrew Wilson, Transcript, 12 May 2003, p. 250.

18 Mr Andrew Wilson, Mr Mike Mrdak, Transcript, 12 May 2003, p. 250.

**Recommendation 15**

- 9.15 **That the Federal Government exempt non-profit community groups from paying rent for Commonwealth facilities in the Indian Ocean Territories.**

**Sporting and Recreational Facilities**

- 9.16 The shire councils in both Territories operate recreational facilities. The SOCI operates a public swimming pool which is owned by the Commonwealth, and has some sporting grounds.<sup>19</sup> In addition, the Federal Government has allocated \$8 million for a new recreation centre. Public recreational facilities on Cocos (Keeling) Island are limited, and the islands do not have a public swimming pool.
- 9.17 Mrs Tracey Evans, Physical Education Coordinator, Cocos (Keeling) Islands District High School, noted that Cocos (Keeling) Islands lack the physical space and buildings to promote recreation and cultural events. She also stated that:

There is no netball court...As a teacher, I have taught in many small country towns...and I have sixteen years of experience ... but I have never been to a centre where these two sorts of facilities [basketball and netball courts] are not available.<sup>20</sup>

Mrs Evans put forward three proposals that might alleviate the problem. The first was that an unused building in the former quarantine station could be cleaned up and used. The second called for the construction of a new facility and the third for the laying of a concrete slab.<sup>21</sup> In relation to Mrs Evans' first option, AQIS has explained that the state of the buildings and the consequent insurance problems preclude their being used by third parties. If the buildings were eventually gifted to the Shire Council, this may no longer be an impediment, but any such action is some way off. Mrs Evans described her second option as follows:

My vision is a cultural hall – a shed, a building or whatever you would like to call it-big enough to house a game of some sort, with

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19 Commonwealth Grants Commission, 1999, *Report on the Indian Ocean Territories*, Canprint, Canberra, p. 174.

20 Mrs Tracey Evans, Transcript, 13 March 2003, p. 134.

21 Mrs Tracey Evans, Transcript, 13 March 2003, p. 133.

power, lighting, fans, air-conditioning and, of course, shower facilities. I believe that this sort of facility could enhance cross-cultural relationships, again with the idea of the Cocos Malays staying over at night if they use the area and maybe paying a small fee if they are attending an event there.<sup>22</sup>

Mrs Evans' third suggestion was to establish a hard-court, as follows:

My third option is laying a cement slab that could be used for basketball or netball with rotational goals, lighting and shade sails. That would be the cheapest option, I guess, if you are not going to use the quarantine station.<sup>23</sup>

- 9.18 Mr Greg Croll, a Cocos (Keeling) Islands resident, noted that, despite being surrounded by water, there were only two places for people to swim on West Island and that they were relatively inaccessible.<sup>24</sup> He suggested that a tidal pool be constructed near the main town on West Island, where it could be used by locals and visitors.<sup>25</sup> Mr Croll pointed out that it would be logical to build the pool to coincide with the construction of the new wharf at Rumah Baru as there will be a wide range of equipment and expertise available.<sup>26</sup>
- 9.19 The Committee agrees that there is a lack of public sporting and recreational facilities in the Territories. The Government is addressing the problem on Christmas Island with the construction of the recreational facility. On Cocos (Keeling) Islands, it seems that the issue could be addressed relatively cheaply, but the Committee has not formed a view on the merits of the proposals put to it. The sporting and other cultural needs of the Territory should be ascertained and met as soon as possible, possibly through a service delivery arrangement with the relevant Western Australian Government agency.

## Recommendation 16

- 9.20 **That the Commonwealth arrange for a survey of the sporting and recreational needs of the Cocos (Keeling) Islands with a view to providing appropriate facilities in accessible locations.**

22 Mrs Tracey Evans, Transcript, 13 March 2003, p. 134.

23 Mrs Tracey Evans, Transcript, 13 March 2003, p. 134.

24 Mr Greg Croll, Transcript, 13 March 2003, p. 128.

25 Mr Greg Croll, Transcript, 13 March 2003, p. 128.

26 Mr Greg Croll, Submissions, p. 129.

## Senior Citizens

- 9.21 In the past, retired people from the Territories generally relocated to Malaysia or to Australia, but more recently many have remained on the islands. As a result, there is not only a greater need for aged care, but also for suitable social outlets for older people. SOCI told the Committee that it had assisted in the formation of a senior citizens club, which was experiencing difficulty finding a suitable venue for their activities. The Shire Council stated that a request for a run-down building that the senior citizens could assist in renovating had been made to the Department of Transport and Regional Services in January 2002.<sup>27</sup>
- 9.22 The Department of Transport and Regional Services informed the Committee that, as of July 2003, it is negotiating a long-term lease (10 years) with the SOCI for Location 548 Poon Saan for the establishment of the senior citizen's club. The Committee understands that, once agreed, the Shire will manage the club on behalf of the community.

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27 Shire of Christmas Island, Submissions, p. 7.





## **Appendix A – List of submissions**

1. Mr Kel Watkins, Freightshop
2. Commonwealth Department of Transport and Regional Services
6. Office of Federal Affairs, Department of the Premier and Cabinet, Western Australia
9. Commonwealth Department of the Environment and Heritage
10. Mr John Sorenson, Northern Bay Pty Ltd
11. Ms Dianne Wood, Indian Ocean Territories Health Service
12. CONFIDENTIAL
13. Mrs Elizabeth Sorrenson, Christmas Island Youth Coordination Group (Club Hi)
14. Mr Terry Washer, Cocos (Keeling) Islands Tourism Association
15. Mr Bob Jarvis, Christmas Island Shire Council
16. Mr Ron Grant
17. Ms Kim Gossage, Indian Ocean Territories Health Service
18. Mr Greg Croll
19. Ms Dianne Wood (supplementary)
20. Mrs Tracey Evans, Cocos Islands District High School
21. Shire of Christmas Island

22. CONFIDENTIAL
24. Cheong Choon Foo, Christmas Island Phosphates
32. Mr Fred Robinson, Christmas Island Tourism Association
33. Captain Don O'Donnell, Christmas Island Chamber of Commerce
34. Ms Virginia Jealous
35. Mr Gordon Thomson, Union of Christmas Island Workers
38. Commonwealth Department of Transport and Regional Services (supplementary)
39. Shire of Christmas Island (supplementary)
44. Office of Federal Affairs, Department of the Premier and Cabinet, Western Australia (supplementary)
47. Australian Heritage Commission
50. Commonwealth Department of Transport and Regional Services (supplementary)
51. Commonwealth Department of Transport and Regional Services (supplementary)
52. The Office of Chemical Safety, Therapeutic Goods Administration (TGA), Commonwealth Department of Health and Ageing
53. Australian Prudential Regulatory Authority
54. Office of Federal Affairs, Department of the Premier and Cabinet, Western Australia (supplementary)
56. Office of Federal Affairs, Department of the Premier and Cabinet, Western Australia (supplementary)
57. Commonwealth Department of Transport and Regional Services (supplementary)
58. Commonwealth Department of the Environment and Heritage (supplementary)
59. Mr Michael Asims, Asia Pacific Space Centre and Christmas Island Resort and Casino
60. Commonwealth Department of the Environment and Heritage (supplementary)
62. Animal Quarantine and Inspection Service

63. Commonwealth Department of Transport and Regional Services (supplementary)
65. Hon. Eric Ripper MLA, Deputy Premier, Treasurer, Minister for Energy, Government of Western Australia





## **Appendix B – List of exhibits**

4. Mr Eddie Tan, The Constitution of the Austasia Business Council
5. Mr Gordon Thomson, *The Islander*, Christmas Island Community Newsletter, 6 December 2002
6. Mr Ray Stone, Department of Transport and regional Services, Expression of interest cleaning and gardening services, 11 March 2003
7. Mr Michael Asims, Letter from Minister for Regional Services, Territories & Local Government to Mr Jeff Herbert, 30 August 1999 on a further licence to operate a casino
8. Mr Michael Asims, Information Memorandum: Christmas Island Resort/Casino, Lodge and Staff Accommodation
9. Mr Michael Asims, Information Papers
10. CONFIDENTIAL
11. Mr John Clunies-Ross, Letter from Mr John Levis to Mr Clunies on feasibility of establishing an Indian Ocean Credit Union (IOCU)





## **Appendix C – List of hearings and witnesses**

**Christmas Island - Tuesday, 11 March 2003**

### **Christmas Island Tourism Association (CITA)**

Mr Fred Robinson, Treasurer

### **Christmas Island Chamber of Commerce**

Mr Alan Hucker, Treasurer

Mr Paul McCallum, Chairman, Contractor's Subcommittee

Mr Peter McGovern, Member

Captain Don O'Donnell, President

### **Austasia Airlines Pty Ltd and Christmas Island Aviation Services Pty Ltd**

Mr Edward Turner, Managing Director

### **Austasia Business Council**

Ms Gee Foo, Project Officer

**Economic Development Committee and Shire of Christmas Island**

Mr Gary Dunt, Chair, Economic Development Committee; and Chief Executive Officer, Shire of Christmas Island

**Union of Christmas Island Workers**

Mr Gordon Thomson, General Secretary

**Community Pharmacy**

Mr Mark Baldock, Owner/Manager

**Christmas Island Phosphates**

Mr Mark Bennett, Environmental Manager

Mr Choon Foo Cheong, Resident Manager/Director

Mr Dan Gillespie, Consultant

**Christmas Island Youth Coordination Group (Club HI)**

Mrs Julie Colquhoun

Mrs Elizabeth Sorrenson

**Asia Pacific Space Centre and Christmas Island Resort and Casino**

Mr Michael Asims, Manager, Christmas Island Operations, Asia Pacific Space Centre; and General Manager, Christmas Island Resort and Casino

**Private Capacity**

Ms Virginia Jealous



## **Cocos (Keeling) Islands - Thursday, 13 March 2003**

### **Cocos Islands Co-operative Society Ltd**

Mr Signa Knight, Chairman

Mr Alan O'Grady, Financial Controller

Mr Balmut Pirus, Company Secretary

### **Shire of Cocos (Keeling) Islands**

Mr Bob Jarvis, Chief Executive Officer

### **Private Capacity**

Mr Ron Grant

Mr Lloyd Leist

Mr Greg Croll

Mrs Tracey Evans

Mr John Clunies-Ross

## **Canberra - Friday, 28 March 2003**

### **Australian Heritage Commission**

Mr Bruce Leaver, Executive Director

Dr Ken Heffernan, Acting Director, Historic Heritage Management  
Section

### **Commonwealth Department of the Environment and Heritage**

Mr Gerard Early, First Assistant Secretary, Approvals and Wildlife  
Division

Mr John Hicks, Assistant Secretary, Parks Australia South

**Office of Federal Affairs, Department of the Premier and Cabinet, Western Australia**

Mrs Virginia Miller, Project Officer, Indian Ocean Territories

**Commonwealth Department of Transport and Regional Services**

Mr Mike Mrdak, First Assistant Secretary, Territories and Local Government Division

Mr Andrew Wilson, Assistant Secretary, Non Self-Governing Territories, Territories and Local Government Division

**Canberra - Monday, 12 May 2003**

**Commonwealth Department of Transport and Regional Services**

Mr Mike Mrdak, First Assistant Secretary, Territories and Local Government Division

Mr Andrew Wilson, Assistant Secretary, Non Self-Governing Territories, Territories and Local Government Division

**Australian Quarantine Inspection Service**

Mr Timothy Carlton, General Manager, Finance and Information Strategies

Ms Jenni Gordon, National Manager, Animal and Plant Programs Group

**Civil Aviation Safety Authority**

Mr Rob Elder, Executive Manager, Corporate Affairs

Mr Arthur White, General Manager, Airline Operations, Aviation Safety Compliance Division

Mr Jim Shirley, Head of Airspace, Air Traffic and Aerodrome Standards Branch

Mr Frank Wong, Principal Aerodrome Engineer, Air Traffic and Aerodrome Standards Branch

Mr Peter Ilyk, General Counsel

**National Jet Systems**

Mr Hugh Davin, General Manager, Business Development

**Therapeutic Goods Administration**

Dr Margaret Hartley, Director, Office of Chemical Safety

Dr Wafa El-Adhami, Deputy Director, Office of Chemical Safety

**Centrelink**

Mr Ronald Fernandez, Customer Service Manager

Mr Robin Salvage, National Manager, Business, Rural and Rent Assistance

Mr Phil Shakespear, Project Manager, Rural Services Team

