

Committee Secretary  
Joint Standing Committee on the National Capital and External Territories  
Department of the House of Representatives  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600

6<sup>th</sup> July, 2009

Dear Committee Members,

The Christmas Island Chamber of Commerce would like to make the following submission to the committee on behalf of the business community of Christmas Island.

The 13 recommendations of your committee's report dated May, 2006 are brought to your attention. Has this current Committee reviewed these recommendations and taken them into consideration in the preparation of this inquiry? The Christmas Island Chamber of Commerce has eagerly participated in all inquiries, reviews and various other activities in the past and seen little result. It would be a pity if these previous recommendations were not considered during this inquiry.

Participation by Chamber members in Inquiries and other Government activities when little, or more likely no results have been forthcoming from any of the recommendations is very tiring for all members who participate. We are having difficulties maintaining a level of enthusiasm amongst members for this type of activity given the limited actions on previous recommendations.

For many years, the Chamber has regurgitated many issues to Ministers, senior bureaucrats, advisors, other Government representatives, committees and inquiries. Many if not most of the issues previously identified are still very current and valid but have had no action by Government to reach a conclusive level of outcome to the benefit of both the Government and the community of Christmas Island. For this reason, we have attempted to raise current issues that have not been previously identified by the Chamber to the Government.

On behalf of the Chamber, I wish to thank Inquiry members for extending the submission deadline specifically for business organisations on Christmas Island. We hope that our submission has been of some value.

The Executive Committee of the Chamber is available to the Inquiry to further discuss the comments made, and to provide further details if required. Similarly, we are available to discuss (again) issues previously identified and promises made to Islanders years ago with no results. These include but are not limited to;

- Linkwater Road
- Airport Extensions
- Road surfacing to detention centre
- Fuel Levy
- Airport Fuel Supply
- Utilisation of Tai Jin House
- And so on

Yours Sincerely

John Richardson  
President.

The scope of the current inquiry is as follows, and is commented on where necessary;

***To inquire into and report on the changing economic environment in the Indian Ocean Territories giving consideration to current arrangements, barriers to business development and future need with regard to:***

- a. communication services such as broadband internet, digital television and mobile telephony;***
- b. transport services and costs including passenger and freight transport;***
- c. Commonwealth Government services and programs;***
- d. the operation of businesses in the region;***
- e. cost and availability of housing; and***
- f. the impact of climate change.***

***a. communication services such as broadband internet, digital television and mobile telephony;***

The Christmas Island Chamber of Commerce received and committed funding for the preparation of a report into the advantages and disadvantages of upgrading communications facilities on Christmas Island either by the laying of a fibre-optic cable (Taking a spur off the planned cable from Jakarta to Perth), or by expansion of the existing satellite services.

In summary, this report concluded that costs associated with the expansion of satellite services compared to expansion by the installation of a cable were inordinately high when projected over a number of years.

The installation of a cable would immediately allow the expansion of Internet services, the introduction of Digital Television and a significant upgrade to telephone services. This particularly applies to the limited coverage for mobile phones – Christmas Island has a scaled down version of GSM available and no current facility for 3G or any further expansions in mobile phone capacity without significant infrastructure investment by the Government or the single provider currently available.

Cable installation will also allow remote medicine, enhance the abysmal service provided to the Christmas Island District High School, and with a proposed modification by an AG Department representative, significantly improve the security for all Government communications to and from Christmas Island.

This report has been submitted to the Attorney General's Department, and it appears as if it has been ignored for the purpose of this inquiry, given that the first and implied high priority item, deals with telecommunications.

**b. transport services and costs including passenger and freight transport;**

Much effort has been expended by the Attorney General's department in the improvement of transport to services to the IOT's. Most of this effort has been expended in improving the passenger and freight capacities of the air services, and Christmas Island currently has 5 scheduled flights per week ex Perth, while Cocos Island enjoys 4. Christmas Island still has a Northern flight, which supplements its freight requirements. Recently a private operator has been involved in charter operations between Perth and Christmas Island but has had little success. The Chamber encourages private participation in the air services to Christmas Island, and appreciates that the Government has an implied responsibility to provide a reasonable standard of service.

Regardless of the operator, all air services to Christmas Island are geared around transport of Government and other NGO's going to and from the Island in support of the detention centre. Fares to and from Perth have reduced significantly thanks to the support of the AG Department's financial input.

No effort has been expended in attempting to resolve heavy freight (Sea Freight) services to both Islands, and in fact the pricing for these services is still spiralling beyond the financial capacities of most Island businesses. Levies applied for such service interruptions like the crane breakdown are never rescinded despite the crane being brought back into service, and prices still continue to hike beyond the belief of all Islanders.

As a private company operates this service, it would appear that little can be done to reduce this expense, however this has a significant impact on the cost of both perishable and non-perishable merchandise on the Islands. It is nothing unusual to pay triple the price for perishable goods from Perth. Recently one Chamber member paid \$4.40 for two tomatoes, neither of which was anywhere near export quality. This is not an unusual price for Islanders to pay.

The Chamber asks why the existing subsidy arrangements made for air transport are not applied to sea transport, as it is with sea freight to Tasmania.

**c. Commonwealth Government services and programs;**

- Heritage

Heritage has consistently been an impediment to commercial development on Christmas Island. Whilst the Chamber recognises the need for some control, what has been implemented to date has been obstructive, and restrictive to the point where developers cease to be interested due to the regulations and the administration of the "so called" heritage rulings.

Further, it is the belief of the Chamber that a proposal is in existence to declare the entirety of Christmas Island as heritage listed. This will exacerbate a situation which is already out of control. It is both irresponsible and lazy and must not proceed if any business activity is to be encouraged.

The Chamber is aware of three major developers who have lost interest after dealing with the Heritage representatives on Christmas Island.

- **Grant Funding**

The Chamber applauds the recent decision by Government to employ a full time Economic Development Officer for the Indian Ocean Territories. To date the EDO has achieved what could be expected, and the Islands eagerly anticipate further progress in the medium term. The EDO has participated in smoothing the process for many organisations on the Islands, however is stymied by the number of steps involved in gaining approval for funding applications.

Nowhere in Australia is any community likewise encumbered with processes of this nature, where a simple application commences in the WA Government system, evolves to Christmas Island Administration, then to Perth AG Department and finally to Canberra for approval. In any of these various stops, this funding can be rejected for reasons unknown.

It is the opinion of the Chamber that funding submissions should be under the control of the Administrator, once one has been appointed, which should be done with all urgency.

**d. the operation of businesses in the region;**

- **Heritage**

Attention is drawn to the above comments on heritage. The Chamber is aware of a number of commercial developments that have failed in the planning process due to either the heritage boundaries, or the local administration of the heritage guidelines.

- **Land Planning Scheme**

There is no commercial or residential land available for general release on Christmas Island. Whilst there are some private sales happening, there is nothing to encourage commercial development.

- **Transport**

Local transport operators and the Shire of Christmas Island provide transport services which are well balanced to the needs of Christmas Island residents and businesses. The transport agenda for Christmas Island is simply involved in getting goods to the Island. Restrictive costs prohibit any development using costs models available anywhere else.

- **Building**

The building code current on Christmas Island is mirrored from that applicable in Perth. Little recognition is given to the fact that Perth has a temperate climate,

whilst Christmas Island is a tropical climate. Building codes apply restrictions which are un-realistic given WA regulations for car park facilities, plot ratios and other restrictive regulations born from the WA environment.

- **Lack of Office Space**

There is no commercial office space available on Christmas Island. Various projects have been launched, but have been stymied by heritage regulations, restrictive building codes and a lack of interest by local Government in any commercial development.

- **Lack of Industrial Sites**

There is no light industrial area availability on Christmas Island.

**e. cost and availability of housing;**

- **Land Planning Strategy**

As of the current date, the Chamber is not aware of any realistic and workable land planning strategy on Christmas Island. This immediately disqualifies any interest from commercial developers with the financial capacity to plan and complete major projects on the Island.

- **Building Costs**

It has been conservatively estimated that the building costs on Christmas Island are in excess of 2.5 times those in Perth. This is almost totally attributable to transport costs, and because of this, no commercial development is planned or currently under way on the Island.

- **Aged Care**

This Shire of Christmas Island has an impressive record of looking after the aged population of Christmas Island. They are, however not able to cope with the increasing number of aged persons on Christmas Island, or with the potential for an increased aged population given the attractiveness of the Island to the ageing population in Australia. Serious consideration should be given to planning an aged care facility on Christmas Island, including a palliative care unit in close proximity to the hospital. This subject requires immediate attention due to the fact that it will require substantial planning and funding to implement.

**f. the impact of climate change.**

- The Chamber has a belief that the Government can achieve significant cost savings through the installation of wind powered generation on Christmas and possibly Cocos Islands. In 2006, a submission was sent to the Minister from the Chamber outlining the benefits of wind power generation on Christmas Island, and pointing out that previous studies had indicated that this type of power generation could save the Government in excess of two million litres of diesel per annum.

- Predicted increases in the sea levels over the next 20 years will place Cocos Island at severe risk. It will also place the Kampong community of Christmas Island at significant risk. Already rainfall in excess of 50mm in any 24 hour period causes a general alert, with emergency services considering evacuation of this community. Should sea levels rise at all, this risk would increase severely.

- The Chamber recognises that there is significant science involved in predicting the consequences of climate change. Scientific studies should be initiated immediately in order to establish the exact consequences of climatic changes in our particular environment and location.