

Response to Joint Standing Committee on the National Capital and External Territories

9 September 2009

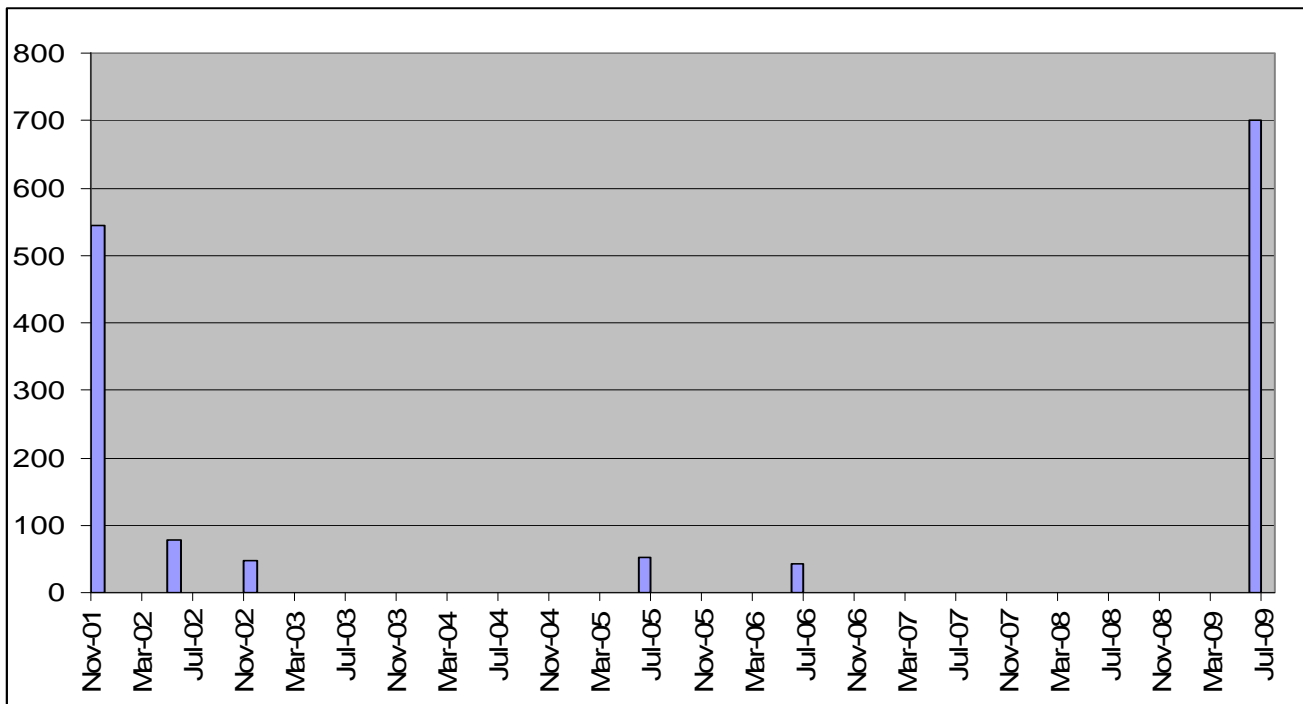
Economic impact of DIAC immigration activities on Christmas Island community

Introduction

The Department of Immigration and Citizenship has maintained a presence on Christmas Island for the better part of the past decade. In 2001 the Department began operating an immigration detention facility known as Phosphate Hill. From this time the numbers of irregular maritime arrivals to the Island have fluctuated, requiring the Department to respond flexibly.

The below chart demonstrates the changing activity levels in immigration detention on Christmas Island since 2001:

Activity Christmas Island: Since 2001:



- around 544 clients between October and December 2001
- no clients on Christmas Island by March 2003
- largest group of clients was 53 in 2005 and 43 in 2006
- over 700 clients in June 2009

The Department operates three immigration detention facilities on Christmas Island:

- North West Point, the Christmas Island immigration detention centre (IDC), was opened on 21 December 2008 and is used to accommodate single men.
- Phosphate Hill, the original immigration detention centre.
- Construction Camp, an alternative place of detention, used to accommodate women, children, family groups with children and vulnerable clients.

A proportion of clients (unaccompanied minors and families) are also accommodated within the community in Department owned accommodation through community detention arrangements.

In addition to the Department and its contracted service providers, managing the arrival of asylum seekers involves many other agencies including Customs, Australian Federal Police, and the Attorney-General's Department. As well as these agencies a number of non-government organisations support immigration detention activities such as Life Without Barriers, Australian Red Cross, the Forum of Australian Services for Survivors of Torture and Trauma, and the International Health Medical Services. Staff for these organisations are often based on Christmas Island for semi permanent periods eg 3 or 6 months and they also have people who fly in and out on shorter contracts.

To date, there has been no economic modelling of the impact of the Department's activities on Christmas Island. However, there is a general assumption that these activities have direct impact through the purchase of goods and services, together with the contracting and employment of local staff. In addition there is likely to be indirect effects when goods, services and labour are procured on the mainland and brought to Christmas Island.

For the committee's benefit the Department has attempted to assess the impact of its two areas of activities on Christmas Island – construction and immigration detention. When averaged over 8 years of operation, the impact of immigration activity on the Christmas Island economy is likely to be relatively low, despite the high activity peaks in 2001 and 2009 (these peaks have only been sustained for less than 6 months in a total operational period of about 96 months).

The following discussion is based on the premise that any significant economic impact arising from immigration business at Christmas Island is likely to be short lived rather than sustained.

Types of economic and social cooperation stemming from immigration detention activities

Impact from construction works

Since 2001 the Department has conducted several infrastructure developments on Christmas Island, the largest being the construction of the new Christmas Island Immigration Detention Centre (IDC) at North West Point.

All construction projects undertaken on Christmas Island have been procured on the open market and involved mainland companies. This has meant an influx of skilled workers as well as additional work for local tradespeople.

During the construction of North West Point the contractor maximised use of local businesses and resources involving flights, cranes, and earthwork. They also established construction packages to suit local business capacities and provided on the job training for local individuals. In addition all flights to and from the mainland, including charter flights, were procured through the local travel agency and airline.

It is worth noting that despite this work there has been no evident or discernable lasting expansion of the local building sector, such as increase in number of trade contractors, private building activity or significant growth in hospitality infrastructure.

Employment of local staff across all activities

The number of Christmas Island locals employed as a result of the Department's immigration activities on Christmas Island varies on a day to day basis based on the Department's activities, client numbers and immigration staff turnover. Around 97 Christmas Island locals are employed in a full-time or casual capacity as a result of the Department's presence on Christmas Island. This can be broken down as follows:

- around 30 local staff are engaged by G4S for immigration detention services;
- around 22 local staff are engaged by Delaware North Companies Australia Pty Ltd, G4S's catering contractor, to manage catering in immigration detention facilities;
- around 15 local staff are engaged by Christmas Island Maintenance Service to deliver facility management and maintenance for immigration facilities other than North West Point
- around 27 local staff engaged by Resolve FM to maintain North West Point; and
- 3 local staff engaged by the Department, 2 on 3 year traineeship contracts.

The new detention services contractor Serco (from 1 October 2009) will in all likelihood employ a similar number of local staff. The Department is also looking to provide further trainee opportunities in office administration, and to engage a local Community Liaison Officer. The local training group (IOGTA) has been engaged to deliver a range of training courses, including procurement and first aid, and may be used to assist with further training activities for locally engaged staff.

The numbers of local staff engaged in immigration detention and construction activities depends on the level of activity on Christmas Island. At times of low activity contractors generally reduce staff to a level required to maintain the facilities in a state of readiness (estimated between 10 and 20).

Impact of immigration detention

The reliance of the Department, and its contractors, on the local Christmas Island economy to provide for people in immigration detention has declined over time. Given the volumes of fresh food needed for the current number of people in detention (ie during peaks), the current catering contractor air-freights large quantities of perishable foods from Perth via Jakarta then to the Island.

The Department's incoming contractor has not indicated how they will handle the supply of perishables but it is understood they are seeking supply arrangements for some lines with a newly developed hydroponics farm located on Island. This would be a boost to the local economy and should also save costs.

People in community detention are supported by Red Cross who provide for the needs of this group. The bulk of the day to day expenditure is food and general living which is purchased direct from local suppliers.

The Department has always been conscious of the need to ensure adequate goods and services are available for the local community and has always sought to balance the needs of our activities with the requirements of the local community (ie avoid buying out the local shops).

The Department is also seeking to ensure that immigration detention activities have positive benefits for the community. People in community detention on Christmas Island are able to use the public transport system, and access the community recreation pool and gym. The Department has agreed to purchase a set number of bus tickets and recreation passes, which means that these public services now have a set level of funding, improving their sustainability.

Impact of staff

The Department has recently commenced six month placements of staff to improve processing efficiencies. This change in arrangements is already having a positive impact on the Christmas Island community, as staff move into the wider community taking part in activities such as sporting teams and volunteer activities.

The bulk of Departmental staff, NGO staff and contractor staff use Departmental accommodation. Some additional accommodation is sourced through rental properties and a wing of the Christmas Island Lodge. Accommodation is mainly self catering, and staff rely on supplies from the local supermarket and restaurants.

Discussions have been held with the Christmas Island economics advisor about options for providing orientation packages using local tourism operators / tour guides for new arrivals to take advantage of during their time off on Island.

The impact of immigration detention on tourism needs is also considered. The Department is conscious of the limited car hire resources and as such has arranged for cars and mini-buses to be brought over from the mainland. Other contractors however have leased a number of vehicles from local car hire companies.

Consultation with the community

A Christmas Island Community Consultative Group has been established by the Department, which meets on a monthly basis. The group provides an opportunity to explore and consider issues relating to the range of services, activities and welfare opportunities available to people in immigration detention, and foster communication and consultation between the Department, the Detention Services Provider (DSP) and local community support/service providers.

Impact on the local school

The Department has a standing funding agreement with the Christmas Island Districts High School (CIDHS) to provide schooling for school-aged children of people in detention.

For this semester the funding has meant provision of 5 full-time teachers, 5 full-time education assistants, one refugee student coordinator (2 days a week), the provision of computers, printers and cameras and adult education resources.

It is expected that between 60 and 100 school age asylum seekers will be requiring education during 2009. Additional funding can be negotiated if numbers increase significantly.

The Department coordinates visits to the school by advocates and government and media representatives who are willing to contribute to the educational support of the students through presentations. A recent example was a presentation to senior students by David Marr, a well respected journalist from The Australian newspaper.

Community sponsorship

The Department and its main contractor G4S sponsor local events from time to time. This has included International Women's Day, the re-publication of CI historical books (through CI Tourism Centre) and community movie events at the local outdoor cinema. The construction works contractor has also made donations to various local causes and associations.

IT provision on Christmas Island

The Department maintains a set of data networks at North West Point IDC, with satellite access to the Australian mainland, and an administrative network as part of the Department's Australian network. These services are completely separate from those provided by the local internet provider CiiA.

The Department is currently exploring options to improve access through under-sea data access. This initiative would be a great benefit to all government departments operating on Christmas Island, and could also benefit the island community through provision of better access. In addition the Department is also looking at providing IT maintenance assistance to the local school, and extending the bandwidth available to the hospital.

The Department provides some services to other agencies, but, on the whole, agencies meet their own IT requirements on CI. The Attorney General's Department (AGs) is working on a project that might combine some services to produce greater efficiencies.

Economic challenges facing ongoing operation of immigration activities on Christmas Island

Management of costs on Christmas Island is the key economic challenge confronting the Department and its contractors. The key challenges for ongoing operations are:

- Transport to/from Island – commercial flights are often busy requiring the arrangement of charter flights.
- Transport around the Island – there is limited public transport and vehicle hire is one of the largest operating costs on Christmas Island. In addition the increased traffic on roads is causing wear and tear on the graded roads.
- Freight – procurement of food and supplies are a major component of operating expenses
- Accommodation – provision of suitable accommodation for staff and people in community detention remains an ongoing issue
- Efficient use of DIAC and contractors staff – processing of irregular maritime arrivals can absorb much of both Department and contractor staff time

Environment Protection Biodiversity and Conservation Act 1999

Environmental impacts of the operations at North West Point have not been fully assessed due to the relevantly short period the facility has been in operation (opened December 2008).

The Department has a current Environmental Management Plan (EMP) in place for North West Point. This was developed by the contractor (builder) and was accepted by the Department of Finance and Deregulation (Finance) and monitored throughout the project. A new EMP is being developed in conjunction with the new detention service provider – SERCO.

Mitigation strategies have been developed and implemented to ensure the impact of ongoing immigration activities is minimised. This has included the self imposed speed restriction of 60kph to avoid road mortality to fauna, and a regime in place to ensure the effective management of weeds at its facilities and stormwater controls to prevent run-off into the surrounding national parks.

Whilst the Department acknowledges that more can be done, ongoing consultation with key authorities is continuing and the development of an EMP specific to the Department's facilities will further minimise any adverse effects that result from the Department's presence in this sensitive environment.

Conclusion

When averaged over 8 years of operation, the impact of immigration activity on the Christmas Island economy can be considered relatively low, despite the high activity peaks in 2001 and 2009.

The biggest direct impact on the local economy has been employment of local labour. Given the sporadic nature of construction and immigration detention, local employment is most sustainable in the ongoing facility management area. It would be expected that as people in detention numbers fall, contractors will need to manage costs by reducing labour.