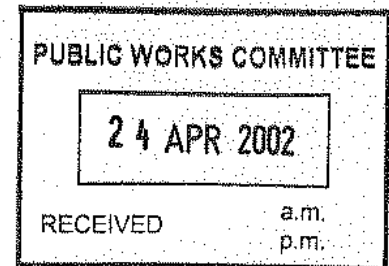


HORST W. KAMBECK
 Dipl. Ing., B.E. Mech. / Min., F.AusIMM, AIMM.
 PO Box 1409, West Perth, Western Australia, 6872, Mob 0417-892255
 Consultant

22 April, 2002

The Secretary,
 The Public Works Committee,
 Parliament House,
 CANBERRA, ACT. 2600



Submission regarding the
**PROPOSED COMMON USE INFRASTRUCTURE
 ON CHRISTMAS ISLAND**

Dear Members of the
 Parliamentary Standing Committee on Public Works,

I have perused the advertisement in the National Newspapers, read the specific written outline provided to me by the Secretariat, and transmit the following submission. I have also reviewed Invitations to Tender, with regard to and in respect of Infrastructure Works associated with the Christmas Island Immigration Reception and Processing Centre and have submitted my comments to the Consultants (GHD), the Department of Transport and Regional Services, and others.

I am an experienced Project Manager of many Resources Development Projects, over 40 years, and I have lived on Christmas Island and have gained an in-depth insight into all facets and aspects of development work on the Island, undertaken and executed previously. Hence, my comments are based on actual experience, as well as a genuine interest in the Island's progress.

While I endorse the plans to establish an Immigration Reception and Processing Centre and the associated infrastructure I have, however, real concern about the establishment of the APSC space launch centre at South Point on Christmas Island. The concern is based on questions about the viability of this private Project. I have not been able to obtain evidence which supports continued existence of the planned endeavour/enterprise. Taking into account that the majority of existing Space Projects are national or multi-national ventures, with China and Japan being in the process of joining them, unless there are aspects of the Project to which the public has no access it is a possibility and potentiality that a privately orchestrated venture will always be risky. One failed launch can put the viability of the Project/Entity into difficulty.

With regard to and in respect of the upgrade of the Airport/Runway, I would like to state firstly that the expenditure of A\$51.3 million plus (estimates exceed easily when undertaking work on Christmas Island) must be weighed against the overall and long term benefit of improving facilities on the Island. The Island has only a small and rather inactive population, with some individuals elevated to being self-elected spokespersons without real community support. The Phosphates Operation has a limited life, which is determined by the deteriorating condition of the Processing Plant and not the Mining Leases. The Casino had viability and original Construction Cost problems. Hence, the planned expenditure must be justified by other considerations, i.e. the Immigration Reception and Processing Centre, or to uprate the Airport as an emergency landing site for international air traffic, etc.

The Needs mentioned in the "Informative Document" have all existed for some time (other than the APSC Project) on Christmas Island, but were to date not regarded as significant enough to support an Airport/Runway upgrade.

I believe that the APSC proponents (if they can prove the Project to be viable) should finance the physical costs of the Airport/Runway upgrade and the Commonwealth Government should provide and fund the technical, administrative and supervisory activities only. This has been done in the case of Resources Development Projects in remote areas of Australia. The Department of Army Movement are very good Consultants in this area. Who will pay for the rehabilitation work on South Point if the Space Project fails? I conducted the supervision of the rehabilitation of the old Rum Jungle Uranium Mine in the NT some time ago, funded by the Commonwealth, after CRA failed and walked away. Funding for rehabilitation work should always be deposited in advance.

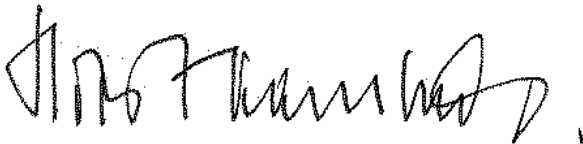
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The Document mentions "Revenue derived from the Project". There is no estimate of the potential additional landing charge revenue provided which would support the Airport/Runway upgrade. The Construction of the Immigration Reception and Processing Centre in the short term requires larger aircraft to transport Building Components to the Island, but this has to occur before September 2002.

The intended support to APSC must be rated in comparison with other important Infrastructure Projects in Australia, like Water Supply and Regional Development. Having been pro-actively involved in numerous major Government and Private Development Projects in Australia for forty years - I consider joint funding of the Airport Upgrade (APSC / Government) a more satisfactory solution, as there will be a greater appreciation / consideration of the public's contribution. More transparency on the part of the APSC Space Project would be helpful.

I have no specific technical comments regarding the proposed upgrade. The opportunity to comment in a general way is appreciated and I am happy to expand on this submission and would be pleased to receive a copy of the summary findings of all submissions.

Yours sincerely,



Horst W. Kambeck.

Encs. Comments made with regard to the Immigration Reception and Processing Centre & Infrastructure establishment.