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FASCIMILE

COMPANY	Parliamentary Standing Committee of Public Works	
ATTENTION	Ms Vivienne Courto	
cc		
FAX NO	02 6277 4426	DATE: 3 Oct. 03
FROM	Mr Cheong Choon Foo	PAGE: 1 of 7
SUBJECT	Comment - Proposed Christmas Island Immigration Reception and Processing Centre	

Ms Courto

Following is the submission from Christmas Island Phosphates (CIP) regarding the proposed development of the Christmas Island Immigration Reception and Processing Centre (IRPC). CIP is a wholly owned subsidiary of Phosphate Resources Limited (PRL). Our submission includes reference to PRL and we are making submission on their behalf.

CIP is the largest employer on Christmas Island. It owns and operates the only mining operation on the island. This mining operation is the mainstay of the island economy. CIP is highly integrated into the community and has a vested interest in the social and economic development of all island residents as our future's are so closely linked.

Our submission is neither detailed or comprehensive, but covers in short form aspects of concern to us as a business entity operating on the island.

Cheong Choon Foo
 Resident Manager (Board Member)
 Christmas Island Phosphates

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PUBLIC WORKS COMMITTEE

07 OCT 2003

SUBMISSION 2

Christmas Island Phosphates

3 October 2003

RECEIVED a.m.
p.m.

Submission to the Parliamentary Standing Committee on Public Works

Proposed Christmas Island Immigration Reception and Processing Centre

1. Infrastructure and services

a. Fire

i. Multiple event capacity

The present fire services are limited to a single fire tender manned by volunteers from a station based in the Poon Saan community. The planned IRPC is located 20 minutes from this location. CIP is concerned that an event requiring multiple tender response could not be accommodated within the current resources. PRL is also the Lessee of the Smith Point Depot which holds the islands entire fuel reserves. As part of the management plan a reliable fire service response must be possible. Any determination about fire services must accommodate this in its planning.

CIP does not recommend a duplication of services at the other end of the island or a splitting of resources. We would recommend that improvements to the current services should be considered. These being:

- Improved communications infrastructure
- A further additional tender or first response unit located at the current Poon Saan site.

ii. Level of responsiveness

General response levels have not been timed for the fire service, but in a recent event, no response could be achieved for 20 minutes. As the team is volunteer based, and island communications often unreliable, it is



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difficult to gain a timely response from this service. Improvement of the communication services would alleviate this in our view.

b. Ambulance

The ambulance service faces the same limitations as the fire services. It is essential to the safe working of our operations to have an ambulance response that is timely and effective. The current service is well trained and responsive. CIP would not like to see this service degraded by additional loading for the servicing of IRPC requirements. We recommend a further ambulance, preferably 4WD be provided for the island to enable response to multiple or larger scale events. The IOTHS would be best placed to advise on these requirements.

c. Telecommunications**i. Analog Services until Mid 2004**

Telstra have advised the community that the current mobile service will likely cease service by Mid to End 2004. There is no alternative mobile communications service. CIP utilise this service for its daily operational management, coordination of works and for backup emergency communications. The present service does not provide any communications beyond the confines of the settlement area.

ii. Post Analog Services Mid 2004

With the advent of the cessation of services, all mobile phone communications will cease. Island radio services will not accommodate all the island general communications that are provided by mobile for rapid contact, emergency or general communications. As such a replacement service will be required to take over the current service by mid 2004. The staff of the IRPC will require reliable alternative communications as are expected in a modern working situation. From mid to end 2004 this will be restricted to radio or land phone connection.

iii. Telstra Towers Common Use Infrastructure

It is our understanding that the towers used for the mobile communications are to be removed on expiry of the service. Most of these towers currently carry other hardware to support other communications infrastructure and services. These include, marine radio, police and emergency radio,



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television services and island internet communications links. If the infrastructure is removed, then all these services will also be dismantled. This is clearly not acceptable to any member of the island community. The planning of the IRPC should take appropriate measures to ensure that communications are retained and common use infrastructure are not removed.

d. Internet Services**i. Current Service Quality**

All island internet access is restricted by limited bandwidth. The local provider DotCX presently provides a service level that equates to a 14.4kb/s connection. Local business pay in excess of \$500 per month for this service. By comparison a 56kb/s modem dialup connection costs less than \$100 per month on the mainland.

No broadband services exist on the island at present. The local ISP has plans to introduce a limited service at \$1500 per month. This is upwards of 15 times the mainland cost for a similar service. Telstra do not offer broadband on island for similar reasons of lack of bandwidth on its satellite connection. The current bandwidth available thru both Telstra and DotCX is already at its maximum service capacity. Any development of the IRPC will put additional demands on bandwidth to and from the island both on phones and internet. Without a major upgrade to these services it is likely that the internet services to Christmas Island will become unserviceable for all users.

e. Port services**i. During construction**

A critical factor in the construction phase is the planning of the logistics and its impact on port movements and access. CIP are the majority port user, with its product shipping solely from this point. Due to limitation on aircraft size, all CIP's major parts and supplies are delivered by ship. Any delays to access can incur the mine considerable additional operational costs. We would hope the IRPC plan would accommodate our needs as



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the major port user and any planning on logistics would be done in conjunction with CIP to minimise port disruption.

ii. **Post Construction**

Due to the limited port area, containers cannot be left within the confines of the port. Secondly, there is insufficient shipping volume to remove all containers for the project. To alleviate port congestion, we recommend the logistics plan include provision for removal of all containers used in the project to mainland ports within 3 months of project completion.

f. **Power Generation**

CIP is a major user of Island power. It is essential to the operations of our facilities. The IRPC will be using the same power generation supply for its own use. CIP would like assurances that supply to the mine will not be effected during construction or during the operations of the facility and that the power authority has sufficient capacity to meet both demands.

g. **Road maintenance NW point to Drumsite**

During the prior phase of construction the road condition to the project site deteriorated badly. This road is a multi use road for Island residents and access to the IRPC site. This road adjoins to Murray road which is a prime haul route for CIP.

CIP request that the contractor be accountable for all road maintenance between the construction site and Murray road, and to make proportionate contribution to road maintenance from the Murray road access to its construction camps and lay down areas or port.

h. **Water Supply**

Water supply to the island is limited by rainfall and suitable catchment. The mine uses considerable water for road maintenance, dust control and general housekeeping. Our environmental licence prevents us from operating haulage when road conditions become too dusty. Only a lack of water would prevent us from maintaining dust at the correct levels. CIP would like a commitment from the



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Commonwealth that current fees for access to water and the present availability of water will not be effected by the works.

2. Labour**a. Labour supply**

CIP employ specialised trades within its own resources and from the general community. With the advent of the construction phase, the later maintenance and operations phases, demands for these skills will increase. Past experience of major projects on island have shown that this demand artificially inflates local market prices for labour and restricts access to trades. This places the island in a boom bust cycle trying to respond from its small labour resources to these demands. Wherever possible, local labour should be employed for these projects, however where this is not possible we recommend that the Commonwealth implement strategies to insulate the Island inhabitants from unintended inflationary cost impacts.

b. Rental prices

The importation of labour drives up rental costs that impact severely on the local community and on our own accommodations. Where possible, the Commonwealth should implement strategies to minimise rental cost increases and there impact on the local community. These extremes in prices have caused current residents to have to leave the island as the normal wages and salary's payable for non construction workers could not keep pace with Island rentals. Unlike mainland communities there are no alternative locations for accommodation. The short term impact is that residents leave the island, but the long term social cost is that these people do not return. This causes a loss of skilled trades and manpower to the community generally, making it difficult, if not in some cases impossible for businesses to operate.

c. Post construction trade support

Once constructed, the facility will require ongoing maintenance and support. CIP would encourage these positions to be contracted to local engineering firms rather than as permanent staff positions. This would enable local contractors to bolster their own labour resources and prevent any potential for contractors to lose local



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employees to the IRPC. It could potentially increase the local labour contract pool which would benefit all Island businesses.

d. Payment to contractors

Local contractors and suppliers have only limited markets for their services. Large contract sales which are not promptly paid place these businesses in difficult situations as they have no alternative major cash flow that can cover these sorts of expenses. We recommend that the IRPC contractor be obliged to make prompt payments under strict supervision from the Commonwealth or that local contractors are provided some protection as "nominated subcontractors" and can make claim directly from the Commonwealth.

CIP Submission ends