



DEPARTMENT OF TRANSPORT AND REGIONAL SERVICES

Proposed Common Use Infrastructure on Christmas Island
(Airport Upgrade)

Parliamentary Standing Committee on Public Works

Response to Submission

Submission No.4
from:

Christmas Island Phosphates

(a trading name wholly owned by Phosphate Resources Limited)

Date:

3 May 2002

Main Points of
Submission:

1. North Extension - Known phosphate resources to the north of the existing runway fall within Mining Lease Application and Exploration Licence Application. Quantity and quality of phosphates is currently unknown.
 2. South Extension - Covers part of Mining Lease 133a. There are potential recoverable old phosphate dump and in-situ phosphate resources in this area.
 3. Other Areas - Re-alignment of Lily Beach Road will require resumption of part of Mining Lease 133a. Resumption of the mining land reduces CIP phosphate resources and affects stockpiling capacity. Portion of eastern side of the existing runway is suitable for mining.
 4. General - Large stockpiles are planned in the areas surrounding the airport. Concerned about any future height restrictions for stockpiles.
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Response:

1. North Extension - The mining lease application, north of the existing runway, Mining Lease Application (MLA) 203, submitted by PRL, is currently being assessed by Dotars. The proposed surface mining and associated actions has been determined to be a controlled action and as such is subject to the assessment and approval related provisions of the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act).

The Federal Minister for the Environment and Heritage decided that an assessment by Environmental Impact Statement should be conducted for the environmental

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conditions associated with the action.

The land that PRL is seeking to mine is Commonwealth land and is zoned for airport use, and given the Federal Government's commitment to construction of an extension to the airport, the Commonwealth is unlikely to be in a position to provide a mining lease over the area.

2. Resumption of mining land under the PRL Mining Lease is currently being negotiated between the Commonwealth and (PRL).

The Commonwealth would like to settle this matter by registration and reach an agreement which meets PRL's objectives. However, it remains open to the Commonwealth to resume the land in accordance with the provisions of the mining lease.

Under clause 23 of the Lease the Commonwealth is required to give written notice to the lessee. The lessee shall respond to the Commonwealth within 30 days of receipt of that notice, advising of the amount it considers reasonable compensation for the resumed land.

The Commonwealth shall notify the Lessee within 30 days of the lessee's response whether it agrees with the proposed compensation amount.

If the Commonwealth disagrees with the compensation amount, and wishes to continue the resumption, then the matter is referred to an arbitrator under the *Commercial Arbitration Act 1985 (WA) (CI)* for determination of an appropriate compensation amount.

Where the Commonwealth notifies the lessee that it agrees with the proposed compensation amount the lessee shall yield up that part of the leased land to the Commonwealth within 30 days of receipt of the Commonwealth's notice, and the Commonwealth shall pay that amount of compensation to the lessee upon the completion of the resumption.

Where the Commonwealth notifies the lessee that it disagrees with the proposed compensation amount and that it wishes to continue the resumption, the lessee shall yield up that part of the leased land to the Commonwealth within 30 days of receipt of the Commonwealth's notice, irrespective of the arbitration proceedings.

3. As for 2 above.
 4. If the planned stockpiles are outside the airport precinct and do not encroach on the Obstacle Limitation Surface then the stockpile height will not be an issue.
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