

Consultations, Comments and Conclusions

Consultations

- 3.1 The DoTARS' submission advised that a range of relevant organisations and stakeholders were consulted during the planning and development stages of the proposed airport upgrade. The organisations consulted included the Christmas Island Administration; Shire of Christmas Island; Christmas Island Power Authority; Christmas Island Airport Manager Christmas Island District High School and Christmas Island Phosphates.¹
- 3.2 In submissions and at the public hearing, the Shire of Christmas Island, and Christmas Island Phosphates indicated that consultations with them had not been sufficient and were concerned that their views had not been adequately addressed.

Shire of Christmas Island

- 3.3 Amongst the concerns raised by the Shire of Christmas Island were:
- the Draft Christmas Island International Airport Master Plan does not consider the compatibility of the airport with the existing and likely future residential land use;
 - the potential social economic and environment impacts, particularly in relation to vibration associated with noise, but not only with noise;
 - lack of emergency services to the upgraded airport; and

¹ Refer Appendix B, paragraphs 49-52 for a full list of organisations consulted.

- an upgrade to the fuel infrastructure.²

- 3.4 At the public hearing the Shire representative, Mr Edward Love, Manager, Planning, Building and Health, made two further points. One, that the Council be provided with excavated material that resulted from the road works for the realignment and lowering of the roads to the north of the airport as a resource. The second point related to the use of accumulated waste on the island as fill. Mr Love observed that because of its isolation, waste disposal is a problem on Christmas Island. At the present time there are large amounts of accumulated waste mainly steel products close to the waste tip. Mr Love suggested that in order to alleviate this problem, the waste could be appropriately used as fill in non-controlled fill-in areas. That is not on the proposed runway extensions, but around the edges and landscaped areas.³
- 3.5 The Committee is concerned that the Shire of Christmas Island has been left with the perception that insufficient consultations have taken place between them and DoTARS. There is no doubt that the airport upgrade will introduce significant changes to the Christmas Island Community, particularly of an environmental and social nature. The Shire must feel satisfied that what is being envisaged by the Commonwealth will add to, not detract from, the quality of life of the island community.

Recommendation 2

The Committee recommends that the Department of Transport and Regional Services seek further consultations with the Shire of Christmas Island in order to address any concerns raised by the Shire to the mutual satisfaction of the Shire and the Commonwealth.

Christmas Island Phosphates

- 3.6 Christmas Island Phosphates' (CIP) initial submission advised the Committee that the proposed airport extensions to the North and to the South would hinder their mining operations. They also advised that any restrictions or inconvenience experienced by CIP to explore and exploit

2 Refer Submission No.15, Submissions Volume No. 1, pp.50-54 for full details.

3 Appendix C, Hansard Transcript, PW 42.

resources, which results in loss of the resources, hence revenue, would force CIP to seek compensation from the Commonwealth.⁴

3.7 At the subsequent public hearing, CIP representatives made the point that CIP is the “single largest business and employer on the island”⁵ and that they would retain their role even with the advent of APSC. Over the last 10 years, which is the life span of CIP, the Company has contributed half a billion dollars by way of export revenue, royalties, taxes and levies to the Commonwealth.⁶

3.8 After the public hearing CIP made a further submission to the Committee in order to clarify their major points of concern. The CIP submission made the following points:

CIP believes that the proposed airport upgrade will significantly improve the island’s economy.

CIP believes that the Commonwealth of Australia has the right, if it so decides, according to the relevant leases, laws and regulations to resume the company’s mining leases.⁷

3.9 CIP also made some suggestions, which they argued would reduce the negative impact on the Company with little or no impact on the project costs or timeframes. These are:

- shift location 1, a lay-down area for the contractor’s equipment, but which impacts on the company’s operations;
- the company to pay the contractor a commercial rate to remove the phosphate material from the northern end of the runway extension;
- for the majority of phosphate within the new airport boundaries but outside the area required for the upgrade at the northern end, the company be permitted to remove this material over a period of 2 years; and
- CIP be given the opportunity to have direct discussions with DoTARS on the finalisation of the areas to be resumed and on the mechanism in the airport extension contract for removing the phosphate at the northern end of the runway extension, by both the company or the contractor.⁸

4 For full details of Christmas Island Phosphate claims refer Submission No. 4, Submissions Volume No. 1

5 Appendix C, Hansard Transcript, PW 20.

6 Appendix C, Hansard Transcript, PW 20.

7 Submission No. 16, Submissions Volume No. 1, p. 56

8 Submission No. 16, Submissions Volume No. 1, p. 57.

DoTARS Response

- 3.10 DoTARS advised the Committee that the issues raised by CIP are being assessed and negotiations are taking place between the Commonwealth and the Company. These negotiations were being conducted in accordance with the provisions the Company's mining lease and the Mining Act 1978 (WA)(CI) in order to address CIP's claims.⁹
- 3.11 At the public hearing DoTARS stressed that extensive consultations had taken place with CIP in relation to aspects of the common use infrastructure project.¹⁰
- 3.12 The Administrator of Christmas Island in a submission submitted after the public hearing added that negotiations were occurring with Phosphates Resources Ltd (PRL)¹¹ and "transfer of significant land assets were under discussion".¹²
- 3.13 In responding to CIP's further submission, DoTARS made the following points:
- the decision has already been made in consultations with CIP to move the laydown area for the contractor's equipment;
 - all of the fill material on Crown Land will be required for the northern extension of the runway;
 - there is insufficient material to achieve the required runway levels and the alternative is to import fill material from elsewhere on the island or from overseas;
 - the transportation or importation of fill material are very costly options and would extend the project timeline. DoTARS does not support CIP's proposal.¹³

Loss of Employment Opportunities

- 3.14 The Committee noted that, as a result of a number of activities on the island, some 90 per cent of potential mining areas would be lost with a
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9 Submission No. 10, Submissions Volume No. 1.

10 Minutes of a meeting provided by DoTARS show that seven Christmas Island Phosphates representatives (a trading name wholly owned by Phosphate Resources Limited) were present at a meeting held on 10 September 2001 on Christmas Island. They were Ismail Mamood; Ken mason; Mark Bennet; Zeinal and Chu Chin.

11 According to DoTARS Christmas Island Phosphates is a trading name wholly owned by Phosphate Resources Limited (PRL). See Submission No. 13, Submissions Volume No. 1.

12 Submission No. 14, Submissions Volume No. 1.

13 Submission No. 17, Submissions Volume No. 1.

consequential impact on employment and the island's economy. The Committee sought assurances that efforts would be made to ensure that there would be no net employment loss as a result of the works project and looked forward to local contractors being beneficiaries in tenders.

- 3.15 The Administrator replied that in the tender evaluation criteria for the Immigration Reception and Processing Centre, for example, there were a number of elements, which involved the local labour resource and subcontractor.¹⁴
- 3.16 In addition to employment on public works, the Committee considers that the level of employment and revenue created by phosphate prospecting and mining warrants serious consideration be given to CIP's claims.

Recommendation 3

The Committee recommends that the Department of Transport and Regional Services enter into discussions with Christmas Island Phosphates in order to reach a compromise with regard to the removal of phosphate deposits from areas affected by the airport upgrades without the company's activities impacting on the cost or time frame of the project.

Heritage and Environmental Issues

- 3.17 The Australian Heritage Commission (AHC) expressed the view that the proposed airport upgrade has the potential to impact adversely on the Phosphate Hill Historic Area and the Christmas Island Natural Area," if fill was sourced from the area.¹⁵
- 3.18 The AHC suggested that impact on the area could be lessened by devising measures such as removing land crabs from the construction area, minimising forest trimming and clearing and avoiding earthwork impacts on the Phosphate Hill Historic Area. The AHC expects that these measures would be clearly documented in the Environmental Management Plan.¹⁶

14 Appendix C, Hansard Transcript, PW 52.

15 Submission No. 6, Submissions Volume No. 1, p. 35.

16 Submission No. 6, Submissions Volume No. 1, p. 36.

- 3.19 DoTARS' main submission noted that the airport upgrade is located outside the Christmas Island Natural Heritage Area and that the "Phosphate Hill Heritage Area north of the airport will not be impacted."¹⁷
- 3.20 In a subsequent submission, DoTARS confirmed their original advice and noted that all of the proposed works are at least 500 metres from any National Park area.
- 3.21 At the public hearing, DoTARS responded that:
- management plans would be implemented for the entire construction program and environmental issues would be addressed in the Environment Impact Statement (EIS);
 - the contractor would be required to clear an environmental management plan with Environment Australia, through Parks Australia North, which is the environmental control body on Christmas Island as well as through the Shire.¹⁸
- 3.22 The Committee appreciates community concerns on environmental issues and expects that DoTARS would address these through their environment management plans to the satisfaction of the island community. The Committee notes that DoTARS has submitted its draft EIS to Environment Australia for assessment.¹⁹

General Issues

- 3.23 The Committee was made aware by members of the community that the public works proposed on the island would significantly impact on the community and the island infrastructure. The point was stressed that a large in-flow of people to the island to work on the various public works projects could impose a serious burden on services.

17 Appendix B, paragraph 48.

18 Appendix C, Hansard Transcript, PW 49.

19 Appendix C, Hansard Transcript, PW 6.

- 3.24 The Committee strongly believes that the following issues need to be considered by the Commonwealth in order to ensure that the local community is not disadvantaged and infrastructure is able to cope with the added stress imposed by the proposed public works projects:
- a need for the Commonwealth to consider a social impact study on the island as a result of a possible rapidly rising population;
 - a need for additional public transport, such as additional 20-seater buses, because of the lack of taxi or hire cars on Christmas Island, to cater for the increasing population.
 - education of visitors for awareness of cultural sensitivities;
 - development of training programs for local people during the course of the projects in order to increase the skills base on the island;
 - provision of suitable recreational facilities;
 - monitoring the requirements of the education and health systems; and
 - an increase in housing to address the acute housing shortage on the island.

Recommendation 4

The Committee strongly recommends that the Minister for Regional Services, Territories and Local Government consider a social impact study and, if necessary, institute action to upgrade Christmas Island infrastructure and services to ensure that the local community is not disadvantaged by the anticipated increase of workers assigned to the proposed public works projects.

Conclusions

- 3.25 The Committee is of the view that, irrespective of APSC proceeding an upgraded airport for Christmas Island would help to decrease the isolation of the Christmas Island community by improving its air services. The Committee expects that there would be some employment opportunities for members of the local community as well as opportunities for the development of the local skills base.

Recommendation 5

The Committee recommends the proposed common use infrastructure project on Christmas Island proceed pending approval of the draft Environmental Impact Statement and the fulfilment of the recommendations made in this report.

Hon Judi Moylan MP
Chair
22 August 2002