

General comments

Cost of the project

- 5.1 The referral to the Committee was to examine a proposal for new freight and passenger facilities on Cocos (Keeling) Islands at an estimated cost of \$14 million, with indicative costs for Stage 1 of \$10.5 million and for Stage 2 of \$3.5 million.
- 5.2 The Committee was therefore concerned to find that the Statement of Evidence from the Department of Transport and Regional Services stated that the estimated cost of the proposal was \$16 million.
- 5.3 Mr John Weatherstone explained that:
- ... Under our capital works program we have a five-year rolling program called the Strategic Asset Management Plan. We are currently entering our third year of that five-year program ... when the Commonwealth Grants Commission did assess the need for an alternate facility here on West Island it was the inland basin, and the rough estimates were around the \$10 million mark.¹
- 5.4 Mr Weatherstone stated that the Commonwealth Grants Commission and the Government endorsed the program in 1999:
- ... We have moved on in time from that. It has taken a considerable time to get to this stage, basically because of the amount of environmental studies - wave studies, sedimentation

1 Evidence, p. 14.

studies, a whole range of studies - that needed to be carried out and approved before we could get to the next stage.²

5.5 The Committee noted that as a result of the various studies, the Inland Basin option had been eliminated on environmental grounds. Further studies had resulted in the emergence of the Offshore Island and Access Bridge concept.

5.6 The referral of the project on 5 April 2001 at an estimated cost of \$14million reflects this later concept:

... The design features an offshore island - 100 metres by 60 metres approximately 200 metres from the shoreline at Rumah Baru, on the eastern side of West Island, Cocos (Keeling) Islands - connected to the shore by an access bridge and linked by an approximately 400 metre long dredged channel to deeper water in the Lagoon.³

5.7 The Committee would expect there to be consistency between the estimate quoted in the referral motion and the estimate put forward in the Statement of Evidence prepared in conjunction with the referral.

5.8 The Committee found a further discrepancy in the information provided. The referral of the proposed development suggests that it was envisaged as a two-stage project. In evidence to the Committee representatives of the Department stated that the completion of the project in two stages was estimated to cost \$18 million.

5.9 Clearly, it would be more cost effective to complete the project at \$16 million as a single stage project, with the advantage of having the facilities operational in a shorter time frame.

5.10 Proposing departments and agencies should be mindful of the difficulties that are created for the Committee in recommending that a project proceed when such discrepancies in estimated costs occur.

Consultation

5.11 The Committee was particularly pleased to hear that there had been adequate community consultation by the Department with the Cocos (Keeling) Islands community and other stakeholders.⁴

2 Evidence, p. 14.

3 The Hon. Peter Slipper MP, House of Representatives, *Hansard*, 5 April 2001.

4 Evidence, pp. 3, 36, 40.

- 5.12 On the basis of documentary evidence and the testimony of witnesses appearing before the Committee at the public hearing, the Department is to be commended for its consultation strategies.

Support for the project

- 5.13 The Committee found overwhelming support for the project amongst the Island community. It was clear that people within the community had held serious concerns about a range of issues relating to existing arrangements, in particular, safety issues for ferry passengers and for those involved in the stevedoring industry.
- 5.14 Support for the project was also expressed by people interested in promoting tourism on the Cocos (Keeling) Islands.

Passenger safety

- 5.15 The Committee noted the concerns about passenger safety, particularly of school children, with the arrangements which are currently in operation.
- 5.16 The Committee also noted the concerns about the safety of workers engaged in the stevedoring industry.
- 5.17 Clearly, safety is an issue of paramount importance.

Tourism

- 5.18 The Committee noted the optimism of representatives of the tourist operators that the new development would facilitate the tourism industry.

Approval by the Shire

- 5.19 The Committee noted the comments of the Shire Council concerning the necessity of submitting a Development Application to the Shire for its approval and that DoTRS had acknowledged this requirement.

Environmental issues

- 5.20 The Committee commends the Department for its detailed consideration of environmental matters. Australia Parks North was satisfied with the proposed strategies for preserving the environment and with plans to monitor the impact of the development on the environment during the construction phase and thereafter.

Conclusion

- 5.21 On the basis of the evidence, the Committee concluded that the proposed development of new freight and passenger facilities at Rumah Baru on West Island, Cocos (Keeling) Island should proceed as a matter of urgency. The Committee supports the adoption of the Offshore Island and Access Bridge concept, to be constructed as a single stage project.

Recommendation 1

- 5.22 **The Committee recommends that the Offshore Island and Access Bridge concept proceed as a single stage project at a cost of \$16 million as a matter of urgency.**