



The Hon Jim Lloyd MP
MINISTER FOR LOCAL GOVERNMENT, TERRITORIES AND ROADS

An open letter to the Community of Christmas Island

I am writing to you as the new Minister for Territories to introduce myself and to clarify a number of misperceptions which have been circulated concerning the Government's actions in regards to Christmas Island.

Having only been in this office for a short time, I clearly do not pretend to have an in depth knowledge of the issues. Nevertheless I will make some general comments on some of the key issues based on the information available to me so far.

The first thing I want to make clear is that there has been a conscious decision by the Government to pursue a reform programme in the external territories. It may be that you disagree with the directions on some issues, however this does not necessarily mean those directions are wrong or unnecessary. I will be developing my own views on the implementation of the Government policy directions in respect of the territories and, where necessary, taking any changes in direction up with my department or the Government.

In terms of the way forward I would like to clarify the Government's position on three key issues for Christmas Island; the establishment of State Government representation for the territory, the Christmas Island Casino decision and the ongoing market testing of services delivered by Government.

Most of you would have heard that the Government believes that the best way to establish direct State Government representation for the Island communities would be through incorporation into an existing State or Territory. The Government firmly believes that such incorporation will improve the democratic rights of the communities by establishing the same governance arrangements as exist in other jurisdictions in Australia.

Given the close ties, Western Australia is the obvious choice. There are existing service provision systems that are able to provide state-type services to the Islands. By incorporating into Western Australia, the residents of the Islands could tap into the experience and skills of the whole of the Western Australian system without duplicating the bureaucratic mechanisms that already exist.

I recognise that there is some support for a model that would involve creating an Island Assembly instead of incorporation with the Western Australian state government. The Government does not believe that this formal model would provide the residents of the Islands with the same quality of service or governance that as incorporation into Western Australia.

Of all the issues that have generated discussion in my short time as Minister, the Government's decision to amend the legislation to remove the capacity to operate a casino on Christmas Island has been the most difficult. I can assure you that the Government did not take this decision lightly, however given the reaction to the decision I am seeking further information in relation to this decision. To that end, I have met with representatives of the Korea Freedom League this week to discuss their proposed refurbishment of the Christmas Island resort.

In the meantime the Government is working hard to improve the services it provides and reasonably support the economy on the Islands. The recent financial support for Austasia's flights between Christmas Island and Indonesia are a clear demonstration of this, as well as our efforts to work with PRL to prolong the life of the mine.

Finally there is the market testing and contracting out of existing service delivery arrangements that are heavily subsidised by the Government. In undertaking a process to market test all of the services that it provides, the Government is trying to ensure that the services delivered to Christmas Island are provided as efficiently and effectively as possible.

Unfortunately there have been some recent media releases that suggest the Government's decisions in relation to the Islands, in particular the outsourcing of the airport contract, have been made on racist grounds. These statements are an absolute nonsense and I am very disappointed that such claims are being used in an attempt to inflame what appears to be a Union opposition to the provision of Government services at a cost effective price.

In closing, I would like to assure the Island communities of my commitment as Territories Minister. It is my intention to visit the Islands at the earliest opportunity.

Yours sincerely

JIM LLOYD
12 August 2004