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The Parliament of the Commonwealth of Australia

# Governance in the Indian Ocean Territories

**Interim report: Economic Development**

Joint Standing Committee on the National Capital and External Territories

June 2015  
Canberra

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## Chair's foreword

The Indian Ocean Territories (IOT) consist of the Cocos (Keeling) Islands and Christmas Island. For decades, governance arrangements, economic sustainability and service delivery in the IOT have presented challenges to successive federal governments.

A high level of Commonwealth resources is devoted to the IOT. Indeed, more federal money is spent on the delivery of services there per capita than in almost any other community in Australia. An important question is whether this money is being spent effectively by the Commonwealth agencies, Western Australian government departments and local Shires.

This inquiry is about examining the lines of responsibility, the generation of economic activity and determining the best and most effective way in which services can be delivered.

The Committee has had a number of private briefings and held public hearings in the IOT, in Perth and in Canberra. Formal and informal engagement with the IOT communities has been an important aspect of the Committee's approach to gathering evidence. I appreciate the candour of witnesses - particularly IOT residents - who have appeared in a private capacity to share their views and experiences. I am well aware that this can present particular challenges for people living in small communities where there are strongly held and disparate views.

Contributions to the inquiry by the three levels of government have, on occasion, been less than constructive. Information provided by the Department of Infrastructure and Regional Development has not always been comprehensive and responses to questions less than direct. Additionally, despite a request to do so,


the Department did not make officials based in its Western Australian office available to speak to the Committee when it was in Perth. The Western Australian Government was invited to make a written submission and appear before the Committee at a Perth hearing to talk about Service Delivery Arrangements. It declined both invitations.

The IOT faces a number of complex problems. As the inquiry has progressed, I can say that I too share some of the frustrations that IOT residents experience in relation to the many layers of bureaucracy and unclear delineations of responsibility in the system. These more challenging issues are to be addressed by the Committee in one or more subsequent reports, which will draw on evidence from further hearings. This will include an examination of land management and tenure issues which are important considerations for further economic development.

In the meantime, this interim report focuses on some aspects of economic development where the evidence received has been consistent and clear. It is intended to be a constructive report to help residents of the IOT in the short term with purposeful and effective outcomes that serve their best interests.

Mr Luke Simpkins MP  
Chair





## Membership of the Committee

**Chair**            Mr Luke Simpkins MP

**Deputy Chair**   Senator Carol Brown

**Members**        Senator Chris Back

Ms Gai Brodtmann MP

Mrs Natasha Griggs MP

Senator Sarah Hanson-Young

Senator Katy Gallagher (from 26/3/15)

Senator Gavin Marshall (from 7/7/14)

The Hon Bruce Scott MP

Senator Zed Seselja

The Hon Warren Snowdon MP

Mr Ross Vasta MP

## Committee secretariat

Secretary	Dr Alison Clegg
Inquiry Secretary	Ms Sara Edson
Research Officer	Ms Samantha Leahy
Administrative Officer	Mrs Fiona McCann



## Terms of reference

The Committee will inquire into and report on the interaction between formal institutions and the Indian Ocean communities, reviewing:

- the role of the Administrator and the capacity (and appropriateness) of the Administrator taking on a stronger decision-making role;
- existing consultation mechanisms undertaken by government representatives, including the IOT Regional Development Organisation, and best practice for similar small remote communities' engagement with Australian and state governments;
- local government's role in supporting and representing communities in the Indian Ocean Territories; and
- opportunities to strengthen and diversify the economy, whilst maintaining and celebrating the unique cultural identity of the Indian Ocean Territories.





## Abbreviations

CI	Christmas Island
CINC	Christmas Island Neighbourhood Centre
CITA	Christmas Island Tourism Association
CIWA	Christmas Island Women's Association
CKI	Cocos (Keeling) Islands
CRICOS	Commonwealth Register of Institutions and Courses for Overseas Students
DIBP	Department of Immigration and Border Protection
DIRD	Department of Infrastructure and Regional Development
IOT	Indian Ocean Territories
JSCNCET	Joint Standing Committee on the National Capital and External Territories
MACI	Malay Association of Christmas Island
MINTOPE	Mine to Plant Enterprises Project
N	Nitrogen
SDA	Service Delivery Arrangements
WA	Western Australia





# Recommendations

## 2 Reopening the Christmas Island Casino

### Recommendation 1

The Committee recommends that the Australian Government commit to reopening a casino on Christmas Island and establish the necessary policy, legislative and regulatory frameworks to allow for this without delay.

Once the necessary frameworks are in place the Department of Infrastructure and Regional Development conduct an appropriate process to assess proposals to operate a casino from private sector proponents.

## 3 International students on Christmas Island

### Recommendation 2

The Committee recommends the Department of Infrastructure and Regional Development take action to address any legislative anomalies or administrative deficiencies that may prevent educational institutions in the Indian Ocean Territories from providing educational services to international fee-paying students in accordance with the framework established by the *Education Services for Overseas Students Act 2000* (Cth).

## 4 Shipping and freight

### Recommendation 3

The Committee recommends that the Australian Government call for expressions of interest for the delivery of freight by sea to the Indian Ocean Territories for the carriage of Australian Government goods, to be followed by a full tender process if indicated by the outcome of this process.





