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JOINT STANDING COMMITTEE ON THE NATIONAL CAPITAL
AND EXTERNAL TERRITORIES

Reference: Changing economic environment in the Indian Ocean territories

TUESDAY, 29 SEPTEMBER 2009

COCOS ISLANDS

BY AUTHORITY OF THE PARLIAMENT

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JOINT STANDING
COMMITTEE ON THE NATIONAL CAPITAL AND EXTERNAL TERRITORIES

Tuesday, 29 September 2009

Members: Senator Lundy (*Chair*), Mr Secker (*Deputy Chair*), Senators Crossin, Ferguson, and Joyce and Mr Adams, Ms Burke, Ms Annette Ellis, Mr Neville and Mr Turnour

Members in attendance: Ms Burke, Senator Joyce, Senator Lundy

Terms of reference for the inquiry:

To inquire into and report on the changing economic environment in the Indian Ocean Territories giving consideration to current arrangements, barriers to business development and future need with regard to:

- (a) communication services such as broadband internet, digital television and mobile telephony;
- (b) transport services and costs including passenger and freight transport;
- (c) Commonwealth Government services and programs;
- (d) the operation of businesses in the region;
- (e) cost and availability of housing; and
- (f) the impact of climate change.

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Committee met at 8.37 am

CHAIR (Senator Lundy)—Good morning, everybody. It is my pleasure to declare open this public hearing of the Joint Standing Committee on the National Capital and External Territories. The committee is inquiring into the changing economic environment in the Indian Ocean Territories. As part of its inquiry, the committee held a hearing on Christmas Island yesterday. This is in addition to several hearings that have already occurred in Canberra.

Today we will be hearing from representatives of the Shire of Cocos (Keeling) Islands; Mr Ron Grant; Mr John Clunies-Ross; the Cocos (Keeling) Islands District High School; Mr Ray Marshall; and Mrs Kylie James. The evidence given today will be recorded by Hansard and attracts parliamentary privilege. Before introducing the witnesses, I refer members of the media who may be monitoring this hearing to the need to fairly and accurately report the proceedings of this committee.

[8.38 am]

LYMON, Mrs Melinda Kathryn, Acting Chief Executive Officer, Shire of Cocos (Keeling) Islands

CHAIR—Welcome. Although the committee does not require you to give evidence on oath, I should advise you that these hearings are legal proceedings of the parliament and therefore have the same standing as proceedings of the respective houses. We have received a written submission to this inquiry from you. Do you wish to present any additional submissions or make an opening statement?

Mrs Lymon—Yes, please.

CHAIR—I invite you to make an opening statement.

Mrs Lymon—Thank you for the opportunity to appear before the committee. I would first like to give a brief overview of the shire business and background. Our shire president will also be present later in the morning. He has been called off on business, and our CEO is unavailable. He was medivaced out on 24 August and was in hospital for three weeks.

The shire was established in 1992. The legal charter for the council is the Local Government Act 1995. The council is therefore required to operate as if it were a Western Australian local government, subject to the laws of that state in respect of all operations. Over the past five years, the shire has been able to construct and purchase capital assets to the value of \$5.9 million with assistance from grant funding. The major items have been \$1.2 million for road and other infrastructure, \$970,000 for the Home Island community centre and \$514,000 to construct two additional houses on Home Island. Following on from Vision 2010, a strategic plan covering the next 10-year period is currently being worked on, and community workshops will be held in the coming months to achieve an idea of the whole community's needs and how goals can be set for areas that are most cared about.

We have been honoured by visits from His Excellency the Governor-General Michael Jeffery in 2007; the ministers the Hon. Jim Lloyd, the Hon. Bob Debus and, more recently, the Hon. Brendan O'Connor; in addition to many other members of parliament, senators and representatives from the Attorney-General's Department. These visits are an important forum for the members' familiarisation to the islands and the unique environment that we live and work in and also for the council to meet with the members for discussion of various matters.

I will now cover the terms of reference. Firstly, the internet is a necessity to carry out business. The current service on Cocos has improved operations immensely and has been adequate, though it is expensive and subject to frequent outages and disruption due to the reliability and speed of the connection. The shire has attempted to receive training via the web without success, as the link is intermittent and unable to sustain the hosting. The provision of a more efficient and effective internet connection is pivotal to many areas of business and to satisfy the needs of the community members. We can hope that the Indian Ocean Territories are considered somewhere

in the Rudd government's program to revolutionise Australia's telecommunications landscape with the rollout of the National Broadband Network.

The mobile phone system has also been beneficial for the operation of business activities. The service has been unavailable on Home Island for some time, and the service on West Island is subject to regular failure and limited range. The relocation of the serviceperson from Cocos leaves the systems potentially unserviceable. This same technician has been maintaining and servicing communications and computer equipment and is possibly leaving the island at the end of 2009. Businesses on Cocos are not large enough to sustain the employment of a full-time technician to set up networks, provide software and hardware support, and service and maintain equipment including printers and photocopiers. It would be a costly exercise for flights, accommodation and possible downtime to enable a person with the knowledge to visit Cocos on a periodical basis.

Postal communication should also be considered, as there are downfalls in this area compared to that offered in other communities on mainland Australia. For any item that is not a standard letter, the requirement for incoming and outgoing mail is that express postage be paid or the item will arrive by ship and can take between six and 12 weeks and, on some occasions, even longer to arrive on Cocos or three to four weeks for dispatch from Cocos. This causes great additional cost and a degree of frustration when dealing with suppliers who do not understand the different postal structure.

Freight costs for shipping are prohibitive for industry for importing materials to and also exporting goods from the islands. The current cost for shipping is up to four times that for shipping a similar distance anywhere in the world. The regularity of the service has been questionable, with the monthly cycle rarely met.

On the airline passenger service: the additional Wednesday flights have been very beneficial for travellers to do business within the working week, offering the option of visiting both Cocos and Christmas Island in that period. It would be good to see this structure continue with the possibility of greater options and other links, and this would be through the current tender process.

On Commonwealth government services and programs: the service delivery arrangements that are in place through the Attorney-General's Department allow for state type service delivery to the Indian Ocean Territories, and the suite of current agreements is adequate to meet the immediate needs of this community. The health and education programs on the islands provide very well for the community. The operation of business on Cocos is faced with many challenges, some of which have been mentioned earlier. Governmental intervention may be the only solution in areas such as the cost of freight, the availability of housing, the difficulties and cost of obtaining insurance, the restrictions that quarantine and customs laws enforce as an external territory of Australia, the confusion with postal requirements, the difficulties in obtaining staff and qualified tradespersons and also the welfare system.

A critical limit needs to be determined for the capacity of both permanent residents and visitors to the islands to continue to be able to provide the infrastructure and have the ability to remove waste and offer other services. The lack of housing on the islands impacts many areas, including all businesses and their ability to attract staff and specialist personnel or tradespeople.

The availability of the four houses at the old quarantine station will assist, although future housing or unit development is required. Climate change has been recognised as a factor that will affect the islands. It needs to be known as a tangible issue before people realise what the effects may be. With the height above sea level on Home Island and, to a slightly lesser degree, West Island, climate change should be taken into consideration for any future planning. The shire is keen to work with the government, the community of Cocos Islands and all other stakeholders to provide for the future of the islands and look for viable options to improve economic outcomes that will benefit the community as a whole.

CHAIR—Thank you very much. We will ask a few questions now. With regard to climate change, have there been any flooding events, or are you able to report on any noticeable effects of sea level rises, particularly on Home Island but across all of the islands?

Mrs Lymon—Yes. In November last year there were quite high tides. There are occasions when the tides are actually higher than the tides reported on the tide charts. They are up to 20 centimetres higher than what is estimated for that time. On one occasion in November last year the tide was actually within a foot of the top of the jetty on Home Island. On that occasion there was no swell or anything; it was quite a calm day. If there were to be any tidal surge when the tide was that high, it would be quite significant in several areas on Home Island and also other islands.

CHAIR—How often do you observe those unusually high tides?

Mrs Lymon—The extra-high ones are once a year. Lately they have all been around October and November, but there are other occasions when the tides are significantly higher. If there is any swell or other activity at the same time, it can affect it quite a lot. Even on a tide that is not as high, the swell has an impact.

Senator JOYCE—How deep is the coral core on Home Island? How far down does it go before you hit rock?

Mrs Lymon—We hit water before we hit rock because the water level is only a metre or less below the surface of the island. Generally, there are rocky patches and sandy patches, but it is not very deep.

Senator JOYCE—Why is the island actually here? It is not floating around the ocean, so it must be attached to something.

Mrs Lymon—Being an atoll, it is the remains of a volcano and it has a coral base underneath.

Senator JOYCE—How far down does that coral base go?

Mrs Lymon—Sorry, I do not—

Senator JOYCE—We were at Christmas Island. Christmas Island at one stage was under water. That is why there is limestone on top of it. Sea levels are rising all the time. I imagine it is thousands of feet deep, the coral atoll here. Or is it? How deep is it before you hit rock?

Mrs Lymon—I am sorry. I do not know how deep the coral is.

CHAIR—Senator Joyce, we can source this information back in Canberra to get a geographical insight into the make-up of the Cocos (Keeling) Islands.

Senator JOYCE—If the coral core is hundreds of feet deep or, as at Tuvalu, thousands of feet deep, then the sea level has obviously been thousands of feet lower. If it has been over the top of Christmas Island, then it has obviously been hundreds of feet higher. It is not surprising that sea levels are going to change from time to time.

CHAIR—I suspect this is not the forum to have a climate change debate, Senator Joyce.

Senator JOYCE—Fair enough. My other questions are on things that are not to do with climate change.

Ms BURKE—Let us move on to the internet.

CHAIR—You make a strong point with regard to access to reliable and affordable internet services and mobile telephony. Has the council had any contact at this stage with the federal Department of Broadband, Communications and the Digital Economy or the Attorney-General's Department with regard to the application of the National Broadband Network policy on the Cocos (Keeling) Islands?

Mrs Lymon—No, not at this stage. We did deal with the state government with the rollout of their networking councils and communities project. We were not really covered by that at all. That is as far as we have gone with that at this point.

CHAIR—Your internet solution therefore really is embedded in what the federal policy for that National Broadband Network rollout is.

Mrs Lymon—Yes.

CHAIR—What is the council's analysis of the opportunity to move to a digitised television service? I am presuming that you receive a digital signal from the satellite and that is distributed through an analog distribution service on island. Can you update the committee?

Mrs Lymon—There are two different services that are provided. One is provided for the standard four channels are received in WA: WIN, ABC, SBS and GWN, the country channels. That is transmitted from satellite dishes on both West Island and Home Island for all of the residents. There are also satellite dishes on Home Island that retransmit some Indonesian channels to the community.

CHAIR—Do you know if that transmission is digital or analog? I am thinking it is analog.

Member of the audience interjecting—

CHAIR—For the benefit of Hansard, a member of the audience said it is received digitally and distributed on an analog network. Thank you for that. That is what we understood. Mrs Lymon, are you aware of any plans to update that to a digital retransmission on island?

Mrs Lymon—It is definitely being looked at at the moment. With regard to the Indonesian channels that are retransmitted to Home Island, that satellite dish is managed by the shire and we have been investigating options for that because the dish is not in a good state of repair at the moment. There was a charge for all residents that were getting that this year. This year there has been no charge, acknowledging that the service has been—

CHAIR—That was \$50 a year, wasn't it?

Mrs Lymon—Yes. There are currently three Indonesian channels available on that service.

CHAIR—Thank you for that. One of the issues for this committee going forward is pursuing the federal department administering the National Broadband Network policy. The current status of that is the preparation of an implementation plan for the National Broadband Network, which is due to be completed in February next year. So, arising out of this inquiry, we would like to be pointing to what the solution may well look like under the auspices of that policy for the Cocos (Keeling) Islands.

Senator JOYCE—My first question is: what business has the shire president got today?

Mrs Lymon—There is a fuel tanker that comes in twice a year and it just so happens that it arrived early this morning. Our shire president is the port manager, so it is necessary for him to go out and assist the pilot to get the boat into the channel. The boat is always on a schedule where it only has a certain time to unload the fuel.

Senator JOYCE—Fair enough. I just want to go through a couple of things. At Christmas Island they brought up flight restrictions and cabotage restrictions of flights. Do you believe the removal of cabotage would assist the island in bringing in more passing trade from Kuala Lumpur and Singapore to Perth? Would that be of assistance? Have you had any discussions or done any research on that?

Mrs Lymon—It has come up in the past. I think it would definitely benefit Cocos. There are a number of planes that we can physically see flying over Cocos, so there is definitely a line of flights there already. It would benefit us because on Cocos at the moment we do not have any direct flights to the northern link. If people are going to use that then they need to go to Christmas Island and stay for any number of nights to get the link up there. So at this stage, if the removal of that cabotage was considered, I think it would benefit Cocos quite a lot.

Senator JOYCE—I also want to go to a range of other issues. One is health. A preliminary discussion is that the diet on the island is affected by the cost of food. The cost of food in some instances is exorbitant. But there is limited capacity because of the soil structure on the island to grow food. I noted that originally the Clunies-Ross family brought in soil from Christmas Island. I am curious to know whether anything actually grows there. If that is the case, has anybody ever looked into the capacity to bring in soil so that at least the locals have the capacity to grow some

vegetables and get some breadth in the diet rather than being financially reliant on imported food?

Mrs Lymon—When we go and have a look down there you will notice that the soil that has been imported is a lot better than the soil anywhere else on the island. There are a number of trees ranging from guava to grapefruit and other citrus fruits that are not available anywhere else on the island. The shire manages part of that garden, lot 14. One of the considerations for the shire is to reintroduce some of that, whether it be an orchard type setup or another community arrangement. The actual content or the way that it will be approached has not been set down, but it is definitely being considered. People have been able to grow a limited numbers of vegetables, but it is quite a labour intensive task. Apart from the quality of the soil, there are nematodes, ants that eat your seedlings and other issues that do affect growing things as well. It can be done, but it is quite a task.

Senator JOYCE—Have they looked at hydroponics at all to try to get—

Mrs Lymon—The farm on West Island was doing some hydroponics up until about four years ago. It did not end up being a very successful venture. People have tried different ways of doing it, but they have tended to not be successful. With the hydroponics they were just growing basic vegetable items.

Senator JOYCE—I am just seeing if there is consistency of issues. Christmas Island brought to our attention that one of the greatest impediments to development was the form of bureaucracy that seems to have revolved around any decision, where everybody is responsible but nobody actually does anything. Is that evident on Cocos Islands—an overwhelming overhead of bureaucracy?

Mrs Lymon—Yes, I think it is. The governmental structure has changed recently. There was a Commonwealth administrator located on the islands until early 2004. Now the administrator is located on Christmas Island. It is hard to know the benefit of which structure would work best, but I can see that at the moment it would be definitely good to consider some kind of reform.

Senator JOYCE—Would an administrator streamline the bureaucracy or would it add to the bureaucracy?

Mrs Lymon—I would like to think that it would streamline it. Just to have a formal structure for government on the islands would always be difficult. There are different dynamics with different numbers and there is how the structure is formed. There is even the cultural side of things. There are different ways of structuring and there are different cultural attitudes.

Senator JOYCE—There are the Western Australian planning guidelines, which you now apparently have to abide by. Does that add an irrelevant complexity to the decisions you make? Is it the council's attitude that they would rather have more control of their own destiny than being reliant on guidelines from Western Australia?

Mrs Lymon—The council has been in place only since 1992, so it is in its infancy really, compared to other councils on the mainland. The introduction of some of those laws is definitely something that takes a while for people to accept and work with. Cocos is unique in so many

ways. Some consideration of that is needed in many areas, whether that is about planning or other laws. There are many areas in which Cocos is unique. It needs to be practical.

Senator JOYCE—It seems peculiar that federally you are part of a seat in the Northern Territory, your guidelines are part of Western Australia and your oversight basically comes from Canberra. It seems to be all over the shop. Would there be better capacity if Cocos and Christmas Islands had a stronger regional group of councils and had control of their own destiny?

Mrs Lymon—It is hard to say whether we would be better off. It would depend on the structure. We generally operate as a two-tiered government rather than three-tiered. State delivery of services is all done through the Commonwealth. I think that causes some efficiencies in ways. There is less interaction with the middle level of government, so it makes it easier in some areas. Also, there is duplication in other areas because we still need to report to the WA bodies as well as to the Commonwealth bodies. I guess there are many different ways in which it could be structured. It would definitely be something that would need to be looked at thoroughly.

CHAIR—I will just come in at this point. One of the issues that was raised on Christmas Island was the frustration in the community about getting problems solved or getting complaints resolved, particularly because many of them were appropriately directed through the Commonwealth. Are you able to give us an insight into that sort of problem solving, perhaps a consumer complaint or such like, on Cocos that is related to the issue of bureaucracy—the level of satisfaction in problem solving, questions being answered, consumer complaints being resolved and that type of thing?

Mrs Lymon—I think it would also depend on what it is. Some issues get dealt with quite well and quite quickly but then there are other areas—anything that is involved with any of the uniquenesses of the islands—that tend to be handed around the place because no-one really knows the answer or is willing to give an answer on it. All sorts of things and issues that we start trying to sort out at the shire tend to open a can of worms. You start looking at something and you think it is going to be easily fixed but then there is no direct conclusion because it has not been thought of before and no-one really has the answer. We came up against one just recently where we wanted to sort out our archives. We do not come under the state records act, and from talking to people in Canberra it was discovered that our records are really Commonwealth records. But I am sure the Commonwealth do not want all of our boxes sent over, so how do we deal with them?

CHAIR—Did you get an answer on that?

Mrs Lymon—No, to this point there has been no answer. We have had a consultant out here who has been dealing with it. She has been out of her office for the last week, so I am not sure whether she has received anything in that time.

CHAIR—Before Senator Joyce continues, I am one of the parliamentary appointees to the advisory council of the National Archives of Australia, so I would be very interested to hear more about that if we have a little time later. I know how enthusiastic the archives always are to get their hands on records, particularly as it is no doubt a fascinating record here on Cocos. That is a good example and perhaps we can follow it up later.

Senator JOYCE—I have noticed on this island as well that there seems to be an abundance of asbestos around the joint. What is the program there?

Mrs Lymon—There is an asbestos removal program in place at the moment that the Commonwealth is coordinating in conjunction with the shire. There is quite a large program that is in discussions at the moment about the removal of asbestos from the buildings that remain with asbestos on them.

Senator JOYCE—Is any of that asbestos breaking down or being disturbed?

Mrs Lymon—No, not to my knowledge.

Senator JOYCE—What is the current unemployment rate on the island?

Mrs Lymon—The latest figure I have heard is around 65 per cent unemployment.

Senator JOYCE—That would be a record in the nation, wouldn't it?

Mrs Lymon—I would think so. It is quite high.

Senator JOYCE—We obviously have to try and stimulate employment. How are we going to do that? With tourism? What is the game plan there?

CHAIR—You mentioned the strategic process you were working through. Is that looking at economic sustainability and future employment?

Mrs Lymon—Yes, and part of what the shire is doing as well is trying to look at the youth—and also the aged, but more so the youth—in regard to unemployment and trying to find a balance. There is no point in skilling people up if there are no jobs to actually employ them, but we want to get people out into the workplace and get them active rather than have the young ones who have not been able to get a job getting used to not having a job and it then being very difficult because there is not—

Senator JOYCE—I would imagine that, if 65 per cent are unemployed here, the young and ambitious would all end up living in Geraldton or Perth. Is that having an effect on the demography? That is, young people move away and the older community stays.

Mrs Lymon—Yes. It is not as clear-cut as that. There are some very well-educated people who were educated on the mainland but come back here to settle. You would hope that most would be able to get jobs here. There is a limited number of jobs, but, when jobs come up, quite often very few people apply for them. There have been cases in the past where jobs have been advertised and there was either no applicant or only one applicant, which is also surprising.

Senator JOYCE—There is a strong Cocos Malay community in Perth and there is a growing Cocos Malay community in Geraldton—is that correct?

Mrs Lymon—Yes.

Senator JOYCE—As that community develops more in Perth and Geraldton, is that becoming a siphon on the place? Obviously people would be communicating and saying, ‘I’m in the mining industry and I’m getting \$80,000 a year. This is what my life is like. How are things back in Cocos?’ That would be sucking the youth out of the area, wouldn’t it?

Mrs Lymon—I think it does. Also, a few families have moved away recently to live with their children who had to go to years 11 and 12 in Perth, Geraldton or Katanning. There is also a community of Cocos Malays in Port Hedland.

Senator JOYCE—My final question is on health. How are you keeping doctors on the island or getting doctors onto the island?

Mrs Lymon—I do not know the exact timing, but over the past three or four years there has been only one permanent doctor here for around 14 months. Other than that there have been locum doctors. Some of them are here for a week or two weeks and some are here for a couple of months. That is not good for continuity of care. There are quite a number of elderly people in the Home Island community. They would benefit from having one doctor. They are going through the process at the moment to employ a permanent doctor. We have locum doctors here at the moment. I do not know why it is not as attractive as I would have thought it would be.

Ms BURKE—You say that the majority of people would go to either Christmas Island or Perth for medical attention?

Mrs Lymon—Yes. There is always a doctor here. The health service have made sure that they always have a doctor on the island. At one stage, on a crossover, there was no doctor for three or four days. They have been very good at having someone here all of the time. There are also visiting specialists who come regularly. Also, for any care that is required, when there is no specialist, the person goes to either Christmas Island or Perth through PATS.

Ms BURKE—Is there a dentist on the island or a visiting dentist?

Mrs Lymon—We have a visiting dentist who comes a few times a year.

Ms BURKE—With the ageing population, are there aged care services on the island or is there the ability to provide age care services?

Mrs Lymon—Yes. The community cares quite well for their elderly, with the family structure. The manager of Indian Ocean Territories Health Services was here recently and had quite a few discussions with families regarding the care of the aged.

Ms BURKE—So, on the whole, it is not presented as an issue because it is a family situation?

Mrs Lymon—Yes. The manager of IOTHS comes from a background of aged care and recognises that a facility here would not benefit, because of the structure. People would not be as happy there as they are in their home.

Ms BURKE—What is the main economic driver on the island for those who are employed? Where are they employed?

Mrs Lymon—At the moment, the Cocos Island co-op would probably be the larger employer and then there is the shire. There is Manpower. That is a contracting company that does construction and maintenance. There is also the school and then there are lots of small businesses. Tourism is one industry that is trying to develop at the moment; it definitely has potential. That covers most of them.

Ms BURKE—When I arrived last night, I noticed that there was a bit of construction going on on the other island. However, it seemed as though there are a lot of fly-in individual contractors as opposed to locals getting the work. Is that an issue about getting locals who are skilled up or is it about locals not wanting the work? I know that these are temporary jobs that will obviously come and go, but it is work that is available. It just struck me as interesting that there were not more locals employed in that work.

Mrs Lymon—I am aware that the contractors have tried to access as many people from on-island as possible. A couple of people from West Island have started working there. Also, there might be one or two from Home Island. I know that they have tried to get locals to work.

Ms BURKE—To increase employment on the island from what would have to be an Australian record of 65 per cent—I hate to tell you, but it is probably not a record that you would want to have—where is the development? Is it going to be in tourism? Where are the jobs coming from?

Mrs Lymon—Again, tourism has to be a viable thing before it will get off the ground. The council has been in discussion with the Commonwealth about a resort. That would provide some employment, though a bit of hospitality training would be required, which is not in place at the moment. Tourism would generate some employment.

Ms BURKE—Without reliable air services in and out of the island, you are behind the eight ball in creating this place as a tourism market.

Mrs Lymon—Tourism is a consistent industry. There are always tourists here but they are not in great numbers. There is limited capacity for them on the plane and also with accommodation.

Ms BURKE—On Christmas Island we heard a lot about the freight service and the cost of getting things on and off the island. Also, we heard anecdotal evidence that the price of food had risen exponentially recently. Is that something that you are experiencing here?

Mrs Lymon—Yes. The cost of getting freight on the plane has especially increased in the last few months. I think it jumped by \$2 a kilo. It is a significant increase on what was already an expensive freight rate. We have to pay express postage as well, and so to get anything here is expensive.

Ms BURKE—The majority of your freight comes by air to the island?

Mrs Lymon—No. Only some of the fresh produce comes on the plane and then a significant amount comes in chiller and freezer containers on the ship.

Ms BURKE—How often is that coming through at the moment?

Mrs Lymon—With the construction of Rumah Baru, I think they are generating a bit more freight. So it has been a bit more regular than it has been in the past. Last year, there was a delay of three months for the ship, which was quite a problem. Prior to the last couple of months, the ship was very irregular and a six-weekly ship run would end up being stretched out by quite a lot.

Ms BURKE—That then puts an impost on running businesses, doing work or having any sort of economic development on the island.

Mrs Lymon—It does. Between the cost and the actual reliability of the service, it does impact quite a lot on anyone having to order goods. That does make it hard for retailing and catering. To continue a business, they might have to pay extra to get goods on the plane, and then it is a huge cost.

Ms BURKE—Where is the mobile phone service at, currently? My phone is obviously not working, so I am experiencing this as an individual. Can I tell you as a member of parliament that my phone not working is causing me untold grief! I imagine that, locally, people not having a mobile phone service would be an enormous for them. We are tragically dependent on them.

Mrs Lymon—Yes. It is a local network. It is not a mainland compatible network. People who bring their phones here generally cannot use them, even when the service is working. The person who maintains the internet service here also looks after the mobile phones. The equipment is very old and to get a spare part they have to source it from somewhere in the world. The Home Island service went down late last year and they have not been able to put it back into place because they cannot find the part that they need. With the potential departure at the end of this year of the guy who maintains the phones, the phone system will probably be switched off altogether.

Ms BURKE—Is there capacity to move to a mainland compatible service, or is that prohibitively expensive?

Mrs Lymon—I do not know the background of that either. There is a Telstra service on Christmas Island. I am not sure why Cocos was not considered at the same time. That was definitely asked for.

Ms BURKE—Is that service run out of A-Gs? Who oversees the mobile service? Is it a local company?

Mrs Lymon—On Cocos, it is a local company.

Ms BURKE—It is not the same extension that they have on Christmas Island, because my phone worked there.

Mrs Lymon—It is run through the Christmas Island Internet Administration, who also manage the internet.

CHAIR—I want to follow up on the mobile telephony. My understanding is that on West Island there is a service available but you need to log into that to be able to access it. That does

provide connectivity with the mainland as well. You mentioned that the mobile telephony service ceased working. How long ago did that occur on Home Island?

Mrs Lymon—To my knowledge, it was just before Christmas last year.

CHAIR—What has the shire council done to try and rectify that in the absence of the local supplier being able to deliver that service? Has the council been able to look at any contingency plans or make any approaches to carriers on the mainland?

Mrs Lymon—No. The shire has not been involved in the mobile phone service at all. Apart from supporting any provision of it, we have not been involved in providing that service.

CHAIR—Does the shire use the services of the Christmas Island Internet Administration, or the department's internet connectivity and telephony links?

Mrs Lymon—Yes, we most definitely use the internet wireless connection. We have a small office on West Island, as well as our main office here, on Home Island. That is all connected through the wireless network. We pay a monthly fee to the CIA. They provide that service for us to operate and use the internet.

CHAIR—Do you know whether the federal department uses its own connection?

Mrs Lymon—I am not sure about that.

CHAIR—I can ask them. Thank you for that. I have one other question that relates to the housing shortage. You mentioned earlier the quarantine site houses. Can you extrapolate a little more on the plans with those houses?

Mrs Lymon—There is a shortage of houses on West Island. Even people with a small business on the island who would like to employ another staff member find that the lack of housing makes it very difficult to house them. At the quarantine station there are four houses that, up until Rumah Baru construction, which commenced this year, had been vacant for quite some time and been deteriorating quite quickly. They were used when we had elephants at the quarantine station a few years ago. The veterinary staff and the manager used the houses then. But when they left again the houses were left to deteriorate once more. It has been discussed that those houses at least be accessible for management to use for tradespeople—

CHAIR—As temporary housing or rental accommodation for tradespeople visiting.

Mrs Lymon—Yes.

CHAIR—And who will manage that? Will the shire council manage those houses?

Mrs Lymon—Yes. The shire has been in discussions with the Attorney-General's Department to look at how that would be run or managed.

CHAIR—So it is not fully resolved as yet but discussions are continuing?

Mrs Lymon—Yes.

CHAIR—What is the time frame that you can guess at for making those houses available, or is it not at that point yet?

Mrs Lymon—People are living in them at the moment for the construction of Rumah Baru—and that is proposed to be finished by April or May next year. It would be ideal for the houses to be used so that they are not left to deteriorate in between use again.

CHAIR—So you hope to have the discussions with Attorney-General's resolved by March next year?

Mrs Lymon—By May next year.

CHAIR—Can I go back to something you mentioned right at the start: the strategic directions consultations that are occurring with the community. Can you describe that in more detail, please?

Mrs Lymon—The process has not actually commenced yet, apart from discussions with staff regarding the main items that would be raised with the community. The aim will be to have workshops with the community and get as much input as possible so that the broader community are approached about it and discuss what the issues are. They will then go off and assess it and come back to the community with a draft plan before it goes up for adoption.

Senator JOYCE—Last time I was here, there were discussions about the access to fresh water. I think the freshwater 'cell' was the best description of it. How is that going? Are there any further problems? How is your capacity to access fresh water working?

Mrs Lymon—The water comes from freshwater leases that run under the islands. The Water Corporation maintains them and gets the water for the whole community. For three out of the last four years there have been water restrictions on Home Island, so there has been an issue with the quantity of water that is available. That is generally over the November to February period. There has been discussion on getting a desalination plant for Home Island to rectify that.

Senator JOYCE—What is the volume of water that is available? Has any study been done on exactly how much water there is?

Mrs Lymon—I am sure the Water Corporation would have those details.

Senator JOYCE—Okay. Thanks.

CHAIR—Thank you very much for appearing here today. I am not sure that we have asked you to provide any additional material, but if we have it would need to be provided to the committee by Wednesday, 6 October. You will be sent a copy of the transcript of your evidence. You are able to make any corrections of fact or grammar. Thank you very much for appearing today.

[9.31 am]

GRANT, Mr Ronald James, Private capacity

CHAIR—I now welcome Mr Ron Grant to today's hearing. Although the committee does not require you to give evidence on oath, I should advise you that these hearings are legal proceedings of the parliament and therefore have the same standing as the proceedings of the respective houses. We have received two written submissions to this inquiry from you. Do you have objection to the publication of the second submission you provided to the committee?

Mr Grant—No, I have no objection.

CHAIR—Do you wish to present any additional submissions or make an opening statement to the committee?

Mr Grant—No, thank you.

CHAIR—We will then proceed immediately to questions. Mr Grant, you make several points in your initial submission—in fact, it was over 200 pages long. Perhaps I could start by asking you, in the context of sustainable economic development: what would you suggest is the most important thing that could be done to address some of the social issues that you describe in your submission?

Mr Grant—I think that comes down to one issue: employment. If there is no employment, and if your population starts leaving the territory to go to the mainland, basically that is going to impact upon your social life completely. As I said in my submission, just in the last two years we have lost seven families from Home Island. That is 31 people, which is more than 10 per cent of the population. It is a small population when compared with, say, Canberra or Perth, but it is our home, so when we see the loss of population, and we see the lack of children returning to Cocos—most probably the best and the brightest of the population we have had so far—that is a real concern.

CHAIR—So where, in your view, is the best way to stimulate those employment opportunities on Home Island?

Mr Grant—Basically, it has to be Home and West islands. We cannot just put it to one island. Tourism has been identified by many people as one area, but it is just one area. First and foremost you really have to look at the economic base of Cocos and ask: what is it at the moment? What could it be? And it has to be sustainable—from an economic point of view, a social point of view and an environmental point of view. So, although tourism has been identified, there really needs to be a good, hard look at other areas also. We are not talking about a large increase in employment; we are talking 20, 30, 40 people, which would make a huge increase to the social life of Cocos. But, as I have said, if we keep losing population, it will impact upon every aspect of our life—airline services, shipping services, education, health, standard of living, cost of living. Really, we need to sit back and look at those areas that we can develop, which include tourism, marine resources and land resources.

CHAIR—We heard from the shire council that they have a program of consultation planned with the community to look at those future strategic directions. Will you be participating in that process?

Mr Grant—I always participate in any process that is advantageous to the community.

CHAIR—Perhaps we could hear a little bit more detail about some of your ideas. Obviously tourism is a part of it, but can you extrapolate on some of your other thoughts about where employment opportunities could come from? In the context of the public sector being a key sector of employment here, I would particularly like to hear your thoughts about what you see as the right balance between public and private employment going forward.

Mr Grant—I think that, if you look at Cocos at the moment, it is either directly or indirectly 80 to 90 per cent dependent on the public sector. That is either direct employment through schools, utilities, education or the support services—for example, the retail market. The actual private sector is quite small and is mainly tourist related. We have an enormous pool of very talented people who have left Cocos—whether they are from West Island or Home Island—gone to the mainland, got very good educations and are getting good experience. We want to bring them back, but to bring them back we have got to match their skills with the economic development we could undertake. Simon Millcock, the economic development officer employed by the AGD, has got a huge range of expertise and experience. We would like to work very closely with him because we must tie Christmas and Cocos together on any economic development.

The interesting thing is that the community has got to really identify where they want economic growth—to the north or to the south. We cannot have one foot down in the south and one foot in the north; we are just too small. Once you can identify what your economic segments are going to be, you have got to identify your market and that is absolutely critical. From a personal point of view, the market has got to be South-East Asia. South-East Asia has got about 300 million people; Western Australia has got about two million. South-East Asia has far more areas of access internationally than Perth does. So the logic is to try and target South-East Asia for services or products which are niche markets that can be sustained. But you have got to work with Christmas and Cocos together. You cannot just run it alone. This is where people like Simon Millcock are very important in this equation.

CHAIR—Have you had the opportunity to meet with him yet?

Mr Grant—I have met with Simon on numerous occasions, but I think he is getting very frustrated. This is a man who is extremely talented. He was originally the executive officer for Sturt ACC. He has a very good background in tourism and hospitality and also in agribusiness. At the moment, after being here for nine months, he is in a bit of a straitjacket where he is mainly promoting what grants are available and also what courses may be available. When you compare what he is actually doing at the present time with what an ACC or now the RDA committees are doing, it is like apples and oranges. What we really need is something based upon the model of the RDA, which is community owned, where you have a board of directors, your own executive officer and you are actually funded by the government. Until you have community ownership of economic development, it is going to be very difficult under the current system.

CHAIR—What do you think that model ought to look like? Given the history of various ACCs and economic development councils and the raft of policies that have been applied over many years, what would be the perfect model in your view to do the job you describe?

Mr Grant—The perfect model would be one that incorporates Christmas and Cocos—not separate—one that has its own executive officer and one that has a board which would consist of people who are actually elected. Normally the chair and the deputy chair are appointed by the government. You do not necessarily have to have all of your board of directors as residents of Cocos or Christmas. You can select some from outside to give you that expertise, but they have to be people who are really committed to the economic and social development of Cocos and Christmas.

CHAIR—Are you confident that the consultation process going to be undertaken by the shire council here will lead to some positive outcomes in that sense of community ownership for the strategic direction of the island?

Mr Grant—I think the council is only one element. The council plays an important role here. It has its normal local government role, but, more importantly, it owns six-sevenths of the land, and basically nobody can do much here without the shire's approval. But the council cannot run in isolation. It has to run in tandem with people like the Christmas Island council. It has to work closely with other parties like the AGD. You have to come up with an overall strategy. Otherwise, you start duplicating and start becoming very inefficient. At the end of the day, it is the community that pays the price, with higher airfares, higher prices for goods that are sold and higher prices for services. You have to remember that you are in a very competitive international market. With the Australian dollar being so strong and the oil price being so high, and with the advent of low-cost carriers and the price war on airfares, people have enormous amounts of alternatives to travel, especially for tourism. Until such time as the shire on Cocos works closely with the shire on Christmas and other bodies, and comes up with an overall plan which involves a lot of community consultation, you are really not going to get the maximum effect.

CHAIR—Are you familiar with what has been occurring on Christmas Island in respect of two issues: their community consultation process, which has been underway for a while now, and the project for land zoning that is being overseen by the Attorney-General's Department? First, if you are aware of the community consultation about future directions, what are your thoughts on that? Second, what are your thoughts on a similar exercise in determining land use, perhaps in an overarching fashion, that could help provide a little more certainty about potential investment and land management here on Cocos?

Mr Grant—I am aware of both. Gordon Thomson, the shire president on Christmas keeps in close contact with me, virtually on a weekly basis, on a whole range of issues. The land management is a very interesting thing. In July we had GHD up here with the Attorney-General's Department, looking at Crown land. There are a number of very interesting points that flow from that document. One was closer cooperation between Christmas and Cocos. It was flagged by GHD to the AGD that we must have this closer cooperation. In relation to land management, Christmas Island is quite different to Cocos because the shire there does not own very much land, if any land at all, whereas on Cocos the shire has six-sevenths of the land. So there is a difference to the approach of land management. Most of the development that has occurred on Cocos over the last, say, five years has actually occurred on land that was Crown

land but it has been sold to private individuals. There has been very little development on the six-sevenths of the land owned by the shire.

CHAIR—Why is that?

Mr Grant—Basically I think the shire at the present time is just not proactive enough.

CHAIR—What do you mean by ‘not proactive enough’? Have there been proposals? Are there ideas? What is going on?

Mr Grant—There have been numerous proposals put forward. I think from reading my submission and other submissions you will aware of those.

CHAIR—I am presenting you with an opportunity to talk further about them.

Mr Grant—For example, the Pulu Cocos Resort project of my own family company, Silverfox Corporation, has been a very long, dragged out process which I personally find totally unacceptable. We will be having council elections shortly. Perhaps with a change in the elected members and perhaps when a new CEO is appointed, that will change. Silverfox is not alone. Other people have put in proposals. For example, on the Cocos farm site we have had the Trannies Beach expression of interest. At the end of the day, your success as a council, when you own six-sevenths of the land, is going to be measured by the amount of investment you attract, the jobs you create, the additional income you raise through lease or rates and small business opportunities. That is how you are going to be measured. If you do not measure up, people start leaving—and that is exactly what is happening. Families are leaving Cocos because of social and economic pressures. It is not just for employment for the parents but, more importantly, for employment for the children. It is also borne out by the fact that the children are just not coming back. There are no opportunities. But there should be opportunities.

CHAIR—What good involvement does the Attorney-General’s Department have in providing any oversight into land release issues that are solely managed by the shire council on shire council land?

Mr Grant—Basically the Attorney-General’s Department has two areas in which it can assist the shire. One is the provision of infrastructure—water, power, sewerage, communications—which is absolutely critical. If you look, for example, at West Island, virtually all your services cease around the settled area. So, if any developer wants to develop something—a farm site or a tourism operation—infrastructure becomes a critical issue.

The other area the Attorney-General’s Department is very heavily involved in is the service delivery agreements. It enters into SDAs with Western Australian government departments to provide expertise. Some of those are on things like local government, regional development, fisheries. They play an extremely important role, but at the end of the day they can do very little with the shire because the shire owns the land freehold.

The only way the Attorney-General’s Department could possibly influence the shire is by looking at the financial assistance grant and saying: ‘You own six-sevenths of the land. We are providing you with the financial assistance grant and you are not getting the return on that land

that we think you should do. We may have to look at your financial assistance grants.’ That is easier said than done, but, while the shire continues to receive its financial assistance grants, that basically sustains the council operations and it does not put pressure upon them to really look at economic development.

Senator JOYCE—Mr Grant, you are involved in a development application currently on the island?

Mr Grant—Yes. That is correct.

Senator JOYCE—How long have you been involved with that development application?

Mr Grant—It started back in around 1997.

Senator JOYCE—Is this for a form of tourism development?

Mr Grant—It is, yes.

Senator JOYCE—Has the effect of the protracted nature of those negotiations incensed you in some way?

Mr Grant—It disappoints me. I have got to the stage where being incensed is something you really do not want to get involved in. You take the issues one by one and you lay them out and you try and resolve those issues. The feeling I really have is about the lack of opportunity for people that would get benefits from such a proposal—for example, employment or the attracting of school leavers. I feel sorry that the community is suffering from the protracted nature of the negotiations.

Senator JOYCE—What are the key reasons that have been given to you as to why the development that you have proposed has not gone forward?

Mr Grant—Basically you are not given a reason. If you go through the submission, you will see it identified document by document time frames. In some cases, particularly in the last 18 months, you would submit documents and receive no acknowledgement. This is not just in one case. This would be in six or seven cases. You would sit down and have a meeting and all of a sudden you would be told there is a need for an independent assessment of a business plan that you submitted six months ago, even though you had been advised that previous documents that you had submitted—which were also a business plan—were being independently reviewed. Then you are told that there will be an independent review of your business plan done, but you are going to have to pay for it. To me, if you submit a business plan to a shire, the shire should have sufficient expertise to look at that business plan and say yea or nay. I do not believe they should turn around and say: ‘That’s your business plan. We have seen your staff here. We also have consultants we can call. You pay for it.’ I just do not believe that.

Senator JOYCE—Is the council following a protocol that has been assigned to them by the federal government or the Western Australian government or is this under their own volition? Is the project stymied because of the actions of the council under their own volition or because of requirements that have been placed on them that they have to follow that, in your view, are not

required? Who is driving the bureaucracy? Who is driving the retardation of your process forward? Do you think it is driven by the bureaucracy which is engendered by the Western Australian act or the federal act or do you believe that it is more local than that, that things are being stymied by reason of what is happening on Cocos (Keeling) Islands?

Mr Grant—It is local. First and foremost, the Silverfox proposal for Pulu Cocos Resort had full environmental approval from Environment Australia, which took several years. It went before the Western Australian Planning Commission and received approval and it went before the Valuer-General and received approval. So, in relation to approvals being required at the federal and at the state level, they were obtained. It comes back to the local government.

Senator JOYCE—Do you think it is personal?

Mr Grant—No. The CEO of the shire, Mick Simms, is on medical leave at the moment. As shire president, I worked with Mick for 18 months and we had a very good working relationship. Since then I have not worked with him, because I did not stand for re-election in October 2007. Basically, there is a lack of expertise at the senior levels and council to handle such issues.

Senator JOYCE—Are there other similar projects on the island being approved or not approved? Is your project unique or have other projects been approved?

Mr Grant—My project is not unique. For example, OnRoad OffRoad have twice put in submissions for the development of the West Island farm site, and Macquarie Builders and OnRoad OffRoad have put in proposals for the Trannies Beach Resort. It seems to flow across a number of proposals, not just mine.

Senator JOYCE—Which proposals have been approved and have gone forward?

Mr Grant—Over the last two years I have seen none at all.

Senator JOYCE—How many applications, to your knowledge, have been made?

Mr Grant—I cannot comment on that because I do not know how many applications went to council.

Senator JOYCE—Do you know of any applications that have been made?

Mr Grant—I know of six.

Senator JOYCE—If you could wave a magic wand, run the show for a day and could change whatever you wanted in the way the Indian Ocean Territories are administered, what would you do?

Mr Grant—A magic wand! First and foremost, I would go back to the community. I think it is absolutely essential that you go back to the community, whether that is on West Island, Home Island or Christmas Island, and find out what the community really wants. That is No. 1. What do they want for themselves and what do they want for their kids and their families? That is the most important thing. Once you have determined that—and that will be a very difficult thing,

because everybody has different ideas—and unless you have broad community agreement on what you want to do, nothing will happen. Once you have done that, you have to sit with the key players and say, ‘This is what the community wants. Basically it is about jobs, a good standard of living, a good level of services and the cost of living to go down. How are we going to achieve it?’ You have to identify the players that you bring in. Unfortunately, as George Bush said, you need to resume change in some organisations. The current bodies or elected members, or current senior people, on both Christmas Island and Cocos Islands, will have to change to get that.

Senator JOYCE—I come from south-west Queensland—a small local government area. Even as a small local government area, it is bigger than this local government area, in number. Mind you, we would not get even vaguely close to the amount of money that is spent per person here. Ours is a part-white and part-Indigenous area in south-west Queensland. This area seems to be, to be honest, extraordinarily successful—Christmas Island even more so—in getting money. We would fall over ourselves to try and get the hospitals that you have on Christmas Island. We would love to have the pools and the recreation centres. In a way, there has been the attraction of funds here that other areas of Australia have had no chance of ever attracting. On the other hand, do you think that if you were more coordinated in working with not only Cocos Islands and Christmas Island but also Norfolk Island, where there are similar issues even though they are on the other side of the continent, as a collection of island territories, you might have a more coordinated approach to get a more politically focused outcome?

Mr Grant—I think that is absolutely essential. I will just go back on one point. The Australian government is doing an extremely good job on Christmas Island and the Cocos Islands on the provision of government services. You cannot dispute that—education, health and utilities are first class. Numerous visitors come from China and South-East Asia. They look at the facilities, just shake their heads and say that they do not have anything like this. But it is a poisoned chalice. You have 60 per cent of the people on Home Island on Centrelink benefits.

Senator JOYCE—Sixty-five.

Mr Grant—This is all being provided by the Australian government. Even though the cost of living is higher here than it is on the mainland, people are surviving but only the current population. The younger people are saying: ‘We don’t want this. We don’t want to live on welfare. We don’t want a good hospital. We don’t want a good school. We want jobs from which we can generate income not just for ourselves but when we have kids, and we want jobs so we can buy a house and have the luxuries of life. If you can’t give it to us on Cocos, we’re shipping to the mainland.’ And that is your big problem. Although the government is pouring in money, the economy is not developing. You are going to come to a stage where your population just keeps dropping and dropping. It is not unique on Cocos; there are many rural areas in Australia which have the same problem. But, slowly and surely, as your population gets older they cannot afford to maintain houses, there is less population, the cost of services and goods goes up. It is a vicious cycle. So we have to get away from this ‘dependent upon the government for the provision of goods and services or on Centrelink benefits’. Even though it is small scale, we must start driving it.

Senator JOYCE—In your submission you refer to the production of other foods and you referred to sea cucumbers—beche-de-mer. Do you think there is the capacity for the development of that? Do environmental guidelines stand in your way?

Mr Grant—I had a phone call on the weekend from Noel Ledger. He has just received a letter from Fisheries WA—this matter has been going on for six years—saying, ‘We’ve passed on our recommendations to the AGD and we are vigorously following them up.’ This guy is a very successful beche-de-mer operator in Queensland. He wants to put in only a small-scale operation but, after six years, he is going crazy. He cannot get any form of resolution. He goes backwards and forwards from Fisheries WA to the AGD. He writes to senators, he writes to ministers. He just goes around in a circle. He has even written to the Western Australian Ombudsman, and he has said, ‘Why don’t you make an official complaint to Fisheries WA?’ He said, ‘I have; twice. I have given you the letters.’ It is really disheartening when people want to do something and they cannot do it.

Senator JOYCE—There was a beche-de-mer industry here at one stage, wasn’t there?

Mr Grant—There was, back in the 1900s, which was quite sustainable. They actually exported a lot to South-East Asia. You can go through the historical records. In the 1980s, when I first came here, there was a small beche-de-mer industry, run by Signa Knight.

Senator JOYCE—I also note that in your submission you refer to food and the dietary component of locals and health issues that surround them. Do you see any avenue for the production of fresh vegetables or can we ever get into the production of fresh vegetables to assist with diabetes and other things?

Mr Grant—If you speak to the health service centres on Home Island they will tell you that there are really significant health problems with people over 40 years of age. As you have mentioned, diabetes is one of them. On the West Island farm site, a Cocos farmer and a guy called Scott Bryant were producing quite a wide range of fruit and vegetables. That was helping. One of the biggest complaints residents here have is the cost of airfreight. You can send stuff by sea freight but, if it has a very short shelf life, it will not last; it has to come by airfreight. But the airfreight cost is so high—that is, if you can actually get the freight on the aircraft. You really do need some form of local production of a limited range of vegetables to help with the diet. I am most probably the only European that is well and truly plugged into the Home Island community to notice things.

For example, if you look now you will see quite a few of the dishes that are being prepared are going back to the old formulas where they will use things like papaya leaves and papaya flowers. These were things they did 30 or 40 years ago, but slowly some of the people are now moving back to that because the price of vegetables is just too high—whether you can get them is another issue. So we are starting to see a shift back to some of the more traditional ways of preparing food, which I have not seen for 23 years.

Senator JOYCE—You would have problems with B1 deficiency and all sorts of things if you go too far back in that direction. Far in the past was the importation of soil onto the island. I know if you tried to do that now everyone would jump up and down and say that you are going to import whatever. Does it require the importation of soil on to the island in some way, shape or

form to set up a commercial garden? Or could you use the soil that is already here that the Clunies-Ross family brought in? Or do you have to go to a form of hydroponics?

Mr Grant—Hydroponics would be the preferred method. If you go back and look at the West Island farm, which is now badly dilapidated, there are at least four hydroponic buildings there that are producing quite a wide range of crops. Scott Bryan did a Churchill Fellowship on that. Importing soil from Christmas Island, you will have quarantine problems. If you have time, you can go and look at the farm lots down here. You will see that people are producing a range of fruit and vegetables, which are limited, which are growing quite well, for their own use, but also they have things like ducks, pigeons, chickens. So they are starting to supplement their diet with items locally grown, but the best way to go would be hydroponics to get away from all of your problems with nematodes et cetera in the soil, and it is more cost effective than trying to use traditional horticultural methods here.

Senator JOYCE—Where do you live?

Mr Grant—I live here on Home Island.

Senator JOYCE—How long have you been living on Home Island for?

Mr Grant—I came here in 2003.

Senator JOYCE—And you are happy over here? Everything is fine?

Mr Grant—We are very happy. My wife is Cocos Malay. We have children. One is going to year 4; one is down at pre-university at the moment. I find Home Island to be what I found in Perth when I was a child: no fences between neighbours, neighbours helping each other, people do not lock up houses, people always helping each other, food is passed between houses. It is a very different environment to most areas on the mainland, and it is something you should really try to promote and protect.

Senator JOYCE—So you are disappointed about the reports that made their way into the nation's newspapers?

Mr Grant—Once again, with newspapers they sensationalise issues. I was speaking to Jordan, who is my daughter's year 4 teacher. I was saying to her that, of the four children we have, every child has done education on Cocos. The eldest daughter went through Edith Cowan University and did a double major in business, in travel and marketing. She worked in London and she travelled extensively through Europe and South America. She is now working back at Edith Cowan University. My son did a double major in business in accounting and information technology. He has worked in London and Los Angeles. He is now in Sydney. The next daughter is doing pre-university at Edith Cowan. As I said to Jordan, and later on to Heather, who is the principal, they would only have got there because of the teachers here.

Senator JOYCE—Do you think those reports were fair, or sensationalised rubbish?

Mr Grant—I think they are unbalanced. If you are going to report something, report the positives and the negatives. But newspapers would prefer a more sensational issue. In relation to

the issue of English at the school, I know Jordan quite well and her intentions are absolutely pure. There is nothing under the table, nothing. Perhaps how it was handled, other people could say, 'We'd do it a different way'. But overall at the school here they do an exceptional job. Heather asked me to write an article for her on this—which I have done and sent down to her and she has distributed to the other teachers—because she said that some of the teachers are fairly low after reading those articles.

Ms BURKE—Going back to your proposal for the resort here and the business case analysis of making a viable tourism operation the size you were anticipating, would that rely upon additional air traffic into the island?

Mr Grant—Most definitely. If you have a market towards Indonesia, for example, of a quarter of a million people, you want to access the airlines into that market. You do not want people travelling from Jakarta to Perth and back up to here.

Ms BURKE—So you need to have the cabotage issue resolved.

Mr Grant—Cabotage is an interesting one. If you apply it to shipping or airlines, you can resolve it. Christmas Island have resolved it; they have had flights coming in from Kuala Lumpur down to Christmas.

Ms BURKE—But they cannot then go on to Perth.

Mr Grant—No, you do not want to go on to Perth.

Ms BURKE—They would argue that they would like the flights to go on to Perth; that is their big issue. One of the issues we have not covered is that they have a problem that the plane then has to come to Cocos and so does the freight. But their argument is: if you want to have the tourist route, it has to come from KL and Singapore to Christmas and Perth, and that would attract your greater tourist rate.

Mr Grant—I disagree with that. Based upon the numbers you are looking at for tourism here, which are not huge, you have a sufficient market in South-East Asia. The crazy thing is you can fly an airbus from Perth to Jakarta very cheaply, all the accommodation and in-flight entertainment. If you had a smaller aircraft flying from Jakarta to Perth, you could do it for less cost than National Jet does. One of the things is that people have to get to a new mindset. You cannot stay locked into the old mindset of 'we must have a flight from Perth, we must go to Christmas, we must go to Cocos'. You have to get a new mindset and say: 'Where is our economic development going to come from? Let's put our eggs there.' If somebody from Perth wishes to come to Cocos, you can fly to Jakarta and come down.

Ms BURKE—So you think there would be enough of a tourist route—literally Jakarta-Cocos, Cocos-Jakarta?

Mr Grant—Most definitely.

Ms BURKE—Thank you. That is all I needed to clarify.

CHAIR—It is the wish of the committee that supplementary submission No. 20.1 from Mr Grant and dated 21 September be accepted as evidence and authorised for publication. I would like to thank you for your attendance here today and your evidence. If you have been asked to provide any additional material, please forward it to the committee by Wednesday, 6 October. You will be sent a copy of the transcript of your evidence, which you are able to make corrections to if you find any mistakes.

Proceedings suspended from 10.08 am to 11.00 am

CLUNIES-ROSS, Mr John George, Private capacity

CHAIR—I would now like to welcome Mr John Clunies-Ross to today's hearing. Although the committee does not require you to give evidence on oath, I should advise you that these hearings are legal proceedings of the parliament and therefore have the same standing as the proceedings of the respective houses. We have received a written submission to this inquiry from you. Do you wish to present any additional submissions or make an opening statement?

Mr Clunies-Ross—I emailed some stuff yesterday, because I did not know I would make it today. So, rather than not following on from my previous one, I put something in, but I thought I would run through it face to face while I am here.

CHAIR—Okay. I invite you to make an opening statement.

Mr Clunies-Ross—Both the Indian Ocean Territories are under pressure from the movement of refugees. There is a bit of an economic boom that comes with them but, on the tail end of it, they are eating our food—we are down on tucker—freight has increased by \$10 and you cannot get in and out of the island. We have Shell personnel on the island now. They are locked in here until Christmas time. They have work to do, and they are strategic workers. The extra flight that has been put on to Christmas Island has not taken up the slack. Everyone refers to the numbers of civil servants moving in and out of Christmas Island. We now have RAAF people located here. We have to bring extra food up for the RAAF people who are booking in. And there is an extra tranche of statistics that the logistics guys have worked on. We are waiting now on a tanker. It is three months since the last one. Normally it is nine months. We just do not have the facilities to hold the bulk fuel that the RAAF want. The RAAF are being reticent on how much they want, what their operations will be in the future, so that causes scheduling issues for Shell and for us, who are strategic workers.

You would probably have heard submissions from private individuals on the huge furore that has been going on on the island. You will probably find that, if you shine a little bit of light under the rock, it is a storm in a teacup. This is a very tight community. There are very few issues that require administration, but they require administration at a local level. Decisions should be made locally. They should be clear and transparent. You will see in my written submission that this is our only forum. As we have to wait for two or two and a half years to come around, things boil and get out of control and heads get hot because, while it might be a minor issue, it niggles you every day for two years until we get to sit in front of you again and tell you about it. And then a decision on whether you do anything about it, or whether you make a recommendation to do anything about it, can still be ignored by the standing government and the issue will pester us for another two and a half years. So there is no method of resolving administrative issues above our heads, which we have no rights over.

CHAIR—This is certainly an issue that was expressed on Christmas Island as well. It may be a consumer complaint, a bureaucratic bungle or red tape, but it is obviously a frustration you share.

Mr Clunies-Ross—I think so. It turns out that, as individual things, nothing can be done. We have a number of committees here, each one narrowly focused, because people find it important enough to gather a group together to make sure that you know it is important. Someone listens for 10 minutes and that is it—the membership dies off and the whole thing is ignored.

CHAIR—Did you want to add anything else? We are happy to go to questions.

Mr Clunies-Ross—No. Because I did not think I would be here, I was rather detailed in my email, but you can go back and read that one.

Senator JOYCE—It is good to catch up with you again, John. The way you present to the inquiry, both your clothes and your content, is always refreshing. It is great to be back on Cocos Islands. I want to start with phone services on the island. We hear the same issue on Christmas and Norfolk—the idea is to develop the economy, get the economy kicking along, employ people and keep people happy, and one of the big issues is phone services. I noticed in your discussions you also talked about phone services. Do you think they are impeding greatly the progress of business on the island?

Mr Clunies-Ross—I am not a great mobile phone user—I am a bit of a troglodyte in that way—but there are people who solely rely on them because they do not have secretaries or message bank. When they are at work they can take phone calls and deal with inquiries without having to go back to the office. I know a number of people on Cocos who do that. But I am not sure whether the economics of five or six private businesses will actually pay for a new tower or system on Cocos Islands. Having said that, I think there is a responsibility in the system for anything that is available to the citizens of Australia to be available to all citizens reasonably equally—though Telstra is not run by the Commonwealth any more.

Senator JOYCE—I want to go to the pressures that are currently placed on the whole of the Indian Ocean Territories by reason of economic migrants and refugees. To differentiate the two can be a little bit hard at times. You are saying that the effects are present on this island because, obviously, the surveillance techniques, and everything that we have to pick up because of those, have ramifications for the industry of the island, especially in the formative stages of a tourism industry. People who would otherwise come over here and spend money are not actually doing so because the area is occupied by the well-meaning and wonderful people who fly us around, the RAAF people. Is that putting pressure on bed units? They do not have a big interest in spending hundreds of dollars; they have a big interest in having an interesting time and flying off.

Mr Clunies-Ross—The guys how come here are generally on active service—they do not generally get an R and R run here. If they do, they might get eight hours so they can have a beer and then they fly off the next morning. As far as economic activity goes, we are seeing it increase. I am president of the pub and our normal weekly take is \$3,000. We are now doing that in a night. The pub is doing okay, the restaurant is doing okay and the beds are doing okay. It is the secondary guys, the guys with the boats, the fishing operations and all of those guys, who are not. The RAAF guys do not get enough time off to get into the secondary level of the tourism industry. Without those, it becomes less attractive and less economic to the guys coming in and the guys doing the operations, obviously.

Senator JOYCE—I was happy to hear you talk about the social issues and how you have a tight community and things might in the past have been blown a little bit out of proportion, so I will skip straight over that and move into other issues. Do you think there is a greater capacity for Christmas Island, Cocos Islands and Norfolk Island to combine in such a way as to put more political pressure on Canberra for greater outcomes? You have expressed a sense of frustration—and rightly so—that the last time we were out here was 2½ years ago, or a long time ago. Could those territories combine in such a way as to exert greater pressure on Canberra to get greater responsiveness? I notice that, even on the island here, you do not have an administrator. I would like your views as to whether or not we need one—whether it would assist or otherwise.

Mr Clunies-Ross—That is a complex one. I am not sure banding Norfolk with Christmas and Cocos would be the best idea. I know there is resistance in the territories office, or A-G's—whatever they call themselves these days—to the Norfolk model of government spreading anywhere else in the Australian system. I think they find it problematic. Having said that, the government of Australia needs to have a desire to resolve the territories into self-governing territories. Without that road map, you will continue to be out of step with the people.

To continue this administration is to continue the colonialism which the integration of Australia and Cocos Islands was meant to finish. We still have regulations and laws passed in West Australia which we do not get a vote in—they are rubber-stamped in the Senate by a remote bureaucracy, and we get to live with them. That is exactly what happened in Singapore: they passed a law, they rubber-stamped it, and it was good for Cocos. There is no difference; it is still legally a colonial administration. You cannot say that being administered by the external powers of Australia has been a step forward for our governance.

I am not an expert in government models, but the government needs to have, at the very start, the desire to allow the people to express themselves politically and to reach their own economic and political agenda—not for them to have it written for them by someone who wants to go home to bed at four o'clock, who doesn't give a stuff if they run out of bread and milk. The administration are too remote to even know that we have these problems these days.

To go to the administrator thing, I have written in the email that a stepping point may be to have a representative on the island, from the island, in that position. So, instead of having some out-of-work politician, chalkie or someone from Canberra turn up here not knowing the first thing about the place, finally getting a handle on it after two years here and then going, we could have someone who knows all the ins and outs, knows the blowhards, the diehards, the piss-tanks and everyone else, and can present a reasonable agenda and tie people together. It might be that the Commonwealth puts in a shortlist of people who they think are suitable. It might be that the shortlist comes from the community, the Commonwealth says, 'Shorten it again,' and then there is a vote. But, at the moment, even when we have an administrator, it is not our administrator; it is yours. You are already in authority. In economics and in the political sphere, you are over-represented. We as a community, the islands, are under-represented. So, if we get one, it should not be your voice in Cocos; it should be our voice in Cocos and Canberra.

Senator JOYCE—You would be interested to know there have been surveys and that the sentiment throughout the nation of which this is part is that people would be quite happy to get rid of state governments—except probably in Western Australia—and just have strong local governments, with constitutional validation of local government and then direct appropriation of

funds from the federal government. There would be no more state governments but local governments with more powers to look after local issues. If it was a federal issue, the federal government would look after it; if it was a local issue, the local government would look after it. Could that idea work for the Indian Ocean Territories?

Mr Clunies-Ross—Yes, that one has legs. To create a state level here, we are not going to create another 10 people. We are actually over-administered, not under-administered. So to put another layer in there would be a foolhardy thing to do. The impetus at the moment is to take more and more authority away from the inhabitants of the territories. I do not know why this is so. As an overview, we are no longer in charge of our fish, our waters, our water supply, our electricity and any number of other things. Each thing is slowly whittled away. Going back 10 or 12 years, there was a thrust towards empowering the shire here and giving them more state level authority, but the service delivery agreements put in with West Australia seemed to denature that. I do not know what you spend on service delivery agreements, but I would imagine the money spent on service delivery agreements in West Australia would be much better spent dollar for dollar with a local agenda and a local economic forum.

Senator JOYCE—As we said before, it seems absurd that you are federally part of the Northern Territory—you might as well be part of Tasmania; you have administrative laws coming in from Western Australia but you do not actually get to vote in Western Australian elections; and you have the federal government, thousands of kilometres away in Canberra, pontificating about what goes on. Every local government throughout our nation says exactly what you are saying: ‘We want more powers delivered back to us for us to look after our own community of interest. We don’t really need the states. They can go and do whatever they’ve got to do.’ We primarily hear the view that the development of the economy here lies in tourism. Do you see an avenue for the growth of the tourism industry, how would you do it and what are some of the strengths and weaknesses of the tourism idea? What are the things we have to look out for? How can Canberra assist in developing a tourism industry here?

Mr Clunies-Ross—I drink beer with guys who have tourist facilities on the island. Basically, they felt raped and pillaged at every turn. Be it an airline contract or a non-airline contract, their freight rates go up and their tickets go up—and arbitrarily too. It is not like you get three months notice. I turned up at the airport with non-tourism type stuff and I was told I would have to pay \$2 extra—it had been booked for a month. There is no culture of fostering economic development. When go for a specific grant—design packaging or something bollocky like that—we have to squeeze Cocos and Christmas islands into the narrow economic focus of the Western Australian problems, because the grants have to be parallel with them. But we have totally different issues. We pay WA state taxes and we get these WA state grants but they do not suit us. When I say, ‘I need this,’ they say, ‘Can it fit into any of these? When I say no, they say, ‘Then you’re not getting any money.’ So we need a lot more flexible approach. If we want to give grants for business development, they have to be a lot more flexible and they have to be targeted to the territories. I do not know who would look at the model, but, at the moment, it has to fit into the WA sociopolitical economy, and it just does not work.

Senator JOYCE—Has anyone from either Christmas or Cocos ever worked as even a staff member in Canberra?

Mr Clunies-Ross—There was one in the eighties in Perth, but not in Canberra.

Senator JOYCE—It would be a good idea if someone from the islands came across as a staff member to try and build up a better connection between Canberra and the islands.

Mr Clunies-Ross—I have said in the past that we should have a spokesperson in Canberra. It could be a legal firm that has the power to speak for us and could put it in language that could be understood. I think 60 per cent of the population of the Cocos Islands have not gone much past high school. When you are trying to address issues that are immediate to them, they are actually indicative of a wider issue, but they are not going to get their heads around the wider issues. If the wider issues are resolved then the smaller issues all come together and dissipate.

Senator JOYCE—So, to the best of their knowledge, there is no-one in the department who comes from the territories?

Mr Clunies-Ross—I know one person who worked with A-Gs in Perth. I am not sure he is with them anymore. I think he has moved on.

CHAIR—I think your point has been well made, Senator Joyce. Do you have any further questions?

Senator JOYCE—Yes, just one. Because of Australian domestic airline regulations Malaysia Airlines and Singapore Airlines cannot use these islands as a stopover point on the way to Perth. Would it be of assistance if the cabotage law was changed in some way so that you could get an increase in airline traffic?

Mr Clunies-Ross—Any regulation which is there just for the sake of regulation is a furphy to me, and I do not think it is worth putting in. Why is the regulation there? Is it there to help us, or to hinder us? Is it there to help the mainland, or to help the Cocos Islands? If it is not there to help us, why is it in place here? We should not be paying for some protectionist thing for the mainland. We are an external territory, so why is it extended to us? Shipping cabotage has been denied to the Cocos Islands.

Having said that, I want to go back to your previous point about employment. It is a tough one. When I used to run a tourist place here, I asked young blokes to come in as an apprenticeship chef. It is now almost 18 years later and no-one has done a formal chef apprenticeship on the Cocos Islands. Mind you, no-one wants to do one. The social security system here is good enough to live on. A living wage is not \$20,000, as an apprentice, or even \$30,000. A living wage is \$70,000 to \$80,000. You can do a bit of work for the dole every couple of years and go fishing, or you can basically work your ring off to earn \$70,000. People are totally uninterested in that. The marginal tax rate in stepping from one to the other is just too high—as low as it is, it is just too high.

As far as training goes, is anyone here being trained to be the CEO of the council? Is anyone being targeted to be the nurse? Is anyone being targeted to be an accountant? You have to massage people into the positions. Even if you train four people a year, you will eventually get one of them back. But, at the moment, there is no targeting—there is nothing.

Ms BURKE—Leaving aside the wages and all the rest of it, did you find the training and paperwork for an apprentice to be complicated? You have to go to the TAFE college and get that signed off. How did you find dealing with those issues?

Mr Clunies-Ross—I do not know what things are like now but, at the time, the guys in WA were very helpful. They said, ‘Even if you do not have a qualified chef, as long as you carry them through the course you can sign off on it.’ Hotel employers would take that as valid training—and they would go to town for three months of the year to be checked. They were quite good at the time. By contrast, I had a retired guy who was one of the very few good MIG welders on the island. I said that I needed six hours work a week. As soon as he turned up to work, his pension was stopped. They did not even wait to find out how much his first pay cheque was. His pension was stopped by the local representative. And his rental subsidy and everything else went with it. The welder came to me almost in tears and said, ‘I can’t work for you because it’s going to take me a month to get my pension back.’ I was pretty choked up about that. I phoned the guys in Perth and they said they could not do anything about it.

Ms BURKE—Is the local Centrelink more onerous than Perth because everybody knows everybody?

Mr Clunies-Ross—Yes, there is that. But they should check. I am the employer—phone me. Everyone knows me. They can say: ‘We know you employ this person. How long is he working for and what are you paying him?’ That information is immediately there. But he had not even got his first pay cheque.

Ms BURKE—Certainly one other things from our perspective as government is the Harmer review into taxation and Centrelink benefits, because there is that mishmash. We have recognized that as a government. We do not want to disincentivate someone from going and getting a job. You do not want to make it prohibitively expensive to actually leave the welfare state. That is part of our recognition. It is interesting to see that you have experienced it in an environment where there is such high unemployment. We should be doing everything, as you say, to alleviate that.

On the question of running or starting a small business here, what are the impediments? Is it the bureaucracy? What are the difficulties? You have done a few, so you have got pretty good experience.

Mr Clunies-Ross—I run three or four small businesses. That is the only way you can make a reasonable living. We work for Shell, we do commercial diving, commercial fishing; we run a clam farm. We do anything for anyone. We can blow things up and we set off fireworks. In that sense, where I am doing eight different jobs, some of them have multiple permits. An aquaculture venture with clams requires an aquaculture permit, a fishing permit, a fishing boat permit. I have to be a good and proper person or whatever it is to hold a fishing permit, so I need police clearance. I need a CITES endangered species trading permit. That is twice a year. That is just one of the businesses. To go diving for the fish I need a commercial ticket. I do 20 days a year in non-productive compliance. One and a half per cent of my working life is just compliance. But, having said that, that is why I have got an edge. I can do it. No-one else could be buggered, so I get to work.

Ms BURKE—You also have the wherewithal to deal with the bureaucracy that a lot of other people would not have.

Mr Clunies-Ross—My level of education is probably much higher than most of the Home Island kids. Although you are talking now into the second generation of kids who have had at least the opportunity to go to the mainland and go to university and stuff like that. But those guys do not tend to come back.

Ms BURKE—Is there something like the new economic development officer? Do you see that they should have a role in fostering and assisting people kick off small business, as I should imagine that would be a pretty good employment growth opportunity for the island?

Mr Clunies-Ross—There is the old Cocos saying: if you want to make a small fortune on the island, you start with a large one. It is pretty tough. Again, there is no fostering. It is tough to work out of your house—a house that has a commercial type shed available to it. It is frowned on by council to work out of your house on this side if you are catering or whatever, although it seems to be done. There is a very small domestic market. You have 200 people, so there is not a whole lot you can do for them. Most of them are self-sufficient in everything they need. Going to export brings you to quarantine barriers. I am trying to export honey from here. It is perfectly clean honey, but no-one believes me because I do not have a department of agriculture. So who is going to check my honey? We do not have a service delivery agreement with Department of Agriculture and Food in Western Australia, so no-one can prove that my honey is clean.

Ms BURKE—You are not alone in the honey one; everybody is bleating about honey at the moment. Another committee has done an inquiry into it. You have talked about the fishing industry. I am surprised that there isn't a bigger fishing industry here. We are sitting on some of the nicest waters I have seen where boats can get in and out. And also aquaculture—breeding fish in tanks of here—which I have seen Indigenous communities up the Top End do.

Mr Clunies-Ross—I do not think we need a cage.

Ms BURKE—If you are breeding special fish, you do not want a whole lot of people to pinch them or for them to disappear. What of the fishing industry and its offshoots?

Mr Clunies-Ross—When you talk about bureaucracy, the Western Australian Fisheries are the hardest bastards to deal with—honestly.

CHAIR—We have received several submissions to that effect.

Mr Clunies-Ross—They are absolutely shocking. I will give you a small example. I have raceway and I grow clams. It is perfectly clean. Fish come through the pumps as an egg, they survive in the tank and we have fish in the tanks. We also introduce some fish just to eat the algae. I was told that I could not have fish in the tank, because I only have a permit for clams. I said, 'I am not selling the bloody things. If I have a dairy farm and a roo jumps over the fence—what?—the wildlife guys come around and hassle me? I don't think so!' I have got to deal with this kind of attitude. Four years ago I put in for new fisheries. Territories then said, 'We need to do something, get something going.' Fisheries came up with a new fisheries agenda. I put my submissions in. It must be four years now—nothing.

Ms BURKE—Has anyone ever done commercial fishing off the island?

Mr Clunies-Ross—Yes, but now we can only send out five kilos without quarantine bleating. That was also a misuse of legislation. To my mind, if there is a quarantine issue, five kilos is a quarantine issue, as are 10 kilos or a tonne—they are all quarantine issues. It was actually Fisheries crying on quarantine's shoulder and saying, 'We don't have the authority to control fish coming out of Cocos Islands. Let's use your legislation to do it.' Hundreds of kilos of fish used to go out of here. It is socially and culturally important to be able to give something physical to a family wedding on the mainland. They do not have access to the fish like we have. They earn better than we do, but if we can send them fish, we are doing the right thing. But Fisheries have the attitude that we are going backwards. The reality of the matter now is that Cocos Islands have dropped from 3,000 people in 1945 to around 300. Half our diet is now chicken and lamb. So we are eating probably a tenth, maybe less of the fish that we used to eat in 1945 and we still have fish, even after eating the hell out of them in 1945. The resource is almost indescribably rich.

We could market reef fish from here to Christmas Island, but it is banned; we have what they call an unmanaged fishery and we are not allowed a commercial fishery. They will just not listen to us. Even if we employed two people, 100 kilos on the week on the plane to Christmas Island with whole reef fish, the Chinese there love it. At the moment they are flying it in from Indonesia and Malaysia. We can do the same from here but it is just too bloody hard. The costs: \$150 for the boat to be licensed. You have to have a fishing licence, someone cannot go in your boat and do it for you because they would have to have a fishing licence too. A licence is not just held by a family; each individual who gets in the boat has to have a licence as well. It is craziness.

Ms BURKE—You are drowning in the bureaucracy of it all.

Mr Clunies-Ross—Yes, in a sense, it can be very heavy handed. In Australia where you are a bit anonymous it is sensible to have a number on your boat and the name of the person who should be on the boat, but here, from two miles away you will say, 'Who's that?' and they will say, 'Ferris.' 'Whose boat is he in?' They will say, 'He's borrowed his son's boat today.' It is meaningless to have a number on a boat. You cannot even read it from the beach but everyone knows exactly who it is out there, exactly who is selling the fish and where it is going to. Do not think we do not have a black-market in fish; we can buy fish whenever we want but it is not going to happen.

Ms BURKE—But you are not going to be able to expand it into a business environment and sell it on and do all the right things—

Mr Clunies-Ross—Exactly.

Ms BURKE—and get some employment on island and also increase the fresh food stock which you are going to be able to access here.

CHAIR—Concerning digital services and the internet connection, how critical do you see the increased availability of affordable bandwidth to your private and business interests on island?

Mr Clunies-Ross—All my export interests are absolutely reliant on internet connection. The new systems of intergovernment paper—holy hell. I do not know how a Third World country would cope with it. I have to have my documentation in the country before the consignment arrives. So I cannot even attach it to the outside of the boxes. It has to go digitally to whichever country it is. They have a copy of it before the stuff arrives so they can say, ‘This one’s the right one.’ It is just a double check on endangered species. If that went down, I would lose gross \$200,000 a year.

CHAIR—What has been your experience with the reliability of the internet service here? You have obviously put great weight on it in your submission but this is an opportunity to further describe your experience.

Mr Clunies-Ross—The service is just adequate for my purposes. I am talking about sending a few A4 sheets to Germany or wherever. It has not really been flagged as a strategic job. Mark is now talking about leaving. If he leaves, we will not have an IT guy on the island. There are times when you just give him a call and he says, ‘No worries,’ he goes down and gives it a kick in the guts and it goes again. I would not know what is wrong with it. He has been here a few years. His kids are going to high school. So hello! The police need it a lot more than I do, the courts need it a lot more than I do—these are all government functions—and the school needs it more than I do.

CHAIR—So you see it as critical infrastructure.

Mr Clunies-Ross—Absolutely. You cannot run a court without it these days. You cannot run a police station without it these days. When I talk to the .CC guys, I say, ‘You should be charging them now for the real cost of delivering the service and all of us guys can come in the back door.’ But everyone got charged the same, the 70 bucks. Instead of charging the police \$20,000 a year and the school \$180,000 a year and having that put in the government budget, now they are saying that it has been subsidised for so long that it is ratty. We cannot afford to fix it any more. The IT guy is going and we do not have any maintenance budget.

CHAIR—We are getting a very clear picture of the digital issues that lie ahead for Cocos (Keeling) Islands. Unless you have anything you would like to add, I think we are done for questions.

Mr Clunies-Ross—Housing: I do not mind what it is—something, anything. All we have had for the last 2½ years is an absolute stonewall. Even land release has stopped. I can understand land release is a problematic issue but just keep doing it until the price of land comes down, for god’s sake. My son is here. He works, but there is no way I can afford to hire him if he has to spend \$800,000 on a house. There is no socially responsible housing profile. Every house is worth half a million to \$800,000 and if you think a guy can work in a kitchen for 20 bucks an hour and afford the mortgage on a house like that, and have a car and do all the other things, it is not going to happen.

Senator JOYCE—How many private house blocks are there on Cocos Islands.

Mr Clunies-Ross—Under 10, I would say.

Senator JOYCE—So what are all the rest? Are they all 99-year leases?

Mr Clunies-Ross—I think Dad is on a leased one. There might be two or three in Beacon Heights which are privately leased from the Commonwealth, but I am not sure.

Senator JOYCE—This is new to me. Why can we not have private house blocks?

Mr Clunies-Ross—We did, but then it became a shemozzle, too hard and was put on a shelf. It just stopped.

Senator JOYCE—Obviously there is land available for release for private house blocks.

Mr Clunies-Ross—Yes.

Senator JOYCE—Do you think if you were to release private house blocks there would be houses full of people which would increase the economy of the island?

Mr Clunies-Ross—At the moment there are so few that the first lot that went out were speculated on and they went from \$70 to \$300 in a month and no-one could buy—even the guys who own them now have a speculative figure of \$300,000. They do not want to spend \$400,000 to build a house on it because they will make only \$100,000 on the investment. That is what it costs to build a decent house up here. It is too expensive. So it is frozen in economic and social terms. I put to a number of people over the years, to administrators as well, that the system in Western Australia where, if you are in a country town, the council can provide the land, the state can provide the services and you are going shared equity. Let us say I am shearing contractor. We need small units for single guys for three months or eight months, whatever. I can build a house on the land and I can charge or not charge my component, the shire can charge their component and the state can charge their component as a whole rent. Something like that would work here. The shire has land. Outside of the trust, they have land.

Senator JOYCE—The houses I can see outside the door here on Home Island, are they on private land? Are they owned by the people who live in the houses or is it leasehold land.

Mr Clunies-Ross—You might need to read some more history. There is a very simply but complex land trust. It is a private trust which was set up between the Commonwealth and my father and it protects the community from being invaded by outside economic forces, pretty much. They can say who lives in there and who does not live in there. You can offer a guy a million dollars for a house and he can take it and then the community can say, ‘No, you can’t live in it.’

It is a private trust, and outside of that there is another private trust for all the islands that is managed by the shire. There are different views on whether the shire owns the land in trust or whether the shire manages the land trust for the benefit of the trustees and so on. But what you see out here is not public housing; it is private housing. So 90 per cent of the unemployed on the island are already housed in private dwellings.

Senator JOYCE—Of those houses over on the West Island on private land or a trust, or is it council land?

Mr Clunies-Ross—The settlement area is Commonwealth dirt, right up to the north end of the quarantine station, pretty much. Certain blocks have been released over the years which are now private.

CHAIR—We are going to have to wrap up, I am afraid. Thank you very much for appearing today. You mentioned some emails, and it will not surprise you to know that we have not received those yet, but when we do we will have the appropriate resolutions to accept that as further correspondence to the committee. In the meantime, if you do have further information, please provide it to the committee by Wednesday, 6 October.

You will be sent a copy of the transcript of your evidence. Could we make a note to do that by express post? Sorry—I should stop being sarcastic, but I understand that that is a genuine problem. For it to get here via email, that is how you would have to send it. You can make corrections to that transcript. Thank you for appearing.

[11.42 am]

PRANCE, Ms Heather Ann, Acting Principal, Cocos Islands District High School

CHAIR—I welcome the representative from the Cocos (Keeling) Islands District High School to today's hearing. Do you have any comments to make on the capacity in which you appear?

Ms Prance—The submission was written by our principal, who is currently off the island. I have been doing this job for about a term.

CHAIR—Welcome. Although the committee does not require you to give evidence under oath, I should advise you that these hearings are legal proceedings of the parliament and therefore have the same standing as proceedings of the respective houses. We have received a written submission from the principal. Do you wish to present a further submission or make an opening statement to the committee?

Ms Prance—I would just like to say that some of the information in this submission is probably a little bit different from when it was written—namely, the prices of the airfares that were quoted—but the situation in general has not changed a lot.

CHAIR—We will make a note of those changes. Can I turn first to the issue of internet connections. There is a very strong point made in your submission about the inadequacy of services. As we have heard from many witnesses today, Cocos (Keeling) Islands are facing the loss of their highly regarded technical support person, Mr Vermeeren. Can you elaborate on that, and particularly the importance of internet connectivity to education on Cocos Islands?

Ms Prance—Absolutely. As John just pointed out, we believe it is absolutely necessary, in particular for education. We are in line with the Department of Education and Training in Western Australia. They are in a process of putting out online teaching and learning strategies across the state, which requires broadband access to be used. It is not only online resources; it is professional development for staff and linking teachers up with other teachers in different areas. There is quite a huge program being rolled out. Unfortunately, on Cocos Island we have not been able to get involved in that because the straw that our internet comes through is just too small. So that is certainly an issue.

As far as technology in our school goes, we are actually very lucky. We have had a lot of money spent on cabling, wireless networks, hardware and all that sort of thing. So we have all the fruit to make it work, but we do not have the capacity as far as internet goes. It is very unreliable. We are probably luckier than others because in the school it is possibly a little more reliable than elsewhere. We pay a little bit more money to have a wider straw, but it is still nowhere near adequate to keep up with the mainland of Western Australia.

CHAIR—Can you tell me what your current bandwidth is for the school?

Ms Prance—I do not actually have that information here. I could not tell you, I am sorry. I will have to let you know that later.

CHAIR—That is all right. We can follow that up. I am interested in whether it is a half meg, one meg, two meg or more connection and the sort of usage rates that you are experiencing. But that is something that we can follow up later.

Ms BURKE—Just on another issue, I just wanted to give you the opportunity to make a comment in response to Ron Grant's statement to the committee before about the *Australian* article and the issue with the school. You were here when the testimony was given. I just think that you on behalf of the school should be given the opportunity to make a response in respect of (a) his statement and (b) the newspaper coverage.

Ms Prance—The newspaper coverage, as you are aware, was very negative not only towards the school but to the shire and a number of other people on the island. I personally believe we were just caught up in the middle of something and were used to possibly gain headline footage. The fact that they put children on the front page of a national newspaper and quoted children without coming and speaking to the school at all was fairly inappropriate, but that is what sells newspapers. It also got the issue on the island seen by people off-island, which I think was the actual motivation behind the whole thing.

As far as what was actually printed about the school, we certainly are here to teach children English. We do not hide that. That is absolutely what we are here for. But, in keeping with the culture of the community, the school does a lot of things culturally for the children and for the community. This was really highlighted at the end of the term it when we held a huge assembly celebrating the month of Ramadan. We had the whole undercover area of the school filled. Ron Grant himself appeared. He came along that day. With reference to what he was talking about, he was in a classroom at the end. The teacher in the classroom was the one that was talked about in those articles. Although Ron Grant's name was not mentioned in those articles, I think he was aware of them at the time. And he was in the classroom saying how wonderfully we did things. I did talk to him about that and I asked him for a quote should I decide to write an article. He gave me one, which was great. But, yes, things were totally taken out of context.

We have a strategic plan for the school which everyone on the school council—which has 50-50 representation of Home Island and West Island parents—have ratified, as any school would. Part of that is the teaching of English to enable the children to be able to go off and have whatever career they choose or receive whatever education and have the English capacity to do whatever course they want to do. Under that sits an English-speaking charter. We have negotiated that with all of our teacher assistants, who are Home Island people, children, parents and teachers. We all came together over six months or so to come up with an English charter that everybody was happy with. Under that English charter, children are encouraged to speak English at every opportunity. That is what it says. Staff are expected to speak English in the classrooms with the children as well. But we do not ban any speaking of the Cocos Malay language. On a Wednesday afternoon, we also have a cultural tour. I think everyone who comes to Cocos does the school tour. It celebrates the Cocos Malay language and their culture.

Our Cocos Malay staff were absolutely horrified by the articles. In fact, I had one staff member almost in tears saying how frightened she was of what was happening on Home Island

and how negative it was. The articles were talking about how the community believes all these things. She said the community does not. It was just a very small group. It got quite upsetting. For our staff, it was highly upsetting. I was in Perth for a staff selection process and I had a phone call from the acting deputy who was upset on the phone because of one of the articles. Teachers were feeling very upset by the articles.

Ms BURKE—So the *Australian* never approached the school?

Ms Prance—Paige Taylor, the journalist concerned, did actually contact me to try and make a time to meet. She was racing off to Home Island. I was on West Island and gave her my home phone number et cetera for her to contact me. She never contacted me. She left the island without speaking to me. So, no, they did not contact me. They did contact the school, but they did not speak to anyone.

Ms BURKE—We deal with journalists all the time, and there is a love-hate relationship that goes on. Did you get an impression that she got a feel from the community about what was actually taking place? Did she speak to the wider community or was it a fairly narrow group of individuals she was speaking to?

Ms Prance—In relation to the school or in relation to the other things?

Ms BURKE—Just in relation to the school, because that is your area.

Ms Prance—In relation to the school, no, I do not believe she asked a wide group of people. I do not believe our teacher assistants or registrar believe that either. Like I said, they were actually quite horrified and they were coming back to me saying that the community does not feel this—'We know that you guys really respect us, and we are very, very happy with the school.'

Ms BURKE—Do you teach the Cocos Malay language at school as part of the program, or is it encouraged in other ways?

Ms Prance—We do not actually teach Cocos Malay, but Cocos Malay is used in the classrooms. For example, we have full-time teacher assistants who are Cocos Malay in every Home Island classroom, and there are 100 per cent Cocos Malay children in classes. The Cocos Malay language is used to help children understand what is being talked about in English, to help them with concepts and things like that. But do we formally teach Cocos Malay? No. Mind you, Cocos Malay is not a written language. You can ask two teacher assistants to translate something and they will spell it differently. There are Cocos Malay words around. It is totally bilingual in the early years and then gradually less and less reliant on the local language as the children get older. In kindy, pre-primary, there is a lot of English spoken because the teacher is showing that role model. The teacher assistant is speaking constantly in Cocos Malay because the children have no English. Gradually, as they get up to higher levels, the use of Cocos Malay is less.

I am talking about formal education here. I am not talking about art and craft, physical education, playground—all those other things. We are in the unique position that Cocos Malay is the language of power, I guess, in the classroom because 100 per cent of the children speak the

language. It is the teacher that does not know the language. In other classrooms I have seen with ESL children, they would have a range of languages. They would all be speaking different languages; therefore they would be attaining English far more quickly because that was the language in common, whereas here, unless they are reminded to use English, they revert naturally into that common language.

Ms BURKE—Have you managed to produce a teacher off island from a Cocos Malay background?

Ms Prance—That is something that John was talking about—having a nurse coming back to island or whatever. I have made quite strong inquiries into having some Cocos Malay teacher assistants or local people become teachers. On the mainland, in the Kimberley region, for example, they have a program—I think it was with Edith Cowan University—where the Indigenous teacher assistants are fast-tracked through a two-year program, given a lot of support and they can actually become teachers in two years rather than in four years, as with the normal education degree. They are not expected to be in Perth or at a big university to do that. They do that training at school with a mentor teacher helping and then they go off and do certain courses in the mainland. I followed that up for our school here and I was told that it is an Indigenous program, for Aboriginal and Torres Strait Islander people. I said that these guys are actually indigenous to Cocos island. We get some Indigenous funding, but there was again that whole red tape thing.

I pursued it even further and spoke to Equal Opportunities or one of those other groups that came up and I explained the situation to them. It was not buck-passing, but no-one could give me an answer. They said, 'They've got to be islanders.' I said, 'They are islanders.' But there was no way we could get past go. To be honest, it is difficult to leave Cocos island and go down to Perth to a university and do a four-year degree without any support. It is difficult even for a fairly well-educated person that speaks English as a first language to go through university to get a teaching degree, let alone leaving your family and going down there on your own and getting through. I have no doubt that the two-year fast-track program would be very successful here, but again I have put it away for the time being because I was getting no answers and I was getting very frustrated.

Ms BURKE—Thank you.

Senator JOYCE—What percentage of the students matriculate from year 12? How many of your students get past year 12?

Ms Prance—I think you may be aware we only run to year 10 here on Cocos. Once the children get to year 11 they have to go off island for that.

Senator JOYCE—How many get past year 10?

Ms Prance—One hundred per cent. And off island—whether they go to university, to a TAFE or some kind of training—it is 100 per cent as well. I think we had one child that came back—please do not quote me on this because I am normally in the primary area—because of not being able to cope on the mainland. We are pretty proud of the statistic of about 100 per cent success.

Senator JOYCE—How many of those students actually come back to live on Cocos?

Ms Prance—I would not have those numbers, I am sorry.

Senator JOYCE—Roughly.

Ms Prance—John may know more than I do on that one.

Senator JOYCE—Most of them?

Ms Prance—I really cannot tell you, because I just do not have that—

Ms BURKE—Anecdotally, what do you reckon?

Ms Prance—I think some probably come to see their families, but to actually live here forever, probably not a lot. I think that information is available at the school. I just do not have that with me at the moment.

Senator JOYCE—When they go to university what courses do they do? Do you have any knowledge of that? Have any of them got into the health or education fields?

Ms Prance—Again, I do not have a lot of information on that because it is not normally my area in the school, and those people are on leave. I do know that a couple of them have done science degrees. We have one at the moment who is working at the school who is a bachelor of science. A lot of them probably do voc courses—trades. I think there are a couple who are qualifying as mechanics, and things like that, on the mainland but I could not tell you the numbers, I am sorry. I could get that for you, but not today.

Senator JOYCE—It makes sense that you celebrate Ramadan but do they also celebrate Christmas?

Ms Prance—Yes, they do. In fact, this year they are trying something—it may or may not be controversial—that has been worked through with both communities. The end of year concert here is a huge thing in the Malay calendar. They love to come to the concert. This year we are going to be celebrating Christmas and Hari Raya together, so both beliefs are going to be included under the same banner. To do that the teacher concerned is working very closely with Cocos Malay people to come up with culturally suitable things they can do. They are very keen to do that. Because of the negativity that is out there they are very determined to show that that feeling is not really there, particularly with the school.

Senator JOYCE—Do you feel that your work is impinged on by excessive bureaucracy or do you feel that you can react quickly enough to the issues of Cocos (Keeling) that are peculiar and unique to your environment? Are you continually having to report back and give—

Ms Prance—I have only been in the principal's position for a term so bear in mind that this is Saeed's submission and he may disagree. From what I can see I believe that in education we have the best of both worlds, in a way. We are very well supported by the Western Australian government with the curriculum and those sorts of things. We are very well supported by the

AG's Department, in terms of funding, infrastructure and that sort of thing. Pretty much, if we have a problem we are usually able to work through it fairly quickly. We probably do not get the effect that other organisations on island do.

Senator JOYCE—Finally, what is your relationship to the WA Department of Education? Is that where the curriculum base is coming from?

Ms Prance—Yes. Because we are in line with Western Australia, anything that happens in Western Australia pretty much happens here. As for the curriculum, we use the same curriculum framework and syllabus, and we have the same access—if we can afford to send people there and that sort of thing—to professional development through the different areas in Perth and in Western Australia.

Senator JOYCE—When the students are talking in year 9 and year 10, are they talking about when they go to Perth or when they go to Western Australia? Do you think their mindset is: 'I'm here for a while and then I'm going over to the west and living in Perth'?

Ms Prance—Personally I do not see that, but I do not work with high school kids as much as other people do. I believe that they really look forward to going to Perth. They have a transition program in year 9 with on-island work experience. Then all the year 10s go off island to Perth and they do work experience down there. They go and look at the universities and visit their school for the following year and things like that.

Senator JOYCE—Do they board there during year 11 and 12?

Ms Prance—Some do. Most of the Home Island people, I believe, live with family. There was one Cocos Malay girl who was at St Hilda's this year boarding, but she had an accident in the snow and broke her leg, so she is now living with family again. Most of the Cocos Malay year 11 and 12 children live with their family and friends in Katanning, Geraldton, Perth or Port Hedland.

CHAIR—I would like to thank you for your evidence today. We appreciate the submission and the fact that you have been here to represent the submission that you did not in fact prepare. We really appreciate that. If you can think of any additional material that would benefit the committee, please forward it to us as soon as possible. You will be sent a transcript of your evidence that you can make any corrections of fact or grammar to. Thank you very much for appearing.

[12.02 pm]

MARSHALL, Mr Raymond Ian, Committee Member, Cocos Islands Tourism Association

CHAIR—Welcome. Do you have anything to add about the capacity in which you appear?

Mr Marshall—I am appearing on behalf of Kylie James and the Home Islanders—the Malays or traditional fishermen. That is what it is all about.

CHAIR—Thank you for that. I do have some formalities to go through. I would like to advise you that although the committee does not require you to give evidence under oath, these hearings are legal proceedings of the parliament and therefore have the same standing as the proceedings of the respective houses. We have not received a written submission to this inquiry from you. I invite you now to either present a submission or make an opening statement.

Mr Marshall—I think Kylie gave a letter to someone last night.

CHAIR—We did receive a letter from Kylie last night. I just need a motion that that be received and published by the committee.

Ms BURKE—So moved.

CHAIR—It is so ordered. Mr Marshall, would you like to speak to this issue?

Mr Marshall—I do not know whether everyone is aware of it. Should I read it out?

CHAIR—Yes, please. I think that would be helpful. It is quite short.

Mr Marshall—It says:

We seek an exemption within the limits of the lagoon to enable the traditional Malay community to engage in tourism fishing charters. Cocos Malay fishermen will enable tourists to the island to participate in the traditional fishing methods using boats that do not necessarily comply with open ocean commercial charter requirements. However, the fishing vessels will be restricted to the protected waters of the lagoon and will not be required to move in open waters. This exemption will give the traditional Malay fishermen the incentive to work towards receiving their marine tickets or coxswain's tickets.

So it is basically a bit of an incentive for them to do it. They have been doing it for long enough as it is.

CHAIR—Can you describe what the current restrictions are?

Mr Marshall—The current restrictions have come up through the tourism association, which tried to arrange insurance for the fishermen here. Because their craft do not meet survey, the insurance companies will not do public liability or any insurance for them. But, having done it

for so long, they do not know any difference. Their boats are traditional craft. We are hoping that you guys can help us somewhere along the line.

Senator JOYCE—Do you think there is any capacity for commercial fishing in the lagoon, or is the fishing you are talking about mainly tourism based? What is the volume of fishing that can be extracted from the lagoon without any detrimental effect, anecdotally?

Mr Marshall—It is only really tourism that these guys are looking at. John Clunies-Ross could probably give more information on the sustainability of fishing in the lagoon.

Senator JOYCE—What type of fish are you looking at when you are out there fishing?

Mr Marshall—Sweetlip, silveries and stuff like that.

Senator JOYCE—What about trepang and stuff like that? Does that come into your purview?

Mr Marshall—No. We are speaking about these guys being able to take tourists out in their jukungs so they can show them how it has been fished over the years.

Senator JOYCE—Did you say dugongs?

Mr Marshall—Jukungs. They are boats.

Senator JOYCE—I thought you said you go out and fish dugongs! I do not think that is going to work! With these people that you will take out fishing, what is the scope of that, where are these people coming from and how much are they going to add to the economy?

Mr Marshall—It is more for the Malay side of things over here. If we put barriers in their way saying, 'No, you can't take tourism,' that does not help them at all. We need to say, 'Yes, you can use your traditional craft and you can use your traditional fishing skills somehow, with restricted tickets or something.' The big hold-up at the present from a tourist association point of view is that we cannot recommend that tourists go out with these people, because of that insurance issue.

Senator JOYCE—I am still trying to picture this clearly. We bring people in by plane, stick them in a canoe and take them out to catch some sweetlip.

Mr Marshall—Yes.

Senator JOYCE—Why not just to take them out in a dinghy?

Mr Marshall—Because the marine acts say these boats have to be in survey. The traditional jukungs are basically a canoe with a sail. They are never going to pass a survey.

Ms BURKE—The tourists want to come and do the traditional thing. That is why they are coming here.

CHAIR—It is the traditional experience that they are looking for.

Senator JOYCE—And the traditional form of seasickness to go with it!

Mr Marshall—It is not outside the lagoon. It is inside the sheltered lagoon waters.

Senator JOYCE—Do you reckon you would get a crowd of 1,000 a year?

Mr Marshall—We do not even get 1,000 tourists here.

Senator JOYCE—Don't you?

Mr Marshall—I do not know the numbers. You are probably looking at 10, 15 or 20 a week. At the present there are not any numbers because they cannot do it.

Senator JOYCE—It sounds like a good idea. Where would these people stay?

Mr Marshall—They are staying on West Island now, but they can come across for the daytrips and then sleep on some of the weekenders these guys have on the islands. That is a developing industry. It is just to give them a bit of worth over here and to keep the traditional stuff going.

Senator JOYCE—Sounds good. Who would be conducting this? You and the Cocos Malay?

Mr Marshall—It would be solely the Cocos Malay, but we would promote through the tourism association that tourists can come across here. They could book the tour through them, come across on the ferry, be picked up here and be totally looked after from there, which is basically an extension of what already happens with the tours we do here with the Malay people.

Senator JOYCE—One of the greatest impediments to tourism in the Indian Ocean Territories is cabotage. That is about carriers like Singapore Airlines and Malaysian Airlines being able to touch down under Australian domestic airline regulation. Is that an impediment for you in developing this tourism idea?

Mr Marshall—The size of the craft is a major issue on the islands.

Senator JOYCE—What would be the cost to come in and do this, roughly?

Mr Marshall—The cost for a tourist to come across and do that?

Senator JOYCE—Yes.

Mr Marshall—I do not know to be honest, but you are probably looking at \$100 or \$150 a day for these guys to do it.

Senator JOYCE—Apart from that, what other ideas do you want to put to the committee?

Mr Marshall—That was really it. I could probably go on forever about tourism!

CHAIR—Mr Marshall, in trying to resolve this or seek the exemption, would it be useful, do you think, to provide the committee with the exchange of correspondence?

Mr Marshall—Yes, that is no problem at all.

CHAIR—Could I ask you to follow up on that and provide that to the committee, because that would help us understand the bureaucratic process you are actually confronted with.

Mr Marshall—I just have not had time to get that together but it is a major issue here. Yes, I can do that. That is no problem at all.

Senator JOYCE—So who are you butting heads with on this idea at the moment? Is it the Western Australian government or the Commonwealth?

Mr Marshall—I do not know to be honest with you. We do not know where anybody is from when they come here. We have the department of planning and infrastructure licensing the personal tickets for the people who drive these boats, and it is AMSA for the survey of the boats and that. We can put that in the submission for you.

CHAIR—I think it might help us get a clear understanding of where that brick wall is for you and hopefully be able to reflect on that.

Mr Marshall—On our behalf it is for the Malay people is not—

CHAIR—I understand that clearly, and it sounds like an excellent example of a quite unique and extraordinary experience that tourists could engage in when coming to the island. So I certainly commend you for your advocacy in that regard.

Ms BURKE—Did you look at some of the remote Indigenous groups who run very similar programs?

Mr Marshall—No, we have not. I think there is a difference here in that the Cocos Island Malay are not indigenous.

Ms BURKE—No, and that is what I am getting at. I think you could look at some of the fishing opportunities that they have, say, off the Northern Territory. They are running a very similar thing on their traditional lands.

CHAIR—They might be able to look at sharing information with you in that regard.

Ms BURKE—I think you will come up again against the thing about not being seen as an indigenous group and therefore not getting some of the same exemptions that you may have gotten otherwise.

Mr Marshall—The problems we have come up against have been with the insurance. It is a fantastic industry.

Ms BURKE—On the wider issue of tourism, and you have not given us a submission, my understanding is that you are associated with the tourist industry.

Mr Marshall—Yes.

Ms BURKE—Is there anything you would like to mention, broadly speaking, about the difficulty of growing a tourism industry. You are sitting on some of the most beautiful islands I have ever come across. People go around the world to see these places. Why aren't they coming here?

Mr Marshall—The airlines are a major issue, and possibly another issue is that we do not know whether the government wants to develop tourism here. I think someone needs to say either 'yes, we do need tourism here' or 'no, it is going to be a RAAF base, a navy base or whatever', because there are a lot of rumours that go around the island. Because a lot of people on the island are passing through and leave after a couple of years—for example, those with government jobs—they may not have the same passion for the tourism industry as the people who own property here and want to develop it. There is certainly an industry here.

Ms BURKE—So the issues of land release and ability to build accommodation are also important?

Mr Marshall—With accommodation it is about the basic services—like electricians and plumbers. The quarantine station at present has five houses. But when the elephants left and went to Taronga the place was just left to go to ruin. We have a construction crew here now who have picked it up and are dealing with it. I suppose looking at that you would suggest that once they go home it will probably all just turn to wrack and ruin again—and my taxes will pay for it to be picked up again later. It is the same with the vegetable farm, Mahoon. It was the same sort of thing.

Ms BURKE—And that has just gone to wrack and ruin too?

Mr Marshall—Yes.

Ms BURKE—Is there anything else generally to mention? Obviously we covered getting the planes here, getting somewhere for them to stay and the bureaucracy. Are there any other things that you see as important to mention?

Mr Marshall—We are probably at a difficult stage because of the chicken and the egg sort of thing. The place probably needs a resort but who is going to fund a resort, especially if the planes are not bringing enough people in here. I think access through to the north is essential for the island to grow—through Singapore, Kuala Lumpur or wherever it may be.

CHAIR—Colleagues, if there are no further questions, I will make a few comments in closing today's public hearing. For the quality of the submissions, and the advocacy not just of the witnesses but of those who have come today to meet with the committee, I would like to say thank you very much. Thank you all for your attendance. A particular thankyou to our final witness, Mr Marshall. We certainly appreciated your presence here. A copy of your evidence will be provided to you so you can make any corrections that are necessary.

Resolved (on motion by **Senator Joyce**):

That this committee authorises publication, including publication on the parliamentary database, of the transcript of the evidence given before it at public hearing this day.

Committee adjourned at 12.15 pm