INDIAN OCEAN TERRITORIES
Regional Development Organisation
Australia

Committee Secretary
Joint Standing Committee on the National Capital and External Territories
PO Box 6021
Parliament House
Canberra ACT 2600

27 January 2021

Dear Committee,

Submission to the Inquiry into economic, social and environmental sustainability in the Indian Ocean Territories

The Indian Ocean Territories (IOT) Regional Development Organisation (RDO) welcomes the opportunity to make a submission to the Joint Standing Committee on the National Capital and External Territories inquiry into economic, social and environmental sustainability in the Indian Ocean Territories.

The role of the RDO is to support the economic development of the Cocos (Keeling) Islands and Christmas Island by working with all levels of government, business and community groups. In undertaking this role, the RDO is conscious of many of the unique challenges and opportunities presented in the IOT, some of which have been amplified during the COVID-19 pandemic.

This is an opportune time to reflect and review on those challenges and barriers, and also on the opportunities that this beautiful region has to offer.

I thank the committee for undertaking this inquiry and look forward to its outcomes.

[redacted]

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About the Indian Ocean Territories

Australia's Indian Ocean Territories (IOT) comprise Christmas Island and the Cocos (Keeling) Islands. Due to their remoteness, climate and topographies, these islands have particular challenges and opportunities.

Christmas Island is located 2,605 km from Perth and 490 kilometres from Jakarta. The island is at the tip of a 5,000 metre submarine volcano. The highest point is 361 metres above sea level. The area of the island is 137.4 km^2, over 60% of which is national park. The island has 1,845 residents. At the 2016 Census, 51% of households reported that a non-English language was spoken at home. Languages spoken include Mandarin, Malay, Cantonese, Min Nan, and Tagalog.[1] The island has extraordinary access to the depths of the ocean and its marine creatures, as well as world-class Ramsar sites. The annual red crab migration is an internationally renowned natural event on Christmas Island between October and January.

The Cocos (Keeling) Islands are located 2,935 km from Perth and 985 km from Christmas Island. They are a group of 27 low-lying coral islands that form two atolls. The total land area is 15.6 km^2. The 545 residents of the Cocos (Keeling) Islands are located on two of the islands: Home Island and West Island. 80% of residents are Cocos Malay and live on Home Island. Cocos Malay, a unique dialect of Malay, is the most common language spoken at Home Island.[2] The remaining population identifies as being of European descent. The Cocos (Keeling) Islands is a tropical environment that encircles turquoise lagoon waters.

The economic drivers of Christmas Island and the Cocos (Keeling) Islands are distinct. Christmas Island's largest private sector employer is the phosphate mine which has a limited working life. The Cocos (Keeling) Islands economy is heavily reliant on Commonwealth funded projects and activities. The IOT has a modest tourism industry with potential for future growth. In a COVID-19 context with constrained international travel, the IOT have proven an attractive destination within the domestic tourism market. However, broader accessibility challenges, limited tourist facilities and elevated travel costs are impediments to sustained growth in tourism.

The region is closer in proximity to our Asian neighbours than to the Australian mainland. The Australian Government underwrites flights to the IOT and has been agile in its response to fluctuating demands—however operational challenges remain with bringing people and freight to the IOT.

About the Regional Development Organisation

Across Australia, Regional Development Australia (RDA) Committees assist with economic development across regions. The RDA program is a national network of committees made up of

[1] Department of Infrastructure, Transport, Regional Development and Communications. (2017). *Christmas Island 2016 Census Data Fact Sheet*. Canberra: Australian Government.
[2] Department of Infrastructure, Transport, Regional Development and Communications. (2017). *Cocos (Keeling) Islands 2016 Census Data Fact Sheet*. Canberra: Australian Government.

local leaders who work with all levels of government, business and community groups to support the economic development of their regions.

The Indian Ocean Territories Regional Development Organisation (RDO) is part of the RDA network. The RDO committee is a group of community volunteers drawn from the public, private and not-for-profit sectors who represent the two communities of Christmas Island and the Cocos (Keeling) Islands. Its objective is to facilitate and promote economic development in the IOT. In undertaking this role, the RDO is conscious of the IOT's unique challenges and opportunities.

The RDO committee is chaired by Mrs. Natasha Griggs, the Administrator of Christmas Island and the Cocos (Keeling) Islands who is the most senior Commonwealth Government representative residing in the IOT. The vision for the IOT region, captured in the Strategic Plans for Christmas Island and the Cocos (Keeling) Islands which were developed by the RDO and endorsed by the Australian Government, is to be sustainable and to ensure a high living standard for all who live here.

Executive Summary

A resilient and sustainable IOT can be defined as one that is viable in the long term.

Christmas Island (hereafter CI) and the Cocos (Keeling) Islands (hereafter CKI) face specific challenges and opportunities to sustainability, as explored in the submission below. Where possible, the RDO seeks sustainability through integrated solutions, rather than fragmented approaches that might meet one goal while ignoring others.

It is vital that the Australian Government continue to work with local government, the private sector and community organisations in the region to implement, where appropriate to current circumstances, the actions recommended in the *Our Christmas Island 2030 Strategic Plan* and the *Our Cocos (Keeling) Islands 2030 Strategic Plan* produced by the RDO.

The RDO acknowledges the generous financial support of the Australian Government to the maintenance and development of the IOT over many years and, most recently, the support of the Hon Nola Marino MP, Assistant Minister for Regional Development and Territories, during the COVID-19 pandemic.

It is recognised that realising the Department of Infrastructure, Transport, Regional Development and Communication's (hereafter DITRDC) aspiration for the IOT communities to have comparable services and essential infrastructure to mainland Australia is expensive and challenging. For this reason, recommendations for enhancing the sustainability of the IOT need to be cost-effective and practical.

Term of Reference 1: The RDO encourages innovation and investment to address sustainability challenges. Within this submission it is recommended that the Australian Government:

- support the preparation and development of an IOT Best Practice Waste Management Strategy;
- work with local government and the private sector to support the shipping of scrap metal from the IOT for recycling;
- support initiatives aimed at reducing and recycling plastic marine debris from the IOT;
- continue to work with the UN system to reduce marine debris globally and particularly in the Indian Ocean;
- commit to converting power generation in the IOT from diesel to green energy, especially solar power;
- support incentive programs to increase the take-up of green energy initiatives at the residential and business levels, potentially in the form of cash incentives to reduce the initial cost of installing solar energy technology;
- become an early adopter in the IOT in converting its facilities and public housing to green energy; and
- continue to work with the Shire of CKI to control erosion, taking into account the recommendations of the *Cocos (Keeling) Islands Coastal Vulnerability Assessment* currently underway.

Term of Reference 2: Investments in education and research is vital to the future sustainability of the IOT. In support of this, the RDO would recommend:

- that, subject to the findings of the business case funded by the Australian Government

currently underway, Research Centre(s) and complementary visitor centres be established in the IOT in partnership with Australian and international research bodies.

Term of Reference 3: contribution from the IOT community to citizen science is strong. Providing frameworks to capitalise on this contribution will have employment and education benefits. The RDO recommends that:

- the Australian Government support the establishment of the Junior Ranger Program on CI by Parks Australia and its extension to the CKI in due course;
- investment in education, apprenticeships and vocational training opportunities are aligned with proposals for industries with growth potential in the IOT, such as hospitality and environmental sciences; and
- the initiatives resulting from the establishment of the *Business Innovator and Entrepreneur Networks* are supported by Australian Government, local government and the private sector.

Term of Reference 4: The RDO recognises the vital link between sustainability and socially responsible development. The RDO recommends that:

- both the Australian and local government make more land available for commercial and non-commercial agriculture, including community gardens; and
- support is given to initiatives for local agricultural developments, including establishing a "farmers market" on CI and CKI to enable the sale of home-grown produce.

Term of Reference 5: Strengthening and diversifying the IOT economies is core to the business of the RDO. In support of this the RDO recommends that:

- the merits of removing cabotage restrictions on international flights to the IOT to increase tourism from overseas is reconsidered by the Australian Government (post COVID-19);
- measures to increase shipping competition for the IOT to reduce the high cost of freight are explored;
- the Australian Government and Shire of CKI explore scope for further release of land on CKI for development with respect to both Crown Land and land held in trust;
- the timeframes of the *Christmas Island Strategic Assessment* are accelerated and articulated to enable development planning and investor confidence;
- the Australian Government produce information resources regarding development approval processes, with supporting materials for potential domestic and foreign investors in the IOT;
- the Australian Government and local government prepare a strategy for addressing derelict buildings in the IOT, noting heritage issues;
- the continued renewal, upgrade and extension of water, sewage and electrical services to the IOT communities is sufficient to accommodate foreseeable increases in population; and
- that the lack of home insurance availability on CKI, due to market failure, be addressed by the Australian Government.

Responses to the Terms of Reference

1. **Encouraging innovation and investment that addresses sustainability challenges and provides economic opportunities. This could include innovative approaches to waste management, and capitalising on the unique environmental qualities that represent the marketing and strategic advantage of the Islands in the long term.**

Sustainability challenges in the IOT are multi-faceted. The RDO would like to specifically address waste management, the prevalence of plastic marine debris, energy production and erosion management. Responding to these challenges in a remote location requires innovative approaches, and if done correctly could provide economic opportunities. However, there is little room for trial and error given the associated costs with bringing expertise and equipment to the IOT. Research and planning for sound solutions will inform both the type and scale of investment required to ensure a sustainable IOT.

<u>Waste Management</u>

Waste management in the IOT differs between CKI and CI.

- The Shire of CKI maintains recycling initiatives including the use of crushed glass as road base and the collection, crushing and shipping of aluminium cans to the mainland for recycling. While this is a costly exercise, CKI does not maintain landfill and the recycling initiatives ultimately reduce the amount of waste requiring incineration.
- The Shire of CI maintains a landfill, but does not currently operate waste minimisation or recycling strategies.

Local innovation is taking place in the form of small business initiatives. On CKI, plastic waste has been used to create artwork for sale in the local Big Barge Art Centre. Similarly, Eco Crab Industries on CI offers small-scale local plastic recycling to create items such as tables, chairs and boardwalk planks for community use.

However, many of these initiatives are not scalable to the waste management requirements of the IOT and should not detract from the urgency of identifying and implementing actions to support waste minimisation and local recycling of plastics, paper and glass.

Australian Government solutions to specific waste management problems are welcomed by the RDO. This includes the introduction of new laws in 2019 to allow asbestos to be removed from the IOT for disposal on mainland Australia.

There are opportunities when considering waste of potential value, including scrap metal (abandoned vehicles and machinery) and aluminium collection. Consideration should be given to leveraging current shipping and freight arrangements to include consignments for the shipment of metal for recycling.

These challenges are recognised in the *Our Christmas Island 2030 Strategic Plan* and *Our Cocos (Keeling) Islands 2030 Strategic Plan* (hereafter the Strategic Plans). The Strategic Plans, which were commissioned by the RDO on behalf of the Australian Government, call for the development of a best practice waste strategy for the IOT within three years. The goal is to achieve excellence in waste avoidance, reduction, and recycling, and to establish waste management initiatives that will have positive impacts globally.

It is recommended that the Australian Government:

- support the preparation and development of an IOT Best Practice Waste Management Strategy; and
- work with local government and the private sector to support the shipping of scrap metal for recycling.

Plastic marine debris

Both CKI and CI suffer from plastic marine debris. The strong currents and geographical locations mean that significant plastic waste is found in the waters and deposited on shores of the IOT. This has a detrimental environmental impact, impeding local turtle populations and other marine life, as well as causing harm to the tourism sector.

The IOT is uniquely placed to measure and provide some account of the enormity of the problem of plastic marine debris. Local efforts to remove this debris are to be commended and demonstrate the value of proactive IOT communities as part of the solution. Coordinated clean-ups have included initiatives undertaken by Sea Shepherd Australia on CKI, community and business groups across the IOT, and in collaboration with Commonwealth Government employees posted to the region.

In November 2020 the RDO commenced an agreement with the University of Western Australia Oceans Institute to research plastic pollution management on the CKI. While the research will take place on CKI, the report (due March 2021) will likely be applicable to plastic management on CI.

This agreement, sponsored by the Shire of CKI, is a positive step in encouraging an innovative approach to plastic waste management in the region. It also demonstrates how these projects can be progressed in concert with educational institutes, local government and with community support.

The RDO acknowledges that this is a global environmental issue. While there are positive efforts to provide improvements to the local environment, the sheer magnitude of plastic marine debris deposited in the IOT requires a coordinated, funded and resourced Australian Government response. Leveraging efforts already underway by the Australian Government and other international forums should be considered.

It is recommended that the Australian Government:

- support initiatives aimed at reducing and recycling plastic marine debris from the IOT; and
- continue to work with the UN system to reduce marine debris globally and particularly in the Indian Ocean.

Energy production

The Strategic Plans for the region identified that the IOT communities are seeking to have the majority of their energy requirements met via renewable sources by 2030. This has been recognised by the Australian Government with a commitment to boost renewable energy production in the IOT through an approach to market for a solar power generation plant.

One local provider, Island Power, was recently awarded funding from the Remote Communities Reliability Fund to undertake detailed technical and financial studies on renewable energy

microgrids at CI and the CKI.

As these initiatives are realised, the IOT will benefit not only from affordable and renewable energy, but also from local employment opportunities and improved infrastructure in the longer term. The shipping of diesel for energy production is costly and has layered negative environmental impacts. Initiatives to reduce dependence on diesel energy production will also serve to ensure the ongoing sustainability of the community, regardless of the population's energy requirements.

The RDO notes the Renewable Energy Benefits Scheme (the Scheme) in the IOT was amended in December of 2018 to reduce impediments and revitalise interest in solar energy. However, there are a number of properties throughout the IOT that are owned and managed by the Australian Government which have not participated in the Scheme.

It is recommended that the Australian Government:

- commit to converting power generation in the IOT from diesel to green energy, especially solar power;
- support incentive programs to increase the take-up of green energy initiatives at the residential and business levels, potentially in the form of cash incentives to reduce the initial cost of installing solar energy technology; and
- become an early adopter in the IOT in converting its facilities and public housing to green energy.

<u>Erosion, rising sea levels and rockfall</u>

While presenting some of the most unique and beautiful environments, both CKI and CI have specific challenges to the safe and enduring use and development of their land.

CKI is subject to seasonal and storm erosion and coastal inundation, requiring sand management and impacting confidence in the long-term sustainability of vulnerable areas of the islands. This is a long-known and much reported issue and has been subject to various mitigations supported by both the Shire of CKI and the Australian Government.

Erosion and coastal inundation are an identified risk in the *Our Cocos (Keeling) Islands 2030 Strategic Plan*. The DITRDC has most-recently commissioned a study and associated report*, the Cocos (Keeling) Islands Coastal Vulnerability Assessment*. At the time of writing this submission, the report was not yet finalised.

Acknowledging this will be a perennial issue, consideration should be given to providing support, financial or otherwise, to the long-term management of erosion and rising sea levels in CKI.

At the other end of the spectrum, CI is subject to continued risk of rockfall owing to its unique terrain. This matter has also been the subject of multiple studies and remediation efforts; the current mitigation provided by the Australian Government includes significant upgrade of rockfall fencing around Flying Fish Cove, which the RDO welcomes.

Recommendation

- It is recommended that the Australian Government continue to work with the Shire of CKI to continue to control erosion on CKI, taking into account the recommendations of the *Cocos (Keeling) Islands Coastal Vulnerability Assessment* currently underway.

2. Building on investments in education and research by encouraging partnerships across the IOT with local, mainland and international organisations with an education, research, biodiversity or sustainability focus to drive investment and innovative economic outcomes.

As identified in the *Our Christmas Island 2030 Strategic Plan*, the IOT present significant, yet currently untapped, opportunities to Australia's academic sector. The proximity to South East Asia, diverse language skills, rich culture of communities and unique ecosystems would make the IOT an attractive academic home for international students, marine researchers and environmental science experts alike.

However, a lack of infrastructure in the IOT limits long-term partnering with academic institutes, thereby limiting future economic investment. While independent researchers visit the IOT to support their academic pursuits, there is little opportunity for the IOT to capitalise on these instances given their relatively small scale.

IOT Research and Visitor Centres

In response, DITRDC has begun preparations to deliver an initial business case on the viability of developing a scientific IOT Research Centre on Christmas Island.

The RDO delivered a position paper to the Research Centre Working Group responsible for finalising the terms of reference for selecting a consultant to prepare the initial business case. The RDO position paper set out many recommendations which, if applied broadly, would see greater investment in the region as a whole.

The recommendations included exploring the feasibility of establishing the IOT Research Centres and programmes on both CI and CKI (rather than just CI) and maximising the economic benefits through using existing workforces, facilities and equipment. Further, there remains potential to leverage investments in education and research to attract tourism through the establishment of complementary visitor centres.

The focus on developing Research Centres is welcomed, although it is acknowledged that as a result of the COVID-19 pandemic the international student cadre of Australian Universities is significantly diminished. Should the business case demonstrate viability in developing Research Centres, this will go some way in attracting future interest from academic institutes once these markets open again. Partnering with academic institutes in the region could be undertaken on a cost-recovery basis for the initial outlay of the centre.

Recommendation

- It is recommended that, subject to the findings of the business case funded by the Australian Government currently underway, Research Centre(s) and complementary visitor centres be established in the IOT in partnership with Australian and international research bodies.

3. Identifying how the community can contribute to citizen science, and capitalise on jobs flowing from government investment, including in education and research.

Citizen science

Community contribution to citizen science takes place across multiple forums in the IOT; from tracking whale sharks and lizard populations to multiple marine debris projects. Parks Australia hosts a significant portion of these programs and markets them via social media.

Recent work in plastic collection and reporting by Sea Shepherd Australia on CKI demonstrated the value of collaborative efforts to collect data on marine plastic issues, and also the wealth of community contribution to citizen science in the region. The Commonwealth Scientific and Industrial Research Organisation (CSIRO) maintains a national marine debris database and participates in multiple forums regarding this issue. There is apparent potential to leverage CSIRO focus on marine debris to develop specific programs of citizen science across the IOT.

Separately, in September 2020, Parks Australia proposed to introduce a school-wide Junior Ranger Program with classroom and field activities through Christmas Island District School (combined primary and secondary school). There is potential for a Senior School Program to be endorsed to contribute to graduation. In the longer term, there is also potential for pre-TAFE accreditation to create employment pathways for young adults. If successful, this program would offer not only educational pathways but also open potential career opportunities as future investment in education and research in the IOT increases.

In order to capitalise on jobs flowing from investment in education and research, the provision of formal training in science disciplines will need to be a priority. If adopted in its entirety, the Junior Ranger Program would go some way to achieving this. If successful, adaption of the junior ranger program to CKI could be explored.

Recommendation

- It is recommended the Australian Government support the establishment of the Junior Ranger Program on CI by Parks Australia and its extension to the CKI in due course.

Training and career pathways

Further to the development of academic research facilities, the RDO is conscious that innovative investment in education should also address the employment needs of future economic drivers in the IOT. Training for the IOT is currently funded by the Australian Government and delivered via the Indian Ocean Group Training Association — providing nationally accredited training, employment and apprenticeship opportunities. The IOGTA is catering to the training needs of the IOT today.

As the future of the phosphate mining industry is finite, so too are the many career opportunities associated with it. Innovative investment in local educational and career pathways is required to ensure the communities of the IOT are “future-proofed” for a time without mining. This is also supported by Christmas Island Phosphate’s proposed eco-tourism resort.

Separately, the Australian Government has funded the establishment of a Business Innovator and Entrepreneur Network in the IOT. This will provide advocacy, training and networking opportunities to local businesses and entrepreneurs.

It is recommended that:

- investment in education, apprenticeships and vocational training opportunities are aligned with proposals for industries with potential to grow in the IOT, such as hospitality and environmental sciences; and
- the initiatives resulting from the establishment of the *Business Innovator and Entrepreneur Networks* are supported by Australian Government and local government.

4. Socially responsible development that addresses the social impact of cost of living and geographic isolation; and supports community needs and aspirations.

The geographic isolation of the IOT has multiple negative impacts. Elevated costs remain a detractor to living in the IOT and adds to the relatively high cost to would-be tourists. Geographic isolation can also be expressed in terms of accessibility, which can fluctuate on flight and shipping availability which can be weather dependent.

The geographic distance of the IOT from Australia mean that access is limited and costly, and this flows on to a higher cost of living. The geographic isolation of the IOT contributes to the cost of air-freighting produce. Current rates range from $8.10 - $9.30 per kilo freighted, depending on the priority assigned to the cargo. The most recent Indian Ocean Territories Price Index (2019), which compares the cost of buying a basket of goods in Perth to the cost of buying the same items in the IOT, places the overall cost of purchasing the basket of goods and services in Christmas Island in 2019 at 21.6 per cent higher than Perth. In Cocos (Keeling) Islands the cost was 45.1 per cent higher than Perth. Unaddressed, shortages of fresh fruit and vegetables also has the potential to detrimentally impact community health and wellbeing.

<u>Affordable fresh produce</u>

Within CKI the Cocos Island Cooperative provides a range of services for the businesses and residents including retail, hospitality and logistics. Having these services under one umbrella provides confidence in food availability during fluctuations to the population size.

On CI the agricultural endeavour, Hidden Garden, seeks to become a reliable source of fresh fruit and vegetables for the local community. Strongly founded in the principles of sustainable practices, this business has benefited from the provision of Crown land to enable commercial farming. The yield from Hidden Garden and the benefits to the community continue to grow. Hidden Garden also explores solutions to some of the natural impediments to agriculture in the region, including poor soil quality and agricultural pests.

The RDO recognises that many communities of the IOT maintain their own food gardens and participate in local, small-scale, trade of fresh produce. The RDO considers these gardens and micro-markets complementary to larger scale efforts for sustainability.

It is recommended that:

- both the Australian and local government make more land available for commercial and non-commercial agriculture, including community gardens; and
- support is given to initiatives for local agricultural developments, including establishing a “farmers market” on CI and CKI to enable the sale of home-grown produce.

Shipping and air freight

Air services between the IOT and mainland Australia are underwritten by the Australian Government as they are not considered commercially viable. There is no domestic market competition and fluctuations in demand result in pressures on freighting goods into the IOT.

Shipping freight to the IOT is similarly restricted through lack of competition. Previous Parliamentary inquiries have noted that there may not be sufficient demand in the region to support a significant expansion of shipping services to a second provider.

The RDO recognises that similar recommendations have been made in previous inquiries and related reports with limited support. However, market conditions have not improved within the current regime of regulations and the costs of freight are increasing. Given these factors, the RDO considers this matter worth revisiting.

It is recommended that:

- the merits of removing cabotage restrictions on international flights to the IOT to increase tourism from overseas is reconsidered by the Australian Government (post COVID-19); and
- measures to increase shipping competition for the IOT to reduce the high cost of freight are explored.

5. Strengthening and diversifying the IOT economies; and identifying future infrastructure needs to support sustainable economic growth.

The beginning of this submission proposed that a sustainable IOT can be defined as one that is viable in the long term. This is particularly true when considering the economic sustainability of the region.

Land release and development

Cocos (Keeling) Islands

There is currently a proposal for a resort development on Direction Island by Cocos Boronia Resort Pty Ltd. The development includes the construction of land and over-water villas, as well as resort facilities. While the land on Direction Island is held by the Cocos Keeling Islands Land Trust, and the Shire of Cocos (Keeling) Islands Council is the trustee, the overwater component is Crown land. For a proponent, navigating these separate land acquisitions is an additional step in an already complicated process.

Additionally, the *Our Cocos (Keeling) Islands 2030 Strategic Plan* noted a requirement to review Crown Land on West Island to determine if any lots are available for development.

Christmas Island

Phosphate Resources Limited (PRL) is Christmas Island's major private sector employer, conducting phosphate mining and also operating subsidiary companies; Indian Ocean Oil Company, Christmas Island Maintenance Services and Indian Ocean Stevedores. However, phosphate markets have shown signs of contracting; PRL is now only extracting stockpiles and its existing lease is slated to end in 2034. In an effort to further diversify their economic interests PRL have initiated a proposal for a major Eco Resort on CI.

To preserve the environment of CI, while also supporting economic development, the Australian Government agreed in early 2019 to conduct the Christmas Island Strategic Assessment.

The strategic assessment will reduce red tape by considering federal and state environmental concerns in a single assessment process and will support initiatives being undertaken to facilitate economic activity and a sustainable economy, including releasing Crown land for commercial and residential development. However, there is currently limited public information around the timeframes of the strategic assessment being completed.

It is recommended that:

- the Australian Government and the Shire of CKI explore scope for further release of land on CKI for development with respect to both Crown Land and land held in trust;
- the timeframes of the Christmas Island Strategic Assessment are accelerated and articulated to enable development planning and investor confidence.

Development approval processes

Separate to land use and release issues detailed above, it is noted that development approval processes are complex in the IOT and are not clearly articulated in any one source for use by potential investors and developers.

This also applies when considering the number of derelict buildings present on CI, and to a lesser degree on CKI. The development, refurbishment or disposal of some these buildings is problematic given complex heritage and development approvals. This has resulted in a number of sites being left with no maintenance or plans for development.

It is recommended that:

- the Australian Government produce information resources regarding development approval processes, with supporting materials for potential domestic and foreign investors in the IOT; and
- the Australian Government and local government prepare a strategy for managing derelict buildings in the IOT, noting heritage issues.

Infrastructure maintenance and development

The delivery of water, sewage and electricity to CKI and CI has come under increasing pressure. The ability to maintain these services during any substantial increase in the population needs to be reviewed. Aging infrastructure and capacity limitations will remain, and any support to sustainable growth will need to consider the upgrade and/or extension of this infrastructure.

Recommendation:

- the continued renewal, upgrade and extension of water, sewage and electrical services to the IOT communities is sufficient to accommodate foreseeable increases in population.

Insurance availability

While areas of mainland Australia grapple with making insurance affordable, a key issue for the economic sustainability of the IOT is to make insurance available. Currently, there is limited insurance available on CI and CKI. This impacts the full spectrum of economic drivers from home owners to major business holders and developers.

This matter has been explored in previous inquiries, and was raised in the Committee's *Report on the visit to the Indian Ocean Territories, 21-25 October 2012*. In that report, the then Committee recommended the Australian Government urgently address the insurance problems facing the communities of the Indian Ocean Territories, if necessary by investigating the provision of insurance to those communities. At that time the recommendation was not supported by the Australian Government, citing a number of remote communities experiencing similar issues of insurance affordability and availability, and considering the issue to be market-driven. The Australian Government response also noted that in similar situations some communities have engaged in cooperative action to gain access to insurance and increase coverage.

In November 2020 the Australian Competition and Consumer Commission issued its *Northern Australia Insurance Inquiry Final Report*. It should be noted that despite its geographical position the IOT are not considered to be part of Northern Australia by the Australian Government and so fell outside of scope for this Inquiry. Although out of scope, DITRDC provided a submission to this inquiry regarding the IOT. The RDO would commend this submission to the Committee.

Recommendation:

- It is recommended that the lack of home insurance availability on CKI, due to market failure, be addressed by the Australian Government.