



Christmas Island Tourism Association

Submission to the Joint Standing Committee on the National Capital and External Territories on Matters of Mutual Interest

**Public Hearing
24 October 2012**



Christmas Island

A Natural Wonder



Introduction

Christmas Island is branded as a natural wonder and together with the Cocos (Keeling) Islands form the jewels of the Indian Ocean.

The Christmas Island Tourism Association's (CITA) vision for Christmas Island is to be recognised as an eco- friendly, unspoiled and culturally rich island providing a unique, quality tourism offer. This can be achieved by offering a diverse range of natural and cultural experiences, fostering local business opportunities, protecting natural and cultural assets and contributing to a vibrant, sustainable economy.

The attributes of the ideal visitor for Christmas Island are strongly aligned with those of Tourism Australia's 'experience seeker' target market segment. Experience seekers are well-travelled, they value authentic and personal experiences and enjoy interacting with locals. Experience seekers represent around 26-50 per cent of tourists from Australia's target market¹. This illustrates the opportunity for Christmas Island tourism to grow.

Challenges

The tourism industry faces many challenges. Locally, immigration activities continue to place pressure on services and people, generate negative press and devalue the input of tourism to the economy and community. On a broader scale the ongoing global and Australian economic situation, the high Australian dollar and climate change also puts pressure on the tourist sector.

CITA has no control and little influence over most of these challenges. But this is not the time to give up and withdraw funding and support for tourism. This is the time to look for and use the opportunities that these challenges bring.

Recent Significant Achievements

The recent collaboration with the Australian Government, through the Department of Regional Australia and Parks Australia, and the Cocos Keeling Islands Tourism Association (CKITA) for the production of the Australian Geographic DVD is a case in point. The DVD was included in the May-June 2012 Australian Geographic magazine, was shown on Australian TV and is available from the Visitors Information Centre. The footage has now been sold into Europe. The investment of \$300,000 has reaped at least \$3.3m worth of exposure from the Australian geographic networks. Global TV exposure has not been quantified. Some recent visitors have said that the DVD influenced their decision to travel to the Indian Ocean Territories. It is expected that the

¹ Source http://www.tourism.australia.com/en-au/downloads/marketing_experience_factsheet.pdf





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Indian Ocean Territories will continue to reap the benefits of this initiative for many years. David Attenborough's *Trials of Life* documentary was made in 1990 and it still brings tourists to the island after over 20 years.

Greater media exposure has led to segments on mainstream media emphasising, 'the other side of Christmas Island' In September Weekend Sunrise showcased Christmas Island gaining an Australia wide audience. Christmas Island was featured in the Sydney Morning Herald travel segment on 20 October 2012. Following this article CITA has received enquiries from people in Australia and in Singapore.

Part of the destination marketing strategy is to create opportunities presented by the modern 'word of mouth' networks of social media. Many tourists choose destinations based on word of mouth and recommendations from family and friends. CITA operates a website, facebook, twitter, youtube channel and google plus and has contributed to an iphone app. Facebook alone reached over 38,000 people located in Australia, Asia, North America and Europe in September 2012.

Christmas Island's first iphone app, Christmas Island Birds, has been developed by Parks Australia with support from CITA. "You can see and hear forest and seabirds everywhere on the island, many of them found nowhere else in the world. This new iPhone guide features their images, calls and habitats and will help visitors to experience the birdlife first hand," explained Mike Misso, Manager of Christmas Island National Park launch at the opening dinner of the 2012 Bird'n'Nature Week in September.

CITA and the Cocos Keeling Islands Tourist Association are moving further into the digital world and implementing an online booking system for tours, accommodation and other services. This will be released shortly. It is anticipated the system will generate additional business by simplifying the booking process and attracting the on-line savvy traveller and shopper.

The Future

Looking forward, there is much to be done to further develop a sustainable tourism industry and this can only be achieved by working together with a common purpose and vision.

The immediate challenge is to attract sufficient tourists to ensure that tour operators and other small business reliant on tourism remain viable. The fly-in fly-out workforce does not significantly contribute to these businesses. Ongoing destination marketing and events such as Bird'n'Nature Week, the visiting schools programs, the World Yacht Rally support this aim.





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The longer term challenge is to continue building capacity, skills, and infrastructure so that tourism can grow and step into the gaps that will be left by the reduction in immigration activities and mining. It is recognised that tourism cannot replace the economic contribution of immigration activities and mining, and other industries are needed to transition to a diversified post-mining and reduced-immigration economy.

Development of other industries is beyond the scope of CITA but it is important that new industries should be environmentally and culturally sustainable and not detrimental to tourism.

The following issues are viewed through a local perspective but can only be addressed through collaboration, partnerships and strategic alliances amongst the stakeholders to achieve the best possible outcomes. These stakeholders include CITA, Governments, non-government agencies and private enterprise. These stakeholders have a range of responsibilities, capabilities and resources, which must be harnessed if the economic and social contribution from tourism on Christmas Island is to reach its potential.

The Issues

Access

Tourism relies on access. Christmas Island is now well serviced by passenger and freight flights linking Christmas Island, Perth and the Cocos (Keeling) Islands. Should immigration activity decline there is a real threat that the frequency of services may also decline, this will have a negative impact on tourism. Since April 2010, the passenger service has been operated by Virgin Australia and underwritten by the Australian Government under a three-year contract with an option to extend for two years. In the year prior to awarding this contract there was uncertainty surrounding air services, which created a loss of confidence amongst wholesalers and travellers dealing with Christmas Island. This loss of confidence had long term and severe impacts resulting in loss of business, which are still being felt today. With the impending expiration of the initial term, it is timely to raise this now to ensure any changes to airline services are managed to minimise disruptions. It is preferable if the option to extend the contract was exercised.

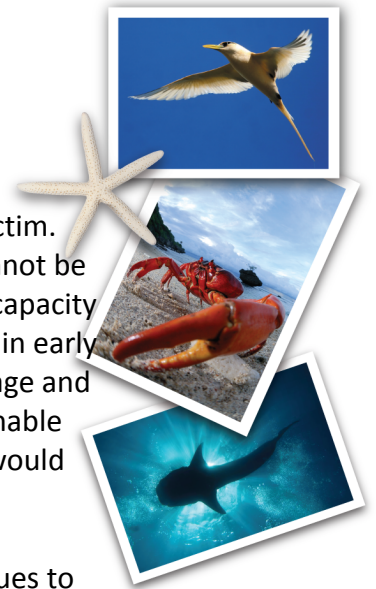
An ongoing issue affecting scheduling and logistics for this service is the lack of aviation fuel storage facilities on Christmas Island. Due to increased aviation activity, airline fuel is now running low within weeks of being delivered. During the swell season (November to April) delivery is often delayed due to poor sea conditions in the port. Lack of aviation fuel affects the normal scheduling of the Virgin Australia services to both Christmas and the Cocos (Keeling) Islands and impacts on passenger and baggage loading. In some cases passengers and/or baggage are being offloaded. It is generally the passengers on the cheapest fares who are affected. Tourists who book in





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advance to try and access these economical seats are the first to fall victim. Again, this creates issues for the industry if basic access for tourists cannot be guaranteed. It is noted that a tender to increase aviation fuel storage capacity on Christmas Island was released on 17 October 2012 with completion in early 2014. This will not assist the situation now. Increased temporary storage and improvements to the alternate loading facility at Ma Chor Nui Nui to enable cargo, including aviation fuel, to be unloaded during the swell season would further mitigate the risk of running low on fuel.

A northern flight is critical to the development of tourism. CITA continues to develop markets to the north, which support the flight and current operator. However, uncertainties surrounding the continued operations affect the confidence of the travelling public and the wholesalers in Asia, Europe and North America and it is difficult to build stable itineraries. CITA encourages all stakeholders to examine the options to secure a regular air route with Asia.

Accommodation

The growth of tourism is constrained by the availability of beds. CITA supports the growth of small to medium developments. Experience has shown that a large singular development has not been sustainable. Large developments do not meet the needs of the target market, may devalue Christmas Island's competitive advantage such as authentic natural and cultural experiences and interactions with locals and may not spread the wealth throughout the Christmas Island economy.

The Australian Government has tried to address the availability of beds through the release of land at a site known as 'the Chicken Farm' for the development of a medium sized nature based resort. There are many complex reasons why this resort has not proceeded. CITA urges the Australian Government, the Shire of Christmas Island and the proponent to work through the issues and reach a conclusion, as a matter of priority.

The Shire of Christmas Island has released land at the Cocos Padang for a new resort style development. It is understood that commencement of building work has been delayed awaiting documentation from the Department of Regional Australia. CITA urges the Australian Government to resolve any outstanding issues to enable the work to commence, as a matter of urgency.

These developments are consistent with CITA's vision, endorsed in the 2008 destination development report² and are essential to diversify and develop the industry.

The Christmas Island National Park covers around 63% of the Christmas Island land mass and extends into the ocean. The National Park is a significant

² Christmas Island Destination Development Report 2008, Planning For People





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tourism asset, which also supports and sustains the unique Christmas Island ecosystem and contributes to community wellbeing. Anecdotally, most visitors to Christmas Island visit the National Park. CITA supports further investment and innovation in visitor services, including trails, accommodation and conservation/educational tourism to enable the National Park to fully engage in the tourist sector. This may in turn provide income to the National Park. CITA encourages developments and activities, which are sensitive to the environmental and cultural values of the National Park.



Telecommunications

With the increased engagement in social media and online delivery of services by CITA there is an increased need for effective broadband. The global proliferation of smart phones and the desire for visitors to be instantly connected with friends, family and workplaces highlights the need for effective telecommunication networks. The National Broadband Network is scheduled for rollout in the Indian Ocean Territories in 2015. This will partly address this issue. However, access to 3G/4G phone networks will still not be available. A strategy to access these commercial networks needs to be developed. This would not only benefit tourism but also the broader community and help in the attraction of knowledge based industries to Christmas Island.

Economic Development Arrangements

The Minister for Regional Australia has recently endorsed the establishment of the Regional Development Organisation Inc (RDO). The role, responsibilities and objectives of this organisation have not yet been publicly released. In discussions with the Economic Development Officer it was indicated there could be crossovers with existing organisations and potentially duplication of services, including tourism related. Duplication of services is not an efficient nor cost effective use of limited resources. We at CITA have become increasingly frustrated in dealing with the economic development bodies and believe that outcomes have been compromised and energy and resources wasted due to a lack of real and effective engagement. Community input reflected in several reports related to tourism has been disregarded and in some cases a 'new vision for tourism development' has been used as justification for seeking other, non-community supported projects.

It is hoped that the RDO will take a fresh approach and will seek to develop its own niche and work collaboratively with existing stakeholders without seeking control. The role of the RDO could include attracting new investment, identifying and developing the conditions for new and existing industries and businesses to grow, facilitating partnerships and developing strategies to build local capacity and skills. Some of these will necessarily involve tourism and CITA should be involved. It takes many people, ideas, resources and energy to develop and implement solutions and deliver robust outcomes, which support resilient communities and a strong economic base.





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Casino License

A benefit of the increased immigration activity is the reopening of the Christmas Island Resort and the sale and refurbishment of the Poon Saan flats. These facilities are mainly used to accommodate staff involved in immigration activities. CITA is aware that the Resort owner may apply for a Casino license. This Resort operated as a casino between 1994 and 1998. The Resort/Casino did not provide longevity or sustainability for the tourism industry and was not able to underpin other developments. It was only when the Resort closed that other operators were able to establish small but sustainable tourism operations. The report *Risky Business*³ provides additional background.

CITA supports a diversified economy and a diversified tourism product. However, there is an inherent danger of relying on one operator, attraction or event to underpin the tourism industry. A Casino would not be the key driver for tourism on Christmas Island and care must be taken to ensure that the development of tourism is not stalled pending consideration of a license nor cease if a license is granted. Although a functioning, refurbished and vibrant Casino/Resort could enhance the tourism offering and support conferences and events. It is expected that the social and economic impacts, a cost benefit analysis and thorough community consultation would occur as part of any assessment process for granting a license.

Cultural Change

Tourism is a people business. Skilled, passionate people who understand and value tourism are the key to ongoing success. CITA supports the continuing efforts of the Christmas Island District High School, the Indian Ocean Group Training Association and the Small Business Development Corporation to develop skills and pathways, particularly for people directly and indirectly engaged in tourism. However, more work is required to develop a strong tourism culture within the community and stakeholders. Such a culture would strive to improve service standards, improve infrastructure, create innovative business opportunities and beautify streetscapes. These goals facilitate tourism but also build and develop resilient communities. The paradigm shift from a mining town to a diversified economy requires visionary leadership. CITA can support the leadership cohort (Administrator, Department of Regional Australia, Shire of Christmas Island) in this endeavour.

Leadership has been shown in the development of the Gaze Rd Master Plan. However, the opportunity to embed and embrace Christmas Island architecture, environment, cultures and history has not been fully realised.

³ The Parliament of the Commonwealth of Australia, Inquiry into the tender process followed in the sale of the Christmas Island Casino and Resort, Joint Standing Committee on the National Capital and External Territories, September 2001 Canberra





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Further work is required to ensure that this tourism, commercial and residential precinct engenders pride in Christmas Island in a functional and creative way. The Fossil Fish Sculpture in the Tea Gardens (Police Padang) will soon be joined by a mosaic seat, which will celebrate the Christmas Island environment and provide a place for residents and visitors to relax. CITA supports Arts and Culture Christmas Island in these endeavours.

Across the world food plays an important role in tourism development, growth and influences a tourist's experience. Access to fresh, quality and affordable food is an ongoing challenge for Christmas Island. There are a number of restaurants/bars, cafes and shops at the commercial centres and at the Christmas Island Resort. Fresh, seasonal fruit and vegetables are now being grown on-island. Locally caught fresh and smoked fish is commercially available. Yet visitors are often challenged to find a meal, snack or drink or to buy fresh food. Some of the reasons may include: problems in the supply and distribution chain; opening hours, which do not cater for tourists; a focus on servicing the short term workforce and residents; inconsistency of product and services and lack of a culture to buy local produce. There are no easy solutions. However a maturation of the industry is critical for tourism and to support long-term viability of existing and new businesses.

Conclusion

A common thread weaving through these issues is the need to work together in seeking and implementing solutions to enable tourism to fully engage in the life of the Indian Ocean Territories.

And a final thought about tourism found on Trip Advisor, "We were sad to leave after just a few days! CI isn't for everyone, its no glamorous destination but we loved it. Thank you."⁴



⁴ Review of Sunset Hotel by Serenity Images on 5 September 2011.

