

**JOINT STANDING COMMITTEE ON THE  
NATIONAL CAPITAL AND EXTERNAL TERRITORIES**

Inquiry into the changing economic environment in the Indian Ocean Territories

Chair: Senator Kate Lundy

## Indian Ocean Territories Economic Reform

Federal Parliament's External Territories committee today presented its report on the Inquiry into the changing economic environment in the Indian Ocean Territories (IOTs).

Senator Lundy, Committee Chair said "The report highlights the economic challenges associated with diversifying and developing sustainable economies in the Indian Ocean Territories with a focus on facilitating business development and service delivery in five main areas including: tourism, information communication technology, transport, housing and environmental management."

**Key recommendations of the report include:**

- Identifying ways to diversify the Christmas Island economy with a focus on developing tourism in response to the possible permanent closure of the Christmas Island phosphate mine.
- Review and implementation of the Christmas Island Destination Development Report in consultation with Tourism Australia; and examining the feasibility of applying a short stay tourist visa waiver program for the IOTs.
- Establishment of economic development officers located within the IOTs Shires; and implementation of a practical, administrative complaints handling mechanism at the local level.
- Providing discretionary grant approval authority to the IOTs Economic Development Consultative Groups in regard to the Economic Development Funding Program (EDFP); streamlining the application process under the EDFP; and doubling the EDFP to \$150 000 per annum for each of the IOTs.
- Support for the continuation of the Government's partial subsidisation of domestic air services; lifting cabotage restrictions; and subsidisation of sea freight and shipping services to the IOTs.
- Review of the application of the Australian Broadband Guarantee to the IOTs; subsidisation of the upgrade to the satellite link servicing the IOTs; and urgent upgrades to the mobile telephony network.
- Examining alternative sources of renewable energy; and incorporating risk assessment relating to climate change into business proposals.
- Review of building codes applied to the IOTs; drafting and implementation of land release and development plans for the IOTs; and ownership transfer to the Shire of housing at the former Quarantine Station site on the Cocos (Keeling) Islands.

A copy of the report is available from the committee's website at:

<http://www.aph.gov.au/house/committee/ncet/EconomicEnvironment/report.htm>

**For media comment:** please contact the Committee Chair, Senator Kate Lundy, on (02) 6277 3334 or 0407 458 882 (Electorate Office, Canberra).