

**SUBMISSION TO EXTERNAL TERRITORIES COMMITTEE- CHANGING
ECONOMIC ENVIRONMENT IN THE INDIAN OCEAN TERRITORIES**

APRIL 2009

Summary: I am a resident of Christmas Island. I own property on the island and I have lived on island for the past 6 years. I am a freelance social worker and a teacher. I am currently working on Christmas Island in the area of community development. Thank you for the opportunity to make a comment. My comments are about micro economic reform on Christmas Island.

However, it is my opinion, that unless we are given some “big picture” plans about our island’s economic future, and there are significant reductions in the cost of freight and air transport to the islands, micro economic reform will not be enough to keep this community thriving.

Name: Charlene Thompson

I wish to comment on the following points:

(C) Commonwealth Government services and programs:

1. Lack of available statistics and the implications for policy making, suggestions for micro economic reform and public levels of awareness in the Territories about government services such as the Indian Ocean Territories Health Service:

It is difficult for people living in the Territories who are not working in government departments, to access current public statistics to support and give credibility to submissions such as this. I have searched the net and have found very little to support my opinions in this paper.

Drs Susan Downes and Dr Sally Roach echo this frustration and assess its impact on policy decisions directing service delivery in the Territories in their letter to the Medical Journal of Australia, titled The difficulty with data: greater accuracy required for policy making, Susan Downes and Sally M Roach MJA 2007; 186 (12): 663-6 64.

“ The methods used by the Alberton Report, the MNS and the Bath Report result in underestimations of the number of confinements for Island women by up to 77%. It is regrettable that this situation has not been previously recognised or acknowledged, and that recommendations for the resumption of obstetric services by the IOTHS have repeatedly been based on incomplete data. If records of the numbers of births for Island women had been collected and considered by the IOTHS, Island families might again enjoy a comprehensive on-Island delivery service for low-risk pregnancies. “

Recommendation: Publish the Indian Ocean Territories Health Service statistics on the web, so that there is more transparency about the health service delivery we get and

how much it costs. I understand that there is legislation in New South Wales which requires this level of public accountability.

2. The impact of the lack of obstetric services in the Indian Ocean Territories and its effect on our micro economy.

2.1 During 2006/2007 there is anecdotal evidence to suggest that there were 30 births to Indian Ocean Territory women.

Community consultations in 2007 with the Malay community and other families on Christmas Island, indicated that the average cost to families to stay in Perth for the birth, including spouse and often, other children, for the 6 weeks required by the Indian Ocean Health Service and, excluding return air fares for the parents paid for by the government, was, on average, \$8,500 per family.

This is \$255,000 per annum (30 x \$8,500) approx. leaving our island communities and being spent in Perth or elsewhere.

This outcome does not make sense in terms of supporting the micro economic growth of the island.

There are no shops selling baby goods on island because most families purchase these items in Perth. It could be argued that the Baby Bonus is rarely spent here to support local business. Families need to be encouraged to spend their money on our islands to keep our micro economy healthy.

Recommendation: Review the current policy of sending women to Perth for low risk births and research the current policy's effects on the growth in island population and the impact on the islands' micro economies.

2.2 In "Caring for Australia's most remote communities: obstetric services in the Indian Ocean Territories", Rural and Remote Health Submitted: 7 December 2006, Revised: 23 March 2007, Published: 11 April 2007, Drs Sally Roach and Dr Susan Downes say: "Since 1998, all pregnant women have been required to leave the islands by 36 weeks gestation and travel to the mainland for birthing. Previously most women with low risk pregnancies were delivered on their island. Women and their partners regularly question medical staff as to reasons for the current obstetric service and, in particular, why they have to leave the Islands to give birth. While this is a common scenario in many remote parts of Australia, the vast distance involved and the cultural differences of the predominantly Chinese and Malay population make the IOT situation unique. And "Many families expressed a desire for full obstetric services to be reinstated on the islands for low-risk pregnancies, particularly because of the difficulties they experience with the current service. **Three recommendations were formulated in response to the social, economic, cultural and logistical difficulties faced by IOT women and their families.**"

2.3 My consultations with the community indicate that the current arrangement for low risk births in the Territories, i.e. sending families to Perth, is both a financial and emotional

burden to our island communities. Women who want to have additional children are hesitating, and weighing up the financial cost and the burden to relocate families to Perth. It must be remembered that only 34.9% of Christmas Islanders for example, as quoted in the 2006 Census Quickstats: 6798 Postal Area stated that English was the only language spoken at home.

This leads to the situation that, for the majority of Christmas Islanders, Perth or WA or Australia is not their place of birth or where their families live. We continue to send low risk birthing mothers, spouses and other children in the family, to a city that many have no connection with, or even know. This does not make economic or common sense.

Recommendation: Conduct community consultations with island families to hear what they want in regard to low risk births so that future decision making can reflect community need.

2.4 The decisions made not to employ GP's with anaesthetic and obstetric skills in the Territories, and not to model the arrangement as per Drs Downes and Roach 2005 report to DOTARS "Indian Ocean Territories Obstetric Project" which demonstrated that the government would save money if low risk births were available on island, do not make economic sense.

Recommendation: Review the policy to send low risk births to Perth in terms of the effects of such a policy on the micro economy of the islands and the costs to government. Review the suggested model and costings published in "Indian Ocean Territories Obstetric Project" in terms of the continuing financial impact on island families.

3. GST – we keep on paying it and so we don't spend what we save on the GST exemption in the IOT's!

Despite a revamp by the Australian Taxation office of its GST information web site in 2008 at the request of islanders, I expect that, many islanders, like me, continue to pay GST on goods purchased from mainland stores whilst we are both on and off the island.

The methods of reclaiming the GST when purchasing goods are really cumbersome. I end up paying it because I cannot find shops easily in Australia that will take it off my bill, or after a year's purchases, I haven't filed my receipts away for a refund.

For many members of our diverse community, the GST must just be so difficult and impractical.

At airports we are treated as tourists for GST purposes even though we are returning to our homes in the Territories. There must be some better way to service us in regard to our exemptions from GST.

Recommendation: Investigate and recommend new ways for islanders to avoid paying GST.

D. The operation of businesses in the region in regard to the detention industry

1.1 As the people smuggling business impacts on the Christmas Island micro economy, in terms of the population increases as asylum seeker numbers rise and fall, it would seem important that local businesses benefit from the increase in population.

With the sudden influx of people into Christmas Island for example, as a reaction to new asylum seeker numbers, car hire becomes difficult and accommodation scarce.

What is the policy of the government in this regard? Is it to support local small businesses or other?

There is much gossip around the island about contracts with local shopkeepers and the government in relation to detainee services. It would seem desirable that local small business get its fair share of business in regard to detainee services on island.

Recommendation: Publicly clarify the policy and support to local businesses from the detention industry on Christmas Island. Prioritise local businesses as most important trading partners and plan with them to give local businesses, wherever possible, the trade from the detention industry.

1.2 Keep our local economy flourishing.

There is anecdotal evidence to suggest that the 60 days , or longer, wait for payments by Government and their contractors to island businesses for services, particularly in the detention industry, do not assist the cash flow on Christmas Island. One contractor advises that they had to wait 4 months for a \$5,000 payment from the Department of Immigration. These kinds of systems do not assist the island's micro economy where delay in payments has a significant flow on effect on other island businesses.

Recommendation: Recognise the fragility of the island micro economy. Review the current policy arrangements and timeframes for government payments to Christmas Island businesses.

This document is not confidential.