



Foreword

The Joint Standing Committee on the National Capital and External Territories has a longstanding interest in the welfare and development of the Indian Ocean Territories. In 2006 and 2010, the Committee conducted two major inquiries into the IOTs, one focused on governance, the other on economic development. In 2012, the Committee resolved to visit the IOTs again, to engage with the local communities on a range of matters, and see what support and direction we could give to both the Australian Government and the local communities in the management of issues affecting the IOTs.

This report is the result of that visit. It addresses a broad range of concerns. It does not purport to be the last word on any of the matters raised – rather, it sets out the views of the Committee based on what the Committee saw and the evidence it took. It also reflects the long familiarity of the Committee with the IOTs. It sets out the concerns of the Committee with regard to a number of issues that will be the subject of more detailed investigation in the future.

The Committee's visit was both enjoyable and frustrating – enjoyable, because it is very easy to spend time in beautiful locations surrounded by friendly people in a relaxed atmosphere; frustrating, because there is a palpable sense that the problems facing the communities in the IOTs have been regularly canvassed, endlessly discussed, repeatedly reported upon, and yet there not enough evidence of meaningful progress. Indeed, it is apparent from the evidence collected by the Committee during the visit that many of the issues raised in its previous reports remain to be addressed.

The report makes over twenty recommendations. About half address relatively straightforward issues, such as funding for roads, aged care, waste management and recreation facilities, coastal management, pensioner air fare concessions, fuel storage and housing – small enough issues from the perspective of Canberra, large issues for

the people of the IOTs. These are vital local issues from the point of view of external territories, noting the responsibility that the Commonwealth exercises over local matters that would on mainland Australia be exercised by State or local governments.

Other recommendations concern more complex issues. In its recommendations, the Committee has sought to address – once again – the thorny issues of governance, economic development and environmental management. These matters require the Australian Government to articulate a clear and coherent vision for the future of the IOTs – one that addresses governance, economic development and environmental management holistically so that the management of these issues occurs within an integrated framework to which the whole of government is committed. There was clear frustration in the communities with the piecemeal approach to policy development and the contradictions in priorities between different sections and levels of government.

There also needs to be a clear commitment to fund and implement policy. The IOTs has been the subject of numerous reports outlining strategies and solutions, but few have been implemented. The Committee has recommended the funding and implementation of existing strategies on economic development, tourism, provision of services and environmental protection. Perhaps the most important of these is the report of the Expert Working Group that examined threats to Christmas Island's unique ecology. Key species on Christmas Island have suffered catastrophic decline because of a range of factors – most notably the Yellow Crazy Ant. Without urgent remediation, a number of species face extinction. The Committee has therefore recommended that the Australian Government fund and implement the recommendations of the Expert Working Group as a matter of urgency.

The need for an integrated approach to policy is highlighted by the economic situation in the IOTs. The three pillars of the economy on Christmas Island are the phosphate mine, immigration detention and tourism. There are few synergies between these sectors, much conflict and no coordination. The phosphate mine has a limited life, immigration detention is not expected to be a permanent fixture, and tourism is, as yet, underdeveloped. There also remains the open question of the future of the Christmas Island Casino. In addressing these issues, the Committee has recommended the development of an economic strategy for the IOTs to transition them from heavy reliance on government activity and mining towards sustainable private sector activity. Within this context, the Committee has sought an Australian Government commitment to: the extension of the current mining leases and reconsideration of new mining leases within the context of creating environmental management investment; the funding and implementation of existing tourism strategies; and the reopening of the Christmas Island Casino, should a satisfactory proposal come forward.

Implementing these recommendations will require two things: money and a change in mindset in the federal bureaucracy. The IOTs are in the difficult position of

answering to the Commonwealth for the delivery of state and local services, something the Department of Regional Australia, Local Government, Arts and Sport is perhaps not always, despite good intentions, in the best position to provide. Even mediated through the local shires and Service Delivery Arrangements with Western Australia, the delivery of state and local services still require acuity and flexibility on the part of the Department. In short, the Australian Government can't bluntly apply Commonwealth rules to the delivery of state and local government functions. It needs to focus on the needs of the communities in the IOTs, and make the necessary adjustments to the law to allow it to do so.

I would like to thank all those who contributed to the visit and the report. The Committee appreciates the efforts of all those who gave evidence and made submissions. It also appreciates the many people on the Cocos (Keeling) Islands and on Christmas Island who facilitated the visit, especially the Administrator Jon Stanhope, his predecessor Brian Lacy, and Liyana Pereira, their executive assistant. I would also like to thank my Committee colleagues for their strong bipartisan support for the visit and the report; and the secretariat for their work in making it all happen.

Senator Louise Pratt
Chair