

Indian Ocean Territories (IOT) Economic Development Strategic Plan 2010 -2015 Update 2 (7 December 2011)

Linkages:

- The Shire of Christmas Island (SOCI) Vision 2018 Vision: "By 2018 the economic diversity required for a sustainable economy had progressed on CI through the establishment of agreed industries of tourism, food production, education services and research that support the unique natural environment of CI."
- Shire of Cocos Keeling Islands (SOCKI) Strategic Plan 2011 – 2015 Vision: "To build on the future sustainability of the CKI through the provision of core services to the community and to further develop tourism as a major industry to ensure the economic future of the Islands are guaranteed."
- IOT Vision: The joint Government Task Force was considering the development of an IOT Vision and no release has occurred.
- Regional Development Australia Mid West Gascoyne RDAMWG) IOT Regional Plan awaiting release of the joint Government Task Force IOT Vision

Background:

The Christmas Island (CI) and Cocos Keeling Islands (CKI) Economic Development Consultative Groups (EDCG) under their terms of reference have assisted with the development, implementation and adoption of the IOT Economic Development Strategic Plan 2010-2015 (the Plan).

The EDCG were formed in May 2009 and they spent their first twelve months working on the development of the Plan. The Plan was endorsed by the CI and CKI EDCG at their joint meeting in May 2010 and they have continued to provide input to the implementation of the plan during their meetings.

Since May 2011 both the CI EDCG the CKI EDCG held three meetings. Their second annual report was provided to Hon Simon Crean Minister for Regional Australia, Regional Development and Local Government and in his acknowledgment of the 2010/2011 EDCG annual report he thanked all members for their valuable contribution and to continue with the good work.

The EDCG held joint meetings in November 2010 and May 2011 and endorsed update 1 of the plan at the May meeting. The draft update 2 was presented to the community at the Australian Indian Ocean Territories (IOT) Regional Development Summit 13 November 2011. At the joint meeting of the EDCG's meeting 14 November 2011 it was resolved that the EDCG, Regional Development Australia Mid West Gascoyne and Department of Regional Australia along with the community be invited to provide feedback to the Economic Development Officer by Friday 2 December 2011 with any comments, additions or changes before sign off by the Administrator of the update. The draft plan was then placed on RDAMWG web site and emails and the Administrators newsletter for November 2011 was distributed seeking feedback.

The role of the EDCG regarding the plan includes:

- support development, adoption, implementation and monitoring of sustainable economic development in the IOT, including the IOT Economic Development Strategic Plan 2010 – 2015; and
- assist community, business, regional and government stakeholders to disseminate information on economic development.

The most significant development since the plan was first developed has been the escalation of the Immigration Detention Centre on Christmas Island with significant increases which at some stages saw over 3,000 people being detained.

The EDCG had recommended that a Regional Impact Assessment be undertaken and they provided draft Terms of Reference. The Department of Regional Australia, Regional Development and Local Government (Territories West Division) contracted AECOM to undertake a Socio-economic impact assessment on the operations of the Christmas Island IDC on the Local Community. This report commenced in January 2011 and has yet to be completed.

The EDCG were actively involved with encouraging a communications strategy to be developed and the Department of Regional Australia, Regional Development and Local Government (Territories West Division) contracted this year Seftons Communications and this report has yet to be released.

Since the May 2011 update and following the recommendations of the EDCG there have seen a number of projects undertaken at the local IOT Administration level. These include the completed CI and CKI community capacity assessment audit and the IOT accommodation needs assessment. Other projects which commenced following May are in draft format or initial stages and are were presented at the summit include the IOT marketing plan, CI tourism catalyst project and two urban design master plans on CI. Funding for these six projects has come from the IOT economic development administered budget and a number of these projects have received partnership funding. A focus for the EDCG has been to use the funds available locally to leverage and form partnerships.

Following recommendations of the EDCG the IOT has been included as part of the Regional Development Australia (RDA) program and is aligned with RDA Mid West Gascoyne (MWG). The IOT EDO has been the IOT's representative at the RDA MWG committee meetings and there have recently been calls for expressions of interest from the IOT to be part of the RDAMWG committee. RDA MWG representatives have travelled to IOT three times during the past 16 months and attended the summit in November 2011.

A project which was anticipated to have commenced following the joint meeting in May 2011 was an IOT tourism development consultancy. This followed discussions with the EDCG and other IOT stakeholders who had indicated that tourism development is the major issue facing the IOT. They noted that this

would be the primary skills area of any employee, which does not exist in spare capacity on the Islands at present and a consultancy would meet this need. Tenders were called and applications received and the Department of Regional Australia, Regional Development and Local Government engagement team have not approved the allocation of the RDA MWG funds for this project. This matter was discussed at the joint meeting of the EDCG on 14 November and RDAMWG are looking at developing further options to satisfy this need.

Changes to EDCG

The Hon Simon Crean Minister for Regional Australia, Regional Development and Local Government has extended the appointments of:

1. John Richardson, Zainal Abdul Majid, Gordon Thomson, Gee Foo and Baard Maehle as members of the CIEDCG;
2. Rabuhu Anthony (Haji Adam), Semat Noom (Nek Neng) and Madi Signa as members of the CKIEDCG, until 5 May 2012.

Minister Crean has also appointed Peter Clarke, Rebecca Smith and Keir Fraser as members of the CKIEDCG Group (EDCG) until 5 May 2013. Letters of appreciation have been provided to Pam Jones (CKI), Alfred Chong (CI) and Kane Martin (CI) as retiring members for their valuable contribution during their term of office as members of the EDCG. Expressions of interest have been invited from individuals who have an interest in economic development to be considered for membership of the CIEDCG (4 vacancies) and the CKIEDCG (1 vacancy) closing on 25 November 2011.

New terms of reference for the EDCG have been approved following the recommendations of the EDCG with the main changes being:

- Appointments are made according to merit by the Administrator in consultation with current EDCG members, other community stakeholders and the Department of Regional Australia, Regional Development and Local Government.
- Increase in membership for CI from 7 to 9 membership
- Inclusion of RDAMWG as part of the consultation

Priority recommendations:

The Plan is now used as the reference point by Government, Industry and the Community for identifying the key priority areas towards a sustainable diversified economy. The Plan appears to have gained the required unified approach.

This has included during 2010/2011 and 2011/2012:

- Shire of CI Our Future: CI Vision 2018 report
- IOT Accommodation Needs Assessment
- RDA MWG Interim Regional Plan

- CI and CKI Tourism Plans
- IOT Horticulture Feasibility Study
- CI Light Industrial Land Outline development Plan
- CKI former Quarantine Station Outline Development Plan

Other work which is being undertaken which takes into account the Plan:

- Draft CI town planning review
- SOCKI Strategic Plan 2011-2015
- Buffett Close outline development plan
- Commercial and retail concept plans for Home Island and West Island
- Urban design master plans for CI
- IOT Marketing Plan
- Basalt mapping on CI

Key Areas:

1. Building Capacity

Area		Key performance indicator	Status
1.1	Resident population increases in employment, skills development and training opportunities	<ul style="list-style-type: none"> • Unemployment rates CI are better than the national average. 	Anecdotal evidence points to full employment on CI with many Fly In Fly Out and many businesses seeking to secure workers from off the island. 2011 Census will show better picture.
		<ul style="list-style-type: none"> • Unemployment rates on CKI match the national average. 	Anecdotal evidence points to increased employment from CKI residents with move to CI via recruitment by Serco plus Government projects. 2011 Census will show better picture.
		<ul style="list-style-type: none"> • Apprenticeship and Trainee positions continue to be created. 	IOGTA 2010/2011 annual report refers to 81 apprentices and trainees the highest on record for the IOT.
	<ul style="list-style-type: none"> • Workforce Development workshops • Requests to IOGTA for Skills Audit CKI and Employment Audit CI (commenced by IOGTA yet to be completed) 		

	<ul style="list-style-type: none"> • Outreach Officer from Department of Immigration and Citizenship allocated to the IOT – Immigration consensus for IOT concessions for 457's • Youth retention strategy being developed – including options for possible apprentice and trainees exchanges • IOT Tourism certificate 3 tour guide course developed by IOGTA 		
1.2	Progressive and supportive environment for conducting business	Identification of the skills need for existing and start up business with appropriate support programs developed and patronised	<p>The SBDC program have changed their approach since the May 2011 update to more of a dedicated approach to each island based on:</p> <ul style="list-style-type: none"> • CKI to encourage small businesses to take their futures into their own hands SBDC will be introducing a campaign called 'SMALL WINS', • CI to help the small businesses on Christmas survive the 'bust times' they are introducing a campaign called 'ARE YOU READY?' <p>The CI campaign includes a survey of visitors and business owners (happening now) to gauge perceptions and target relevant issues. The results of the survey will be presented to island locals and a concrete plan formed as a result. The Cocos campaign will involve key elements of our Tourism BOOST program and also a 'Pulse Check' of businesses to determine their strengths and weaknesses and develop a strategy to help them improve.</p> <p>There have been 3 Business Reviews undertaken by Enterprise Connect and these have resulted in two businesses progressing with support through the Tailored Assistant Grants and include development of business and strategic plans and marketing plans. Identification occurring of other businesses for this program.</p> <p>The EDCG have endorsed the development of an IOT business mentoring program – initial discussions and meetings have been had through RDAMWG and Mid West Chamber of Commerce and Industry. Planning commenced on Commerce workshops for early 2012.</p>
		August 2011 Effective membership based business organisation	<p>Mid West Chamber of Commerce and Industry have supported the development of an IOT sub-committee and initial meetings have been held.</p> <p>Administrator speaker at the Mid West Economic and</p>

			resources summit and IOT booth marketing opportunities was undertaken at this summit.
		June 2012 Have 12 new business ventures including micro and home based business	<ol style="list-style-type: none"> 1. Big Barge Art Centre (CKI) 2. Cocos Islands Eco Tours (CKI) 3. Blue eyed Views (CI) 4. Oceania House accommodation (CKI) 5. CI Property (CI) 6. Barracks Cafe (CI) 7. Cocos Island Barefoot weddings (CKI) 8. CI Resort (given their length of time being closed they have been included) 9. Indian Ocean Mechanical services (CI) 10. CIMS Accommodation Management (CI) 11. Island Transport Pty Ltd (CI) 12. Yengari Projects (CKI) 13. Kita Enterprises (CKI)
		June 2015 have 5 new exporters from the IOT	To be progressed
		Identify and support key cultural links include trade delegation to overseas investment	<ul style="list-style-type: none"> • Chinese delegation of business people attended CI • Chinese Consular general visit • Tourism catalyst project • Discussion held with 3 other potential investors • IOT Marketing Plan to address
1.3	Longer term resident (beyond 2 years) population increases	Annual increase in longer term resident population (target 1,600 CI and 650CKI)	There has been significant increase of residents on CI due to the increased work associated with the IDC. Many fly in fly out (anecdotal 450+ new residents) includes some who have moved from CKI to CI for work. 2011 Census will show better picture. (refer to IOT Accommodation Needs Assessment regarding increased population)
		Increase retention of school leavers	Anecdotal evidence indicates that CI school leavers are staying on for employment and training opportunities. EDCG support a youth retention project and commenced discussions with Territories Office Perth, IOGTA and EDCG members for 2012.
		Develop and maintain a welcome kit and welcome events	Being taken up in the IOT Marketing Plan.

		Annual target of 10% increase in new home development approvals	Refer to IOT accommodation needs assessment.
1.4	Leadership skills of people living in the IOT	Develop an IOT Leadership program to commence in 2011	IOTGA have committed to this project and this includes allocation of time from Project Officer and CIP have given in principal support with commencement likely to be early 2012
1.5	Capacity	Identify the community capacity and support programs that capitalise on the strengths and established programs for the identified gaps	Report released and discussed at IOT Summit. EDCG have requested a copy of the recommendations by the consultant be released. The EDCG have supported four programs currently: <ol style="list-style-type: none"> 1. youth retention / activity and employment strategy 2. Business mentoring and incubator program 3. Leadership program 4. Corporate Governance training
1.6	Regional Development	Include IOT in RDA program and develop and maintain a regional development organisation	Achieved with membership of RDA Mid West Gascoyne. EDCG endorsed in May 2010 an IOT Regional Development Organisation (RDO) and submitted proposal and draft constitution for IOT RDO. Following the Nov 2010 meeting with the EDCG the Strategic Policy and Projects (SPP) section of Territories West had been provided with feedback on SPP proposed model with the possible commencement of an IOT RDO in July 2011. This was to follow the finalising of new criteria and guidelines re the IOT ED Fund. The IOT ED Administered Budget 2010/2011 had made an allocation of funding for this work to be undertaken. SPP advised that this wasn't viable or that SPP would be supportive of contractor undertaking this work. SPP unable to provide any possible new date lines but indicated that July was not feasible. Meetings have been held between Administrator, RDAMWG, EDO and Territories West since May 2011 and the Administrator has advised the EDCG that there has not been support from Territories West on the preferred model. The EDCG continue to support the

			model and the Administrator is writing to Department. Joint meeting of EDCG Nov 11 has requested RDAMWG to progress with development of constitution.
1.7	IOT secure relevant grant funding	Increased levels of strategic planning and grant writing, management and acquittal skills.	<p>In conjunction with IOGTA there has been approval for training to be provided on corporate governance and a possible Australian Institute of Company training. Support has been provided to two members of the CKI community to travel to Perth for training in the new cooperative laws and a further training session were planned be held on CKI and CI in December 2011. (now delayed till April 2012 due to flight issues)</p> <p>The SOCKI through state-type grants funding contracted a consultant to work with 6 local community groups who have now developed strategic directions / plans. (Recommended that CI community groups attract same funding to undertake same work)</p> <p>Anne Petch Funding Partnerships Australia undertook 2 grant writing workshop. (30+ people attended)</p> <p>3 Business reviews undertaken through Enterprise Connect.</p>
		Increased grant funds from other sources.	<p>RDA Fund – 2 applications submitted in the first round were not successful and IOT advised after applications submitted that IOT Shires were not eligible for this program. Following input from EDCG and RDAMWG the second round has opened in Nov 2011 and IOT Shires are now eligible. (No EOI were submitted from the IOT)</p> <p>3 applications being developed through the Tailored Assistance Grants program via Enterprise Connect. This has resulted in 2 successful funding applications to the</p>

			Tailored Advisory Service (TAS) grant program for further work to be undertaken.
		Increase funding programs and amounts available specific to IOT.	<p>The IOT ED fund allocated its largest amount ever in the year ending 30 June 2011. The Minister for Regional Australia, Regional Development and Local Government approved funding of \$340,300 for 6 tourism related projects that will generate over \$4m worth of value to the IOT.</p> <p>There were 5 projects funded to a total of \$1,373,501 from the State type grants program</p> <p>IOT ED Fund has been increased to \$300,000 and work is still progressing on the RDA Mid West allocation of the remainder of \$200,000 specific to IOT.</p>
1.8	Cultural	Support the retention by the community of their culture and heritage	The Chinese Literary Association project was launched along with the One Team One Island DVD by the CI Cricket and Sporting Club. EDCG and RDA MWG supported SOCI application for funding for Cemeteries project on CI. Work has started on a Christmas Island Muslimah (Muslim Women) Association and Malay Dancers cultural exchange to Cocos Keeling Islands. The WA Museums have identified a possible project for WA which may follow the Malay and Chinese inks from CI and CKI to WA. This is to be workshopped in early 2012.

2. Red / Green tape reduction

Area		Key performance indicator	Status
2.1	Identify appropriately zoned land and have concept plans completed	December 2010 Feasibility / needs assessment reports undertaken for Housing and Industrial land.	IOT Accommodation Needs Assessment completed and released and increased housing development applications being received by SOCI.

		Support a minimum of two Urban Design Master / Outline Development Precinct Plans per year.	<ul style="list-style-type: none"> • IOT ED Fund 2 x Commercial concept plans 1 for WI and HI distributed for public comment by SOCKI. • EOI for LIA on CI by SOCI • EOI for Cocos Padang by SOCI • Outline development plans completed for residential development Silver City CI and former Quarantine Station CKI • Draft plan for Buffett Close expansion on CKI • 2 x IOT Administered Fund projects for Urban Design Master Plans (Gaze Road and Sports Precinct) commenced and CI EDCG supporting CI Club / Kampong and environs as next plan • Shire of CI Town Planning review is open for public comment
		Commencing 2012 support the progress of a minimum of 1 project per island from the precinct plans.	
		Annual target of 10% increase in the numbers of development applications.	<p>To be reviewed following annual report of Shires.</p> <p>Territories West held meetings in early October on various options for the release of Crown land specific to the IOT and recommendations being progressed.</p>
2.2	Insurance	July 2011 that all business, community groups and households are able to access appropriate insurance cover.	Department of Regional Australia continue to work on this topic with input from EDCG. Westpac Bank on CI announced home insurance and assisting with other forms of insurance. Still an ongoing issues for both CI and CKI needs to be addressed further.

3. Information Sharing

Area		Key performance indicator	Status
3.1	Increase awareness for new investment and residents	December 2010 Marketing Plan and associated tools to support the ED Strategic plan	<ul style="list-style-type: none"> • Australian Geographic and Fact not Fiction Filming for documentaries undertaken

		implemented and monitored.	<ul style="list-style-type: none"> • IOT represented at the Mid West Resources and Economic summit • IOT Marketing Plan commences
3.2	Local awareness	May 2011 Undertake review of the Strategy and required variations to maintain an effective CI and CKI EDCG and ensure a minimum of 70% community and 80% business awareness and support for the strategy.	<ul style="list-style-type: none"> • IOT Administrators Newsletter distributed May, August and November. • Commerce dinner • IOT Regional Development summit • Approval given for an Administrators web site • RDAMWG develop an IOT page and it's populated with relevant reports, links and publications • Still to undertake an annual survey

4. Industry development / growth

Area		Key performance indicator	Status
4.1	Tourism Industry	Identify the tourism development required and support investment from a minimum of 1 new operator and 1 local operator each year per island.	Support provided for: <ol style="list-style-type: none"> 1. Zephyr Kite Tours re new tourism accommodation development CKI. 2. CI Resort Business review. 3. Cocos Islands Eco Tours. 4. Sydney / Emden 2014 events. 5. Australian Geographic and Fact not Fiction Films re documentaries. 6. RDA MWG, EDCG, CI Resort, CI Travel Exchange and CIP support for CI Catalyst project for tourism branding for Business Investment Attraction. 7. CITA re Cruise Ships. 8. CKITA Trade winds Festival.
		December 2011 Tourism accommodation expansion commences for CI and CKI in line with the identified tourism development.	IOT Accommodation Needs Assessment completed. Two proponents progressing tent style tourism accommodation on CKI. CI Dive Resort Development project meetings held with Dive resort proponent on CI CI District High School application for Camp-School to Capital Expenditure awaiting further discussion occurring between CI and CKI.

			CI Resort issues worked on. Discussion with Cocos Cooperative re potential joint ventures
		Increase tourism numbers by 10% annually	Anecdotal evidence indicates this has occurred for CKI (need to secure appropriate figures) Advice from CITA Executive is that CI's tourism industry has been severely damaged due to the IDC and associated issues with marketing of CI and availability of flights and accommodation. This was key reason for CITA seeking funding for the Australian geographic project.
		July 2011 Support regional tourism marketing and initiatives through the formation of a regional development organisation as part of a regional marketing plan.	<ul style="list-style-type: none"> IOT Marketing Plan commences and waiting on outcome for IOT Regional Development Organisation. Efforts to establish Regional Tourism organisation had been waiting for CITA's finalised Marketing Plan to be distributed and options from Administrators review to be progressed. Still to be progressed. CKI operators acknowledge they have seen increase in CI residents taking holidays in CKI follow on from joint marketing undertaken late 2010.
4.2	Education	<ul style="list-style-type: none"> Support establishment of links with higher education providers and research and development agencies Support IOT schools to increase student retention and increase students undertaking tertiary education / training 	<ul style="list-style-type: none"> Discussions continue between Administrator, EDO, EDCG and CI and CKI schools CI Camp-School. CIDHS Trade Centre work commences. Murdoch University links created with CKI for possible trials on CKI. Perth based EDCG member providing mentor program for CKI students in Perth continues including meetings and reports. Specific youth community capacity assessment funded with input from CI and CKI students
		<ul style="list-style-type: none"> July 2011 Education Precinct and business plan / feasibility report centred on the economic / business opportunities for CI District High School 2012 – 2015 Attract minimum of 5 fee paying overseas students per annum 	CIDHS indicated they would like to wait outcome of the Capital Expenditure proposal for Camp-School before progressing into other areas. Preliminary discussion re education / learning centre options.

		Develop and attract a minimum of 2 internships per year to the IOT.	To be further progressed.
4.3	Horticulture	<ul style="list-style-type: none"> • June 2010 identify the opportunities for horticulture in the IOT and support investment in line with these opportunities. • Support increased consumption of fruit and vegetables. 	<p>IOT Horticulture feasibility study released:</p> <ul style="list-style-type: none"> • CI Hidden Garden development of business case continues to progress • Coconut water project for CKI continues to be progressed • Murdoch University interest in possible trial tropical legumes on CKI continues • HI Tech Agri Solution expression of interest for trial algae growth project on CKI • Community Garden project on CI through neighbourhood centre commenced
4.4	Aquaculture	<ul style="list-style-type: none"> • June 2011 support an aquaculture plan for IOT. • December 2011 identify the opportunities for aquaculture in the IOT from this plan and support investment in line with these opportunities. 	<ul style="list-style-type: none"> • WA Dept of Fisheries release the IOT Aquaculture Plan will be released. • Continued discussions with a number of potential investment opportunities following the release of the plan. • EDCG to consider options for assisting with funding any of the recommendations
4.5	Climate Change	Monitor the progress of the outcomes and projects from the IOT Climate Change Risk Assessment.	SPP visited CKI to meet with community for update in November 2011
4.6	Other	Proactively support new and existing industry and ensure that appropriate regional impact analysis, transitional and feasibility work is being undertaken.	<ul style="list-style-type: none"> • Socio-economic impact assessment on the operations of the Christmas Island IDC on the Local Community awaiting release. • Communication strategy awaiting release.

2010/2011 IOT Economic Development Fund Projects

Organisation	Description	Amount
Indian Ocean Group Training Association	Contribution towards the costs of engaging a consultant to collect and collate historical and cultural information in order to develop a new training product	\$7,970
Chinese Literary Association	Towards the costs associated with the design, construction and fit out of the Chinese Cultural Centre	\$42,800
Shire of Cocos (Keeling) Islands	For the West Island Tourism and Retail Precinct Concept Plan Project for Shire of Cocos (Keeling) Islands	\$22,000
Cocos (Keeling) Islands Tourism Association	Towards the costs of employing an administrative assistant for Stage 1 of the HMAS Sydney and SMS Emden 2014 Anniversary Project	\$25,520
Cocos (Keeling) Islands Tourism Association	Towards the costs of the production of a documentary about the 1914 naval battle between the HMAS Sydney and SMS Emden	\$50,000
Christmas Island Tourism Association	Towards the costs of the production of a documentary about Christmas Island and the Cocos (Keeling) Islands by Australian Geographic as part of the series "Best of Australia"	\$192,010

2010/2011 IOT Economic Development Administered Budget projects

Organisation	Description	Amount
Rural Solutions SA	<ol style="list-style-type: none"> 1. Community Capacity Assessment Audits for CI and CKI 2. An assessment of Community Capacity by the Youth of CI and CKI 	\$25,075
Shire of Christmas Island	<ol style="list-style-type: none"> 1. Urban Design Master Plan Gaze Road Tourism and Commercial Precinct 	\$60,000

	2. Urban Design Master Plan Vagabond Road Sports and Recreation Precinct	
Shire of Christmas Island	IOT Marketing Plan (+ 7 other funding partners who have contributed approx \$20,000)	\$50,000
RDA Mid West Gascoyne	Tourism Catalyst Project (+ 4 other funding partners who have contributed approx \$60,000)	\$40,000
Calmy Planning & Design	IOT Accommodation Needs Assessment	\$20,000
Christmas Island District High School	Towards the costs of design and implementation plans and cost Camp School	\$5,000