

## Land management and development

### Overview

- 4.1 The Department of Infrastructure and Regional Development (DIRD) stated that:

While there is a natural limit to the amount of land available for development in the Indian Ocean Territories (IOT), many argue that the release of land can stimulate economic development.<sup>1</sup>

Where we have released industrial land the opportunities have not been taken up by the private sector. We released some industrial land up near the electricity station on Christmas Island a couple of years ago. It is a bit of a chicken and egg. Where is demand? Where is supply?<sup>2</sup>

- 4.2 In successive Joint Standing Committee on the National Capital and External Territories (JSCNCET) inquiries, witnesses have consistently argued that Commonwealth land release, together with effective land use policies will help stimulate economic development.<sup>3</sup>
- 4.3 Calmy Planning and Design asserted that land release is essential for economic development on Christmas Island:

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1 Department of Infrastructure and Regional Development, *Submission 36*, p. 5.

2 Ms Robyn Fleming, Executive Director, Local Government and Territories Division, Department of Infrastructure and Regional Development, *Committee Hansard*, Canberra, 10 September 2015, p. 9.

3 See previous reports, for example, Joint Standing Committee on the National Capital and External Territories, *Inquiry into the changing economic environment in the Indian Ocean Territories*, March 2010, pp. 40 and 100-105.

Without making land accessible to investors the opportunity for Christmas Island to ever reach a self-sufficient economy is fundamentally compromised, if not impossible.<sup>4</sup>

4.4 Phosphate Resources Limited restated its requirement for more land to sustain mining operations on Christmas Island:

... it needs to be understood that, without access to additional vacant Crown land, on current parameters, it is unlikely that the operation will be commercially viable beyond the early [twenty] twenties.<sup>5</sup>

4.5 The Christmas Island and Cocos (Keeling) Islands tourism associations commented that visitor numbers to the IOT could be increased if suitable land was made available for additional tourist accommodation:

Appropriate sustainable tourism developments will assist in raising the current tourism levels...<sup>6</sup>

4.6 Whilst acknowledging importance of maintaining the unique culture on Home Island, Mr Barry Haase, the Administrator expressed his view that a tourist resort could be developed on Horsburgh Island, one of the Cocos (Keeling) Islands, if land were to be made available:

We ought to be giving consideration to the identification of specific land – islands, if you like – with the clearing of encumbrances with the idea of making available a 99-year lease on the basis of huge, multibillion investment. That would give international tourists specifically from Europe an opportunity to come through Asia and through Christmas Island and on a shuttle service to the Cocos (Keeling) Islands.<sup>7</sup>

4.7 The Mining to Plant Enterprises project (MINTOPE) envisaged a range of business opportunities stemming from its agricultural research and trials on Christmas Island (from growing produce for feeding poultry, fish or livestock, as well as for selling fresh produce to the local population). According to MINTOPE, this will require:

... that businesses lease [Crown] land to operate those ventures.<sup>8</sup>

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4 Calmy Planning and Design, *Submission 20*, p. 6.

5 Phosphate Resources Limited *Submission 1*, p. 3.

6 Christmas Island Tourism Association and the Cocos (Keeling) Islands Tourism Association, *Submission 45*, p. 2.

7 Mr Barry Haase, Administrator, *Committee Hansard*, Cocos (Keeling) Islands, 8 April 2015, p. 9.

8 Mining to Plant Enterprises (MINTOPE) Project, *Submission 34.1*, p. 1.

## Chapter outline

- 4.8 The chapter starts with a description of the geographical characteristics of the IOT, before briefly describing the land management framework and availability of land for development in the IOT.
- 4.9 The chapter looks at two key areas for action. The first priority is a geological survey to comprehensively map Christmas Island's limestone, basalt and water catchment systems. The second is to review and modernise or replace the Cocos (Keeling) Islands land trust.
- 4.10 Consideration is then given to developing an updated land management strategy to support the lease or sale of vacant or underutilised Commonwealth-owned Crown land, and the possible need for a Crown land disposal ordinance.
- 4.11 Lastly, the Committee gives consideration to proposals to transfer underutilised Commonwealth property on Cocos (Keeling) Islands to the Shire of Cocos (Keeling) Islands to increase economic activity, and to redress social issues like housing shortages.

## Profile of the Indian Ocean Territories

- 4.12 Christmas Island is located in the Indian Ocean 380 kilometres south of Java and 2,650 kilometres north-west of Perth.<sup>9</sup> It has a resident population of approximately 2,017 people with an ethnic composition of 60 per cent Chinese, 25 per cent Malay and 15 per cent European.<sup>10</sup>
- 4.13 The *Christmas Island National Park Management Plan 2014-2024* provides a snapshot of the island's geology and land use:

Christmas Island is an isolated oceanic island approximately 135 square kilometres in area, located in the eastern Indian Ocean. It rises steeply from the sea floor from depths of 5,000 metres. The island geology consists of porous limestone derived from ancient coral reefs overlaying volcanic basaltic rock. A uniquely structured tropical rainforest covers most of the island. About one quarter of the island has been cleared for mining and settlement purposes since 1888.<sup>11</sup>

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9 Department of Infrastructure and Regional Development, *Territories of Australia*, [http://regional.gov.au/territories/christmas/enviro\\_heritage.aspx](http://regional.gov.au/territories/christmas/enviro_heritage.aspx), viewed 11 January 2016.

10 Department of Infrastructure and Regional Development, *Territories of Australia*, [http://regional.gov.au/territories/christmas/enviro\\_heritage.aspx](http://regional.gov.au/territories/christmas/enviro_heritage.aspx), viewed 11 January 2016.

11 Australian Government Director of National Parks, *Christmas Island National Park Management Plan 2014-2024*, p. 2.

- 4.14 Around 63 per cent of Christmas Island is National Park, managed by the Director of National Parks and supported by Parks Australia, which operates within the Commonwealth Department of Environment.<sup>12</sup> Much of the remaining land area is Crown land administered on behalf of the Commonwealth by the Department of Infrastructure and Regional Development (DIRD), as the Department with ultimate responsibility for the IOT.
- 4.15 The Cocos (Keeling) Islands are located in the Indian Ocean 2,950 kilometres north-west of Perth and 3,700 kilometres west of Darwin. There are 27 coral islands in the group; with a total land area of 14 square kilometres. Apart from North Keeling Island, which is 30 kilometres away from the main group, the islands form a horseshoe-shaped atoll surrounding a lagoon. North Keeling Island was declared a national park in 1995 and is administered by The Director of National Parks.<sup>13</sup>
- 4.16 The Shire of Cocos (Keeling) Islands website adds:
- The islands lie...approximately 900 km south-south west of Christmas Island and approximately 1,000 km south-west of Java and Sumatra. The highest point above sea level is nine metres which is located on South Island...
- The two inhabited islands are Home Island, the home of the Cocos Malay community and the Shire office, with a population of 466, and West Island on which is located the airport, government offices, homes of government and contracted employees and some private residents, with a population of 141.<sup>14</sup>

## Crown land management framework

- 4.17 Crown land is land owned by the Commonwealth, or a state or territory government.<sup>15</sup> In the absence of state or territory government, all Crown land in the IOT is essentially Commonwealth owned.
- 4.18 DIRD advised that its land management policies for the IOT require the release and approval of long-term leases of Crown land in the IOT to be subject to whole-of-government policies established and administered by the Commonwealth Department of Finance:

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12 Director of National Parks, *Submission 14*, p. 2.

13 Department of Infrastructure and Regional Development, *Cocos (Keeling) Islands*, [http://regional.gov.au/territories/Cocos\\_Keeling/](http://regional.gov.au/territories/Cocos_Keeling/), viewed 20 January 2016.

14 Shire of Cocos (Keeling) Islands, *The Shire*, <http://www.shire.cc/en/your-council/about-us/40-profile.html>, viewed 11 January 2016.

15 *Lands Acquisition Act 1989* (Cth), s. 6.

The sale or lease of Crown land in the IOT is in accordance with the Commonwealth Property Disposal Policy (CPDP), which is a whole-of-government policy concerning the release of Commonwealth administered Crown land in Australia.

- The General Policy of the CPDP is, 'Commonwealth Property, having no alternative efficient use, is to be sold on the open market at full market value.'

...Long term leases of Crown Land may also be approved under the CPDP by the Minister with responsibility for Territories under the [Land Administration Act] (WA) (CI) and the [Land Administration Act] (WA) (CKI).<sup>16</sup>

- 4.19 A Crown Land Management Plan (CLMP) prepared in 2009 by GHD for the Attorney-General's Department<sup>17</sup>, the Department responsible for the administration of the IOT at the time, provides a framework for land use activities in the IOT.
- 4.20 According to DIRD, some aspects of the 2009 CLMP have already been implemented. DIRD also advised that it intends to update the CLMP and prepare a complementary Commonwealth Asset Management Plan for the IOT in 2015-2016 to inform policy recommendations on land management.<sup>18</sup> This will be discussed in more detail later in the chapter.
- 4.21 At a local level both, the Shire of Christmas Island and the Shire of Cocos (Keeling) Islands, have responsibility for developing and administering town planning schemes. These schemes govern the way that land may be used and developed through land use zoning by:
- setting out the shires' planning intentions for land within the schemes;
  - reserving land for public purposes;
  - establishing parameters for land use and development;
  - setting out the process for the assessment of planning applications; and
  - making provisions for the administration and enforcement of the schemes.<sup>19</sup>

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16 Department of Infrastructure and Regional Development, *Submission 36.4*, p. 1.

17 Attorney-General's Department, *Report for the Crown Land Management Plan for the Indian Ocean Territories 2009*.

18 Department of Infrastructure and Regional Development, *Submission 36*, p. 5.

19 Shire of Christmas Island, *Building and Planning*, <http://www.shire.gov.cx/en/shire-services/building-and-planning>, viewed 15 February 2016; Shire of Cocos (Keeling) Islands, *Shire of Cocos (Keeling) Islands Town Planning Scheme No. 1*, <http://www.shire.cc/en/services/town-planning.html>, viewed 8 January 2016; Western Australian Planning Commission, *Shire of Christmas Island draft Local Planning Scheme No. 2 and draft Local Planning Strategy*, <http://www.planning.wa.gov.au/publications/6402.asp>, viewed 1 March 2016.

## Available land

- 4.22 Development of land in the IOT is restricted by the limited availability of suitable land, various land ownership arrangements, and ambiguities around policies and procedures for releasing land for lease or sale. Other factors further limiting available land for development include ecological, climatic and geological considerations.
- 4.23 On Christmas Island, responsibility for Crown land is primarily split between the Director of National Parks and DIRD, with the Shire of Christmas Island and Phosphate Resources Limited also managing small allotments.<sup>20</sup>
- 4.24 As noted earlier, around 63 per cent of the land on Christmas Island is National Park. Outside of the National Park, the remaining land area comprises:
- mining leases which incorporate approximately 14 per cent of the island;
  - other committed land which encompasses around four per cent; and
  - uncommitted land representing the remaining 19 per cent.<sup>21</sup>
- 4.25 On Cocos (Keeling) Islands, there are three main types of land title including:
- Crown land, which incorporates approximately 15 per cent of the islands;
  - privately owned land, which encompasses less than one per cent; and
  - land held in trust for the benefit of the Home and West Islanders, which forms the most significant proportion of the islands at approximately 85 per cent.<sup>22</sup>
- 4.26 As on Christmas Island, DIRD is primarily responsible for administering Crown land on the Cocos (Keeling) Islands with a proportion also held by the Shire of Cocos (Keeling) Islands.<sup>23</sup> The Shire of Cocos (Keeling) Islands also manages the land trust.<sup>24</sup>

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20 Department of Infrastructure and Regional Development, *Submission 36*, p. 5; Attorney-General's Department, *Report for Crown Land Management Plan for the Indian Ocean Territories: Christmas Island*, September 2009, p. 42; Director of National Parks, *Submission 14*, p. 2.

21 Director of National Parks, *Christmas Island National Park Management Plan 2014-2024*, 2014, p. 15.

22 Calmy Planning and Design, *Submission 20.1*, p. 1.

23 Attorney-General's Department, *Report for the Crown Land Management Plan for the Indian Ocean Territories: Cocos (Keeling) Islands*, 2009, pp. 1, 27.

24 Councillor John Clunies-Ross, Shire of Cocos (Keeling) Islands, *Committee Hansard*, Cocos (Keeling) Islands, 8 April 2015, p. 30.

- 4.27 Susceptibility to inundation from the sea is also an important factor in determining the suitability of land for development. An Indian Ocean Territories Climate Change Risk Assessment completed for the Australian Government in 2010 and referred to in the *Indian Ocean Territories Regional Development Plan 2012-2017*, notes Cocos (Keeling) Islands' vulnerability to large storms, cyclones and rising sea levels.<sup>25</sup>
- 4.28 Significant coastal erosion is already evident on the Cocos (Keeling) Islands, with the movement of sand having an impact on both Home and West Islands.<sup>26</sup> Cocos (Keeling) Islands resident, Mr Colin Bloomfield spoke of locals' concerns about increasing erosion:
- ... we are worried about the sandbagging for the erosion control along William Keeling Crescent [on West Island] ... the road is getting less and less all the time. All the main services run parallel to that road, so it is critical infrastructure on the island.<sup>27</sup>
- 4.29 The Hon Paul Fletcher MP, Minister for Major Projects, Territories and Local Government inspected the coastal erosion in the Cocos (Keeling) Islands during a visit to the IOT in December 2015:
- ...I have had the opportunity to see first-hand the erosion mitigation works. The Shire Council mines local sand to fill geo-textile fabric bags, which are used on both Home Island and West Island to protect infrastructure and the natural habitat from erosion...<sup>28</sup>
- 4.30 During the visit, Minister Fletcher committed over \$2 million in federal funding to boost the erosion mitigation works and minimise further damage to the coastline.<sup>29</sup>
- 4.31 Although Christmas Island is better protected with high sea cliffs, the same 2010 Climate Change Risk Assessment report indicates that Flying Fish Cove on Christmas Island (home to one-third of the island's population) is also susceptible:

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25 Regional Development Australia Midwest Gascoyne, *Indian Ocean Territories Regional Plan 2012-2017*, October 2012, pp. 39-40.

26 Regional Development Australia Midwest Gascoyne, *Indian Ocean Territories Regional Plan 2012-2017*, October 2012, pp. 39-40.

27 Mr Colin Bloomfield, private capacity, *Committee Hansard*, Cocos (Keeling) Islands, 8 April 2015, p. 27.

28 The Hon Paul Fletcher MP, Minister for Major Projects, Territories and Local Government, 'Cocos (Keeling) Islands receive funding boost for community projects', *Media Release*, 15 December 2015, p. 1.

29 The Hon Paul Fletcher MP, Minister for Major Projects, Territories and Local Government, 'Cocos (Keeling) Islands receive funding boost for community projects', *Media Release*, 15 December 2015, p. 1.

... [Flying Fish Cove] could be affected by a general sea rise and increased frequency and magnitude of sea surges.<sup>30</sup>

4.32 Lastly, the unique geology of the IOT poses some additional challenges for land development, particularly the possible impact of development on water supply and water quality.

4.33 On Christmas Island, the main issue is not necessarily the impact of development on water supply, as water is plentiful. However, there is a real risk of contamination and effects on water quality. As explained by Mr Herve Calmy of Calmy Planning and Design, knowing the extent and location of ground water is important for the development of alternative industries on Christmas Island:

...if we operate different regimes of industries, then not knowing where the water is, is a major handicap because there is then the environmental questions:

- Are you doing your activities in the right place?
- Are you sure you are not going to pollute those waters?<sup>31</sup>

4.34 Mr Aaron Bowman, Chief Executive Officer, Shire of Cocos (Keeling) Islands indicated that, in the case of Home Island, the limited availability of water is a restriction on development:

...water is at capacity. So we cannot do any development of Home Island that increases the population because of the restrictions that the [Western Australian] Water Corporation put on us.<sup>32</sup>

4.35 However, the recent construction of a desalination plant on Home Island is expected to relieve pressure on the Island's ground water catchment. Minister Fletcher turned on the plant during his visit to the IOT in 2015:

I also had the opportunity while on Home Island to flick the switch on the new desalination plant, completed with \$3.7 million of Australian Government funding, and taste the fresh water it will provide to the community to supplement the natural ground water supply.<sup>33</sup>

30 Regional Development Australia Midwest Gascoyne, *Indian Ocean Territories Regional Plan 2012-2017*, October 2012, pp. 39-40.

31 Mr Herve Calmy, Director, Calmy Planning and Design, *Committee Hansard*, Canberra, 10 September 2015, p. 5.

32 Mr Aaron Bowman, Chief Executive Officer, Shire of Cocos (Keeling) Islands, *Committee Hansard*, Canberra, 20 August 2015, p. 5.

33 The Hon Paul Fletcher MP, Minister for Major Projects, Territories and Local Government, 'Cocos (Keeling) Islands receive funding boost for community projects', *Media Release*, 15 December 2015, p. 1.

## Committee comment

- 4.36 The complex land ownership arrangements and unique ecological, geographical and climatic conditions of Christmas and the Cocos (Keeling) Islands limit the development potential of the IOT. Both territories are susceptible to ocean inundation and this issue is compounded on Cocos (Keeling) Islands by the presence of severe coastal erosion. Christmas Island ground water remains vulnerable to contamination and the supply of potable water on the Cocos (Keeling) Islands is limited.
- 4.37 The Committee recognises that steps to redress these issues are already being taken, including federally funded erosion mitigation works and the construction of a desalination plant. These are important initiatives. The Committee saw the extent of coastal erosion on West and Home Islands during their visit to the IOT in April 2015 and is pleased to see the Commonwealth support efforts to address this issue. However, further work is required.
- 4.38 The Committee notes that there is consensus amongst stakeholders that the controlled release of Crown land in the IOT for lease or sale is critical to underpin economic development. Given the complex factors limiting development in the IOT, a robust land management framework is needed to guide investor interest.
- 4.39 The next sections of this chapter review some of the key barriers to land development and consider options to support future development that is responsible, sustainable and which maximises the potential for positive economic outcomes.

## Barriers to land development

- 4.40 Various barriers to land development were raised during the inquiry, including:
- a lack of geological information on Christmas Island;
  - the need to reform or replace the land trust on Cocos (Keeling) Islands;
  - a lack of a strategic vision from the Australian Government for land management in the IOT, and the absence of a land management framework to enable the release of land for lease or sale to support development.

## Geological mapping of Christmas Island

- 4.41 Evidence from a number of sources has indicated that a comprehensive geological survey is required on Christmas Island, to identify land that is suitable for development.
- 4.42 Christmas Island's groundwater catchment is managed by the WA Water Corporation on behalf of DIRD. The WA Water Corporation distributes fresh water by:
- ... collecting and pumping from a number of underground springs and flows around [Christmas] Island.<sup>34</sup>
- 4.43 The Shire of Christmas Island's *Draft Christmas Island Local Planning Strategy* details what is known about the island's geology and groundwater systems:
- The core of Christmas Island is composed of extremely hard and impervious volcanic material which is predominantly basalt. The remnant of a coral reef forms a cap layer of limestone and phosphate deposits over the basalt core.
- Due to a faulting in the limestone rock that sits above the basalt layer, an irregular limestone surface has resulted, with a high potential for caves and sinkholes.
- Generally the soils on the island tend to be problematic for drainage as they are poorly developed with little clay content and in some places are highly dispersive...
- ...the majority of rainfall leaches through the porous limestone and down to the underground basalt layer before flowing out to the ocean.<sup>35</sup>
- 4.44 There are a number of unknowns which have ramifications for the island's potable water supply and for development:
- The exact locations the water flows to the ocean, or pools on the basalt layer are currently unknown.
- The exact extent of the underground aquifer that sits on top of the basalt layer is also unknown. Whilst there is some existing [Geographical Information System data]... depicting the basalt aquifer and catchment areas, it is not sufficient to assess with the required degree of accuracy the basalt profile or water catchment areas.

34 Shire of Christmas Island, *Draft Christmas Island Local Planning Strategy*, May 2012, p. 29.

35 Shire of Christmas Island, *Draft Christmas Island Local Planning Strategy*, May 2012, p. 4.

Whilst cave mapping has been undertaken on an ad-hoc basis, there is still potentially a substantial amount of unmapped caves on the island. This has implications for the stability of future development on the island...

Any development therefore has the potential to impact upon this catchment that is used for the island's potable water supply. It is especially relevant for any expansion of industrial and land fill uses, given their increased potential for harmful substances to contaminate the water supply.<sup>36</sup>

- 4.45 The need for a geological survey to inform land release has been recognised for some time. The 2009 *Report for Crown land Management Plan for the Indian Ocean Territories Christmas Island* stated:

The need to conduct geotechnical surveys on [Christmas Island] remains essential for the orderly upgrade of the Local Planning Scheme and subsequently providing direction in the Town Planning Scheme. In addition to the geotechnical surveys and assessments of potential cave sites, it is clear that a geotechnical survey of the underlying basalt must also be carried out to better understand the ultimate fresh water potential of the island. Ideally, such investigations would need to take place prior to the finalisation of land use planning...<sup>37</sup>

- 4.46 Christmas Island resident, Mr Chris Su observed that it is by chance that development on Christmas Island to-date has not contaminated the groundwater:

It is by sheer chance that in 120 years of mining and human activity we have not contaminated the water table yet. Mapping of the basalt rock strata - where the water lies underground - is necessary for the next 120 years [of development].<sup>38</sup>

- 4.47 Councillor Gordon Thomson, President of the Shire of Christmas Island also emphasised the critical importance of geological mapping to development:

Continuing uncertainty about the risks associated with the limestone structure and how the water flows over the basalt layer

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36 Shire of Christmas Island, *Draft Christmas Island Local Planning Strategy*, May 2012, pp. 4-6.

37 Attorney-General's Department, *Report for the Crown land Management Plan for the Indian Ocean Territories Christmas Island*, 2009, p. 5.

38 Mr Chris Su, *Submission 43*, p. 4.

are fundamentally restraining planning and development of social and economic infrastructure.<sup>39</sup>

4.48 Former Administrator, Mr Brian Lacy agreed:

There is an urgent need for the Government to undertake mapping of the basalt as a precursor to any major development.<sup>40</sup>

4.49 Mr Calmy indicated that DIRD has been approached previously in relation to the need to undertake a geological survey:

The critical need for [a geological survey] has been called for at all levels for the last six years with no action taken by [DIRD] when it is common knowledge that this is an essential priority in order to proceed confidently with a range of diverse projects.<sup>41</sup>

4.50 While DIRD acknowledged that it received several approaches relating to geological mapping on Christmas Island over the last ten years, its consideration of the matter was as a 'value-for-money exercise'.<sup>42</sup>

4.51 According to DIRD's submission, a geological survey has not proceeded due to cost considerations and concerns about the available technology:

During the evaluation process, doubts were raised by [the WA] Water Corporation's hydro geologists as to whether the technology available would provide a conclusive picture (that is, that it could identify pockets of freshwater or subterranean water courses due to the dense tree canopy and poor resolution between the basalt and limestone).<sup>43</sup>

4.52 The Committee sought clarification on the cost of undertaking a geological mapping exercise, and the available of suitable technology from Geoscience Australia, the Commonwealth entity responsible for providing geological information to the Australian Government. Geoscience Australia submitted that electromagnetic technology has improved in recent years:

It is theoretically possible to map the basalt and groundwater system on Christmas Island with an electromagnetic (EM) survey. In previous years there had been some doubt about the quality of the data that could be acquired but in recent years some of the EM

39 Councillor Gordon Thomson, President, Shire of Christmas Island, *Committee Hansard*, Canberra, 20 August 2015, p. 1.

40 Mr Brian Lacy, *Submission 39*, p. 6.

41 Calmy Planning and Design, *Submission 20*, p. 7.

42 Ms Robyn Fleming, Executive Director, Local Government and Territories Division, Department of Infrastructure and Regional Development, *Committee Hansard*, Canberra, 10 September 2015, pp. 7-8.

43 Department of Infrastructure and Regional Development, *Submission 36.4*, p. 3.

technology has become more powerful and can give better resolution at depth while still maintaining high near-surface resolution... The most appropriate technology would be best identified through an initial scoping study and would need to be complemented by borehole information.<sup>44</sup>

- 4.53 While noting that the cost of geological mapping exercise would depend on the survey objectives, scale, logistics and existing infrastructure, Geoscience Australia estimated that such a survey could be completed for under \$1 million.<sup>45</sup>
- 4.54 Phosphate Resources Limited also agreed that a geological survey on Christmas Island is vitally important to provide the basis for informed decisions on land release for development and indicated that it was willing to make a financial contribution to such a survey, 'if the scope of the study is agreed with us and undertaken in a timely manner.'<sup>46</sup>

### Committee comment

- 4.55 An understanding of Christmas Island's geology and groundwater catchment is fundamental to sustainable development. Given that the need for a geological survey has long been known, the Committee is concerned that it has not yet progressed.
- 4.56 Given the delay, the Committee considers that it is now time for the Australian Government to invest in a comprehensive geological survey that maps the limestone, basalt and groundwater system on Christmas Island. Available technology should provide sufficiently detailed data to support informed decision making in relation to water management and land development.
- 4.57 The Committee acknowledges the offer from Phosphate Resources Limited to contribute towards the cost of a geological survey. This offer is timely, coinciding with the Australian Government's release of four new sites to Phosphate Resources Limited for industrial and commercial purposes. And, its granting of a phosphate exploration licence to enable further investigation of phosphate stocks, potentially extending the mining operation.<sup>47</sup>

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44 Geoscience Australia, *Submission 49*, p. 2.

45 Geoscience Australia, *Submission 49*, p. 2.

46 Phosphate Resources Limited, *Submission 1.1*, p. 2.

47 The Hon Paul Fletcher MP, Minister for Major Projects, Territories and Local Government, '50 year lease offer to Phosphate Resources Limited on Christmas Island', *Media Release*, 16 December 2015.

- 4.58 Sharing the costs of the survey with Phosphate Resources Limited is something that the Australian Government should explore further.

### Recommendation 6

**The Committee recommends that the Department of Infrastructure and Regional Development, as a priority, commission a comprehensive geological survey on Christmas Island to inform land development and responsible water management.**

**The Department of Infrastructure and Regional Development should explore the options to share the cost of the survey with Phosphate Resources Limited.**

## Reform of the Cocos (Keeling) Islands land trust

- 4.59 A number of witnesses have identified ambiguities related to the operation of the land trust on Cocos (Keeling) Islands as a significant impediment to economic development.<sup>48</sup>
- 4.60 A land trust is an arrangement whereby land is managed by one person or group (known as the trustee) for the benefit of another person or group (known as the beneficiary).<sup>49</sup>
- 4.61 In outlining land ownership arrangements on the Cocos (Keeling) Islands, Councillor John Clunies-Ross, Shire of Cocos (Keeling) Islands, explained that a land trust was established under deed from the Commonwealth following the islands' integration with Australia in 1984. Councillor Clunies-Ross elaborated:
- ...[the land trust] was set up in order to protect the [Cocos Malay] community from a land grab from outside and hyperinflation of land values... because the community was basically a rural community and it would have been quite easy to swamp them if tourism came in.<sup>50</sup>

48 Councillor John Clunies-Ross, Shire of Cocos (Keeling) Islands, *Committee Hansard*, Cocos (Keeling) Islands, 8 April 2015, p. 30; Mr Aaron Bowman, Chief Executive Officer, Shire of Cocos (Keeling) Islands, *Committee Hansard*, Canberra, 20 August 2015, p. 6; Mr Simon Millcock, *Submission 42*, p. 4; Councillor John Clunies-Ross, *Submission 6.2*, p. 2.

49 New South Wales Office of State Revenue, *Trusts*, <http://www.osr.nsw.gov.au/taxes/land/factsheet/trusts>, viewed 18 February 2016.

50 Councillor John Clunies-Ross, *Submission 6.2*, p. 2; Councillor John Clunies-Ross, Shire of Cocos (Keeling) Islands, *Committee Hansard*, Canberra, 20 August 2015, p. 7.

- 4.62 Initially, two land trusts were established:
- the Home Island or Kampong trust, managed by the [now superseded] Cocos Council and incorporating land in the Kampong area; and
  - the Cocos Co-op trust, managed by the Cocos Cooperative and including all land - aside from Crown land and land captured by the Home Island land trust - namely most of West Island, Direction Island, Horsburgh Island and North Keeling Island.<sup>51</sup>
- 4.63 However, the Cocos Cooperative did not take up the Co-op trust, and it was eventually absorbed into the Home Island trust with the Cocos Council becoming trustee for the combined land trust.<sup>52</sup>
- 4.64 In 1992 the trust's rights, assets and responsibilities were transferred from the Cocos Council to the Shire of Cocos (Keeling) Islands when it was formed as part of territories reform. At this time, the beneficiaries of the trust were also expanded to incorporate the islands' population more broadly.<sup>53</sup>
- 4.65 Over time it appears that some land trust documents have been lost, and questions have been raised regarding the legality of the current administrative arrangements.<sup>54</sup>
- 4.66 According to Councillor Clunies-Ross, who was tasked by the Shire of Cocos (Keeling) Islands to investigate issues associated with the land trust,<sup>55</sup> the trust is 'technically bankrupt' and operates as a private land trust, which he asserted is not permitted under the local government legislation.<sup>56</sup>
- 4.67 While Councillor Clunies-Ross initially expected 'it was going to a matter of straightening a few things out,' he found that the problems with the trust are more substantive:
- It will need a fair bit of professional effort to sort it out.  
...we are just working with goodwill, at this stage because there are no legal documents to base the land trust on.<sup>57</sup>

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51 Councillor John Clunies-Ross, *Submission 6.2*, pp. 1-2; Calmy Planning and Design, *Submission 20*, p. 8.

52 Councillor John Clunies-Ross, *Submission 6.2*, p. 2.

53 Councillor John Clunies-Ross, *Submission 6.2*, p. 1; Councillor John Clunies-Ross, Shire of Cocos (Keeling) Islands, *Committee Hansard*, Cocos (Keeling) Islands, 8 April 2015, p. 30.

54 Councillor John Clunies-Ross, Shire of Cocos (Keeling) Islands, *Committee Hansard*, Cocos (Keeling) Islands, 8 April 2015, p. 30; Councillor John Clunies-Ross, *Submission 6.2*, pp. 1-2.

55 Councillor John Clunies-Ross, *Submission 6.2*, p. 1.

56 Councillor John Clunies-Ross, Shire of Cocos (Keeling) Islands, *Committee Hansard*, Cocos (Keeling) Islands, 8 April 2015, p. 30 and *Committee Hansard*, Canberra, 20 August 2015, p. 7.

57 Councillor John Clunies-Ross, Shire of Cocos (Keeling) Islands, *Committee Hansard*, Canberra, 20 August 2015, p. 7.

- 4.68 DIRD confirmed there are outstanding questions surrounding the trust:  
 ...including whether the Shire [of Cocos (Keeling) Islands] is able to sell/lease land held in trust, and the arrangements to determine community benefit should sale or lease occur.<sup>58</sup>
- 4.69 Councillor Clunies-Ross said that investors look for certainty around land tenure and stated that in his view there needs to be clarity on how the trust operates to support economic development that serves the interest of the Cocos community:  
 No one is going to come near us or touch us unless the land is free and unencumbered. What is trust land, what is controlled on it and what are the trusts? We need to know what they are ...  
 This thing has been tied up now for 30 years ...<sup>59</sup>
- 4.70 Mr Calmy noted that the Shire of Cocos (Keeling) Islands has been unable to develop the land captured by the land trust:  
 ...no major revenue generating development has ever been carried out on trust land since its creation... There is also nothing to suggest that the trustee... has ever succeeded in facilitating or encouraging private investment initiatives and project development on trust land.<sup>60</sup>
- 4.71 He argued that the land trust must be reviewed:  
 A review of the operation of the land trust... is necessary to improve the situation. Business as usual is not an option.<sup>61</sup>
- 4.72 The Chief Executive Officer of the Shire of Cocos (Keeling) Islands made a similar point:  
 We need the land trust issue to be sorted out...<sup>62</sup>
- 4.73 Councillor Clunies-Ross called for the land trust to be rewritten, and made the following suggestions:
- the Home Island trust be reformed to take in the whole island (other than freehold) to enhance the resilience of the Home Island's social fabric; and

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58 Department of Infrastructure and Regional Development, *Submission 36.4*, p. 3.

59 Councillor John Clunies-Ross, Shire of Cocos (Keeling) Islands, *Committee Hansard*, Cocos (Keeling) Islands, 8 April 2015, p. 30.

60 Calmy Planning and Design, *Submission 20.1*, p. 3.

61 Calmy Planning and Design, *Submission 20*, p. 8.

62 Mr Aaron Bowman, Chief Executive Officer, Shire of Cocos (Keeling) Islands, *Committee Hansard*, Canberra, 20 August 2015, p. 6.

- a second trust be established for the remaining trust land, to operate in accordance with the local government legislation and allow divestment of land for the benefit of the community.<sup>63</sup>

4.74 However, DIRD argued that it is the responsibility of Shire of Cocos (Keeling) Islands, as trustee of the land trust, to seek legal assistance to resolve any outstanding issues:

As the custodian of the land, the Shire should seek legal advice on the process to sell or lease trust land, and any conditions or arrangements attached to this.<sup>64</sup>

### Committee comment

4.75 Information on how the land trust operates on the Cocos (Keeling) Islands is scant and much remains unclear. Even the legitimacy of the current administrative arrangements is under question. As it currently stands, the land trust offers little benefit to the community it was set up to serve and makes little contribution to the economic development of Cocos (Keeling) Islands.

4.76 Thirty years after its establishment, it is time for a legal specialist to undertake comprehensive review of the trust, with a view to reforming or replacing it so that land can be leased or sold for economic development where this is in the interest of the community. Although DIRD expressed the view that the Shire of Cocos (Keeling) Islands should be responsible for commissioning a legal review of the trust, the Committee does not agree. Rather, the Committee considers that the legal review of the trust should be the responsibility of DIRD, given its role in administering the IOT. The trust is a legacy issue that has been inherited by the Shire as a result of the islands' unique history and governance arrangements.

4.77 While a review of the trust presents an opportunity to lay a new foundation for economic prosperity and potentially generate employment opportunities, it is essential that the current beneficiaries of the trusts, the residents of the Cocos (Keeling) Islands, are part of this review process. Any new arrangements need to ensure the best interests of Cocos (Keeling) Islanders into the future.

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63 Councillor John Clunies-Ross, *Submission 6.2*, pp. 2-3.

64 Department of Infrastructure and Regional Development, *Submission 36.4*, p. 3.

## Recommendation 7

**The Committee recommends that the Department of Infrastructure and Regional Development engage a legal specialist to review the land trust on the Cocos (Keeling) Islands to determine legal ownership and control of all land with a view to reforming or replacing it.**

**New arrangements must be informed by agreement with trust beneficiaries, define the responsibilities and obligations of trustees to the people of the Cocos (Keeling) Islands, and subject to probity considerations, enable land to be leased or sold in support of economic development.**

## Land management framework

### Lack of strategic vision and commitment

4.78 The bulk of development opportunities in the IOT are offered by uncommitted or underutilised Crown land. However, a number of witnesses identify the absence of a coherent, coordinated, long-term strategy to support the development of such land as a significant impediment to development.<sup>65</sup> As Mr Lacy observed:

Potential investors are dissuaded ... from undertaking major projects by the impression that the Australian Government does not have a clear vision of the future for the Islands. Availability of land and red and green tape provide even more disincentives.<sup>66</sup>

4.79 Mr Simon Millcock, a former IOT Economic Officer (a position that no longer exists), described significant interest from private investors during his tenure on Christmas Island from 2008 to 2013. Interest included proposals for a dive resort on Christmas Island, eco-resort development on Cocos (Keeling) Islands, and redevelopment of the Cocos Co-operative Motel. However, according to Mr Millcock, the proposals failed to gain traction, as there was no agreed Government vision for the IOT:

There was a lack of governance and administrative arrangements to articulate a vision or support the local economic development strategy for the IOT as their plans and aspirations were not

<sup>65</sup> Mr Brian Lacy, *Submission 39*, p. 17; Mr Stephen Clay, *Submission 41*, p. 6; Mr Herve Calmy, Director, Calmy Planning and Design, *Committee Hansard*, Canberra, 10 September 2015, p. 3; Councillor Gordon Thomson, President, Shire of Christmas Island, *Committee Hansard*, Canberra, 20 August 2015, pp. 1-2.

<sup>66</sup> Mr Brian Lacy, *Submission 39*, p. 17.

incorporated or contained within the various departments involved with administering the IOT.<sup>67</sup>

- 4.80 Mr John Sorensen, a WA businessman who owns property on Christmas Island made a similar observation:

Down on the waterfront we have six lots that are tourism zoned blocks... They have been fully developed and ready to build on, but again and again and again, when we tried to attract investors for further development and the building of tourism accommodation, there have been investigations by investors into the future outlook for Christmas Island and into Commonwealth policy and everything has fallen over...<sup>68</sup>

- 4.81 Christmas Island resident, Ms Lisa Preston also observed investors' lack of confidence:

Investors who have shown interest in recent years are left hanging as federal and local governments are unable to co-ordinate a development vision for the island.<sup>69</sup>

- 4.82 Another resident, Mr Chris Su explained there is no clear protocol for investors to follow:

It is currently impossible to obtain unallocated Crown land on Christmas Island through a formalised protocol. Applications for developments on these lands are assessed on an ad-hoc basis by DIRD. The value of the land remains locked for administrative reasons.<sup>70</sup>

- 4.83 According to Mr Calmy, another consequence of the lack of strategic vision for land development in the IOT relates to the application of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act):

The lack of a whole of government public position to support development on Crown land outside the National Park boundaries [allows] the EPBC Act procedures to frustrate endlessly mining, threaten periodically the mine viability and prevent any potential investors to engage in project feasibilities on these Crown land assets.<sup>71</sup>

- 4.84 Mr Calmy suggested that a clearer signal regarding the sale or leasing of Crown land outside the National Park is required for investor confidence:

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67 Mr Simon Millcock, *Submission 42*, p. 3.

68 Mr John Sorensen, Director, Northern Bay Pty Ltd, *Committee Hansard*, Canberra, 25 June 2015, p. 2.

69 Ms Lisa Preston, *Submission 28*, p. 4.

70 Mr Chris Su, *Submission 43*, p. 3.

71 Calmy Planning and Design, *Submission 20*, p. 6.

...first and foremost, the [important thing] is to clearly define what is set aside for conservation and biodiversity and what is set aside for economic development.<sup>72</sup>

- 4.85 Mr Millcock suggested that the lack of a clear strategic vision for development in the IOT may reflect a lack of administrative continuity, including machinery of government changes, and changes to administrative/ portfolio responsibility:

Continuity was a major issue and during my employment of just over four years [2008-13] apart from Mr Brian Lacy there were three other Administrators. Two were Acting Administrators (Government employees) and [I was] also [there] for the start of Mr Jon Stanhope's tenure as Administrator. During this time the IOT were administered by three different Commonwealth departments and if memory is correct four different Ministers and several different IOT Directors (based in CI, Perth and Canberra). It appeared to be a revolving door and many of the community leaders expressed a lack of trust in being able to engage with their communities as different messages were often provided and different promises made with no clear strategy or approach.<sup>73</sup>

- 4.86 The Shire of Christmas Island also referred to resource constraints affecting long-standing development and planning delays:

[DIRD] has struggled with under resourcing for many years, with cutbacks in staff being the primary reason for so much of our planning being ignored and development being hamstrung by ad-hoc, budget driven failure to make all of the connections that our planning arrangements required.<sup>74</sup>

## Updating the Crown land management framework

- 4.87 As noted earlier in the chapter, DIRD indicated that it intends to undertake a strategic policy review to update the Crown land management framework:

The Department will be updating the 2009 *Report for Crown Land Management Plan for the IOT* (CLMP) and developing an IOT Land Disposal Policy to support the release of land. This is a complex

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72 Mr Herve Calmy, Director, Calmy Planning and Design, *Committee Hansard*, Canberra, 10 September 2015, p. 3.

73 Mr Simon Millcock, *Submission 42*, p. 3.

74 Councillor Gordon Thomson, President, Shire of Christmas Island, *Committee Hansard*, Canberra, 20 August 2015, p. 2.

area of territories' policy and will require consultation with stakeholders. These are expected to be developed by June 2016.<sup>75</sup>

4.88 DIRD added:

The revised CLMP will provide an up-to-date overview of land, ownership and potential uses, including recent updates to the Town Plans for both territories. The CLMP will have a particular focus on unused and under-used land and potential areas for development and investment. It is intended to support the easy identification of land by investors for economic and community development projects.

In relation to the Asset Management Plan, the Department's initial focus will outline the process for the consideration of requests for land, including arrangements to consider applications, criteria on which decisions will be made, forms and applications and timelines for decisions. [It] is intended to more broadly review what existing Commonwealth assets in the IOT may be considered appropriate for disposal.

Combined, the intent of these two documents is to provide a clear, open and transparent framework for the supply of land and to provide certainty to potential investors.<sup>76</sup>

## Crown land disposal ordinances

4.89 Several submitters have suggested that in addition to a well-articulated Crown land management framework, ordinances may be required to support the lease or sale of Crown land in the IOT. Their views are outlined below.

4.90 Ordinance is 'a form of delegated legislation which usually applies only in a certain local area'.<sup>77</sup> In the IOT, the Governor-General has the power to create ordinances to amend or repeal WA law applicable to the territories.<sup>78</sup>

4.91 Mr Su stated that in his view a legislative instrument is required:

There needs to be a legislative instrument that allows interested parties to obtain unutilised Commonwealth land on Christmas

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75 Department of Infrastructure and Regional Development, *Submission 36.4*, p. 1.

76 Department of Infrastructure and Regional Development, *Submission 36.4*, p. 4.

77 Comlaw, *An A-Z of Key Jargon*, <https://www.comlaw.gov.au/content/whatisit#O>, viewed 11 August 2015.

78 Australian Law Reform Commission, 'External Territories', *Legal Risk in International Transactions (ALRC Report 80)*, <http://www.alrc.gov.au/publications/alrc-80-legal-risk-international-transactions/10-external-territories>, viewed 11 August 2015.

Island for the purposes of economic development after passing a vetting for probity.<sup>79</sup>

4.92 Councillor Thomson agreed on the need to have ordinance. He observed:

The Commonwealth's Crown land management plans and the [Shire of Christmas Island's] Town Planning Scheme No. 2 are integrated plans. They cannot be fully implemented without the mechanism for exploitation of land that a Crown land disposal ordinance should provide.<sup>80</sup>

4.93 According to Mr Calmy, an IOT Crown land disposal ordinance should include the following sections:

- CI Crown land;
- CKI Crown land;
- CKI trust land; and
- Unsolicited proposals.<sup>81</sup>

4.94 Mr Lacy called for Crown land disposal ordinance to have provisions for due diligence to effectively regulate responsible and sustainable development. He also called for ordinance to provide a mechanism to facilitate unsolicited proposals for development.<sup>82</sup>

4.95 Councillor Thomson emphasised that the ordinance needs to be drafted by qualified legal and economic experts, in consultation with stakeholders, including DIRD, the Shire, Phosphate Resources Limited, heads of local organisations and industry.<sup>83</sup>

4.96 Councillor Thomson and Phosphate Resources Limited said that Crown land ordinances need to be integrated with the existing Crown land management plans and town planning schemes. Phosphate Resources Limited stated:

We would anticipate that if an ordinance was prepared to enable land release it would operate subject to approvals by both the local government, under the Town Planning Scheme, and the Administrator on behalf of the Commonwealth.<sup>84</sup>

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79 Mr Chris Su, *Submission 43*, p. 3.

80 Councillor Gordon Thomson, President, Shire of Christmas Island, *Committee Hansard*, Canberra, 20 August 2015, pp. 1-2.

81 Calmy Planning and Design, *Submission 20.1*, p. 6.

82 Mr Brian Lacy, *Submission 39*, p. 17.

83 Councillor Gordon Thomson, President, Shire of Christmas Island, *Committee Hansard*, Canberra, 20 August 2015, p. 1.

84 Phosphate Resources Limited, *Submission 1*, p. 3; Councillor Gordon Thomson, President, Shire of Christmas Island, *Committee Hansard*, Canberra, 20 August 2015, p. 2.

4.97 DIRD said the Department's focus was on updating the CLMP first and then to 'identify whether an ordinance is required.' Ms Fleming, Executive Director, DIRD stated:

What we do not want to do is add another layer of complexity to what is already a complex process.<sup>85</sup>

4.98 Mr Calmy responded to DIRD's statement:

I would finally assert that an ordinance would clarify and simplify land proceedings rather than create a 'new layer of complexity'. Policies are subject to change and interpretation. Investments are rarely based on policies, they require legal certainty.<sup>86</sup>

### Committee comment

4.99 It is evident that there is a perception that Australian Government lacks a strategic vision for land management and development in the IOT. The uncertainty over the vision for the development of Crown land, and the absence of a clear process for applying to lease or buy land may well have discouraged potential investors.

4.100 The Committee is pleased to note that DIRD has committed to developing an updated land management framework, comprising the updated CLMP and the Commonwealth Assets Management Plan to articulate a future vision for land release and development. The Committee wants to see the land management framework progressed as a priority in 2016 so that the IOT shires, community and investors can have some certainty.

4.101 Once finalised, the land management framework, should be widely promoted and a package of information for potential investors made available on the Department's website. The land management framework should make clear the principles governing the release of Crown land, and the process that developers need to follow to lease or purchase available Crown land.

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85 Ms Robyn Fleming, Executive Director, Local Government and Territories Division, Department of Infrastructure and Regional Development, *Committee Hansard*, Canberra, 10 September 2015, p. 10.

86 Calmy Planning and Design, *Submission 20.1*, p. 6.

### **Recommendation 8**

**The Committee recommends that the Department of Infrastructure and Regional Development, as a priority, develop a Crown land management framework for the Indian Ocean Territories.**

**The Crown land management framework, including the updated Crown Land Management Plan and the Commonwealth Assets Management Plan, should be published on the Department's website, and a package of information made available to potential investors. The Crown land management framework should make clear the principles governing the release of Crown land, and the process that developers need to follow to lease and purchase available Crown land.**

- 4.102 While the Committee accepts that it may be necessary to update the Crown land management framework before assessing whether it requires complementary Crown land disposal ordinance, it is not sufficient to dismiss the idea by saying that 'it adds another level of complexity.'
- 4.103 Whether Crown land disposal ordinances are needed to enhance investor confidence, the Committee cannot say, on the basis of the limited evidence provided on this matter. However, if investor confidence is lacking, an updated Crown land management framework without ordinances risks not delivering demonstrably different land development outcomes. If ordinances are created they must be integrated with the broader IOT land planning framework, including Crown land management plans and town planning schemes.

### **Recommendation 9**

**The Committee recommends that the Department of Infrastructure and Regional Development investigate whether Crown land disposal ordinances are warranted to facilitate the lease and sale of Crown land in the Indian Ocean Territories.**

**If Crown land ordinances are warranted, they should be established without delay.**

## Transferring Commonwealth property to shires for reuse

4.104 Witnesses suggested that land owned by DIRD on the Cocos (Keeling) Islands, specifically West Island, could be better used to achieve economic benefit for the community. The CEO of the Shire of Cocos (Keeling) Islands claimed that DIRD is underutilising a number of sites on West Island:

...we need [DIRD] to come up with a plan of what they are going to do with the centrally owned land, like the Light Industrial Area, the commercial blocks, and the vacant residential blocks, instead of just sitting on their hands and waiting another ten years.<sup>87</sup>

4.105 Mr Calmy agreed with this assessment, and noted that outline development plans for the Quarantine Station (2010) and the West Island Urban Expansion (2011) have not progressed:

These plans have the demonstrated potential to set [the Cocos (Keeling) Islands] in a sustainable economic trajectory and provide for the immediate needs of the elderly as well as the young local couples wanting to stay and work on [Christmas Island].

Given that DIRD has not given any indication that it will take the necessary measures to initiate the implementation of the [outline development] plans one can only agree with the [Chief Executive Officer of the Shire of Cocos (Keeling) Islands] that these Crown land assets are currently fundamentally 'underutilised'.<sup>88</sup>

4.106 Councillor Clunies-Ross suggested that DIRD lacks the expertise to manage land effectively and therefore should not retain responsibility for its release in support of economic development:

DIRD and its precursors have little (no) experience in land release or management. I would not believe that they are not the body to be in charge of the process.<sup>89</sup>

4.107 He argued that the Shire of Cocos (Keeling) Islands should take responsibility for land currently managed by DIRD:

Any Commonwealth land, especially unused land or unallocated land should be transferred to the Shire... This will provide an asset base and stable income for the [Shire] decreasing its reliance on the vagaries of a Commonwealth grants system each year. It would

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87 Mr Aaron Bowman, Chief Executive Officer, Shire of Cocos (Keeling) Islands, *Committee Hansard*, Canberra, 20 August 2015, p. 6.

88 Calmy Planning and Design, *Submission 20.1*, p. 4.

89 Councillor John Clunies-Ross, *Submission 6.2*, p. 3.

release DIRD from non-core business on island. It would bring the tools for social change into the authority of the local community.<sup>90</sup>

- 4.108 The Shire of Cocos (Keeling) Islands specifically requested transfer of responsibility from DIRD to the Shire for a number of West Island sites either as freehold or on a 99 year lease, including:
- four commercially zoned parcels on Emden Walk;
  - the Light Industrial Area bounded by the Sydney Highway, Fremantle Road and Alexander Street; and
  - land suitable for retail at lot 193 William Keeling Crescent.<sup>91</sup>
- 4.109 The Shire of Cocos (Keeling) Islands outlined proposed uses for each of the sites to support economic development:
- making the commercial land on Emden Walk available to investors for development;
  - improving the Light Industrial Area and addressing issues of building non-compliance and safety; and
  - further developing the retail site on William Keeling Crescent, opening up opportunities for new businesses.
- 4.110 The Shire of Cocos (Keeling) Islands submitted:
- ...give the Shire the green light on the... projects and with minimal to even no federal funding we can and will kick start economic development.<sup>92</sup>

### Committee comment

- 4.111 The relative scarcity of developable land on the Cocos (Keeling) Islands makes it even more critical that assets are used effectively to support economic development, irrespective of which entity has administrative responsibility.
- 4.112 The Committee is disappointed to hear that scarce developable Crown land on West Island is being underutilised. It is clear that the Shire is willing to accept responsibility for developing these sites and believes it has the capacity to manage the land more effectively.
- 4.113 The CEO of the Shire of Cocos (Keeling) Islands has indicated that the Shire is willing to put in its own resources - time and money - to develop the sites for the benefit of the community. In view of this, the Committee

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90 Councillor John Clunies-Ross, *Submission 6.2*, p. 4.

91 Shire of Cocos (Keeling) Islands, *Submission 46*, pp. 1-2.

92 Shire of Cocos (Keeling) Islands, *Submission 46*, p. 1.

can see no reason why these sites should not be transferred to the Shire of Cocos (Keeling) Islands for local management on a long-term lease basis.

### **Recommendation 10**

**The Committee recommends that the Department of Infrastructure and Regional Development transfer, on a long-term lease basis, the following Crown land assets on West Island to the Shire of Cocos (Keeling) Islands for development:**

- **the four commercially zoned parcels on Emden Walk;**
- **the Light Industrial Area bounded by the Sydney Highway, Fremantle Road and Alexander Street; and**
- **the land suitable for retail at lot 193 William Keeling Crescent.**

