



Rural and Regional Affairs and Transport Legislation Committee

Submission to the Inquiry into Northern Australia Infrastructure Facility Amendment (Miscellaneous Measures) Bill 2023 [Provisions]

Dear Committee members

Thank you for the opportunity to provide a submission on the proposed changes to the *Northern Australia Infrastructure Facility Act 2016*, which will see the inclusion of the Indian Ocean Territories (IOT) in the definition of Northern Australia.

About the Indian Ocean Territories

Australia's remote Indian Ocean Territories (IOT) comprise Christmas Island and the Cocos (Keeling) Islands. The islands boast unique natural assets in their flora and fauna and marine life, as well as harmonious multicultural communities. The region is environmentally important: a large part of Christmas Island is a national park, and marine parks have been declared throughout the IOT. The Australian Government manages both islands as external territories, and is responsible to ensure good governance and service delivery throughout the IOT.

The territories of Christmas Island and the Cocos (Keeling) Islands are close neighbours geographically, and share similar challenges and opportunities such as remoteness, climate, and proximity to Asia. However, there are differences including demographics, aspirations, and potential opportunities for development.

Christmas Island is located 2,605 km from Perth and 490 kilometres from Jakarta. The island is at the tip of a 5,000 metre submarine volcano. The highest point is 361 metres above sea level. The area of the island is 137.4 km, over 60% of which is national park. The island has 1,692 residents. At the [2021 Census](#), 60% of households reported that a non-English language was spoken at home. Languages spoken include Malay, Mandarin, Cantonese, Min Nan, and Indonesian.



The Cocos (Keeling) Islands are located 2,935 km from Perth and 985 km from Christmas Island. They are a group of 27 low-lying coral islands that form two atolls. The total land area is 15.6 km. The 593

residents of the Cocos (Keeling) Islands are located on two of the islands: Home Island and West Island. The majority of residents are Cocos Malay and live on Home Island. At the [2021 Census](#), 70% of households on the Cocos (Keeling) Islands reported that a non-English language was spoken at home, being Cocos Malay, a unique dialect of Malay. The remaining population identifies as being of European descent.

The economic drivers of Christmas Island and the Cocos (Keeling) Islands are distinct. Christmas Island's largest private sector employer is the phosphate mine which has a limited working life. The Cocos (Keeling) Islands economy is heavily reliant on Commonwealth-funded projects and activities. The IOT has a modest tourism industry with potential for future growth. However, broader accessibility challenges, limited tourist facilities, and elevated travel costs, are impediments to sustained growth in tourism.

About the Indian Ocean Territories Regional Development Organisation

The [Indian Ocean Territories Regional Development Organisation](#) (IOT RDO) is one of 53 organisations located across Australia that are part of the Regional Development Australia network, funded by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA). The IOT RDO is working to facilitate sustainable development in the region, and to build strong and confident local economies on both Christmas Island and the Cocos (Keeling) Islands.

The IOT RDO recently published the [IOT RDO 2030 Strategic Regional Plan](#), developed with Centred Solutions of Alice Springs. The plan aims to leverage the region's natural assets and community strengths to foster a more diverse economy and a stronger, more resilient, and capable region. This can be achieved through strategic coordination and collaboration to overcome barriers to investment and economic activity. A strategic priority in the plan is to support sustainable growth and development, and improving access to finance and funding opportunities for projects in the IOT is a focus area of this strategic priority.

Response: The bill amends the definition of 'Northern Australia' within the Act to include Christmas Island and the Cocos (Keeling) Islands, collectively known as the Indian Ocean Territories.

The IOT RDO has long advocated for the inclusion of the IOT in the definition of Northern Australia in the *Northern Australia Infrastructure Facility Act 2016*. The regional economy must transition from a narrowly-based and underdeveloped market to a diversified and more robust market-driven economy. A major constraint to development in the IOT is access to finance.

The region is part of Northern Australia both geographically and politically, forming part of the electorate of Lingiari in the Northern Territory. The region faces similar issues of remoteness and isolation that affect development in other parts of Northern Australia. It is critical that the IOT region is considered part of the Northern Australia agenda, and the proposed change to the geographic coverage of the Northern Australia Infrastructure Facility (NAIF) legislation is welcomed.

The exclusion of the IOT from the NAIF definition of Northern Australia also has had wider implications, as the definition has been used by other Australia Government agencies to determine



whether the IOT form part of Northern Australia for public policy purposes. For example, the IOT were excluded from the Australian Competition and Consumer Commission (ACCC) inquiry into Northern Australia insurance because the ACCC used the NAIF definition of Northern Australia.

Response: The bill also clarifies that the objectives of the Act include the provision of financial assistance for the development of Northern Australia economic infrastructure for the benefit of Indigenous persons.

The Committee may be unaware that for the 2021 Census, [0% of the population at the Cocos \(Keeling\) Islands](#) and [0.6% of the population at Christmas Island](#) identified as Aboriginal and/or Torres Strait Islander. The requirement for an Indigenous engagement strategy for NAIF projects, that demonstrates objectives for Indigenous participation, procurement and employment in the region of the project, would therefore be of no benefit to the local populations and businesses in the region. In fact, this requirement is an impediment to local companies being eligible for finance through NAIF. For the IOT, a local participation, procurement and employment strategy would be more suitable, and would benefit the local populations and regional economy.

A/Chairperson
IOT RDO

12 April 2023