

Natasha Griggs, Administrator of Christmas Island and the Cocos (Keeling) Islands

Joint Standing Committee on Northern Australia

**Statement made at the Public Hearing held at 1.30 p.m.,
Wednesday, 31 January, 2018, Home Island Shire Offices**

Welcome to the Cocos (Keeling) Islands.

I wish to thank the Joint Standing Committee for including the Cocos (Keeling) Islands, one of Australia's smallest and most remote communities, in the scope of their inquiry into opportunities and methods for stimulating the Tourism Industry in Northern Australia.

Furthermore, I would like to thank the Joint Standing Committee for recognising the island geography and cultural diversity of the Cocos (Keeling) Islands by holding two public hearings today on Cocos.

Tourism development is the major economic opportunity for the Indian Ocean Territories. In particular, tourism is critical for the future development of the Cocos (Keeling) Islands.

The current situation on the Cocos (Keeling) Islands:

As you saw yesterday on your inspections, the Cocos (Keeling) Islands are truly exceptional.

To understand the tourism opportunities and challenges of tourism development on Cocos, I believe it is necessary to understand the geography, culture and demographics of the territory.

The territory of the Cocos (Keeling) Islands is principally a remote coral atoll of 27 islands of which North Keeling Island is a national park.

The Cocos (Keeling) Islands are almost at sea level and prone to cyclones.

Cocos is closer to Asia than the Australian mainland.

According to the last 2016 Census, Cocos has a small population of 544 people of which 404 reside on Home Island and 140 on West Island.

Cocos also has an ageing population with people aged 65 years and over making up 15.5% of the population in 2016, nearly double the proportion of 8.7% in 2006.

Approximately 75% of the population identify as Cocos Malay; most of whom live on Home Island.

The Cocos Malay community is unique in Australia. They even have their own language.

As you have experienced first-hand, Home Island and West Island are connected by a high-standard and frequent passenger ferry service contracted by the Commonwealth Government.

The tourism industry is already well-established on Cocos and has the most growth potential of any sector.

Nearly 1,500 tourists visited Cocos in 2015/6, many more than visited Christmas Island.

The number of tourists visiting Cocos is also increasing year-on-year.

This is not surprising as Cocos has many recreational, cultural and historical tourism attractions and activities.

For instance, it has recently seen a surge of interest in kite surfing.

Apart from its many lagoon-based activities, Cocos even has Australia's only golf course partly located on a runway!

Cocos has numerous accommodation houses on West Island as well as Oceania House, the former residence of the Clunies-Ross Family on Home Island.

We have many capable tourism operators on Cocos active in the tourism industry supported by a skilled and multi-lingual workforce.

We have a dynamic Cocos (Keeling) Islands Tourism Association and a well-patronised Visitor Information Centre partly funded by a large annual Commonwealth Government grant which was increased last year.

As I do on Christmas Island, I chair the Emergency Management Committee on Cocos which brings together representatives of the Shire, Commonwealth Government agencies and relevant voluntary organisations on Cocos to prepare for and respond to emergencies.

The Committee even held its public hearing on West Island this morning in one of the two Government-provided cyclone shelters.

As is the case on Christmas Island, we have Government-funded and well-managed infrastructure supporting the tourism industry such as the airport, port facilities, roads, water and electricity.

We have twice-weekly triangulated passenger flights from Perth to Christmas and Cocos Islands.

This contract is underwritten by the Commonwealth Government and ensures we have regular flights into the Indian Ocean Territories.

We also have fortnightly air freighter services contracted by the Government which ensures we have access to fresh produce.

Cocos is located close to South East Asia, one of the fastest growing regional economies in the world.

In this respect, the Cocos Co-operative Society should be commended for their innovative Gateway to Asia strategy and their concerted efforts to reach out to the Malaysian tourism market.

Building on this strong foundation, there is significant growth potential for tourism on Cocos.

However, what is needed on Cocos is tourism development that preserves and develops the best that Cocos has to offer, not growth for growth's sake.

We therefore need to develop tourism that is both culturally sensitive and environmentally sustainable.

Most importantly, we need a tourism industry that meets the needs of Cocos residents for more and varied jobs.

If we don't do this right we will see more young people, who are the future of Cocos, leaving for the mainland in search of employment and not coming back.

As Chair of the Indian Ocean Territories Regional Development Organisation, I am working to secure Government funding for the Regional Development Organisation to develop a new strategic plan for Cocos in consultation with local stakeholders as is already the case with Christmas Island.

However, thinking strategically is not sufficient in itself.

As I said at the Christmas Island public hearing, we need to act regionally.

This means implementing our strategies and plans more as the Indian Ocean Territories (not just the Cocos (Keeling) Islands) within a Northern Australia context that is more oriented towards Asia.

My priorities for developing the tourism industry on the Cocos (Keeling) Islands are as follows:

We need to encourage the Cocos Land Trust, through the Shire, to continue to identify sites for fast-tracked tourism development.

With this in mind, I commend the Shire for making sites at Trannies Beach on West Island available for tourism development.

This is very important as Cocos needs more good-quality and full-service accommodation to meet growing tourism demand, particularly in peak season.

In my view, as is the case on Christmas Island, we need to continue to fund the Cocos (Keeling) Islands District High School and the Indian Ocean Group Training Association to provide tourism-related training and skill development ranging from teaching Asian languages to providing hospitality courses.

I believe we need to better target the growing Asian tourism market by the Christmas Island and Cocos Tourism Associations working more closely together to cost-effectively market the Indian Ocean Territories as joint destinations.

As I said at the Christmas Island public hearing, I would therefore suggest that the two Tourism Associations consider exploring the feasibility of amalgamating into an Indian Ocean Tourism Association following the successful model of the Indian Ocean Group Training Association.

Unfortunately, Cocos does not yet benefit from direct flights from Asia in the same way that there are charter flights from Jakarta and KL to Christmas Island.

At best, visitors from Asia can disembark on Christmas Island and take a connecting VARA flight to Cocos which may require an overnight stay on Christmas Island.

What would be better still are triangulated flights from Asian airports to both Christmas Island and the Cocos (Keeling) Islands by removing restrictions on cabotage in the Indian Ocean Territories.

Another important way to improve flight services to Cocos would be to upgrade the West Island runway as recommended in the 2016 Defence White Paper to support the introduction of the new fleet of P-8 Poseidon maritime surveillance and response aircraft.

This is an expensive undertaking estimated to cost between \$100 million to \$200 million over five years.

For this reason, a strong business case needs to be developed before the project can proceed.

Should the airfield upgrade go ahead, I would like to see a commitment to local content with a proportion of the work assigned to local contractors to create jobs for Cocos residents along the lines of what I successfully advocated for in respect of Defence projects in the Northern Territory.

Moreover, before the airfield upgrade is green-lighted, there needs to be extensive consultation with the community, particularly the tourism industry.

One concern brought to my attention is the risk of visitors being crowded out of tourist accommodation by workers from the mainland employed to work on the runway who will need temporary housing.

As I have already shared with the Committee in great detail at the Christmas Island public hearing, the VARA flights have a major impact on the tourism industry across the Indian Ocean Territories.

So I will therefore not repeat myself here except to say that VARA may be open to changing the days of one or both of their two flights a week.

As you have heard from other locals, we need to improve tele-communication services on Cocos in respect to the mobile phone network.

Like Christmas Island, we don't have 4G on Cocos and the internet is slow which hinders visitors who wish to share their experiences instantaneously on-line via Facebook or Instagram.

Cocos's current GSM network has reached its end of life and makes maintenance and service provision difficult.

Unfortunately, due to the distance involved, Cocos will not be connected to the Australia-Singapore fibre-optic cable currently being laid.

We need a new state-of-the-art mobile data network for Cocos that will enable smart phone applications.

While local contractors are doing the best they can in a difficult situation, I am disappointed with reports I am receiving from residents of the unresponsiveness of Telstra to customer needs on Cocos.

For example, the EFTPOS on Home Island has been disconnected for more than two months despite my multiple representations.

Finally, I would like to end on a major constraint on tourism development on Cocos.

This is the inability of homeowners on Cocos to obtain home insurance which impedes housing construction.

I am told by locals that this is a deterrent to new tourism operators establishing themselves on Cocos.

I know, Mr. Chairman, that the affordability and availability of home insurance in Northern Australia is an issue close to your heart.

I hope you and the Committee will help champion for the provision of affordable home insurance on Cocos, as well as the other issues I have brought to your attention during your visit to the incredible Indian Ocean Territories.

I trust that, if you weren't before, you will now be keen advocates of the Indian Ocean Territories.

Thank you.

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