

Additional questions on notice

Department of Regional Australia, Local Government, Arts and Sport

From the public hearing held in Canberra, Committee Room 251

Wednesday 28 November 2012

12.45 – 1.30 PM

INDIAN OCEAN TERRITORIES

COCOS (KEELING) ISLANDS	
1. Property insurance on the Cocos (Keeling) Islands (transcript pp. 3, 4)	
a. Is the Australian Government aware of the steep rise in property insurance costs on the Cocos (Keeling) Islands?	Yes, the Shire of Cocos (Keeling) Islands (SOCKI) has reported rising insurance costs for SOCKI-owned properties in the Cocos (Keeling) Islands.
b. Has the Australian Government taken any steps to assist the community in dealing with these costs?	In February 2012, the Australian Government commissioned A J Gallagher to provide research into insurance availability in the Indian Ocean Territories and is considering the recommendations in the report and options for further action.
c. What is the status of the insurance consultants report undertaken by Arthur J Gallagher?	The Australian Government is considering the findings of the report undertaken by A J Gallagher.

2. Waste management on the Cocos (Keeling) Islands (transcript p. 3):	
a. What is the current status of the waste management strategy for the Cocos (Keeling) Islands?	<p>The Shire of Cocos (Keeling) Islands (SOCKI) has developed a waste management strategy which it proposes to deliver through a staged approach.</p> <p>Phase One of the project consisted of the construction of a facility for the storage and processing of recyclable waste on Home Island, the purchase of two waste disposal trucks and the purchase of two waste mulching machines.</p> <p>SOCKI successfully applied for grant funding for Phase One of the strategy which has now been completed. It is expected that SOCKI will apply for funding to proceed with delivery of further phases of the strategy.</p>
b. What assistance if the Australian Government providing to progress the waste management strategy?	<p>In 2011-12 the Department provided funding to the value of \$622,020 to SOCKI, through the State-type Grants Program, for delivery of Phase One of its waste management project.</p> <p>The Australian Government will consider further grant applications from SOCKI for delivery of its Waste Management Strategy.</p>
c. Will the Australian Government support the purchase and operation of incinerators for waste management?	<p>The Australian Government supports the general proposition for the use of incinerators for waste management at CKI on the understanding that all environmental requirements are met.</p> <p>Should SOCKI submit an application funding for incinerators, funding would be considered based on the technical assessment of the proposal and prioritisation of available State-type grant funds as determined in conjunction with SOCKI and the Administrator.</p>

3. Coastal erosion on the Cocos (Keeling) Islands (transcript, p. 3):	
a. Department's view of the coastal erosion problem and how best to manage it?	<p>The Australian Government notes the dynamic nature of the Cocos (Keeling) Islands coastline. In order of priority, the following approaches are appropriate:</p> <ul style="list-style-type: none"> • Locating physical infrastructure away from areas at risk from coastal erosion. • Protecting infrastructure already located in 'at risk' areas with sea walls and other measures including appropriate plants to strengthen the coastline. • Installing temporary sea walls to protect infrastructure at risk from short term erosion.
b. Will the Australian Government support and fund the creation a stockpile of geofabric bags to reduce the lead time in erosion management (the current lead time is about six months)?	<p>The Australian Government will continue to work with the Shire of Cocos (Keeling) Islands (SOCKI) on arrangements to manage erosion.</p> <p>SOCKI has been funded for \$1.04 million for erosion related works this year, which includes the acquisition of geotextile filter fabric (geofabric) bags.</p>
4. Trades training on the Cocos (Keeling) Islands (transcript pp. 8, 10):	
a. Does the Australian Government have a strategy for fostering trades and apprenticeships in the IOT?	<p>The Australian Government's policy for trades and apprentices is managed and implemented through the Department of Education, Employment and Workplace Relations (DEEWR).</p> <p>Employers in the IOT and their apprentices may access programs and incentives offered by the Australian Government in the Apprenticeship Reform Package announced in the 2012 Budget on the same basis as employers in other states or territories.</p> <p>The Australian Government provides funding to the Indian Ocean Group Training Association (IOGTA), which employs and trains apprentices. IOGTA currently has electrical and mechanical apprentices placed in the IOT Power Authority.</p> <p>The ratio of apprentices to trades persons in the Power Authority exceeds that of many mainland businesses.</p>

<p>b. What is the best means of promoting trades training in such small and isolated communities?</p>	<p>The Australian Government promotes trade training through funding the IOGTA and by its actions to employ apprentices. Trade training is best promoted through a strong economy.</p>
<p>5. Role of the Co-operative Society on the Cocos (Keeling) Islands (transcript p. 14):</p>	
<p>a. How is the Cocos Island Co-operative Society treated in awarding contracts for works?</p>	<p>All procurements must comply with Commonwealth Procurement Rules and the <i>Financial Management and Accountability Act</i>, and all tenders include clauses promoting local business participation.</p> <p>The Cocos Island Co-operative Society (the Cooperative) is treated the same as any other small business.</p>
<p>b. Is any special recognition given to its special role within the community as a provider of employment and services?</p>	<p>The Australian Government recognises the important role of the Cooperative in the community and notes the recent successful participation of the Cooperative in open market tenders.</p>
<p>6. Service Delivery Agreement with Tourism WA (transcript p. 17):</p>	
<p>a. Is the government looking to negotiate a Service Delivery Agreement with Tourism WA?</p>	<p>The responsibility for promoting tourism in the IOT rests with the Christmas Island Tourism Association and the Cocos (Keeling) Island Tourism Association, both of which are funded by the Australian Government.</p> <p>As Tourism WA is obliged by its legislation to promote Western Australia as a holiday destination, Tourism WA has declined to take on this function.</p>
<p>b. Why did the previous negotiation for an SDA with Tourism WA fail?</p>	<p>See answer 6a.</p>

7. Opportunities for local business (transcript p. 22):	
a. What has the Australian Government done to ensure the promotion of local business in the IOT?	The Australian Government assists the IOT business communities through provision of physical infrastructure; economic development programs and funding an economic development officer.
b. Should preference be given to local businesses in the awarding of contracts?	Procurements must comply with Commonwealth Procurement Rules and the <i>Financial Management and Accountability Act</i> , and all tenders include clauses promoting local business participation.
8. Shipping costs (transcript p. 25):	
a. What is the Australian Government's estimate of the costs of shipping goods to the Cocos (Keeling) Islands?	Shipping goods to the Cocos (Keeling) Islands is a commercial operation. As at December 2012, the operator, Zentner Shipping, advises that its rates are: <ul style="list-style-type: none"> • \$11,080.00 per 20ft GP container, or • \$445.00 per cubic metre for less than a container, plus • A documentation fee of \$250.00 per container, or \$25.00 for smaller consignments.
b. Does the Government believe these costs are fair and acceptable?	Shipping rates to the IOT are determined in an open market.
c. Can the Government see a way to reduce shipping costs?	Shipping costs are a function of the market. The Australian Government provides significant support through provision of port facilities at less than operating costs and continues to make significant investments, such as the \$35 million Rumah Baru freight and passenger facility on the Cocos (Keeling) Islands. The Australian Government also exempts the IOT from the Goods and Services Tax in recognition of their remote location.

<p>d. Would the Australian Government be prepared to act in concert with other shipping clients to reduce the overall cost of shipping goods to the Cocos (Keeling) Islands?</p>	<p>The shipping service to the IOT is unregulated and further intervention by the Australian Government is not appropriate.</p>
<p>e. Can the Government see a way to improving the regularity of the shipping service to the Cocos (Keeling) Islands?</p>	<p>Regularity of the shipping service to the Cocos (Keeling) Islands is largely the responsibility of the operator, Zentner Shipping Pty. Ltd., which has provided a commercially viable service for many years. Some interruption to services is inevitable due to the impact of weather and mechanical breakdown. The Australian Government underwrites the weekly air freight service to improve community access to fresh fruit and vegetables and other goods.</p>
<p>9. Integration of the IOT with Australia (transcript pp. 26-8; also CI p. 5):</p>	
<p>a. Is it still the policy of the Australian Government to achieve full integration with Australia for the Indian Ocean Territories?</p>	<p>This issue was raised in relation to the 1984 United Nations resolution ‘Question of the Cocos (Keeling) Islands’, in which the Cocos community voted in favour of integration with Australia (the Christmas Island community has not participated in any such referendum).</p> <p>The Australian Government's objectives for the Cocos (Keeling) Islands are inscribed in the 1991 Memorandum of Understanding between the Commonwealth, the Cocos (Keeling) Islands Council and the Cocos Islands Cooperative Society, and outlines the steps to be taken jointly and separately towards the extension to the Cocos (Keeling) Islands of mainland equivalent living standards and levels of services. This policy objective is also applied to Christmas Island.</p> <p>Generally, the policy objectives are to align conditions and standards in both Territories with those of comparable communities in the rest of Australia. All work and activities undertaken by the Department are consistent with these objectives.</p>

<p>b. Is it still the policy of the Australian Government to achieve integration through the incorporation of the IOT into Western Australia?</p>	<p>The Australian Government has no plans to incorporate the IOT into Western Australia.</p>
<p>c. Is there a timetable or process in place to achieve integration?</p>	<p>See answer 9a.</p>
<p>d. Does the Australian Government accept that the status of the IOT as external territories places additional hardships on the citizens of the IOT in terms of access to services and markets for goods?</p>	<p>The IOT are remote, regional communities. Access to services and markets for goods is a factor of the Territories' geographical, rather than their governance, status.</p> <p>The Australian Government granted an exemption from the Goods and Services Tax for the IOT and commits over \$100 million each year in the provision of services to the communities.</p> <p>The Australian Government is also making significant capital investment in essential infrastructure in both Territories.</p>
<p>e. Does the government plan to bring the IOT into the bio-security and quarantine system covering the rest of Australia?</p>	<p>Matters concerning biosecurity and quarantine are the responsibility of the Department of Agriculture, Fisheries and Forestry, which has introduced new Biosecurity Bills into Parliament. The new legislation will apply to the IOT.</p>
<p>f. Does the Australian Government agree with the view that the governance capacity of the IOT could be improved by moving suitably qualified public servants involved in territory governance from Canberra to the IOT?</p>	<p>The Minister employs approximately 120 qualified people in the IOT to provide services to the public. Over recent years, the number of senior or specialist managers employed by the Minister in the IOT has increased. Examples include:</p> <ul style="list-style-type: none"> • the Director, IOT Administration; • an Operations manager on Christmas island and the Cocos (Keeling) Islands; • an Economic Development Officer, and • a Land, Heritage and Environment Manager.

10. Housing fund (transcript p. 27):	
a. Is there a housing shortage on the Cocos (Keeling) Islands?	<p>Housing supply in the Cocos (Keeling) Islands is complex:</p> <ul style="list-style-type: none"> • The capacity of Home Island to accommodate any population growth is hindered by the existing infrastructure and water. • Land in private ownership on West Island has not been developed by the owners. <p>The Shire of Cocos (Keeling) Islands has produced an Outline Development Plan to inform the Town planning Scheme. In addition, the Australian Government is considering options for the Quarantine Station to determine the land that can be made available for housing.</p>
b. Has the Government given consideration to the creation of a housing fund, whereby the proceeds of the sale of Commonwealth properties goes into a fund to develop new housing?	<p>Current Commonwealth financial arrangements require that proceeds from the sale of Commonwealth property are deposited into the Consolidated Revenue Fund.</p>
c. Has consideration been given to the particular circumstances of the community in terms of the application and removal of rent subsidies? (p. 28)	<p>The Department of Human Services (DHS) is responsible for Australian Government policy for rental assistance, which is provided to eligible residents through Centrelink. The question should be referred to DHS.</p>
11. Cost of DIAC use of community facilities (transcript p. 28):	
a. What is the legal position surrounding the use of Cocos Club facilities to house asylum seekers?	<p>The Cocos Club has a lease for use of a portion of the building to operate the Cocos Club facility, and a management agreement for the rest of the building as a cyclone shelter. The cyclone shelter part of the building is not part of the lease.</p> <p>Under the management agreement, the Cocos Club is required to operate the cyclone shelter when requested by the Australian Federal Police (AFP). The agreement allows the Cocos Club to rent the shelter to other entities when not in use by the AFP.</p>

<p>b. Given the cost and inconvenience to the community, what does the government consider is fair compensation for the use of these facilities?</p>	<p>The Cocos Club management is responsible for negotiating compensation for with other parties who wish to use the facility and is a matter for the the parties concerned.</p> <p>The Department is not in a position to comment on this arrangement as the Australian Government agency involved in this transaction is the Department of Immigration and Citizenship.</p>
<p>12. Fisheries (transcript pp. 30-31):</p>	
<p>a. What is the principal agency regulating the operation of fisheries in the IOT?</p>	<p>Under a Service Delivery Arrangement (SDA) the WA Department of Fisheries is responsible for providing fisheries management services at the Cocos (Keeling) Islands and Christmas Island, on behalf of the Australian Government.</p>
<p>b. What approvals need to be sought to operate a commercial fishery in the IOT?</p>	<p>Individuals considering operating commercial fisheries must apply to the Department of Fisheries WA for a licence. A number of licences may be required for commercial fishing activities, including:</p> <ul style="list-style-type: none"> • commercial fishing licence, • permit for fish processing place, • fish processors licence, • a range of approvals for vessels, and • an aquaculture licence. <p>There may also be compliance issues under the <i>Environment Protection and Biodiversity Conservation Act 1999</i>.</p>
<p>c. What approvals need to be sought to operate the trade in aquarium species in the IOT?</p>	<p>The range of approvals which may be required to operate the trade in aquarium species will depend on the specific activities being undertaken by a proponent. These may include:</p> <ul style="list-style-type: none"> • fishing boat licence, • aquaculture licence, and • export licences.

	<p>All commercial fisheries in Australia wishing to export their catch overseas require approval from the Department of Fisheries WA and ESD approval (relating to Ecologically Sustainable Development) from the Commonwealth Department of Sustainability, Environment, Water, Populations and Communities (SEWPAC) under the <i>Environment Protection and Biodiversity Conservation Act 1999</i>.</p> <p>Some high risk species such as clams also require approval under the ‘Convention on International Trade in Endangered Species of Wild Fauna and Flora’ (CITES) to be exported overseas.</p> <p>Biosecurity approvals may also be required for certain activities.</p>
<p>d. What procedures are in place to ensure effective coordination between fisheries and environmental authorities in the Commonwealth and Western Australia?</p>	<p>Officers from the Department of Fisheries WA liaise with officers from SEWPAC in the assessment (or reassessment) of commercial fisheries for ESD certification.</p>
<p>13. Fire protection, Oceania House (transcript p. 33):</p>	
<p>a. Who is responsible for the location of the fire hydrant at Oceania House?</p>	<p>The Department of Fire and Emergency Services (WA), as the Department’s contracted service provider, is responsible for fire hydrants in the vicinity of Oceania House.</p>
<p>b. Who is responsible for ensuring that Oceania House has adequate protection from fire by way of closer proximity to a fire hydrant?</p>	<p>Fire hydrants are provided by the Australian Government on the advice of the WA Department of Fire and Emergency Services (DFES).</p> <ul style="list-style-type: none"> • Oceania House is a privately owned residential property. • DFES can advise the owner of Oceania House on fire protection. • If a DFES inspection shows the need for additional hydrants against the appropriate water reticulation standard, up to the block boundary, the Australian Government will consider the advice from DFES. • The owner of Oceania House may need to consider whether to install a hydrant within the property boundaries due to its large size.

CHRISTMAS ISLAND	
1. Road Funding (transcript pp. 1-2, 6):	
a. How is road funding provided for the community on Christmas Island?	<p>Road funding on Christmas island is provided from the following sources:</p> <ul style="list-style-type: none"> • The Financial Assistance Grants payment to the Shire of Christmas Island (SOCl) includes a road component. In 2012-13 this component amounted to \$367,297. • The Australian Government provides additional funding to SOCl for public roads outside the settled area. In 2012-13 the first tranche amounted to \$724,927 with a review after Additional Estimates. • Christmas Island Phosphates Ltd. funds mine roads and provides in-kind support to SOCl for work on public roads it uses. • Parks Australia undertakes maintenance of roads in the National Park. Some of these roads are also maintained by SOCl as public roads.
b. Has the Australian Government given consideration to a rolling funding model or funding over multiple years?	The Australian Government uses multi-year funding agreements and contracts where appropriate.
c. Has funding been provided for dual-use pathways?	<p>Funding of \$345,000 was provided to SOCl in August 2010 to commence Phase 1 of the Dual User Pathways of which \$131,245 was not expended. The Department approved a Business Case for this underspend from SOCl to be used on the next phase of the dual-use pathways project, and work commenced in February 2012.</p> <p>The Department has requested that SOCl provide acquittals for these funds after which funding may be sought for further phases.</p>

<p>d. Are there plans in place to seal the roads leading to the detention centre?</p>	<p>There are currently no plans to seal the road to the Detention Centre.</p> <p>A feasibility study commissioned by the Department in 2011 to seal the road from Settlement to the Immigration Detention Centre was estimated at over \$18 million. The Australian Government decided not to proceed.</p>
<p>2. Communications (transcript pp. 2, 19):</p>	
<p>a. What level of phone and internet access are available on Christmas Island?</p>	<p>Christmas Island has full STD access by phone or fax to and from the Australian mainland. The Telstra GSM mobile network operates on Christmas Island.</p> <p>Internet access is provided by the Christmas Island Internet Association. It is satellite based and retransmitted to subscribers.</p>
<p>b. Are there plans in place to upgrade both phone and internet access?</p>	<p>The NBN will be available in the IOT in 2015 using satellite technology. The Department is engaging with the NBN Co. to take best advantage of the NBN capability.</p> <p>Mobile telephony is a matter for the private sector; however the Department would also like to see an improved system.</p>
<p>c. Would the Government agree that the current limitations on mobile phone access in the IOT is damaging to tourism?</p>	<p>The Australian Government does not agree with the proposition, noting that the provision of mobile telephones is a matter for the private sector.</p> <p>The Australian Government roll-out of the NBN will provide the IOT communities with access to improved, high-speed broadband.</p>
<p>3. Fuel storage (transcript p. 2):</p>	
<p>a. Does Christmas Island have adequate fuel storage facilities for aviation, motor and power generation needs?</p>	<p>The Australian Government has provided \$19 million to upgrade diesel and aviation fuel storage on Christmas Island. The first stage of the project to increase diesel storage is now complete (ahead of schedule) with an additional 1.8 million litres of fuel stored at Smith Point.</p>

	<p>A request for tender to build and operate a new aviation fuel supply facility on Christmas Island is currently being prepared for release in late February 2013.</p> <p>Petrol storage is adequate and is not being increased.</p>
b. What is being done to upgrade fuel storage capacity on Christmas Island?	See answer to 3a.
4. Aged care (transcript pp. 3, 29):	
a. What aged care facilities are available on Christmas Island?	<p>There are no specialist government or private aged care homes. Aged care is generally provided in the home and through the IOTHS. The IOTHS professional advice is that care in the person's home is the most appropriate and cost effective model for providing aged care services.</p> <p>This is kept under review and if a requirement is determined, would be a matter for Government consideration through the normal budget processes.</p>
b. Are there plans to develop a purpose built residential aged care facility on the Island?	<p>There are no current plans to construct a purpose built residential government owned aged-care facility.</p> <p>The Christmas Island Hospital is currently being extended. The extension will provide access to a range of specialist medical and community health services, such as aged care, counselling, rehabilitation and preventive health. The construction contract is expected to be completed in early 2014.</p>
c. Are there programs available to help pensioners defray the cost of dental care?	<p>Dental services are provided at a cost generally lower than the mainland using DVA remote area rates of charge. Medical services are provided through the IOTHS and are free to Australian residents.</p> <p>The current hospital project includes an upgrade of the existing oral health unit (within the existing Christmas Island hospital building).</p>

5. Housing (transcript p. 3):	
a. Is there a housing shortage on Christmas Island?	The increased number of people on Christmas Island has placed significant pressure on the supply of rental housing. The Australian Government is investing \$26 million to construct new housing to reduce its demand on rental housing. Fourteen new units will become available as Stage 1 of the project completes in February 2013. Stage 2, for a further 12 units, is expected to commence before March 2013. In the same period, despite vacant freehold land in residential areas, the private sector has built only two to three houses.
b. Is there a housing strategy for Christmas Island?	See answer to 5a.
c. Is the Australian Government investing in public housing for Christmas Island residents?	Claims of a public housing shortage are not substantiated by evidence. The number of eligible persons on the waiting list is zero (at December 2012). Housing is available for sale through the private market. Recently units were available for \$180,000 - \$220,000, and houses for \$330,000 to \$350,000
d. Is the first home buyers grant available to residents of the IOT?	No. The First Home Owners Grant (FHOG) scheme was introduced in July 2000 to compensate for the increased cost of homes as a result of the introduction of the GST. However, as GST is not applied in the IOT, it was (and currently remains) Australian Government policy that the FHOG Scheme not be available to residents of the IOT. Residents are able to access stamp duty concessions introduced in 2004 under applied amendments to the Western Australian <i>Stamp Act 1921</i> , which are linked to FHOG eligibility criteria.

6. 457 Visas (transcript p. 11):	
a. What concerns have been raised with the Department about the use of 457 visas on Christmas Island?	<p>The subclass 457 visa is for skilled workers from outside Australia who have been sponsored and nominated by a business to work in Australia on a temporary basis.</p> <p>We understand the Union of Christmas Island Workers has raised concerns with the Department of Immigration and Citizenship that people are coming to work in the Territories on other types of visas.</p> <p>The Department has not been directly contacted about any concerns related to the use of 457 visas.</p>
7. Economic planning (transcript pp. 14-15)	
a. Does the Australian Government have a vision for the economic development of Christmas Island?	<p>The Australian Government supports economic development activities on Christmas Island (and the Cocos (Keeling) Islands) by ensuring appropriate policies and programs are in place to encourage sustainable economic development in the Territory.</p>
b. How do we ensure that there is effective coordination between government departments for the development and implementation of policy in the IOT?	<p>The Department convenes and chairs an Inter-Departmental Committee on the IOT, comprising representatives from:</p> <ul style="list-style-type: none"> • Attorney-General’s Department, • Australian Customs and Border Protection, • Australian Federal Police, • Australian Maritime Safety Authority, • Australian Quarantine Inspection Service, • Department of Defence, • Department of Broadband, Communications and the Digital Economy, • Department of Finance and Deregulation, • Department of Immigration & Citizenship, • Department of Innovation, Industry, Science and Research, • Department of the Prime Minister and Cabinet,

	<ul style="list-style-type: none"> • Department of Resources, Energy and Tourism, • Department of Sustainability, Environment, Water, Population and Communities, and • Department of the Treasury. <p>Broadly, the Inter-Departmental Committee:</p> <ul style="list-style-type: none"> • recommends initiatives that support the long term sustainable development of the IOT, • ensures the timely implementation of these recommendations including the budgetary impact of any proposals and the possibility of developing new policy proposals for some initiatives, • ensures implementation work is coordinated across agencies and consistent with Australian Government policies, including where existing initiatives may be underway, and • identifies alternative actions that achieve necessary improvements where extant recommendations are found not to be feasible. <p>The Department is also represented on the Border Protection Taskforce.</p>
<p>c. Is there a crown land management plan for Christmas Island?</p>	<p>In 2009 the Department engaged GHD to develop a Crown Land Management Plan. This report is available on the Department’s website. The CLMP assesses current crown land usage and provides a framework for appropriate future uses and management options for crown land.</p>
<p>d. Which agency is responsible for planning and development of crown lands outside the National Park?</p>	<p>The Department is responsible for the planning and development of crown land outside the National Park, in cooperation with SOCI, with technical support from the WA Department of Planning. Depending on the proposal, the Department of Finance and Deregulation and the Department of Sustainability, Environment, Water, Population and Communities may also be involved.</p>

<p>e. Does the Australian Government support undertaking an independent economic analysis to discover Christmas Island's potential as a tourism destination, including the environmental capacity and population implications for tourism?</p>	<p>In 2012, the Department contributed funding to an economic analysis of Christmas Island as a tourist destination, commissioned by the RDA Mid-West Gascoyne. The project had the support of the then Administrator and Economic Development Consultative Group and sections of the community.</p> <p>The Department funded the 2008 Destinations: Christmas Island Report. The report was developed through a community workshop and provided a range of strategies to develop tourism on Christmas Island.</p>
<p>8. Environmental protection (transcript p. 16)</p>	
<p>a. Does the Australian Government agree with the findings of the expert working group (April 2010) that the principal environmental threat on Christmas Island is the presence of invasive species?</p>	<p>The Government's response to the expert working group was released in October 2011, and is available on the SEWPaC website.</p>
<p>b. What is the Australian Government doing to combat the threat of invasive species on Christmas Island?</p>	<p>The whole-of-government response to the expert working group's final report has been coordinated by Parks Australia, in consultation with the Department of Resources, Energy and Tourism; the Department of Agriculture, Forestry and Fisheries; the Department of Immigration and Citizenship; and the Department of Regional Australia, Local Government, Arts and Sport.</p> <p>It includes a formal response to each of the expert working group's 32 wide-ranging recommendations. It analyses the implications of each recommendation and identifies lead responsibilities for actions to be undertaken. The response also emphasises the need for systematic approaches to address the island's ecological problems as well as a need for additional resources if effective recovery of the island's biodiversity is to be achieved.</p>
<p>c. Does the Government support the use of funds from phosphate mining for environmental management of the National Park?</p>	<p>PRL pays a conservation levy to the Australian Government for rehabilitation and conservation purposes on Christmas Island. This work is directed to rehabilitation of high priority sites, largely within the National Park.</p>

9. Tourism (transcript p. 20):	
a. What role does the Australian Government see tourism playing in the economy of Christmas Island?	<p>The Australian Government, through the Department of Resources, Energy and Tourism, has committed to maximising tourism's net economic contribution to the Australian economy and to fostering an industry that promotes the principles of environmental responsibility and sustainable development.</p> <p>Tourism is an integral part of a diversified economy on Christmas island. If successful, tourism will foster local business opportunities and protect the natural and cultural assets of the island. The Australian Government funds the Christmas Island Tourism Association to undertake certain functions, including promotion, marketing and coordination, for the Christmas Island tourism industry. The Australian Government also contributes funding to other tourism related projects during the year.</p> <p>The tourism initiatives and policy the Department is putting in place will assist to transition the IOT to a more sustainable economy in the event that DIAC and mining activities come to an end.</p>
b. Does the Australian Government see tourism as the principal economic activity on Christmas Island?	<p>The principal economic activity on Christmas Island at the moment is immigration activities, followed by phosphate mining and then tourism. The Australian Government would like tourism to improve its contribution to the Christmas Island economy, but there are a number of restraining factors, such as limited availability of accommodation and the need to improve the tourism product.</p>
c. What is the Australian Government doing to promote tourism on Christmas Island?	<p>The Australian Government, through the Department, funds the Christmas Island Tourism Association to undertake certain functions to benefit the Christmas Island tourism industry, such as marketing, promotion and coordination.</p> <p>The Australian Government has contributed funding to a number of tourism related projects, such as:</p> <ul style="list-style-type: none"> • the Gaze Road Tourism and Commercial Precinct Urban Design Master Plan,

	<ul style="list-style-type: none"> • an Australian Geographic documentary on Christmas Island and Cocos (Keeling) Islands, • providing deep sea-moorings to enable cruise ship berthing, and • the proposed extension of the Flying Fish Cove jetty. <p>The Australian Government also underwrites the airline service between Australia and Christmas Island.</p> <p>Projects on Christmas Island are eligible to apply for funding under the TQUAL and TIRF grant programs, administered by the Department of Resources, Energy and Tourism.</p>
<p>d. What impact is immigration having on the tourism sector?</p>	<p>Immigration activities are using much of the accommodation, flights and car-hire availability that tourism needs. It is impacting the brand of Christmas Island and risks creating a similar impact on the Cocos (Keeling) Islands. Conversely, immigration driven demand has resulted in the Christmas Island Resort being refurbished and returned to service; this sizeable facility will provide much needed additional accommodation for tourism when the immigration demand reduces.</p>
<p>e. How is the Government managing the divergent needs of the immigration and tourism sectors?</p>	<p>The Department commissioned a socio-economic assessment of the impact of the operation of activities associated with the Immigration Detention Centre on the Christmas Island community. The final report has been delivered. The report will be used, with other reports, as part of a deliberative process to inform government policy in relation to the IOT.</p>
<p>f. How is the funding for the tourism association determined and when is it allocated?</p>	<p>The two Tourism Associations are funded via an annual Funding Agreement between the Department and each Association. Each Funding Agreement is based on an application for funding from the Association and is aligned with the priorities identified in reports on tourism for the IOT.</p>

<p>g. What is the current situation surrounding the proposed resort at the Chicken Farm site?</p>	<p>The Department has strongly supported rezoning relevant land to allow the Dive Resort proposal to proceed.</p> <p>SOCI has finalised the Christmas Island Town Planning Scheme and has not elected to change the zoning to enable the proposal to proceed.</p> <p>The Minister will consider amendments to the scheme on advice from the WA Planning Commission.</p>
<p>10. Cost of living (transcript pp. 29, 31):</p>	
<p>a. Does the Government have any policies in place to manage cost of living pressures in the IOT, particularly the high costs of basic foodstuffs?</p>	<p>The price of foodstuffs is market driven and is not subject to the application of anti-competitive price controls applied by the Government.</p> <p>The Department has contracted the WA Department of Regional Development and Lands to undertake an evidence-based project to create a Regional Price Index. This will help to determine the cost of living in the IOT compared to Perth.</p> <p>The index will inform Departmental policy, and is scheduled to be reviewed every two years.</p> <p>The Goods and Services Tax (GST) does not apply in the IOT. The Australian Government subsidises freight and transport costs through its commercial contracts with Patrick Ports, Toll Logistics and Virgin Australia (through port and airport fees and charges, and the underwriting of passenger and freight services).</p> <p>The Australian Government also provides limited travel from the IOT to Perth, such as the Pensioner Annual Free Trip Scheme, Patient Assisted Travel Service, as well as travel for students and apprentices.</p>
<p>b. What progress has been made in the development of market gardens on Christmas Island?</p>	<p>The Department is currently preparing an expression of interest for the lease of crown land for market garden purposes.</p>
<p>c. Are there programs available to help pensioners cover the cost of basic commodities, especially fresh food?</p>	<p>Pensioners are provided benefits on the same basis applying to pensioners generally in Australia. These benefits are provided by Centrelink, which should be contacted regarding particular schemes and eligibility.</p>

	<p>Pensioners may also be eligible for the Pension Supplement to help meet the costs of daily household and living expenses, including phone, internet, utilities and pharmaceutical costs. Eligibility is determined by Centrelink.</p> <p>The Department is not aware of any Centrelink program specifically targeted to fresh food. Departmental initiatives such as the weekly airfreight service have increased availability of fresh food and some residents now ship their own supplies from Perth. The market garden proposals may also have a positive impact on fresh food prices.</p>
<p>11. Islamic Council (transcript p. 31):</p>	
<p>a. Could funds be made available to assist the Islamic Council with the repair of the mosque and refurbishment of other buildings?</p>	<p>The Department has repeatedly given advice to the Council on grant processes. No grant applications have been submitted. The Administrator is working with the Council and other similar bodies to assist them applying for grants.</p>
<p>12. Planning (transcript p. 33):</p>	
<p>a. Is there an urban design plan for Christmas Island?</p>	<p>Urban Design Master Plans (UDMP) were developed for the Tourism and Commercial Precinct (Gaze Road), and the Sports and Recreation Precinct of Christmas Island. The UDMP was produced by GHD in 2011 for the Shire of Christmas Island (SOCI), in conjunction with the Indian Ocean Territories Christmas Island Economic Development Consultative Group.</p>
<p>b. How was that plan funded?</p>	<p>The Australian Government provided \$60,000 funding to SOCI to produce the UDMP.</p>

c. Will it be put into effect?	A collaborative Implementation Reference Group has been formed to advise on the delivery of key recommendations in the Plans. The Implementation Reference Group is chaired by the SOCI CEO, and comprises representatives from the community, local business, local associations, WA Government departments, and Australian Government agencies.
13. Bus services (transcript p. 36):	
a. Would the Government support and fund an extension of the bus service of Christmas Island to allow for additional and later services?	<p>The Community Bus is funded by the Australian Government for \$30,000 per year and operated by Shire of Christmas island (SOCI), which determines its timetable and hours of operation.</p> <p>If SOCI considered that an extension of the service was desirable and could not be funded within existing arrangements, SOCI would need to develop a business case for submission to the Department for assessment.</p> <p>This would need to be considered in the context of the Department's budget position.</p>
14. Air services (transcript p. 36):	
a. Is there a regular air link between Christmas Island and Asia?	There is a weekly Christmas Island Air charter between Christmas Island and Kuala Lumpur. It has a regular schedule but is subject to cancellation.
b. How frequent is the service?	The service currently operates once a week. The Department understands that the flight will operate on Sundays from 13 January to March 31 2013.
c. Is the service commercially viable?	The service is a commercial venture and the Department is not privy to its financial status. The route carries both freight and passengers. The inability to book seats on-line may be to the detriment of the service.

<p>d. Can the Government guarantee the continuation of this service for the benefit of Christmas Island residents with family links to Asia?</p>	<p>The service is a private commercial venture. The Australian Government’s policy does not support underwriting or subsidising international flights. The Australian Government has waived landing charges since April 2008 for northern flights to Christmas Island to assist the financial viability of these flights.</p>
<p>15. Youth facilities (transcript p. 36)</p>	
<p>a. Are there specific facilities, services and activities for young people on Christmas Island?</p>	<p>There are a number of youth programs and activities on Christmas Island:</p> <ul style="list-style-type: none"> • CI Kung Foo Association – includes Chinese Lion, • Islamic school - undertakes a number of activities, • CI Recreation Centre runs a series of after school and holiday programs along with evening sports competitions (limited this year due to the facility being closed for repairs for some of 2012), • SOCI maintains a number of parks / playgrounds and the skate park for unstructured activities, • SOCI runs a series of youth programs through their youth and cultural services Community Development Officer, • CI Neighbourhood Centre organises youth events, • Music lessons, • CI Arts and Culture have a number of activities with which youth have been involved each year, • CI Cricket and Sporting Club after school activities coaching and competitions, plus one off family events and activities (coach in residence programs), • CI Cricket Club Junior sports trips including Cocos and Perth for Auskick and other sports, and • The CI District High School runs ‘Country Week’ activities.
<p>b. Has the Government any particular strategy for attracting and retaining young people on Christmas Island?</p>	<p>The Australian Government has made a strong commitment to excellence in schooling in the IOT and years 11 and 12 are available on Christmas Island.</p>

The Australian Government funds the Indian Ocean Group Training Association, which provides employment, training and community services to both employers and jobseekers and manages the employment and training of apprentices to develop the capacity of young people to enter the workforce.

The Australian Government provides employment opportunities for apprentices. IOGTA currently has electrical and mechanical apprentices placed in the IOT Power Authority. The ratio of apprentices to trades persons in the Power Authority exceeds that of many mainland businesses.

Youth attraction and retention strategies will be included in the activities of the new Regional Development Organisation. Membership of the RDO is broad and inclusive, with representatives from youth and cultural interests eligible for membership.

ADDITIONAL Questions on Notice (from transcript) – Canberra Hearing – 28 November 2012

<p>1. Casino (transcript page 2)</p> <p>a. When did the Minister first receive correspondence asking for a view about the re-issue of the casino licence?</p>	<p>The Minister received initial correspondence during June and July 2012 from a number of parties (the Hon Warren Snowdon MP, the Administrator Brian Lacy, Gordon Thompson (Union of Christmas Island Workers) and Senator Trish Crossin).</p>
<p>b. Can you provide information in relation to what a good casino licence proposal would include?</p>	<p>The Minister has written to the Hon Warren Snowdon MP, the Administrator Jon Stanhope, Gordon Thompson (Union of Christmas Island Workers) and Senator Trish Crossin advising he would be willing to consider a preliminary concept proposal for casino operations and provided an indicative list of information required. This list is provided at <u>Attachment A</u>.</p>
<p>2. Cocos Club (transcript page 4)</p> <p>a. How many representations [from the Cocos Club] have been made to you [about its dispute with Immigration]?</p>	<p>The Department was made aware of disputed invoices between the Cocos Club and the Department of Immigration and Citizenship (DIAC) in May 2011.</p> <p>The Department has discussed the dispute with DIAC a number of times in person and in writing, at the First Assistant Secretary and Assistant Secretary level.</p> <p>In June 2012, the Department asked the Cocos Club management to provide details of the disputed claims in writing. As of January 15 2013, no such correspondence has been received.</p>
<p>b. How many invoices have you seen?</p>	<p>The Department has seen four separate invoices that the Cocos Club have issued to Immigration.</p>

<p>c. How does [the Cocos Club] request stack up against the agreement they have with the Commonwealth for the use of the centre?</p>	<p>The Cocos Club has a lease for use of the portion of the building to operate the Cocos Club facility, and a management agreement for the rest of the building as a cyclone shelter. The cyclone shelter part of the building is not part of the lease.</p> <p>Under the management agreement, the Cocos Club is required to operate the cyclone shelter when requested by the Australian Federal Police (AFP). The agreement allows the Cocos Club to rent the shelter to other entities when not in use by the AFP.</p>
<p>d. Does the agreement include a clause that the Commonwealth can use it for any other purpose that it deems necessary?</p>	<p>The management agreement with the Cocos Club allows the Australian Government to use the facility for other purposes.</p>
<p>3. Virgin Contract (page 6) a. Does the contract require Virgin to provide a Halal meal?</p>	<p>The contract with Virgin Airlines does not specify that Halal food must be made available. Virgin provides non-pork meal options on the IOT routes.</p>
<p>b. Has there been any discussion [with Virgin] about the provision of Halal meals?</p>	<p>The provision of Halal meals on the IOT route was not raised during negotiations with Virgin, as these negotiations related to an extension of the existing contract.</p> <p>Halal meals continue to be discussed during regular contract management meetings.</p>

INDICATIVE LIST OF INFORMATION REQUIRED FOR CASINO CONCEPT PROPOSAL

Details of the proposed owner, licensee, operator and key personnel

- Details of the proposed casino owner, casino licence holder and casino operator and the proposed business relationships between them;
- ownership, trust or corporate structure details for those entities and persons, including full names and details of directors and key executives;
- Identities of any other proposed business partners (eg airlines, suppliers etc who are to be exclusively engaged in activities associated with the casino).

The initial assessment will be without prejudice to a separate, independent assessment of probity, financial standing and risk profile of the respective companies, associated parties and their key personnel which would be undertaken if the proposal proceeds beyond the initial concept stage.

Operational aspects of the proposal

This should outline in broad terms the way the business will be run and how it will ensure that the operations of the casino are fair, honest and free of criminal influence.

Please outline the business model for the proposed casino operations including –

- i. Who are the proposed patrons? If overseas patrons are critical to the business model, how will they get to Christmas Island?
- ii. What would be the management structure and roles of key employees? Where would employees be sourced? (Note that an employee licensing regime will apply.) What supervision arrangements are proposed?
- iii. Proposed hours of operation, types of gaming and layout of the premises;
- iv. Proposed control procedures, including: cash/ gambling chip handling processes; provision of credit; measures for preventing money laundering; security of premises, gaming equipment, cash and chips, and safety of patrons;
- v. Harm minimisation strategies – including strategies for managing problem gambling, methods for exclusion from premises, availability of cash facilities on the premises. (In this regard the ACT Government's *Gambling and Racing Control (Code of Practice) Regulation 2002* may provide you with some guidance).

Please spell out any critical assumptions underpinning the business model such as increased airline flights, special visas and the like which would require separate policy consideration or input from Government. You should also identify the process for seeking approval from relevant State and Commonwealth agencies for addressing these matters.

Economic benefits

Outline the projected economic benefits to the Christmas Island community in terms of community contributions, employment, economic stimulus, tourism etc and mechanisms for delivering these. This should recommend an approved assessment framework for benchmarking these benefits.

Social impact on the Christmas Island Community

Provide an assessment of the social impacts of a casino on the Christmas Island community, including canvassing the degree of local support and identifying any cultural or other community objections. Outline strategies for community consultation, education and counselling support and any other mechanisms for addressing concerns and mitigating negative impacts.

Legislation, regulation and oversight

The previous Christmas Island casino legislation has been revoked and will not be re-enacted. If you have a preferred legislative and regulatory regime from another jurisdiction please state it, but note the decision on legislation will ultimately be one for the Commonwealth. It is suggested you look at the casino and gambling regime in the ACT, which appears to be the most up to date and provides an indication of the matters likely to be covered. An independent regulatory and oversight body with inspectorial powers will need to be established on Christmas Island to administer casino operations on the Commonwealth's behalf. Functions would include

- advising the Minister on the issuing of casino and operator licences,
- approving gaming activities,
- conducting probity and financial checks,
- assessment and issuing of employee licences,
- collection of taxes, licence fees and charges and
- conducting financial and operational audits.

It is envisaged that at least six Christmas Island - based staff would be required to conduct these functions. All costs associated with establishing and operating the regulatory authority would need to be met by the Casino licensee.

Any other projected benefits for Australia?

Please outline these.