In many ways Christmas and Cocos Islands are in a slightly different space to the majority of communities that these workshops are targeted at. The major differences are:

- Dedicated economic development resource already in place (Economic Development Officer).
- Many plans and strategies already completed with a focus on economic development needs and opportunities.
- Economic Development Consultative Groups already in place to provide a formalised conduit for community input into the economic development process.
- Engagement with the Federal Government at a specific economic development level already occurring.

Additionally, the largest issue facing many small communities across Australia is how to differentiate themselves from their surrounding communities. In CI and CKI’s case differentiation isn’t an issue, the lack of surrounding communities however is, with the isolated nature of the communities appearing to be a significant handicap at present.

Impressions

- CI is reliant on two industries at present (phosphate mine and detention centre), both of which are not able to be viewed as long-term foundations of the local economy (mine due to limited lease and detention centre due to uncertainty regarding both government policy and arrival numbers).
- CKI is yet to clearly identify options for building the foundations of future prosperity on other than tourism, which is likely to remain seasonal.
- The detention centre is yet to be embraced as a significant opportunity for development of the future of CI.
- Cost of travel to the islands and cost of living once on them is seen as a significant deterrent to visitation and investment.
- The two communities have a long-time history of ‘taking what they are given’ and leaving responsibility for major decisions to outside parties. This is largely a legacy of the history of both communities, but significant efforts need to be made to assisting both communities move to position where they clearly understand the principles of communities being responsible for themselves and driving change and development from bottom-up rather than waiting for, and accepting whatever is forthcoming from ‘on high’.
• The tourism industry is yet to find its way – at present it is providing a budget experience at a premium price, which is obviously unsustainable in the long-term.

Opportunities

Economic development opportunities for the territories are largely covered by two areas:
• Import replacement
• Export

Neither community is large enough for a significant amount of development to occur naturally generated (meaning that the development occurs purely due to the resident communities). The need to export goods and/or services is therefore vital.

While import replacement is a significant opportunity given the limited number of goods produced and consumed on the island, it is not the total solution as there will always be goods required on the island that are produced elsewhere, resulting in these being offset by goods and services being provided by the islands to others.

The existing detention centre facilities and the expansion that has recently occurred are a significant opportunity from two perspectives:
• There is a current Federal government focus on CI that is unlikely to be maintained into the long-term. Continuing to leverage this to enable additional improvements to the infrastructure of the island as a whole with provide benefits for many more years than the detention facilities themselves are likely to operate at full capacity, if at all.
• Using the existing needs of the detention centre to underpin the development of import replacement industries needs to be developed. Contracts for the provision of fresh (perishable) food and other goods and services would allow these industries to set up with a level of certainty. The benefits to the whole community would then occur as they could also provide to the rest of the population, providing a better quality of product on a more consistent basis than currently occurs, hopefully at a better price. Additionally, the wealth on the community at large would be significantly improved by keeping this money revolving within the island rather than flowing straight off, never to be seen again.

CKI also should be looking at how it can be involved in the above provision of goods to the detention centre. A flow of goods and services between the two islands in areas where they each have comparative advantages over the other further assists in building the capacity and sustainability of both communities as well as further improving the retention of wealth within the territories.

The proximity to Indonesia needs to continue to be focussed on, but the focus needs to broaden to more than just tourism. The ability to provide high value perishable goods also needs to be researched. As Indonesia becomes more
affluent, the demand for ‘Western-style” goods is rising. These goods include many of the things that would be considered under an import replacement program (including supply to the detention centre) and exploration of opportunities to move from import replacement to export is the most obvious export opportunity other than tourism.

There are already a myriad of ideas and outcomes being focussed on from an economic development perspective within the territories. These firstly need to be looked at to ensure all of them are genuine economic development projects, remembering that infrastructure provision isn’t economic development in itself, it is in fact an enabler that still has to be built on to achieve ED outcomes. Secondly, focussing on too many projects can be as damaging as not doing anything at all as it often results in the champions being burned out before any of them have come to fruition. A strategic decision needs to be made to ensure that the projects being progressed are matched by the resources available. It is far better to focus on a limited number of projects and succeed as the enthusiasm from these successes often results in a greater level of resources then being available for the next round of projects.

CI phosphate is obviously a major player in ED on the island at present, however I am not convinced from what I saw while on the island that there is a strategic process in place to ensure that the resources they are putting into the community are well-placed. Importantly, the fact that they are as engaged as they are is a major positive and it is likely that as the community develops its ED processes CI Phosphates will find it easier to identify appropriate initiatives to become involved in.

Conclusion

The opportunities for the territories are significant, but so are the challenges. In many ways they are the reverse of the majority of rural communities in Australia who have proximity advantages over the islands, but struggle to define a point of difference for their communities. Christmas and Cocos Keeling Islands have some of the most identifiable points of difference in the country by obviously have to deal with proximity issues.

The proximity issues also produce a cost of living (and cost of visiting) issue. As visitation and trade volumes are increased to the islands some of these cost pressures should be reduced.

Community engagement and community capacity building are going to need to be an important element of the early focus, especially given the cultural differences resident across the population. There is also going to be a need to support, encourage and celebrate those people that are successful as Australia has along history of ‘tall poppy syndrome’, however everyone will generally be better off if the most entrepreneurial and successful people are embraced.
The current support and enthusiasm of the Federal government for assisting in the development of the islands is a significant point in time opportunity. The actual direction and responsibility however needs to be taken on by the community, with the government being viewed as an enabling partner rather than a leader.

Even though it is only part of the mix, tourism is still important. The most vital area to focus on initially is to understand the market segment that is most relevant to the islands and then develop the industry accordingly. My impression is that CI & CKI are likely to be attractive to a different set of people. CKI has the potential to be very much a laid back, relaxing resort style experience while CI has the conditions to really appear to adventure and nature-based tourists.