

Research Project: Encouraging sustainable economic development and diversification on Christmas Island

Background

The Project Team is a group of five employees from the Department of Infrastructure and Regional Development (the Department) who undertook a graduate research project on the sustainable development of the small business sector on Christmas Island.

The research project was a collaboration between the Department and the University of Canberra's Institute for Governance and Policy Analysis. The academic nature of the research project means that the Project Team's views may differ from the Department's and are not necessarily an indication of the Department's views.

Acknowledgements

The purpose of this document is to provide an overview of the Project Team's findings. The Project Team would like to thank everyone who generously gave their time to speak to us, both during our week-long visit to Christmas Island in August 2016 and via teleconference before and after our trip. Our project would not have been possible without your willing participation and candour, which were crucial in developing our understanding of the challenges and opportunities the island's economy presents.



Research project outline

During our visit to the island, we were struck by its natural beauty, strong sense of community and cultural diversity, as well as the complexity of issues its economic, governance and geographical context presents. Although our time was limited and our project is but one among many, we hope that we have provided the Department with an overview of the island's business sector, as we see it, with a particular focus on the strengths and comparative advantages the island has to offer. We were especially encouraged by the new opportunities emerging, including the recently established tourism and agricultural ventures.

While the scope of our project was originally focused solely on the island's small business sector, the Project Team recognised that the challenges the sector faces cannot be extricated from the island's broader economic, social, environmental and historical context. As a result, the scope of our project was widened and it was retitled 'Encouraging sustainable economic development on Christmas Island'.

Project findings

Christmas Island's economy has traditionally been characterised by a 'boom and bust' cycle, a trend not uncommon in small, remote communities. The development of our recommendations centred on supporting and fostering a more diverse local economy on Christmas Island to reduce the repetition of this cycle.

Our research and discussion with stakeholders illustrated the broad range of concerns held by the island's community, including: the importance of its relationship with the Australian Government; the need to implement responsive policy to sustainably support the island's future; and the importance of fostering the conditions necessary to encourage investment, particularly from the private sector.

We drew on ideas and themes that recurred during interviews, and community expertise on the issues the island's economy faces. We categorised our findings as short, medium and longer-term with the aim of encouraging the progressive strengthening of business confidence and developing the government and community momentum needed for lasting and sustainable change.



Three key recommendations that we provided to the Department are that it undertake:

1. Provision of practical support for small businesses – such as providing guidance to small business owners on how to access and apply for government grants.
2. Review of the regulatory barriers to small business development – including compliance requirements for tendering that may not be applicable or suitable for the island. A review could identify potential changes in accordance with the Australian Government's 'Cutting Red Tape' agenda.
3. Provision of guidance and information for potential investors – such as the development of an investor prospectus outlining Christmas Island's business landscape, governance arrangements and the investment opportunities and providing a directory-style suite of information about conducting business on the island (to ensure greater consistency when investors interact with government officers or agencies).

In conclusion

The Project Team noted the strong appetite for progress and economic transition expressed by several representatives of the Christmas Island community, including business owners. As a result, we are optimistic that the Department and the community are well placed to achieve positive change into the future.

We would like to thank you again for your participation and support for our research project.

The Project Team
November 2016