



Australian Government
**Department of Infrastructure
and Regional Development**



Indian Ocean Territories Budget Book

2015-16



© Commonwealth of Australia 2016
ISBN 978-1-925401-06-6
April 2016 / INFRASTRUCTURE 2732

Ownership of intellectual property rights in this publication

Unless otherwise noted, copyright (and any other intellectual property rights, if any) in this publication is owned by the Commonwealth of Australia (referred to below as the Commonwealth).

Disclaimer

The material contained in this publication is made available on the understanding that the Commonwealth is not providing professional advice, and that users exercise their own skill and care with respect to its use, and seek independent advice if necessary.

The Commonwealth makes no representations or warranties as to the contents or accuracy of the information contained in this publication. To the extent permitted by law, the Commonwealth disclaims liability to any person or organisation in respect of anything done, or omitted to be done, in reliance upon information contained in this publication.

Creative Commons licence

With the exception of (a) the Coat of Arms; and (b) the Department of Infrastructure and Regional Development's photos and graphics; copyright in this publication is licensed under a Creative Commons Attribution 3.0 Australia Licence.

Creative Commons Attribution 3.0 Australia Licence is a standard form licence agreement that allows you to copy, communicate and adapt this publication provided that you attribute the work to the Commonwealth and abide by the other licence terms.

A summary of the licence terms is available from <http://creativecommons.org/licenses/by/3.0/au/deed.en>.

The full licence terms are available from <http://creativecommons.org/licenses/by/3.0/au/legalcode>.

This publication should be attributed in the following way: ©Commonwealth of Australia 2016

Use of the Coat of Arms

The Department of the Prime Minister and Cabinet sets the terms under which the Coat of Arms is used. Please refer to the Department's Commonwealth Coat of Arms and Government Branding web page <http://www.dpmc.gov.au/pmc/about-pmc/core-priorities/guidelines-and-procedures-other-agencies> and in particular, the Commonwealth Coat of Arms - Information and Guidelines publication.

Contact us

This publication is available in hard copy or PDF format. All other rights are reserved, including in relation to any Departmental logos or trade marks which may exist. For enquiries regarding the licence and any use of this publication, please contact:

Director - Publishing and Communications
Communications Branch
Department of Infrastructure and Regional Development
GPO Box 594
Canberra ACT 2601
Australia

Email: publishing@infrastructure.gov.au
Website: www.infrastructure.gov.au



Table of Contents

| | |
|---|-----------|
| ADMINISTRATION IN THE INDIAN OCEAN TERRITORIES..... | 2 |
| IOT BUDGET 2015-16..... | 3 |
| SERVICES DELIVERED BY WA GOVERNMENT AGENCIES | 5 |
| MAJOR PRIVATE SECTOR CONTRACTS..... | 9 |
| ADMINISTRATOR OF CHRISTMAS ISLAND AND THE COCOS (KEELING) ISLANDS..... | 10 |
| COMMUNITY POLICING..... | 11 |
| INDIAN OCEAN TERRITORIES ADMINISTRATION - CORPORATE SERVICES AND OPERATIONS..... | 12 |
| INDIAN OCEAN TERRITORIES ADMINISTRATION - HEALTH SERVICE | 14 |
| INDIAN OCEAN TERRITORIES ADMINISTRATION - POWER SERVICE | 16 |
| GRANTS..... | 17 |
| SUPPORT TO THE COMMUNITY..... | 18 |
| SUPPORT TO LOCAL GOVERNMENT | 20 |
| CAPITAL BUDGET | 22 |



Administration in the Indian Ocean Territories

Christmas Island and the Cocos (Keeling) Islands are Australian territories. They operate under an applied law regime, with the laws of Western Australia (WA) applied in the territories as subordinate Commonwealth laws. This ensures there is an appropriate body of state-level laws. Applied laws may be amended, suspended or repealed by an ordinance made by the Governor-General, under the *Christmas Island Act 1958* and *Cocos (Keeling) Islands Act 1955*.

The Department of Infrastructure and Regional Development is responsible for the administration of the Territory of Christmas Island and the Territory of Cocos (Keeling) Islands, collectively known as the Indian Ocean Territories (IOT), and the provision of state government-type services. The Local Government and Territories Division of the Department has staff located in Canberra, Perth and both territories to ensure the effective delivery of services.

Local government-type services are provided through a Shire in each jurisdiction.

The Department also has responsibility for the provision of services that require state government support or where no commercial market for a service exists, such as air services.

In administering the IOT, the Department is responsible for:

- developing policy advice and legislation to maintain effective systems of governance;
- managing a community development grants programme;
- administering Service Delivery Arrangements (SDAs) with the WA Government;
- delivering state and some local government services, including public housing, health services and electricity;
- providing grant funding to the Shires to support the provision of services and infrastructure; and
- managing a capital works programme to maintain, replace and upgrade infrastructure for which the Department is responsible.

The Government's aim is to ensure that communities in the IOT have access to services and support which are comparable to that in similar remote mainland communities.

IOT Budget 2015-16

The Department administers Christmas Island and Cocos (Keeling) Islands under Portfolio Budget Statement Outcome 4: *Good governance in the Australian Territories through the maintenance and improvement of the overarching legislative framework for self governing territories, and laws and services for non-self-governing territories.* The 2015-16 Portfolio Additional Estimates Statements (2015-16 PAES) for the Infrastructure and Regional Development Portfolio allocated \$111.3 million to support communities in the IOT.

Table 1: 2015-16 PAES for the Indian Ocean Territories

| | 2015-16 Budget '000 | 2016-17 Forward estimate '000 | 2017-18 Forward estimate '000 | 2018-19 Forward estimate '000 |
|--|---------------------------|--|--|--|
| Funding for IOT Services | | | | |
| Services to Indian Ocean Territories | \$89,502 | \$88,871 | \$88,999 | \$84,396 |
| Indian Ocean Territories Special Account 2014 | \$21,757 | \$20,668 | \$20,668 | \$20,668 |
| Services Subtotal | \$111,259 | \$109,539 | \$109,667 | \$105,064 |
| Funding for Mining Rehabilitation | | | | |
| Christmas Island Phosphate Mining Rehabilitation Special Account | \$1,700 | \$1,600 | \$1,600 | \$1,600 |
| Approved Capital Budget¹ | | | | |
| Approved Capital Budget | \$7,828 | TBC | TBC | TBC |

The change in the funding model between 2014-15 and the forward years is due to the commencement of the *Indian Ocean Territories Special Account 2014* from 1 July 2015. In previous financial years, revenue earned by the Department was deposited into the Consolidated Revenue Fund and returned to the Department in the Portfolio Additional Estimate Statements in February of the following financial year. From 1 July 2015, revenue is placed directly into the Special Account and immediately available for investment in the IOT. This change allows the Department to better plan activities over the financial year.

¹ The Portfolio Budget Statement provides one figure for all administered capital works in the Territories of Christmas Island, the Cocos (Keeling) Islands, Jervis Bay Territory and Norfolk Island. The figure will be apportioned to projects across these territories as part of the budget allocations during the forward years.

Table 2: 2015-16 IOT Budget Summary

The budget figures below are as at 29 February 2016, which reflects minor adjustments finalised in the 2015-16 PAES.

| 2015-16 Operational Budget | |
|---|----------------------|
| WA Service Delivery Arrangements | \$35,335,216 |
| Major Private Sector Contracts | \$16,892,777 |
| Australian Government Managed Services | |
| IOT Administrator | \$946,456 |
| Community Policing | \$3,599,415 |
| IOT Administration | \$13,146,739 |
| Health Services | \$16,125,122 |
| Power Services | \$16,204,778 |
| Support to the Community | \$7,215,807 |
| Support to the Local Government | \$1,792,885 |
| Total Operational Budget | \$111,259,195 |

Services delivered by WA Government Agencies

Many of the state-government type services are delivered in the IOT through SDAs and other funding arrangements with the WA Government. WA law has applied in the IOT since 1992, leaving WA well placed to provide services to residents living on the islands.

Forty agencies in WA deliver services to the IOT, ensuring that residents have access to services comparable to those received by similar communities on the Australian mainland. \$35.3 million is invested in these services, with all funding provided by the Government.

The Department regularly reviews its arrangements to ensure value-for-money. A three year project commenced in 2014-15 to review and renegotiate all SDAs, ensuring they are modern, up-to-date and deliver quality and timely services. The review included consultation with the IOT communities during March and November 2015 to identify key needs for inclusion in the SDAs. Seven new multi-year agreements were successfully negotiated during 2014-15, with a further 14 SDAs being negotiated in 2015-16.

Fact sheets for the services offered in the renegotiated SDAs are available on the Department's website.

Table 4: 2015-16 WA Government Agencies providing services to the IOT

| Agency | Service | Value |
|---|---|-----------|
| Department of Agriculture and Food | Deliver biosecurity support to minimise the impact of identified noxious weed species on the environment. | \$74,638 |
| Department of the Attorney General | Provide access to the justice system including Judicial and non-Judicial Court Services; Registry Office; State Solicitor's Office; Public Advocate and Victim Support and Child Witness Service. | \$193,580 |
| Office of the Auditor General for WA* | Undertake an annual audit of state agencies providing services. | \$50,000 |
| Department for Child Protection and Family Support | Provide professional supervision and support for the Territories' Social Worker. Provide assistance in administering the applied legislation concerning Working with Children Checks. | \$329,691 |
| Department of Commerce (including Building Commission, Consumer Protection, Energy Safety and Worksafe) | Support the application of building and plumbing, consumer protection; energy safety (electricity and gas); occupational safety and health legislation; and regulatory services. | \$351,343 |
| Department of Corrective Services | Provide offender management and community justice services. | \$47,740 |

| | | |
|---|---|--------------|
| Department of Culture and the Arts | Provide broad policy and planning services; arts development services (including art funding administration); art gallery services; museums services; and cultural planning services. | \$136,225 |
| Disability Services Commission | Work in partnership with service providers to provide information, and support services to people with disabilities, their families and carers in the Territories, including the services of a Local Area Coordinator. | \$107,784 |
| Economic Regulation Authority | Promote economically efficient outcomes at the lowest practicable cost through efficient and effective independent economic regulation. Provide independent advice to the Government. | \$84,811 |
| Department of Education* | Operate the Christmas Island District High School and the Cocos (Keeling) Islands District High School, providing school-based education for Kindergarten to Year 10 (CKI) and to Year 12 (CI) students under the WA curriculum. | \$15,065,748 |
| Department of Environment Regulation | Protect and conserve the Territories environment through advice on and implementation of strategies to protect public health, minimise environmental impact and implement environmental policy. | \$254,907 |
| Equal Opportunity Commission of Western Australia | Provide information and advice on equal opportunity and human rights issues. Investigate complaints under the applied equal opportunity legislation. | \$13,937 |
| Department of Finance | Collect state-type revenue in accordance with applied legislation and remit revenue to the Government. Sub-contract JLL to manage commercial properties. Provide advice on energy policy and regulatory matters. | \$1,237,921 |
| Department of Fire and Emergency Services | Support volunteer brigades, including planning and training. | \$687,120 |
| Department of Fisheries | Assist with the protection of the marine environment through: commercial and recreational fisheries management; fisheries research and assessment; fisheries community education; aquatic biosecurity services; fish health diagnostic and pathology services; fisheries compliance services; and aquaculture management and licensing. | \$838,663 |
| Department of Health | Provide regulatory, advisory and other support services and specialist advice to the IOT Health Service; accessible hospital services and care in WA; community and public health advice and support, such as tobacco licensing services and compliance; and screening and diagnostic mammography services through BreastScreen WA. | \$2,608,990 |
| Health and Disability Services Complaints Office | Investigate complaints about the provision of health and disability services. | \$23,243 |

| | | |
|--|--|-----------------|
| Department of Housing | Provide advice on and support for the effective administration of social housing. | \$51,182 |
| Insurance Commission of Western Australia | Provide funds management, expert advice and claims handling services in relation to the operation of a compulsory third party insurance scheme. | Fee for Service |
| Landgate | Provide land information services, including registration of title, and geographic and cadastral information. Provide impartial valuation services supporting asset management and revenue collection. | \$18,599 |
| Department of Lands | Administer Crown land. | \$32,300 |
| Legal Aid Commission of Western Australia | Provide legal services to those in need and assistance in accessing justice. | \$483,182 |
| Department of Local Government and Communities | Provide licensing, monitoring and support services for childcare providers. Implement programmes for social inclusion and develop partnerships with non-government organisations. Support the Volunteer Resource Centre and Neighbourhood Centre on Christmas Island. Ensure compliance with legislation and facilitate the development of local government. | \$316,472 |
| Main Roads Western Australia | Provide advice on road funding and direct support and advice to local government on traffic management and road networks. | \$34,887 |
| Department of Mines and Petroleum | Register Territories mineral titles and provide advice on associated environmental matters. Collect mining revenue. Regulate resources safety issues, including the storage, transport and handling of dangerous goods. | \$20,420 |
| Parliamentary Commissioner for Administrative Investigations (State Ombudsman) | Investigate complaints about the administrative actions of State Government agencies that are within the Commissioner's jurisdiction (other than health). | \$32,298 |
| Department of Planning | Provide planning and administrative advice to ensure the use and development of land is consistent with strategic planning, policy guidelines and planning standards. Provide advice and assistance to the Government on coastal planning issues. Provide professional and technical expertise, administrative services, and resources to advise the WA Planning Commission. | \$126,163 |
| Planning Commission | Provide information, advice and recommendations to the Minister on land use planning and land development matters. | Fee for Service |
| Department of the Premier and Cabinet* | Facilitate negotiations between State agencies and the Australian Government. Coordinate the Territories Programme on behalf of the State Government. | \$453,058 |
| Public Trustee | Provide trustee services, including the preparation of wills and provision of executor and administrator services. | Fee for Service |

| | | |
|--|---|---------------------|
| Department of Racing, Gaming and Liquor | Provide liquor licensing services, including compliance audits and inspection of licensed premises. | \$82,929 |
| Department of Regional Development | Support community capacity building and regional development. Support the Cocos (Keeling) Islands Community Resource Centre. | \$147,750 |
| Department of Sport and Recreation | Provide advice on sporting and recreational needs. Provide advice to sporting and recreational groups. | \$99,921 |
| State Library of Western Australia | Provide local authorities and associated bodies with library materials, information and support services. | \$244,700 |
| Department of Training and Workforce Development | Provide training and advice to vocational and adult education and training providers. Register and monitor apprentices and trainees. | \$176,760 |
| Department of Transport | Provide advice, assistance and support on transport issues including driver and vehicle licensing, vehicle safety standards, marine safety, taxi/charter transport planning, aviation freight and active transport. | \$317,270 |
| Department of Water | Provide advice and support to the Government on licencing and water source regulation. | \$10,000 |
| Water Corporation of WA | Provide water and wastewater services to the communities, and electricity generation and supply to the Cocos (Keeling) Islands community, including the procurement of assets and the planning and management of the capital works programme. | \$10,448,350 |
| Workcover WA | Administer the <i>Workers Compensation and Injury Management Act (1981) (WA)(CI)(CKI)</i> for the benefit of injured workers. | \$475 ² |
| | Subtotal | \$35,203,057 |
| | Other Expenses³ | \$132,159 |
| | TOTAL | \$35,335,216 |

*Services provided but not under a Service Delivery Arrangement.

² The full year 2015-16 estimate was \$15,401, however this figure has been adjusted to take into account a 2014-15 surplus carryover amount of \$14,926.

³ Includes SDA review expenses.



Major Private Sector Contracts

The Government has contracts valued at approximately \$17 million with private sector providers to deliver a broad range of services to the IOT communities. Primary contracts are as follows:

Air Services

The Government underwrites the provision of air services by Virgin Australia Airlines from Perth to the IOT. This delivers commercial grade passenger services to Christmas Island and the Cocos (Keeling) Islands each week. It also provides for air freight services to the IOT.

The current air services contract expires on 31 July 2016. A tender process is underway for services from 1 August 2016.

Airport Services

The Government is responsible for operating and maintaining airport facilities on both Christmas Island and the Cocos (Keeling) Islands. Both airports are managed by Toll Remote Logistics under contract until 30 September 2016. A tender process for the new management services contract will commence in late 2015-16.

Sea Port Services

The Government is responsible for operating and maintaining maritime port facilities on Christmas Island and the Cocos (Keeling) Islands. Both ports are managed by Patrick Stevedoring Pty Ltd under contract to 31 December 2019.

Administrator of Christmas Island and Cocos (Keeling) Islands

The Administrator of Christmas Island and Cocos (Keeling) Islands is appointed by the Governor-General. He is the senior Government official in the IOT. Key roles are to represent the Government, exercise appropriate delegations and decision-making powers, and to maintain strong and positive relationships with the community. Mr Barry Haase was appointed as Administrator on 4 October 2014 until 3 October 2017.

The Administrator maintains an office on Christmas Island, with two support staff. Frequent travel to the Cocos (Keeling) Islands ensures he maintains a strong understanding of issues which are important to that community. In addition, the Administrator travels to Canberra and Perth to meet with Ministers, the Department and other Government agencies, the WA Government and other stakeholders. These meetings provide an opportunity to directly raise issues of importance to the community and to advocate on the community's behalf. The Administrator also provides funding for the travel of members of the Regional Development Organisation (RDO) for a limited number of RDO meetings each year.

Table 3: 2015-16 Budget for the Office for the Administrator

| Item | |
|--------------------------------|------------------|
| Employees and related expenses | \$719,455 |
| Travel | \$158,874 |
| Other Expenses ⁴ | \$68,127 |
| Total | \$946,456 |

⁴ This includes various items such as office administration, meeting, communications and official hospitality expenses.

Community Policing

Community policing services are provided to the IOT by the Australian Federal Police (AFP) under a memorandum of understanding (MOU) with the Administrator, which is managed by the Department. The AFP is responsible for regulatory functions such as the service of court documents and civil processes, marine compliance and vehicle licence testing. The AFP is also responsible for critical incident management, coordination and response.

On the Cocos (Keeling) Islands, the AFP also provides customs and immigration services under an arrangement with the Department of Immigration and Border Protection (DIBP).

Table 5: 2015-16 IOT Community Policing Budget

| Item | |
|-------------------------|--------------------|
| Christmas Island | \$2,622,075 |
| Cocos (Keeling) Islands | \$977,340 |
| Total | \$3,599,415 |



Indian Ocean Territories Administration - Corporate Services and Operations

The Government has IOT Administration offices on both Christmas Island and the Cocos (Keeling) Islands. The Christmas Island Office is responsible for day-to-day administrative matters and manages IOT land issues. The Christmas Island Office also provides government services that are not provided by other agencies, including:

- public and staff housing;
- justice and court services;
- billing and accounts;
- the exhibition centre at Tai Jin House;
- emergency management support;
- parks and reserves maintenance;
- communications and broadcasting;
- contract management;
- training and tourism funding agreements;
- managing infrastructure and Government controlled community buildings;
- maintenance and emergency repairs;
- motor registry;
- information technology;
- health services; and
- power services.

Costs associated with these activities are funded from the administered budget. Costs for staff in Canberra and Perth, in addition to legal and financial services, are funded separately by the Department.

The Cocos (Keeling) Islands Office primarily provides emergency management support, manages staff housing, infrastructure contracts and collects revenue.

Table 6: 2015-16 IOTA Corporate and Operational Budget

| Item | |
|--|---------------------|
| Corporate | |
| Employees and related expenses | \$1,787,349 |
| Training and Tourism Grants ⁵ | \$1,370,000 |
| Insurance | \$1,017,767 |
| Telecommunications | \$776,068 |
| IOT Financial Assistance Grants ⁶ | \$681,901 |
| Other Expenses | \$266,552 |
| Operational Services | |
| Employees and related expenses | \$2,911,668 |
| Property, Maintenance and Leasing | \$2,840,220 |
| Grant-CKI Erosion Project | \$1,000,000 |
| Other Expenses | \$495,214 |
| Total | \$13,146,739 |

⁵ These grants are listed on page 18 – *Support to the Community*.

⁶ These grants are listed on page 21 – *Support to Local Government*.

Indian Ocean Territories Administration – Health Service

The Government provides health services to the IOT communities through the IOT Health Service (IOTHS), which operates a Primary Health Care Service. The IOTHS operates a 24 hour, eight bed health service on Christmas Island and clinics with on-call services after hours on Home and West Islands in the Cocos (Keeling) Islands. Health services are provided when needed to the DIBP on a cost-recovery basis.

The IOTHS provides a comprehensive range of medical, nursing and ancillary health services from the Christmas Island Health Centre. The range of health services includes:

- primary health care provided by full time General Practitioners and nursing staff;
- access to specialist medical care and some allied health care provided by visiting Medical Officers and Allied Health professionals;
- accident and emergency care (including medivacs) and Patient Assisted Travel;
- health promotion and school-based health care;
- torture and trauma counselling (DIBP);
- acute inpatient care;
- medical pathology, radiology and mortuary;
- aged and disability services;
- pharmacy;
- dental health care; and
- child health and ante-natal care.

Visits to health specialists are funded by the Government, including for Speech Pathology, Occupational Therapy, Physiotherapy, Podiatry and Optometry. Where it is not within the capability of IOTHS to provide ongoing care to patients, transfer is arranged to an appropriate health facility in WA. Ambulance services on Christmas Island are provided by St John Ambulance volunteers. In October 2015, the Department provided St John Ambulance with a grant of \$75,000 to fund volunteer training.

Table 7: 2015-16 IOT Health Service Budget

| Item | |
|-----------------------------------|---------------------|
| Employees and related expenses | \$10,424,347 |
| PAT Subsidy | \$1,469,665 |
| Property and Maintenance | \$1,168,072 |
| Medical Medivac | \$955,727 |
| Pharmaceuticals | \$483,232 |
| Medical supplies and services | \$396,132 |
| Travel | \$387,387 |
| Postage and Freight | \$216,906 |
| Telecommunications | \$190,907 |
| St John Ambulances Training Grant | \$75,000 |
| Other Expenses ⁷ | \$357,747 |
| Total | \$16,125,122 |

Health Services in the IOT

The Department completed a review of aged care services in the IOT in February 2015. The “Review of Aged Care in the Indian Ocean Territories” was undertaken by Australian Healthcare Associates (AHA), and is available on the Department’s website. The review will contribute to the development of policy and initiatives to support the ageing on the IOT.

The IOTHS places a strong emphasis on supporting the aged. Its Home and Community Care service arrangements have expanded from 11 clients in May 2014 to 36 clients in January 2016. The arrangements work with vulnerable people in the community to enable them to remain at home for as long as possible, by providing minor household maintenance, meals on wheels, cleaning and transportation.

Other initiatives, such as Health Month, help to create awareness about preventative health, eating well and staying active.

⁷ This includes various items such as administration and subsidies expenses.

Indian Ocean Territories Administration - Power Service

The Government provides power to the IOT communities through the IOT Power Service. Power services include the generation and supply of power, maintenance and replacement of infrastructure, management of the fuel contract, conducting electrical safety inspections and delivery of a renewable energy buy back scheme for private homes and business owners utilising solar power.

Power on the Cocos (Keeling) Islands is provided by the Water Corporation of WA under an SDA with the Government.

Table 8: 2015-16 IOT Power Service Budget

| Item | |
|--|---------------------------|
| Power – Christmas Island | |
| Employees and related expenses | \$3,263,884 |
| Property and Maintenance | \$1,523,602 |
| Postage and Freight | \$154,870 |
| Telecommunications | \$90,414 |
| Travel | \$83,288 |
| Other expenses | \$81,411 |
| Power – Cocos (Keeling) Islands | |
| Water Corporation SDA | (Included in SDA with WA) |
| Fuel and Oil (Bulk) | |
| Both territories | \$11,007,309 |
| Total | \$16,204,778 |

West Island Power Station

In 2010, the backup power generator on West Island (Power House B) was destroyed by fire. A packaged generator was purchased as a temporary replacement pending development of a long term solution.

The Department has sourced a complete packaged power station from a WA mining operation and is installing it on West Island to replace the temporary generator. This new station will provide a long term reliable power supply on the Island, reduce operating and maintenance costs and improve the environmental performance of power generation.

Grants

Across all levels of Government, grants support and deliver benefits to communities and individuals. The IOT Community Development Grants Programme (IOT CDGP) supports the communities of Christmas Island and the Cocos (Keeling) Islands. Two rounds have provided \$2.9 million to community groups, sporting organisations and the Shires in the IOT.

Round One provided a grant of \$50,000 to the Christmas Island Cinema Club to support the conversion of the cinema's equipment to digital. As the existing equipment could only show films in the 35mm format, which was being phased out during 2014, it was essential to upgrade the equipment.

The project involved the purchase and installation of new Digital Film equipment in a seamless manner. The new equipment ensures that the Club can continue to screen current and foreign films. The success of the project has supported a second weekly movie screening. Wednesday evenings showcase films suited to an adult audience, while Saturday screenings focus on family orientated films.

Sixteen organisations received \$1.5 million in grant funding from Round Two of the IOT CDGP, which was completed in September 2015. Funding will support the construction, refurbishment and renovation of infrastructure, community events, purchase of equipment, and agricultural projects.

Communities can also access other grants programmes, such as the *National Stronger Regions Fund*. The Shire of Cocos (Keeling) Islands received \$947,000 in Round Two, to support the construction of a retail precinct on Home Island. Round Three of the *Regional Development Australia Fund* provided \$450,000 to the Shire of Christmas Island for the construction of a senior citizens' centre, while the Shire of Cocos (Keeling) Islands received \$69,870 towards the Direction Island Interpretive Gazebo, as part of the HMAS Sydney and SMS Emden 100 Year anniversary.

One-off grants can also provide significant benefit to the community by addressing specific and unexpected issues.

In April 2015, the Commonwealth Government provided a grant of \$317,535 to the Christmas Island Internet Administration (CiiA) to support continuity of internet services, enhance speed and improve reliability of services to Christmas Island. The grant contributed to one-off costs associated with delivering an improved service and resulted in increased speeds from 27.5mb download to 100mb download, and from 7mb upload to 25mb upload. Funds were used to purchase two satellite dishes, supporting infrastructure and installation.

Support to the Community

Community activities and organisations are supported with approximately \$7 million provided by the Government. Funding is provided on Christmas Island for the operation of a school bus and separate funds are provided to the Shire to support a community bus service. On Cocos (Keeling) Islands, funding is provided for bus and ferry services.

Training

It is important to provide the community with opportunities to re-skill and take advantage of new economic development opportunities. Education, training and employment services also increase the diversity of the IOT workforce and opportunities to strengthen the local economy. The Indian Ocean Group Training Association (IOGTA) plays a key role in delivering training services.

The IOGTA receives funding to facilitate training opportunities for local residents. The Government is providing \$700,000 to the IOGTA in 2015-16 for the provision of adult education and group training.

The IOGTA also provides mentoring and support for all IOT apprentices and trainees. In 2014-15, the organisation engaged 28 apprentices and trainees, completed 16 apprentices and trainees and maintained average completion rates of over 80% for apprentices and trainees.

Tourism

The Government is providing \$400,000 to the Christmas Island Tourism Association and \$270,000 to the Cocos (Keeling) Islands Tourism Association for tourism-related activities. Funding supports the promotion and marketing of the islands as an attractive and sustainable tourist destination.

Cocos (Keeling) Islands Ferry and Bus Service

The Government contracts the Cocos Island Cooperative Society Ltd to provide an inter-island ferry and on-island bus services. The ferry service provides an essential link between the population centres on Home Island and West Island, with additional trips to Direction Island on nominated days.

The bus service provides an important transport link for commuters between the West Island Settlement and the Ferry Terminal at Rumah Baru. The West Island bus service contract expires on 16 October 2017, while the ferry service contract expires on 31 October 2017.

Christmas Island High School and Kindergarten Bus Service

The Government contracts Island Transport Pty Ltd to provide a dedicated bus service for kindergarten and school aged children on Christmas Island. Students are picked up on school days from the major residential centres and transported to either the District High School or the kindergarten. The bus service contract expires on 30 June 2019.

Table 9: 2015-16 Support to the Community Budget

| Item | |
|------------------------------------|--------------------|
| Education and Training | |
| Salaries – Locally Engaged Staff | \$1,425,279 |
| IOGTA | \$700,000 |
| Student travel | \$221,000 |
| Apprentice travel | \$83,000 |
| Public Transport and Travel | |
| Ferry Service - CKI | \$1,000,000 |
| School Bus – CI | \$421,200 |
| Community Bus – CI | \$30,000 |
| Bus Service – CKI | \$280,000 |
| Pensioner Travel - CI | \$60,000 |
| Pensioner Travel - CKI | \$85,000 |
| Tourism | |
| Tourism CI | \$400,000 |
| Tourism CKI | \$270,000 |
| Other | |
| IOT Community Development Grants | \$1,500,000 |
| Christmas Island Recreation Centre | \$740,328 |
| Total | \$7,215,807 |

Support to Local Government

The Government provides funding to the Shires of Christmas Island (SOCI) and the Cocos (Keeling) Islands (SOCKI) for the delivery of local government and some additional services.

Most funding to the Shires is provided through the IOT Financial Assistance Grants which are modelled on the Financial Assistance Grants received by other Local Governments in Australia. The quantum of funds provided is based on the recommendations of the WA Local Government Grants Commission.

On 29 June 2015, the Government decided to bring forward the first two instalments of the 2015-16 Financial Assistance Grants payments to 2014-15. The IOT Financial Assistance Grants were similarly brought forward with a significant early payment from the 2014-15 budget. The amount paid in 2015-16 reflects the balance of the 2015-16 allocation.

The Shires also receive direct grants for the repair and maintenance of roads.

Pensioner Rebate Subsidies

The pensioner rebate subsidy provides a rebate to the Shires for subsidies they have provided to pensioners on rates and service charges. This replicates arrangements in WA shires.

In 2014-15, the Department paid \$13,339 to SOCI for rebates and \$12,513 to SOCKI. Rebates are not generally claimed until the third or fourth quarter of the financial year and there is usually little variation. SOCI submitted its 2015-16 claim in December 2015 and a reimbursement of \$13,177 was provided.

Grants

The Shires also receive one off grants for projects where specific needs are identified, particularly for critical infrastructure and emergency management. This has included support to the Shires for cemeteries management (SOCI), roads improvement projects (SOCI), cyclone clean up (SOCI) and coastal erosion mitigation (SOCKI).

- In October 2015 the Department agreed to a grant of \$41,000 to support an electrical upgrade of the Home Island Cyclone Shelter by SOCKI.
- In December 2015 the Department agreed to a project with SOCKI, with \$1 million provided in 2015-16 and \$1 million to be provided in 2016-17.

The Shires are able to apply for funding under competitive programmes such as the IOT CDGP. Under Round Two of the IOT CDGP, the Shires received the following funding:

- SOCKI - \$200,000 for construction of two small light industrial areas;
- SOCKI - \$57,000 for Home Island Playgroup Refurbishment; and
- SOCI - \$15,320 for installation of a sports ground fence.

On 14 December 2015, the Hon Paul Fletcher MP, Minister for Major Projects, Territories and Local Government, agreed to provide one-off funding of \$290,800 to five community projects.

SOCKI was the recipient of two grants:

- \$100,000 to upgrade the community playgrounds on Home and West Islands; and
- \$63,000 to build an outdoor gym for the community on West Island.

The total 2015-16 IOT CDGP figure is included in the 'Support to the Community' budget (Table 9).

Table 10: 2015-16 Support to Local Government Budget

| Item | |
|---|--------------------|
| CI Financial Assistance Grants (\$3,666,670 component brought forward to 2014-15) | \$417,785 |
| CKI Financial Assistance Grants (\$2,255,357 component brought forward to 2014-15) | \$264,116 |
| Roads (CI) | \$660,000 |
| Roads (CKI) | \$265,000 |
| Pensioner Rebate Subsidy (CI) | \$13,177 |
| Pensioner Rebate Subsidy (CKI)* | \$12,513 |
| Motor Vehicle Registry (CKI) | \$50,294 |
| Motor Vehicle Registry (CI) | \$110,000 |
| Total | \$1,792,885 |

*2015-16 estimate based on 2014-15 figures.

Capital Budget

The Government invests in ongoing upgrades and replacement of assets in the IOT through the administered capital budget. Approximately \$7.8 million is being invested in 2015-16.

Table 11: 2015-16 Approved Capital Budget

| Item | |
|---------------------------------|--------------------|
| 2015-16 Approved Capital Budget | \$7,827,563 |
| Total | \$7,827,563 |

Table 12: 2015-16 Approved Capital Projects

| Indian Ocean Territories funded projects | Territory |
|---|-----------|
| West Island - Fire Appliance | CKI |
| West Island - Clinic Multi-Function Device | CKI |
| West Island - Replacement of roof sheeting on 8 Houses | CKI |
| West Island - Replacement fencing-Light Industrial Area, | CKI |
| West Island - Cyclone shelter windows replacement | CKI |
| West Island - Power Station Rebuild | CKI |
| Home Island - Installation of desalination plant | CKI |
| Home Island - Refurbishment of Houses 97 and 98 | CKI |
| Prime Mover | CKI |
| | |
| Airports - Airport Terminal Roof Rectification Design | CI |
| Installation of glass panels at IOTA counter for MVA shop front | CI |
| Recreation Centre Gym Floor Replacement | CI |
| Installation of playground equipment | CI |
| Refurbishment of kitchen and flooring at Blocks 403 and 401 | CI |
| Fire Appliance Replacement | CI |
| Power Station Metering Station Pipeline | CI |
| Smith Point Diesel Bunkering Pipeline | CI |
| Purchase of X-ray equipment | CI |
| Commonwealth Staff Housing Refurbishment | CI |
| Improvements to Administrators Residence (MQ6, 4 Rocky Point) | CI |
| Renovation of public toilets at Flying Fish Cove | CI |
| Additional undercover storage at Electrical Workshop site | CI |

| | |
|--|----|
| Generator 5/6 AVR replacement | CI |
| HG002 HV Switchboard Upgrade | CI |
| Renovations to the Kitchen Malay Club | CI |
| Upgrade of Electricity revenue billing system | CI |
| Jedda upgrade-replace fluoride/calgon plant | CI |
| Diesel Fuel Bunkering –Hose Reeler | CI |
| Power Station fire panel replacement | CI |
| Design - Summit Tank to Drum site Tank, Main Replacement | CI |
| Replace Multifunction devices | CI |
| IOT Administration IT Network Refresh Project | CI |
| Three Propaq vital signs monitors – IOT Health Services | CI |
| Infrastructure connecting the water & wastewater service for Lot 515 Construction Camp | CI |
| Replacement of South Point Temple roof | CI |
| Installation of transportable bathroom module at CI District High School | CI |
| Airport Fuel Tank - Additional Work | CI |
| Recreation Centre - Lane Ropes | CI |
| Police Padang - Construction of Shelters and Barbeques | CI |
| Emergency Services - Communications towers, repeaters, radios & equipment | CI |
| Mine feeder upgrade – IOT Power | CI |
| Alaris infusion pumps – IOT Health Services | CI |
| Chinese Literary Association building re-roofing | CI |
| Replacement of Steriliser - Oral Health | CI |