



Australian Government

**Department of Infrastructure,
Regional Development and Cities**



Indian Ocean Territories 2017-18 Budget Overview

as at 28 February 2018



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ISBN 978-1-925701-39-5
May 2018 / INFRASTRUCTURE 3443

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Introduction

The Australian Government has responsibility for the external territories of Christmas Island and the Cocos (Keeling) Islands, collectively known as the Indian Ocean Territories (IOT).

The Australian Government, through the Department of Infrastructure, Regional Development and Cities, facilitates the delivery of services normally expected from a state government.

State-type services are delivered through Service Delivery Arrangements (SDAs) with the Western Australian (WA) Government, by the private sector under contract, or directly by the Department (including through the local IOT Administration). Additional government services, such as those involving quarantine and customs, are the responsibility of the relevant Australian Government agencies.

In 2017-18, \$115.4 million has been allocated to support communities in the IOT. The Australian Government provides the majority of this funding through an appropriation to the Department. The IOT Special Account 2014 receives revenue from the delivery of services, such as power and water, which is reinvested back into the delivery of essential services and infrastructure to the IOT.

Figures are sourced from the Department's Portfolio Additional Estimates Statement 2017-18. All financial figures in this document are as of 28 February 2018.

Table 1: Australian Government funding for the Indian Ocean Territories (overview)

Australian Government funding for the Indian Ocean Territories	2017-18 Allocated Expenses (\$'000)
2017-18 Budget - Services to the IOT	90,146
IOT Special Account 2014	25,242
Total IOT Services funding	115,388
Capital budget	
	8,240



Services provided to the Indian Ocean Territories

Services delivered by WA Government agencies

Many of the state-type services are delivered through SDAs with the WA Government. At 28 February 2018, the Department has 45 SDAs and letters of agreement with WA agencies and authorities to deliver services to the IOT. This ensures that IOT residents have access to services comparable to those in similar remote communities on the Australian mainland. During 2017-18, \$41.0 million is being provided for services provided under SDAs and subsidised travel schemes (students, pensioners and apprentices).

Major private sector contracts

The Australian Government contracts private sector providers to deliver services to the local communities, where it is appropriate and cost-effective to do so. Contracts support such things as the management of the airports, ports, delivery of air services, recreation centre, and operation of bus and ferry services. In 2017-18, \$20.4 million is being spent on services delivered by private sector contractors.



Indian Ocean Territories Administration

The IOT Administration provides services and maintains infrastructure which is used by the community, including public housing, emergency management, motor registry services (Christmas Island), health and power services.

The IOT Administration maintains offices on both Christmas Island and the Cocos (Keeling) Islands.

In 2017-18, \$39.0 million is being spent on services provided by the IOT Administration.

Administrator of Christmas Island and the Cocos (Keeling) Islands

The Administrator is appointed by the Governor-General and is the Australian Government's senior representative in the IOT. The Administrator maintains an office on Christmas Island and travels regularly to the Cocos (Keeling) Islands. The Administrator is a key point of contact between the Australian Government and local communities, particularly during an emergency. In 2017-18, \$0.9 million will be spent to support the functions of the Administrator's Office.

Did you know?

The highest daily rainfall ever recorded on Christmas Island was 212.6mm of rain, which fell on Wednesday 29 November 2017.

In 2016, it rained over 269 days, or nearly three out of four days.

Support to the community

Community organisations are supported by the Australian Government to provide training and tourism activities. \$0.34 million is being provided to the Christmas Island Tourism Association and \$0.32 million to the Cocos (Keeling) Islands Tourism Association for tourism related activities in 2017-18. \$0.72 million is being provided to the Indian Ocean Group Training Association for the provision of education and group training. \$0.32 million is being provided to local organisations in grants for community development projects, such as agricultural research and the development of a Strategic Plan for Christmas Island.



Support to local government

The Australian Government provides funding to the Shires of Christmas Island and the Cocos (Keeling) Islands for the delivery of local government services, including road maintenance and repair.

Annual funding is based on advice from the WA Local Government Grants Commission. In 2017-18, the Shire of Cocos (Keeling) Islands will receive \$2.6 million as a state-type equivalent

grant. The Shire of Christmas Island will receive \$2.1 million in 2017-18; this is in addition to \$2.0 million provided in June 2017, making a total of \$4.1 million for 2017-18.

The Shires also receive ad-hoc grants to meet identified infrastructure needs, such as managing the impact of coastal erosion and maintenance of local roads.

Capital budget

The Australian Government invests in ongoing upgrades to, and the replacement of, assets in the IOT through the administered capital budget. Projects funded in 2017-18 include: on Christmas Island the Port Redesign Project, purchase of a crawler crane for the port, and priority stormwater works; and on the Cocos (Keeling) Islands the replacement of the dehumidification system at the police station, upgrade of emergency exits at the school campuses, and upgrades to the wastewater treatment plant on Home Island.

Community policing

The Australian Federal Police provides community policing services in the IOT. In 2017-18, under a Memorandum of Understanding managed by the Department, \$3.8 million will be spent on policing services.

Did you know?

In the IOT in 2016-17, there were: 26 aero medical evacuations; 21 babies born to local residents; 9151 doctor consultations; and 6781 oral health visits.

Table 2: Australian Government estimated expenditure for the IOT by category - 1 July 2017 to 30 June 2018

Category	2017-18 estimated expenditure (\$'000)
Operational expenditure	
Administrator's Office	933
Asset management	2,796
Community policing	3,836
Health service	13,201
IOT Administration operations and corporate services	9,857
Power service	15,935
Private sector contracts	20,428
Roads (additional to general support to local government)	865
Service Delivery Arrangements with WA and travel schemes	41,029
Support to local government	4,805
Support to the community	1,703
Total	115,388
Capital budget	
	8,240

Table 3: Australian Government estimated expenditure on SDAs with the WA Government by WA agency for the period 1 July 2017 to 30 June 2018

WA Government agencies receiving Australian Government funding under SDAs ¹	2017-18 estimated expenditure (\$'000)
Communities	530
Education, including locally engaged staff	15,233
Finance	3,725
Fire and Emergency Services	133
Health	3,763
Justice	298
Landgate	250
Legal Aid	337
Local Government, Sport and Cultural Industries	308
Main Roads	68
Mines, Industry Regulation and Safety	417
Planning, Lands and Heritage	706
Premier and Cabinet	559
Primary Industries and Regional Development	1,358
State Library	196
Training and Workforce Development	176
Transport	914
Water and Environmental Regulation	297
Water Corporation	11,1104
<i>Eight additional agencies receiving less than \$50,000 each</i>	224
Total	40,601²

¹ Due to mergers of WA Government agencies in 2017, services under the 45 SDAs and letters of agreement are delivered by 27 WA agencies.

² Sum of figures may not match the total due to rounding.