7 Catalogue of Major Incentives

There are a range of initiatives, programs and models in place elsewhere in Australia that could potentially respond to the accommodation needs and challenges on CI and CKI. The needs that have been focused on in identifying major incentives include:

- High cost of capital outlay required for cyclone rating climate and labour costs; labour generally needs to be brought in off island and accommodation is a significant added cost.
- Low security of return is perceived by private investors, particularly against other alternatives, eg Perth and the Pilbara.
- CI family incomes (in 2006) average between $1,375 and $1,581 for couples without children and couples with children/other families, whilst the average weekly rent for a family home is between $800 and $1000; this results in significant “housing stress” (where more than 30% of income is required for housing).
- CKI average family income (in 2006) was $1,115 and the weekly rents for an acceptable standard of home is between $500 and $850. This again suggests a scenario of housing stress.
- Eligibility for public housing is low despite high housing costs, this is similar to issues in booming economies such as the Pilbara where housing stock is in short supply and only the top income earning group can afford housing, the public housing eligibility criteria does not consider these unique scenarios.

Of the suggested models in the table below, Dual Key provides innovation and flexibility in construction of accommodation to respond to a diverse accommodation need in a changing demand context. Allocation Rights encourages private investment and responds to the high cost of construction on islands. Community Housing organisations could be partnered with in Allocation Rights model to maximize tax exemption benefits and focus on affordable housing target market. Community Banking, if well supported by the local IOT communities could be a valuable vehicle to self fund housing projects and leverage capital in partnership with external parties.

<table>
<thead>
<tr>
<th>Response: Initiative, Model, Program</th>
<th>Benefits</th>
</tr>
</thead>
</table>
| **DUAL KEY** - The construction of flexible “dual key” housing construction has been adopted. Dual key dwellings provide the opportunity to split a dwelling into more than one unit, under a single structure. This allows for multiple small bedsit/1 bed units, or multiple bed family homes. It provides flexibility for changing needs and family structures. | • High cost of construction  
• Bank financing is more accessible with larger floor area dwellings (i.e. financiers won’t lend on studio apartments on under 55 m²) |
| **NRAS** - NRAS is the National Rental Affordable Scheme, Round 4 closed in December 2010 and Round 5 is uncertain. The Commonwealth targeted the construction of 50,000 affordable houses through this scheme, 35,000 of which have been awarded to developers (through tenders). NRAS provides annual subsidies to developers up to $9,100 to provide affordable rental properties. It is suggested that this scheme is not workable in locations with dramatically under supplied housing and escalated rents, however Questus believes they have developed a workable model. Should Round 5 be released, a developer should be approached to apply for housing construction on CI and CKI utilizing this funding scheme. There is significant reporting requirements associated with NRAS and is seen as a discouragement by investors. | • Multiple unit development opportunity with secure subsidized return  
• Renters pay 80% of market rent (subsidized 20% up to $9,100 per annum) |
<p>| <strong>CRA</strong> - Commonwealth Rental Assistance (CRA) is a scheme that assists low income earners. This scheme is available based on eligibility, and is generally ineffective in areas with normal incomes and elevated housing costs. | • Only beneficial to eligible individuals/families |</p>
<table>
<thead>
<tr>
<th>Response: Initiative, Model, Program</th>
<th>Benefits</th>
</tr>
</thead>
</table>
| **INFRASTRUCTURE** - Private investment in infrastructure such as waste water treatment plants. This is a response to the pressure on water usage and the need to manage it more effectively from initial planning/housing design. | • Infrastructure is incorporated with development and investor makes a return from the infrastructure  
• Encourages water re-use initiatives in housing design |
| **_ALLOCATION RIGHTS_** - A partnership model for development, which has been developed to involve business, Government and a developer (Community Housing Association). It has been developed in response to the challenges presented in booming economies such as the Pilbara where construction costs are rental rates are significantly high. The Model provides for business to buy an allocation over a given period (say 5 years) up front. Government contributes (in place of other rental assistance schemes) and the occupant pays an affordable rent. By example, for a $600k construction, business may contribute $150k, Government $150k and the developer pays the remaining $300k construction cost. Essentially this bridges the gap between the high cost of construction and high rental returns (bringing cashflow forward by interested parties to secure allocation). A Community Housing provider generally requires a minimum of 100-120 housing stock to establish in a new location. | • Encourages developer investment (eg Community Housing Association) to establish in location  
• Provides capital upfront from interested parties such as business (employers) without requiring long term high capital purchase  
• Potential tax incentives (i.e employer may be able to have contribution treated favourably from tax office – depreciation in one year)  
• Community Housing providers may achieve additional tax offsets as the development partner |
| **IBA – Indigenous Business Australia** provides venture capital type funding to business ready enterprise in two groups, small and large (over $5million). IBA also provides loans for housing to indigenous (Aboriginal and Torres Strait Islanders – in accordance with an Act of Parliament) applicants who do not qualify for commercial bank lending. A structure similar to IBA could be envisaged to target CI and CKI local resident communities. This may require some specific legislative dispositions to be introduced into the IOT. | • Supporting small local business ready enterprise  
• Addresses the needs of lower socio economic groups who cannot achieve bank finance |
| **HOUSING COOPERATIVES** - These were introduced in the 1970s when rental rates were significantly high and affordability was a major issue. This allows for a community group to build multiple dwellings on an allotment and generally sees optimal utilisation based on the management of stock. Occupants participate in maintenance. There are 9 of these developments in WA and all were developed prior to the 1990s. Grouped dwellings are generally around 20 in size. This model was rated as number 10 out of 21 affordable housing models in the Stamford Report. | • Community management of tenancies, accountability and good stock utilization |

Aged care bed licenses are currently issued to Government and not for profits operators. The Commonwealth is about to receive a report from its economic advisers on the benefits of issuing bed licenses to commercial operators, to provide the elderly with greater choice. Currently there are no bed licenses issued for CI and CKI. Issuing number bed licenses (albeit a small number given population) as part of a developer portfolio of properties (this process can be facilitated by the Commonwealth) could diversify a developer’s portfolio and reduce risk. | • Encourage private investment though diversified property portfolio  
• Certainty of income stream – bed licenses  
• Currently no bed licenses on CI or CKI, an initial bulk (Say 10) licenses could be incorporated into a broader development expression of interest facilitated by RA  
• There is a growing need for aged care

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8 Feasibility Study for Affordable Rental Property in the Town of Port Hedland, prepared for Department of Industry & Resources WA by Stamfords, March 2008.
**BENDIGO COMMUNITY BANKING** - The scheme was initiated in 1998 and since then 270 communities around Australia are running successful Bendigo Community Banks branches. The model was initially established to assist rural communities. Its resounding success in metropolitan suburbs and provincial cities indicates that the sense of community spirit and community participation is alive and well across all geographical areas.

The principles behind Community Banking are as follow:

- The communities have formed local publicly owned companies with a commercial franchise to run a Bendigo Bank branch.
- Bendigo provides the banking infrastructure and licensing, while the community runs branch and generates customer support.
- Together Bendigo Bank and the community share the revenue, with local surpluses available for reinvestment in the community via grants, sponsorships and dividends to local Shareholders.

The profitability of the branches varies but grants and dividends have been obtained in the first six months when strong community support and participation has been achieved.

If the community decides to establish a Community Bank branch, individual members will be able to purchase shares in the local company formed to operate the branch. Some Bendigo Community Banks are listed on the BSX, whilst others are unlisted public companies. Ordinary shares are transferable however limitations are in place to prevent shareholder holding too large a percentage of the company.

It must be acknowledged that this model would be challenging in the IOT given the remote location away from Bendigo capabilities and infrastructure, the need to secure extensive support from the bank, the ability of the local community to secure a significant amount of banking business and the fact that the local economy is in part heavily reliant on government assistance and initiatives.

<table>
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<td>• Deliver employment opportunity for local people • Keep local capital in the community • Provide local investment options for shareholders • Provide an important source of capital for strategic community supported projects • Provide a opportunity to invest in housing development ventures with private partners and or government</td>
</tr>
</tbody>
</table>
**Response: Initiative, Model, Program**  

| **AFFORDABLE RENTAL PROPERTY**<sup>9</sup> - Stamfords has deducted an assessment of the housing market in Port Hedland and determined a severe need for affordable rental housing for those who are unable to obtain housing in either the private or public markets. The severe need has been driven by the ability for industry to pay beyond underlying market rates for accommodation for their transient workforce. The market assessment has observed that households affected include:  

| Benefits |
|----------------|----------------|
| • Singles in employment with low to moderate incomes  
| • Singles with dependents  
| • Families with low to moderate incomes.  
| Twenty one models were considered that were capable of being grouped into three groups being:  
| • Affordable housing vehicles  
| • Financial assistance  
| Legislative assistance.  

- A broad range of models have been assessed with a structured decision criteria associated with affordable housing needs  
- The preferred model is the Not for Profit Housing company model which attracts tax exemptions in accordance with the *Income Tax Assessment Act 1997* |

| **CLUB MED** – This tourism model has been suggested as appropriate for the CKI tourism market, based on the unique and attractive natural environment of CKI. The Club Med model provides a full inclusive package and has proven to work in close cooperation with local communities.  

| Benefits |
|----------------|----------------|
| • A significant tourism development with an internationally successful operator  

| **TIME SHARE** – tourism focus, well established investment model.  

Vacation ownership is one the most evolving and profitable sectors in the hospitality and leisure industry. A sector once dominated by private developers selling one-week fee intervals, now includes publicly traded hospitality companies actively developing a full range of offerings at different price points in resort and urban destinations.  

| Benefits |
|----------------|----------------|
| • Attracting private investment in smaller and more affordable packages that could attract local community participation  
| • Can be part of a global network of investors  

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<sup>9</sup> Feasibility Study for Affordable Rental Property in the Town of Port Hedland, prepared for Department of Industry & Resources WA by Stamfords, March 2008.  

8 Possible Future Accommodation Locations

8.1 Christmas Island

This map indicates the most realistic locations (coloured areas over-layered onto aerial photo) for any significant development responding to identified accommodation needs associated with Christmas Island in line with the combined findings of the CLMP and the current review of the Local Planning Strategy/Town Planning Scheme.
8.2 Cocos (Keeling) Islands

This map indicates the most realistic locations (coloured areas over-layered onto aerial photo) for any significant development responding to identified accommodation needs associated with CKI in line with the Shire endorsed Qstation Outline Development Plan and current planning work associated with the expansion of WI urban settlement in the vicinity of Buffet Close.
9 Conclusions

9.1 Socio Economic Context

There is a dramatic shortage of accommodation in the IOTs, possibly felt more so on CI due to the recent sudden and substantial (as a percentage of current population) spike in accommodation needs associated with the immigration activities. There is generally a high level of competition for accommodation in the IOT between different sectors. The most affected user group is the local resident population. The pressure associated with the accommodation shortage results in local residents considering relocation off island and is also a factor discouraging the younger educated age group from returning back to the IOTs. This trend has the potential to greatly impact future demographics, adversely modify cultural fabrics and downgrade the socio economic prospects in the IOT.

The economic boost generated by the immigration activities cannot be relied upon as a long term economic driver and the future closure of the phosphate mine on CI adds to the uncertain economic environment for potential investors in accommodation.

Whilst there is a perception that tourism could replace the mine economic output, the visitor numbers to provide an equivalent number of jobs to the mine on CI would broadly require a tenfold increase on today’s numbers. Whilst the recent events associated with immigration has had a negative impact on the tourism industry, there is the potential to stimulate visitor interest by leveraging on the combined and complementary CKI and CI tourism opportunities.

The isolated and somewhat government assisted economies of CI and CKI suggest that the securing of private investment in the IOT has the potential to facilitate the transition to a more diversified economy as well as providing solutions to the current accommodation challenges.

9.2 Christmas Island Accommodation Priorities

From the assessment, a number of user groups have emerged as appearing to be under more stress than other groups. The following suggests the key user groups to target immediately (within the next 2 years) in order to achieve optimal pressure relief.

1. FIFO and short term contractors to take pressure off tourism and prevent adverse impact on the industry.
2. Affordable housing for Kampong families.
3. Housing for FIFO families wanting to settle on island.
4. High standard (4 plus star) of tourism product.
5. Camping/cabin parks in the national park for eco-tourism.
9.3 CI - Summary of Accommodation Needs per User Group

The following charts show the relative proportion of need for each user group over 2, 5 and 10 years. However delivering all dwellings to meet individual user group needs is highly likely to result in over supply. This is due to the linkages, potential synergies and fluctuating need over time across user groups.

As such the user groups facing the highest pressure should be provided with a response first, this in turn would inevitably relieve pressure for other user groups.
9.4 Cocos (Keeling) Islands Accommodation Priorities

From the assessment a number of user groups have emerged as appearing to be under more stress than other groups. The following suggests the key user groups to target immediately (within the next 2 years) in order to relieve the most pressure.

1. Young Couples from HI represent by far the group in most need for new accommodation. Two bedroom units with a study would be the minimum accommodation type for this group.

2. Young qualified singles and post high school youth who find it difficult to stay on island due to a lack of accommodation and jobs need 1 bedroom self contained units.

3. Small Business requiring affordable accommodation for employees are needed to allow effective business operation and growth.

4. A regular dialogue between WI business and HI community to ensure that WI existing job offerings and future opportunities translate into sustainable employment for Home Islanders.

9.5 CKI - Summary of Accommodation Needs per User Group

The following chart shows the relative proportion of need for each user group over 2 and 5 years. Suggested delivery in the 10 year period is two houses for small businesses on WI. Unlike CI, there is less likely to be an over supply if all accommodation identified was delivered. The linkages, potential synergies and fluctuating need over time across user groups should however be assessed more closely to identify where cross fertilization could occur.

Similar to CI, user groups facing the highest pressure should be provided with a response first.
9.6 Housing Type Flexibility & Viability

The accommodation priorities suggested for delivery to respond to groups under pressure on CI and CKI should be designed with a changing needs environment in mind. The Dual Key model allowing interconnection of adjacent units proposes an innovative construction design to enable evolving configurations to adapt to changing circumstances of the user groups.

It is recognised that one of the key obstacles to private investment in housing relates to the high labour and material cost of construction. The local workforce capacity and the subsequent need to fly in construction workforce with a high accommodation cost, indicates there is a need for a strategy to build the construction workforce capacity on island. This is combined with the immediate need to provide short term accommodation.

9.7 Major Incentives

Of the models proposed, the following financial related incentives are considered to best respond to the challenges faced on CI and CKI and are worth exploring further.

- **Allocation Rights**, which encourages private investment and also responds to the high cost of construction on islands.
- Partnerships with Community Housing organisations in conjunction with Allocation Rights model to maximize tax exemption benefits and focus on affordable housing target market.
- **Community Banking**, if well supported by the local IOT communities could be a valuable vehicle to self fund housing projects and leverage capital in partnership with external parties.
10 Appendices

Appendix A – Stakeholder Engagement – Christmas Island & Cocos (Keeling) Islands

Appendix B – Accommodation Synopsis Charts – Christmas Island & Cocos (Keeling) Islands
CI Stakeholder Engagement

16 February - CI Stakeholders Engagement Session

Attendees

David Kwon CI Resort
Arthur Chukham AB4 Studio
Rosnah Pal Councillor & Malay Association
Kamaruzaman Ismail Councillor
Luke Kelly CIP
Wendy Wong CIP
Joanne Brunette Small Business Development Corporation
Ray Murray CIP
Lisa Preston CITA
Chris Linton DIAC
Chris Su Shire of CI
Gordon Thomson Shire President
Kane Martin CIP
Kaye Bernard Union of Christmas Island Workers
Katherine Wildermuth DRA
Simon Milcock DRA
Hervé Calmy Calmy Planning & Design (Facilitator)
Leanne McKenzie Urban Aesthetics (Facilitator)

The purpose of the session was to establish the issues and expectations in relation to accommodation needs from all sectors of community and business on Christmas Island, and further identify areas of consensus, short and longer term opportunities.

Summary of Engagement Session

a) Significant shortage of affordable houses
b) High cost of construction
c) Lack of certainty for investors
d) Overcrowding, youth & young couples wanting to move out
e) Transition from public housing to home ownership
f) People want to buy and live on island
g) Local Capacity to build is limited
h) 60 out of 100 retirement age CIP staff expect to retire and on island
i) 100 to 150 workers will need accommodation in the next 12/18 months
j) Perceived land shortage
k) Accommodation investors need guarantees on land assets
l) Caveats on future Government land release to ensure delivery of accommodation
m) Impediments to major investor for tourism development due to EPBC act

Potential Opportunities

i. Tenants having opportunities to buy their units
ii. Community housing, Government/private partnership
iii. Incentive Schemes
iv. Transitional Housing
v. Taskforce to be created and meet regularly
CKI Stakeholder Engagement

West Island

28 February 2011 Stakeholders Engagement Session

Attendees

Peter Clarke  Shire CEO  
Keir Fraser  DRA  
Ray Marshall  Cocos Seaview  
Pam Jones  Dory’s Café  
Annelies Flynn  Cocos Casteway  
Jack Clunies-Ross  WI resident  
Megan Graves  WI resident  
John Clunies-Ross  Cocos Marine  
Levi Fowler  WI resident  
Alysia Fowler  WI resident  
Ian Evans  WI resident  
Dianne Evans  WI resident  
Dieter Gerhard  Cocos Solutions  
Brenda Roberts  WI resident  
Jules Bush  WI resident  
Sally Harrison  WI resident  
Mel Lymon  Shire of CKI  
Shane Charlston  WI resident  
Simon Millcock  DRA  
Hervé Calmy  Calmy Planning & Design (Facilitor)  
Leanne McKenzie  Urban Aesthetics (Facilitor)

Summary Outcomes of Engagement Session

1. Not enough housing, tourism is growing in residential stock
2. Tourism accommodation too expensive to built from the ground up
3. Economic base very small, cost of rent is high, lack of affordable housing
4. Cost of construction is too high to encourage building/investors
5. Small businesses can't plan and expand
6. Housing market pressurised by Government infrastructure contracts
7. Diversity of dwellings is required
8. Heritage listing on T Houses limits housing stock adaptability
9. Workers/trades to island cannot be adequately accommodated
10. Q Station underutilised for short term assistance
11. Commonwealth land disposal policy inadequate to foster investment in housing.
Home Island

28 February 2011 Stakeholders Engagement Session

Attendees

- Darling Elat-Rasa (HI resident)
- Siti Yaserie (HI resident)
- Haji Hajat (HI resident)
- Haji Adam (HI resident)
- Siti Bos (HI resident)
- Semat Nom (HI resident)
- Asthma Jim (HI resident)
- Stephen Elliot (DRA)
- Scott Jeffrey (GHD)
- Simon Millcock (DRA)
- Hervé Calmy (Calmy Planning & Design (Facilitator))
- Leanne McKenzie (Urban Aesthetics (Facilitator))

Summary Outcomes of Engagement Session

1. Lack of rental opportunities for singles and young couples
2. Lack of jobs and accommodation to attract/retain youth to live on CKI
3. Strong desire to grow Home Island but development limited by infrastructure capacity
4. Government position in the future of Home Island unclear
5. New accommodation needed to support external potential partners/entrepreneurs
6. Housing investment in CKI unattractive compared to Perth
7. Need to foster local participation in Economic development
8. The community would only accept limited tourism development on Home Island
9. Living on West Island restricts cultural ties and activities
Appendix B - Accommodation Needs Assessment Synthesis Chart - June 2011

Understanding and addressing the needs of current and future residents is critical to the success of the island’s growth and development. The accommodation needs assessment conducted by the University of Hawaii’s Community Planning and Development Program with the help of the Hawaii Community Foundation and the Kauai Community Foundation identified critical accommodation needs for the island.

Accommodations are classified into three types: 1) Current needs; 2) Future needs (5 years); and 3) 10-year projections. The 10-year projections are based on the assumption of a 2% population growth annually.

The accommodation needs assessment is divided into two components: 1) Stand-alone accommodation; and 2) Other accommodation. Stand-alone accommodation includes rental properties and timeshare properties while other types include mixed-use developments and temporary accommodators (e.g., bed and breakfasts).

The accommodation needs assessment was conducted using the Synopsys software, which is a powerful tool for the analysis of accommodation needs. The software provides a comprehensive analysis of accommodation needs, including the identification of trends, the forecasting of future needs, and the optimization of accommodation resources.

The Synopsys software was used to create the accommodation needs assessment chart, which provides a visual representation of the accommodation needs for the island. The chart shows the current and future needs for the island, as well as the 10-year projections. The chart also shows the number of rooms required for each type of accommodation, as well as the number of rooms that are currently available.

The accommodation needs assessment chart is an important tool for understanding the accommodation needs of the island and for planning the development of future accommodation resources.

The accommodation needs assessment will be used to guide the development of the island’s accommodation resources, including the identification of development opportunities, the optimization of accommodation resources, and the identification of potential development projects.

Reading 1

[Synopsys software used for the accommodation needs assessment chart]
<table>
<thead>
<tr>
<th>User groups</th>
<th>Future(% of total tourist accommodation)</th>
<th>2006 census</th>
<th>2011 est.</th>
<th>Group size (source)</th>
<th>Challenges, State of Play &amp; Needs</th>
<th>Possible Responses &amp; Statistics</th>
<th>Accommodation Needs &amp; Types</th>
<th>2 Years</th>
<th>Needs</th>
<th>5 Years</th>
<th>Needs</th>
<th>10 Years</th>
<th>Needs</th>
<th>Investment Options</th>
<th>Comments on Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future tourists</td>
<td>15.7</td>
<td>1960 - 2000 visitors per annum.</td>
<td>5%</td>
<td>Tourism accommodation of lower quality than it is generally. Tourism accommodation being used by locals to increase tourism to improve accommodation standards.</td>
<td>Required staff accommodation approximately 25 Staff in Christchurch.</td>
<td>5-Star accommodation: Total capacity of 250 rooms.</td>
<td>4-Star accommodation: Total capacity of 200 rooms.</td>
<td>Lost tourism due to lack of suitable accommodation.</td>
<td>5-Star accommodation remains ready to be developed according to market needs.</td>
<td>5-Star accommodation remains ready to be developed according to market needs.</td>
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</tr>
<tr>
<td>Contractors - Short term work (incl. ILC)</td>
<td>2.8</td>
<td>200 - 300 new contract jobs per annum.</td>
<td>100 - 150 ILC workers for ILC.</td>
<td>2-3 stages of planned infrastructure projects on island require skilled construction professionals to ensure that accommodation is available.</td>
<td>Requires skilled labor during the construction phase.</td>
<td>Requires skilled labor during the construction phase.</td>
<td>Requires skilled labor during the construction phase.</td>
<td>Requires skilled labor during the construction phase.</td>
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<tr>
<td>Future agri business</td>
<td>1.8</td>
<td>Potentially 2 agricultural businesses over time.</td>
<td>5%</td>
<td>Opportunities to identify new business activities in agricultural business part of future 2030 plans.</td>
<td>Training in small to medium size businesses.</td>
<td>Training in small to medium size businesses.</td>
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</tr>
<tr>
<td>Aging housing stock</td>
<td>3.8</td>
<td>Stock housing units per annum.</td>
<td>5%</td>
<td>Identifying new housing activities to ensure that accommodation is available.</td>
<td>Requires skilled labor during the construction phase.</td>
<td>Requires skilled labor during the construction phase.</td>
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<td>Requires skilled labor during the construction phase.</td>
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</tr>
<tr>
<td>Research industry</td>
<td>3.1</td>
<td>Research business - one such business for research teams.</td>
<td>5%</td>
<td>Opportunities to identify new business activities in research industry.</td>
<td>Requires skilled labor during the construction phase.</td>
<td>Requires skilled labor during the construction phase.</td>
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<tr>
<td>FIFOs (Federals)</td>
<td>6.2</td>
<td>50-100 FIFO staff for 2030.</td>
<td>5%</td>
<td>FIFOs wanting to settle on island.</td>
<td>Requires skilled labor during the construction phase.</td>
<td>Requires skilled labor during the construction phase.</td>
<td>Requires skilled labor during the construction phase.</td>
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</tr>
<tr>
<td>People with disabilities</td>
<td>9.2</td>
<td>10%</td>
<td>People with disabilities.</td>
<td>Requires skilled labor during the construction phase.</td>
<td>Requires skilled labor during the construction phase.</td>
<td>Requires skilled labor during the construction phase.</td>
<td>Requires skilled labor during the construction phase.</td>
<td>Requires skilled labor during the construction phase.</td>
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Appendix B - Accommodation Needs Assessment Synopsis Chart - June 2011

[App. B - 2]
Cocos (Keeling) Islands Accommodation Needs Synthesis Chart - 2011

User groups

**Senior Coca Malays**

- Code: CKL.1
- Group Size (source): Demographic observation on the estimated Home Island population over 65 in the order of 26
- Challenge, State of Play & Trends: The total population of home islanders in 1986 was 440. Traditionally the Cocos Malay Culture has allowed for the young people and family for elderly parents. This trend is diminishing as transfer after the passing of a parent. There has been no evidence of need displaced by the community for this age group in the whole of CKI.
- Possible Response: Specific accommodation such as NIFA old age home or retirement units are not required. Home islanders may move to EI or the mainland when specific age care is required.
- Accommodation Needs & Targets: Need may arise and should be re-investigated.
- 2 Years Assumptions: TBA
- 5 Years Assumptions: Review the need
- 10 Years Assumptions: TBA
- Investment Options: Not required

**Post high school youth**

- Code: CKL.2
- Group Size (source): 10 individuals were studying or returning to the mainland in 2001 - Each year 5 to 6 students are departing to the mainland to study at TAM or Uni (CK Co-operative). The average length of stay abroad is estimated at 2-3 years - School records. The targeted age group is 15 to 24.
- Challenge, State of Play & Trends: Prior to 23 Home islanders are reluctant to grant independence. Qualified students are detached from returning to CKI due to the lack of on-island professional employment opportunities and no prospect of renting adequate independent living accommodation (the mainland offers per diem, income, accommodation and independence). This trend currently experienced at 100% (no students are returning) is an alarming indicator and a critical long-term socio-economic challenge facing the Cocos Malay community.
- Possible Response: The community advocates the urgent need to facilitate the return of qualified students as well as the retention of on-island school leavers. To be meaningful, the provision of accommodation must be synchronised with and matched by the creation of significantly attractive employment opportunities such as Agro-business, research, RAA, Government contracts and Tourism management.
- Accommodation Needs & Targets: 1 bed unit (apartment format) to be released in parallel to provide equivalent number of new beds.
- 2 Years Assumptions: Minimum 3 X 1 Bed units, probability 0.6 (if the scheme is successful)
- 5 Years Assumptions: Reassess of the needs based on Y2 and 15% vacants, Students success rates and sustainability of jobs available.
- 10 Years Assumptions: To be determined
- Investment Options: WI Land component provided by Commonwealth through a long-term lease (say 50 years/estimated building life) - CKI Co-operative invest in capital and self-development to financial institution on completion of project subject to lease with tenants in place and Co-operative manages tenants lease agreements/tenancy rotations. Government may consider rent subsidies when on-island jobs are not available

**HI young singles (15 to 24)**

- Code: CKL.3
- Group Size (source): The 2006 census indicates a total of 45 in this age group of which approximately 40 are on HI - 5 HI singles are currently requiring an independent accommodation - immediately (co-operative).
- Challenge, State of Play & Trends: Last year 6 girls and 2 boys came back to HI after completing High school. These young individuals have no jobs and are contributing to the overcrowding experienced in their former 4 to 5 households.
- Possible Response: The meaningful retention on the island group will be directly connected with local job availability.
- Accommodation Needs & Targets: 1 X bed self contained unit would be preferable to single quarters (lack of flexibility and cultural challenge). This would also allow additional flexibility to meet the needs of the qualified students opting to return.
- 2 Years Assumptions: The immediate response should be based on “standoff” needs in preference to estimations. No specific request for this age group was formulated on West Island. This suggests that 5 to 6 units could be created in the first 2 years to accommodate that group.
- 5 Years Assumptions: As per CKL.2 group
- 10 Years Assumptions: TBA
- Investment Options: As per CKL.2

**HI young couples (25-34)**

- Code: CKL.4
- Group Size (source): An estimated 20 young couples (52 individuals) with no children on HI where found to live on HI in 2010 (CKI Co-operative).
- Challenge, State of Play & Trends: The number of houses vacated on HI (due to death) is estimated at one to two a year. These would be passed on to young couples immediately. Out of the remaining 24, 50% may be accommodated immediately on WI if it was available.
- Possible Response: Land could be made available within the urban area Expansion ODP in a relatively short timeframe. Some 12 young couples could be accommodated immediately.
- Accommodation Needs & Targets: 2 X bed units with subsidy to allow the accommodation of two young children in later years.
- 2 Years Assumptions: This group has the potential to satisfy the transitional housing disposition required due to the reduced prospects of further accommodations being deployed on HI (infrastructure limitations & Climate threats). All possible candidates prepared to live in WI could be accommodated.
- 5 Years Assumptions: 12 X 2 bed & study
- 10 Years Assumptions: Review the needs given that many young couples would have moved into family homes (subject to provision of family home) and free up the units not made available in year 2
- Investment Options: WI Land component provided by Commonwealth through a long term lease (say 50 years/estimated building life) - Community Housing Model

**WI Small Businesses**

- Code: CKL.5
- Group Size (source): The Cocos islands 2012 telephone directory shows 20 small businesses, 10 shops, 5 restaurants and 10 tourism accommodations
- Challenge, State of Play & Trends: All WI businesses are run and staffed by locals residents. In contrast the staff and management of WI business are reliant on accommodation available on the market or provided by spouse working in Government (6 cases identified).
- Possible Response: The reliance on on-Government accommodations is a permanent threat to the sustainability/existence of the businesses involved. An additional 3 businesses are needing a house each to cater for skilled staff wanting to settle on Cocos. A further 8 accommodation have been identified for seasonal and relief staff.
- Accommodation Needs & Targets: A total of 9 houses (3 buildings) to accommodate operations/managers whilst seasonal, relief and temporary skilled workers require 4 one bed and 2 two bed units.
- 2 Years Assumptions: Replacement of 50% of accommodation indirectly provided by Government to ensure that key businesses like Auto mechanics and Plumber remain secure, 50% of staff short stay accommodation of sufficient quality to be attractive to tourists when not in use for business purposes
- 5 Years Assumptions: 3 X 3 bed houses - 1 X 2 bed house and 2 X 1 bed self contained units
- 10 Years Assumptions: Balance of stated need
- Investment Options: Robust business growth of say 20% would sustain or Excel Bs in the future with stated economic perspective for the IST

App. B - 3
Cocos (Keeling) Islands Accommodation Needs Synopsis Chart - 2011

<table>
<thead>
<tr>
<th>User groups</th>
<th>Future tourism</th>
<th>Government contractors</th>
<th>Future agro businesses</th>
<th>Ageing housing stock</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Code</strong></td>
<td>CKLI</td>
<td>CKLI.7</td>
<td>CKLI.8</td>
<td>In Progress...</td>
</tr>
<tr>
<td><strong>Group Size (source)</strong></td>
<td>The current total beds supply (full capacity 784 and 10 additional beds are to be available at Ocean House within 2 years. It is estimated that a steady flow of over 1500 tourists are visiting C1 each year (C1 Tourism Strategy 2010-2013)</td>
<td>Government infrastructure works are generally executed by contractors. The bulk of the workforce is sourced outside C1 whilst local employment participation is encouraged, taking a relatively modest.</td>
<td>Potential to establish an agro and aquaculture engineering trial at the Q Station in tandem with sociological work with the Cocos Malay community. The trial period is estimated at 4 months with 4 researchers on a FIFO basis and the potential involvement of 3 to 4 youths from H1</td>
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<tr>
<td><strong>Challenge, State of Play &amp; Trends</strong></td>
<td>The need for new tourism accommodation on C1 is clearly expressed in the 2010-2015 IDIP: Zapuie Kilie Tours (ZKT) targeting local &amp; windsurfing patronage accommodated in safer hard floor terms (24 beds) Extra Shires (ED) targeting International divers in budget style accommodation (35 beds) and a Resort at Traniers Beach (100 beds)</td>
<td>The last large Government Infrastructure Contract was the Ruram Barr Jettty. The contractor has a permanent workforce of 26 for approximately 18 months. Most of the workforce was accommodated at the Q Station (22 beds in 2 dormitories) and 4 X 3 beds houses. The next major work will be the resurfacing of the airfield landing strip unlikely special events/community to match such number (possibly 20).</td>
<td>As recognised by the 2010-2015 IDIP, the development of horticulture and aquaculture is a key component of the future C1 economy. Accommodation needs for the short term trial period can be covered using the Q Station quarters currently located - Should commercial production proceed beyond the trial period, provision could be made for two or three technicians in that field to be permanently based on C1 working and training a team (3/5) in Cocos-Malays.</td>
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<tr>
<td><strong>Possible Response</strong></td>
<td>EDIP-The challenge for any future tourism project on C1 will be to secure additional overnight stays commensurate with the capacity of the new facility. At this stage Virgin Blue is not willing to disclose any plans for additional flights for the KIX. It is understood that this aspect would have to be negotiated directly by each project sponsor. It is estimated that a new job is created for each 4 new beds (ACLS Rassam 2008). Subject to adequate on-going maintenance, the capacity available at the Q Station is likely to be sufficient to accommodate any demands associated with future Government Infrastructure work. The Government should consider retaining such capacity to allow for unpredictable activities such as coastal repairs, to the airfield landing strip unlikely special events/community emergencies or natural disasters.</td>
<td>Progressive upgrade of the facility is desirable to provide better privacy conditions.</td>
<td>Each technician would require 3 bedrooms house - Cocos Malay participation may be in the mix form of single and young couple.</td>
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<tr>
<td><strong>Accommodation Needs &amp; Types</strong></td>
<td>There is currently several new tourism projects under consideration: expressed in the 2010-2015 IDIP: Zapuie Kilie Tours (ZKT) targeting kite &amp; windsurfing patronage accommodated in safer hard floor terms (24 beds) Extra Shires (ED) targeting International divers in budget style accommodation (35 beds) and a Resort at Traniers Beach (100 beds)</td>
<td>Introduce say 6 new one bed/bedroom accommodation to bed-rate upgrade of existing dormitories - Maintain collective kitchen that would also service future tourism accommodation within the Q Station precinct.</td>
<td>The sociological work to be carried out during the trial should confirm the link between accommodation and job provision for the CKL1,2 and CKL3 groups. Accommodation envisaged for CKL4 could also mean the demand associated with agro-business employment</td>
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<tr>
<td><strong>2 Years</strong></td>
<td>The ZKT and ED operations would require one 3 Beds house 2 years each whilst the resort would require two 3 beds house to accommodate full time management staff. All other staff would be accommodated within the facilities or sourced within the local resident community.</td>
<td>At year 5 the number of tourism accommodation developed on the Q Station may suffice to cater for additional needs associated with Government Infrastructure works</td>
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<tr>
<td><strong>Assumptions</strong></td>
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<tr>
<td><strong>Needs</strong></td>
<td>1 X 3 bed house</td>
<td>ED and Traniers Beach Resort could be operational within 5 years</td>
<td>2 X 3 bed house</td>
<td>Review the need TBA</td>
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<td><strong>5 Years</strong></td>
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<td><strong>10 Years</strong></td>
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<tr>
<td><strong>Needs</strong></td>
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<tr>
<td><strong>Investment Options</strong></td>
<td>Land supply to be negotiated on a case by case basis with the Commonwealth and/or the Shire - Guaranteed local permanent employment content may influence land negotiation outcome to ensure creation of sustainable job supply for CKL.2 and CKL3 groups - Land required for single houses to be purchased through conditional Government single residential lots land release program.</td>
<td>Given public interest profile, Government to retain ownership of accommodation to ensure flexibility in usage/management</td>
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