

Review of Tourism - Christmas Island and the Cocos (Keeling) Islands

Terms of Reference

The Administrator of Christmas Island and the Cocos (Keeling) Islands, Mrs Natasha Griggs, is the Australian Government's senior representative in the Indian Ocean Territories. The Regional Development Organisation, which is chaired by Mrs Griggs, is a not-for-profit organisation and has responsibility for economic growth, investment, and diversification.

The Regional Development Organisation has recently prepared the Christmas Island Strategic Plan and the Cocos (Keeling) Islands Strategic Plan. Both Strategic Plans identify tourism as a key opportunity to support economic growth and create jobs.

The Regional Development Organisation is seeking a consultant with demonstrated capability and expertise in tourism, economic analysis and strategic planning to undertake a review of tourism in the Indian Ocean Territories and develop a Tourism Action Plan to grow the industry. In undertaking the review and developing the Tourism Action Plan, the consultant will:

- critically assess the tourism sector, including its potential, barriers to growth, local capacity and capability, skills in the tourism and supporting sectors, and offerings to tourists;
- critically assess current marketing activity and branding and advise on their effectiveness and impact;
- identify opportunities to deliver sustainable growth in tourism, including eco-tourism;
- identify potential new tourism products and events, including in sport and recreation, the environment, culture, heritage and the arts; and
- recommend initiatives, timeframes for implementation, costs and responsibilities for implementation.

The Scope of Work, Section 3, provides more detail.

1. Role of the Australian Government

The Department of Infrastructure, Transport, Cities and Regional Development (the Department) administers Christmas Island and the Cocos (Keeling) Islands. The Department provides state-type services including health, education, power and water. Western Australian laws are applied as Commonwealth law under the *Christmas Island Act 1958* and the *Cocos (Keeling) Islands Act 1955*.

Consistent with its state-type role, the Department procures tourism services from the Christmas Island and the Cocos (Keeling) Islands Tourism Associations, with \$1.5 million provided over 2018-19 and 2019-20. The Indian Ocean Territories are not marketed as a holistic product.

The Christmas Island and the Cocos (Keeling) Islands Tourism Associations are independent, member-based organisations and each:

- operates a Visitor Information Centres;
- markets and promotes the islands;
- has an online digital presence which includes an information, booking and merchandise service; and
- supports local operators in managing and building their businesses.

There are no formal links with state tourism bodies or with Tourism Australia.

Christmas Island's economy has been subject to boom-bust cycles and relies on phosphate mining and government services. The economy of the Cocos (Keeling) Islands is largely dependent on tourism and government services. Both economies support small and micro businesses, which provide services and employment opportunities.

The Australian Government is:

- completing a Strategic Assessment of Christmas Island under the *Environment Protection and Biodiversity Conservation Act 1999*;
- releasing Crown land for commercial and residential development on Christmas Island;
- developing a Crown Land Management Plan for the Cocos (Keeling) Islands;
- funding a Regional Investment Officer to identify economic development and investment opportunities;
- funding the local training organisation to provide training, skills development and employment services; and
- supporting the implementation of the Christmas Island Strategic Plan and the Cocos (Keeling) Islands Strategic Plan.

2. Tourism in the Indian Ocean Territories

Tourism has the potential to grow the economies of Christmas Island and the Cocos (Keeling) Islands, support employment, and create opportunities for small businesses and young people. Tourists are attracted by the annual red crab migration on Christmas Island, unique bird life, national parks, culture, history and marine activities, such as kite surfing, diving, fishing and snorkelling.

A twice-weekly air service operates between Perth, Christmas Island and the Cocos (Keeling) Islands, with the Australian Government underwriting costs as the routes are not commercially viable (\$19.6 million over four years from 2018-19). Charter flights from Kuala Lumpur and Jakarta service Christmas Island, and tourists can transit to the Cocos (Keeling) Islands on domestic flights.

Annual tourism highlights on Christmas Island include Bird and Nature week in August/September and the Christmas Island red crab migration season between October and December. In the peak tourism season, visitor numbers are limited by accommodation and availability of seats on flights. In 2018, tourist arrivals peaked between October and December, with approximately 800 arrivals by aircraft (compared to approximately 460 in the previous quarter).

Tourism on the Cocos (Keeling) Islands is seasonal, with the July to September 2018 quarter recording large numbers of kite and wind surfers (924 over the quarter compared to 619 in the January to March 2018). Most accommodation is on West Island, limiting tourists' ability to experience the Home Island culture. Development of accommodation on the Cocos (Keeling) Islands is constrained by lack of insurance and high costs of construction.

Increasing tourism is identified as a priority in the Christmas Island Strategic Plan and the Cocos (Keeling) Islands Strategic Plan as a key driver of growth, employment and economic diversity. The Strategic Plans are based on extensive consultation with local communities.

- The vision outlined in the Christmas Island Strategic Plan includes tourism as one of three main industries creating significant and stable employment. Aspirations include the local Chinese and Malay cultures being considered as national treasures, cultural festivals becoming a key component of tourism, and environmentally sensitive and successful eco-tourism.

- The vision outlined in the Cocos (Keeling) Islands Strategic Plan includes the development of tourism as a mainstay of the economy by 2030. Aspirations include international events and the operation of an internationally renowned eco-resort.
- Both Strategic Plans highlight the opportunities associated with the islands' natural attributes, including the islands' remoteness, multi-cultural communities with business links to mainland Australia and Asia, flora and fauna, and pristine environments.

3. Scope of Work

The objective of the work is to critically assess the state of the tourism sector in the Indian Ocean Territories, identify opportunities for sustainable growth, and develop a Tourism Action Plan to capitalise on these opportunities, drive economic activity and support long-term sustainability. This work will be underpinned by:

- a critical assessment of the potential to grow tourism to Christmas Island, the Cocos (Keeling) Islands and the Indian Ocean Territories;
- analysis of barriers to growth, local capacity and capability, and skills in the tourism and supporting sectors;
- review of the number, quality and comparative price of offerings to tourists (accommodation, tours, experiences, meals);
- a critical assessment of current marketing activity and branding of Christmas Island, the Cocos (Keeling) Islands and the Indian Ocean Territories, including their effectiveness and impact; and
- a comparison of tourist numbers, marketing and offerings with a small number of similar small remote communities.

The Tourism Action Plan should focus on the whole of the market, including but not limited to initiatives in sport and recreation, the environment, culture, heritage and the arts. The Tourism Action Plan is expected to:

- identify opportunities to increase the number of tourists to Christmas Island, the Cocos (Keeling) Islands and the Indian Ocean Territories which will, in turn, deliver sustainable growth and employment;
- identify new and emerging markets (regions, countries, demographics) and customer profiles for these markets;
- identify barriers to growth;
- advise on best practice marketing and promotion strategies, and how they can be used to best effect to market Christmas Island, the Cocos (Keeling) Islands and the Indian Ocean Territories;
- identify new tourism products, events and experiences which can realistically be delivered; and
- outline a structured program of initiatives and actions to capitalise these opportunities, markets and products, address barriers and build capability, skills and capacity.

Timeframes for implementation of initiatives, cost of implementation and responsibility for implementation should be included in the Tourism Action Plan. Implementation of the Tourism Action Plan will be the responsibility of the Regional Development Organisation, local government, local Tourism Associations, and the community. Options for a leadership group to drive implementation and monitor progress should be provided.

The successful consultant will be required to visit the Indian Ocean Territories to inform the work. Proposals should include a minimum of 7 days' travel costs, costed by line item, noting

final approval for any travel required will be agreed by the Regional Development Organisation in writing at the time of finalisation of the contract.

The consultant is expected to engage with existing tourism services providers, local government, the community, and key stakeholders, including Tourism Australia and the Australian and Western Australian governments. The consultant is also expected to consider creative and innovative solutions to issues, best practice in the tourism industry and be informed by (but not limited by) market research, literature studies and tourism trends.

Further information on the Indian Ocean Territories, tourism sector and Australian Government initiatives will be provided in a start-up meeting with the successful consultant.

NOTE: For a copy of the Request for Proposal for this project or any further questions relating to the consultancy opportunity, please contact david.eizenberg@infrastructure.gov.au

The deadline for responses to the Request for Proposal is 5.00 p.m. (AEST) on Friday, 27 September, 2019.