

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.

Response: Initiative, Model, Program	Benefits
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.	<ul style="list-style-type: none"> • High cost of construction • Bank financing is more accessible with larger floor area dwellings (ie 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.	<ul style="list-style-type: none"> • Multiple unit development opportunity with secure subsidized return • Renters pay 80% of market rent (subsidized 20% up to \$9,100 per annum)
CRA - 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.	<ul style="list-style-type: none"> • Only beneficial to eligible individuals/families

Response: Initiative, Model, Program	Benefits
<p>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.</p>	<ul style="list-style-type: none"> • Infrastructure is incorporated with development and investor makes a return from the infrastructure • Encourages water re-use initiatives in housing design
<p>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.</p>	<ul style="list-style-type: none"> • 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 (ie 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
<p>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.</p>	<ul style="list-style-type: none"> • Supporting small local business ready enterprise • Addresses the needs of lower socio economic groups who cannot achieve bank finance
<p>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 Report⁸</p>	<ul style="list-style-type: none"> • Community management of tenancies, accountability and good stock utilization
<p>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.</p>	<ul style="list-style-type: none"> • 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

⁸ Feasibility Study for Affordable Rental Property in the Town of Port Hedland, prepared for Department of Industry & Resources WA by Stamfords, March 2008.

Response: Initiative, Model, Program	Benefits
<p>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.</p> <p>The principles behind Community Banking are as follow:</p> <ul style="list-style-type: none"> • 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 <p>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.</p> <p>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.</p> <p>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</p>	<ul style="list-style-type: none"> • 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

Response: Initiative, Model, Program	Benefits
<p>AFFORDABLE RENTAL PROPERTY⁹ - 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:</p> <ul style="list-style-type: none"> • Singles in employment with low to moderate incomes • Singles with dependents • Families with low to moderate incomes. <p>Twenty one models were considered that were capable of being grouped into three groups being:</p> <ul style="list-style-type: none"> • Affordable housing vehicles • Financial assistance <p>Legislative assistance.</p>	<ul style="list-style-type: none"> • 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 <i>Income Tax Assessment Act 1997</i>
<p>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.</p>	<ul style="list-style-type: none"> • A significant tourism development with an internationally successful operator
<p>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.¹⁰</p>	<ul style="list-style-type: none"> • Attracting private investment in smaller and more affordable packages that could attract local community participation • Can be part of a global network of investors

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

¹⁰ PriceWaterhouseCoopers Vacation Ownership, www.pwc.com/us/en/asset-management/hospitality-leisure/vacation-ownership.jhtml, 11 April 2011.

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

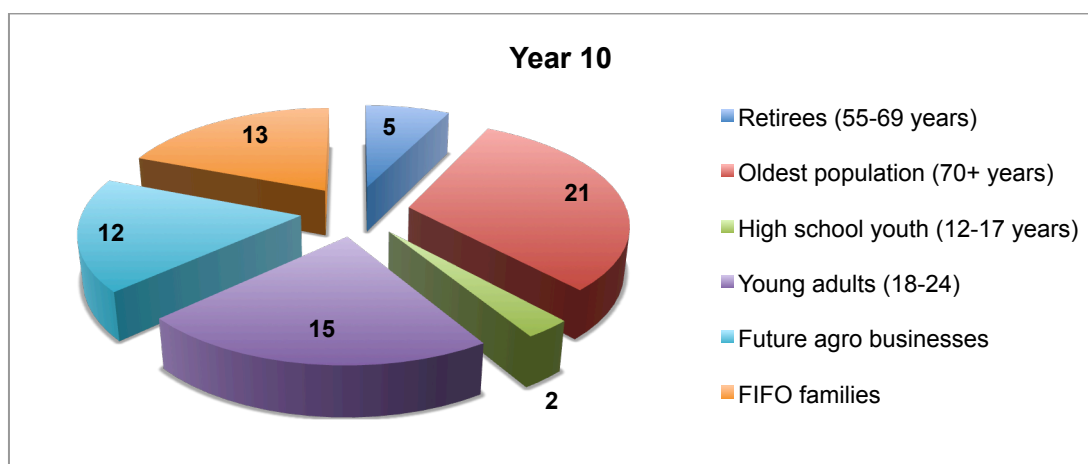
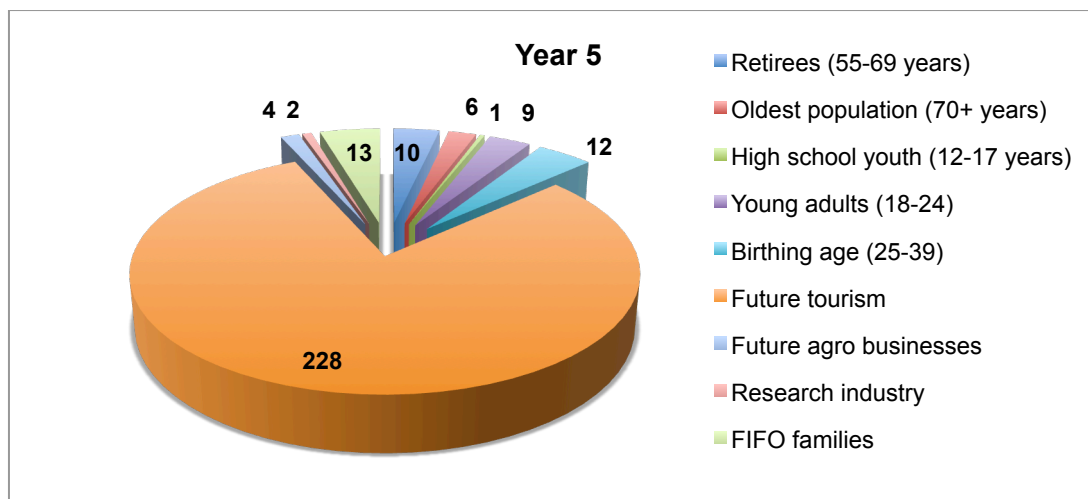
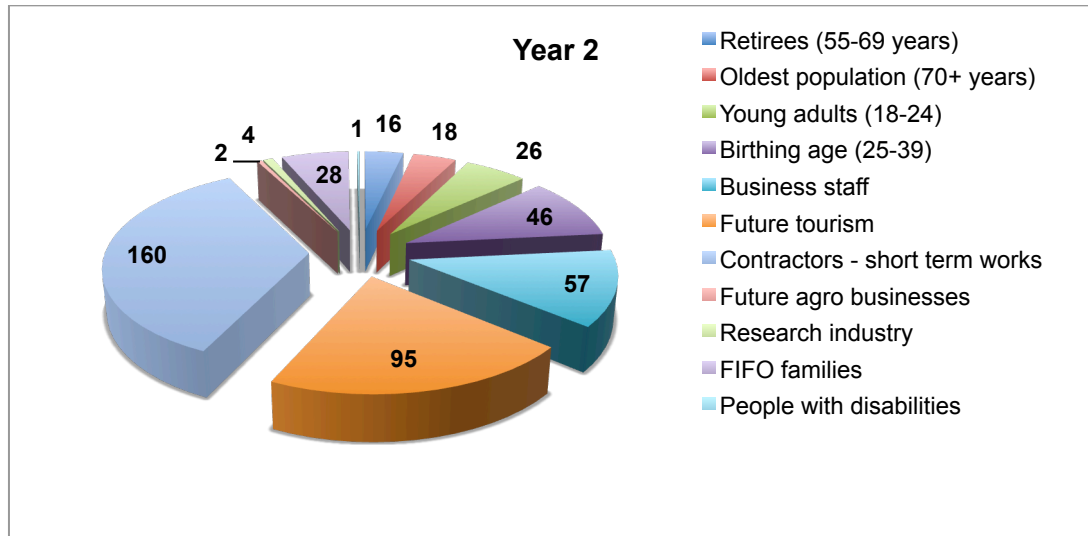
From the assessment, a number of user groups have emerged as appearing to be under more stress than other groups. The following suggests the key user groups to target immediately (within the next 2 years) in order to achieve optimal pressure relief.

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

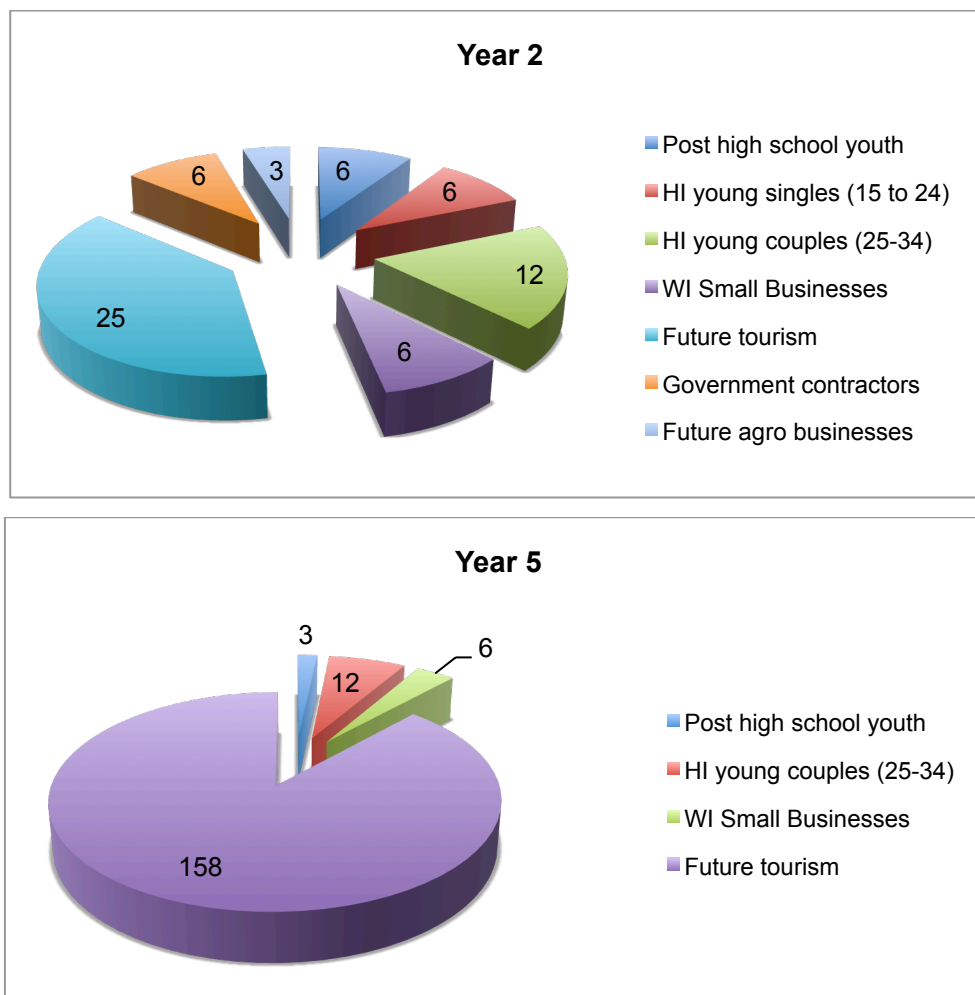
From the assessment a number of user groups have emerged as appearing to be under more stress than other groups. The following suggests the key user groups to target immediately (within the next 2 years) in order to relieve the most pressure.

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 business 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 inter connection 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	CI Property
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 Millcock	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 (Facilitator)
Leanne McKenzie	Urban Aesthetics (Facilitator)

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

Christmas Island Accommodation Needs Synopsis Chart - 2011

		2006 census	2011 est.	Group Size (source)	Challenge, State of Play & Trends	Possible Response & Statistics	Accommodation Needs & Types	Assumptions	Needs	Assumptions	Needs	Assumptions	Needs	Investment Options	Comments on Delivery
User groups															
Retirees (55-69 years)	CI.1	205	270	205 population; 15.2% of total population - (2006 census). For 2011 projected population, 33% of Prime Age population (at 401 in 2006) would have entered the Retirees group. Potentially 33% of Retirees would have exited to the Oldest population; 137+133=270 (Rate of change is additional 13 Retirees per annum)	Between 2001 and 2006 the Retiree group grew the most as a proportion of CI residents. There are 401 (2006) in the younger Prime Age bracket, this group has the largest percentage of population and suggests an increasing number of Retirees. CIP estimates that at least 60 out of 100 retirement age CIP staff expect to retire on island, this suggests a desire to remain on island. Marketing towards off island Retirees to relocate to CI is a proposed future strategy as part of building CI economy.	Of the estimated 270 Retirees, only a portion of this group will require targeted accommodation. Accommodation for 15% of this group is a suggested target. Rate of new Retirees (allowing for Retirees moving into Oldest group) is additional 13 per annum, a target accommodation rate of 20% for this group is suggested - 1.6 per annum . To attract Retirees from off island, product may need to be of premium standard.	The accommodation target for the Retiree group is 32. Based on WA market, a standard product is 2 bedroom (potentially plus study) catering for visiting family members. (developer industry).	There is an accumulated outstanding need for the existing Retiree group. Assume the group is predominantly made up of couples (single Retirees likely remain in family home).	13 dwellings to cater for existing group estimated at 2011, and an additional 3 dwellings for the 2 year period. TOTAL STOCK 16 DWELLINGS.	Retirees remaining on island is a growing trend, this will be further encouraged if the Economic Development and Future 2018 Visions are implemented. Rate of change of 1.6 per annum continues. Off island Retiree group begins to settle on island, potentially 5 couples.	Deliver additional 5 dwellings over 5 years plus 5 units likely to be premium standard) for off island Retirees. TOTAL STOCK 26 DWELLINGS.	Assume retiree population increases (prime age group is currently the largest), trend of off island Retirees continues.	Beyond year 5, deliver additional 5 units for existing population and additional 5 products for off island Retirees to provide - TOTAL STOCK: Complex of 36 retirement dwellings.	Community Housing Model for rental product. Retirees likely to have equity - potentially on mainland, affordable product. Developer incentivised to provide off the plan "village" of initial stock. Land options - Commonwealth provision of land to incentivise developer. Community Managed Village Model. Housing transfer opportunity. Conceptually agreement between industry (CIP) and retiring staff to "swap" family home for retirement home. Church groups providing retirement villages.	Generally involve community in all construction for capacity building.
Oldest population (70+ years)	CI.2	24	80	24 population; 1.8% of total population - (2006 census). For 2011 projected population, 33% of 2006 Retirees (at 205 in 2006) could have moved to Oldest Population and potentially 50% of existing Oldest Population may be deceased: 68+12=80 (rate of change is additional 11 per annum)	CI has relatively fewer Oldest population; 6.6% less than WA, with a negligible increase from 2001 census (0.5%). Accommodation for aged identified as an immediate need, leaving the island is not an option. A larger number of people can be expected to enter this age group (based on larger numbers in Retiring and Prime Age groups). Based on known cultural practices the trend is for family to care for elderly in their homes. Encourage this group to remain on island through future accommodation and job opportunities. Marketing strategy to target overseas students; CI has been identified as having a good school for this group.	Current Oldest group is 80, however families are likely to be caring for this group. Target of 10% accommodation for the existing Oldest group. The rate of additional Oldest population of 11 per annum at 10% accommodation target.	Accommodation needs are location to amenities, 1-2 bedroom independent Living Units (ILUs - allowing for overnight carer) designed for wheelchair access. Close to hospital and (clinical/home help) care services. (age care and developer industry). Granny flats on existing properties, Silver City lots are of sufficient size to accommodate such products; planning process needs to allow for this product.	Assume that there is a demand for ILUs where family cannot care for ageing family members. Assume Oldest population are generally single. Assume there is 10% demand for families to look after their parents (in the Oldest group), in separate dwelling (granny flats).	Deliver 8 ILUs for current Oldest population. Deliver an additional 2 ILUs over 2 year period. Target 8 granny flats over 2 years. TOTAL STOCK OF 18 ILUs (1-2 BR) GRANNY FLATS (ILUs in a complex configuration).	Same rate of entry into Oldest population will occur, 11 per annum. 1.1 units of accommodation required per annum assuming 10% take up rate. Target additional 10% of population for granny flats.	Additional 3 ILUs and 3 granny flats delivered over 5 years. TOTAL STOCK 24 (13 ILUs/11 GRANNY FLATS.	Assume improved health trends, Aged Population living to a higher age. Plan for onset of higher Prime Aged population moving towards Oldest population and the western culture to have greater influence.	Small aged care facility with 16-20 beds, potentially co-located with hospital site. ILUs built earlier can be targeted to younger and more independent Oldest Population requiring care. Additional 5 granny flats targeted. TOTAL STOCK 29 (13 ILUs/16 GRANNY FLATS)	Community Housing Model, Commonwealth funding (Health & Ageing) for Aged Care bed licenses, HACC services delivered to ILUs to maintain independence.	
High school youth (12-17 years)	CI.3	119	124	119 (2006 census). For 2011 projected population, around 83% (considering time spread for age groups) of 2006 Primary School (5-11) population (149) may have added to this group and 100% of High School Youth may have moved to Young Adults; =124	Encourage this group to remain on island through future accommodation and job opportunities. Marketing strategy to target overseas students; CI has been identified as having a good school for this group.	Existing students on island will generally live with family. Overseas students is likely to be phased in with a small group in the early years and potentially larger groups in latter years.	4-5 bedroom houses with house mother.	Assume the program for overseas students is planned over this period for implementation beyond year 2.	Nil	Implementation of overseas student program in year 3.	1 house (up to 5 BR).	Overseas student program is successful and additional accommodation is required for increasing demand	2 houses (up to 5 BR). TOTAL STOCK 3 HOUSES.		
Young adults (18-24)	CI.4	80	132	80 population (2006 census). For 2011 projected population, 100% of High School population (at 119 in 2006) will enter Young Adults and 83% (considering time spread for age groups) of Young Adults will exit to Birthing Age; 13+119 = 132 (rate of change additional 8.4 per annum)	Young adults are choosing to move to the mainland upon completing year 12, the absence of opportunities for them to move into their own home/share with others is a further influence to moving to the mainland. Affordability is a major issue for young people to find their own homes. Statistics show this young adult population is relatively fewer than WA (3.8%), although there has been a slight increase in the Young Adult proportion between 2001-06 census.	The group size assumes no loss to the mainland of this age group, however this is not consistent with the current trend. The Young Adult population grew by 2.2% from 2006 to 2011, assuming this same growth rate to make allowance for Young Adults moving to the mainland, the group is more likely to be around 83 (this allows for around 42% of High School population moving to the mainland). Based on this the rate of change to adopt is additional 1.6 per annum.	1,2 and 3 bedroom units in multi dwelling development. Larger dwellings allow for sharing opportunity. (Stakeholder engagement raised accommodation sharing opportunities for this group).	Assume 30% of existing Young Adult population will want to move from the family home and require accommodation; 25 dwellings.	25 dwellings in a 1,2 and 3 dwelling configuration to cater for existing group. Additional 1 dwelling for the 2 year period. TOTAL STOCK OF 26 DWELLINGS.	Trend of Younger Adults remaining on island grows (more staying on island - up to 75%) with greater economic opportunities. This changes rate of growth to and additional 6 per annum. Assume rate of moving into own accommodation grows to 50%. Note: lack of accommodation is a major contributor to this group leaving the island.	Additional 9 dwellings (3 per annum) for delivery in the 5 year period. TOTAL STOCK 37 DWELLINGS in a mixed 1,2 and 3 bedroom configuration.	Young Adult population continues growth with Primary School group (larger group) starting to enter Young Adult. Growth of 6 per annum (at least 25% still moving to mainland for studies).	Additional 15 dwellings (3 per annum). TOTAL STOCK 52 DWELLINGS	This group is highly likely to rent, therefore affordable rental properties through Community Housing Model is preferred option to provide subsidised rental accommodation. This is important to retain this group.	Potentially refurbish existing stock that is being used for contractors.
Birthing age (25-39)	CI.5	279	253	279 population (2006 census). For 2011 projected population, 83% of Young Adult population (at 80 in 2006) will enter Birthing Age, and approximately 33% of Birthing Age will exit to Prime Age; 66+187=253 (rate of change of a loss 5 per annum)	This group wants to return to island with partners and they do not want to live in the family home, or the alternative scenario is the Birthing Age group that already lives on island are considering relocating to mainland due to accommodation shortage (do not want to live with in-laws) - Chris Su. Houses are passed down, virtually no vacant houses available for couples or families. Overcrowding occurring in homes.	30 units of 2 and 3 bedrooms suggested as needed (Chris Su). The current Birthing Age group estimated at 253 does not necessarily include the group that has left island and seeks to return to live on island. This group is the only one to show a loss in the rate of change - if this group is maintained at a constant, this would cater for a small group returning to island (26). Assume group remains constant at 279 population. Target accommodation for the returning group (26) and 20% of existing group (51).	2 bed + study villa, enables couples to start families, or singles to share with flat mates. (Stated need from Chris Su). Accommodation needed for 77. Assume these are predominantly couples (80% in couple scenario). 15 singles, and 31 couples.	The 30 units proposed for delivery (Chris Su) are targeted at Kampong only.	Deliver 30 - 2 bed + study villa - Kampong identified need. Deliver additional 16 units for existing Birthing Age group. TOTAL STOCK 46 (2&3BR)	Assume a slight increase in this group with more Birthing Age returning to island, between 5 and 10 per annum, predominantly couples.	Deliver additional 12 units over 5 years. TOTAL STOCK 58.	Need for this group stabilises, any new need can be supplied from existing stock on island.	Nil	Assistance needed to transition young people into home ownership on island.	Potentially refurbish existing stock that is being used for contractors.
Business staff	CI.6			CIP staff and local businesses - existing numbers not defined.	CIP require immediate accommodation for staff. Local small businesses need accommodation for staff, existing and new staff to enable them to operate their businesses effectively.	CIP advise the need for 7 dwellings (2 houses and 5 units). Approximately 50 accommodation beds are required for existing local business (CI Business Report)	A mixture of 3 bedroom houses and 1, 2 & 3 bedroom units for CIP and local businesses.	Assuming businesses are approved to bring labour in from overseas.	Deliver 2 x 3 bedroom houses and 5 x 2&3 bedroom units (CIP). 50 dwellings in a 1,2,3 bed configuration (allowing for some employees with families) - to be delivered over 2 year period.	Accommodation for new permanent employees to respond to growth and future business surveys.	As per growth in employment	Accommodation for new permanent employees to respond to growth and future business surveys.	Funding options, PPPs for FIFO accommodation (link with	Potentially refurbish existing stock that is being used for contractors for growth in permanent employment numbers.	

Christmas Island Accommodation Needs Synopsis Chart - 2011

	Code	2006 census	2011 est.	Group Size (source)	Challenge, State of Play & Trends	Possible Response & Statistics	Accommodation Needs & Types	2 Years		5 Years		10 Years		Investment Options	Comments on Delivery
								Assumptions	Needs	Assumptions	Needs	Assumptions	Needs		
User groups															
Future tourism	CI.7			1500 - 2000 tourists per annum.	Tourism accommodation of lower quality, less than 3 stars generally. Tourism accommodation being used by FIFO. Operators have no incentive to improve accommodation standards. CI Resort staff accommodated in Resort.	Of 326 accommodation rooms, only 43 rooms are ready for tourism according to CITA. Others are booked by FIFO or generally unavailable for tourism. CI Resort currently accommodates approximately 25 staff in Resort.	4-5 star accommodation, hotel rooms with ensembles (CITA & D.Kwon), accommodation to respond to niche markets such as diving, bird watching, large groups. Tourism staff accommodation varies from houses to FIFO type accommodation (university style).	Assume larger developments (30, 40, 200 beds) will be supported as a varied offering to tourists than current product, given many smaller accommodation options on island currently (numerous accommodation options up to 4 beds). Housing to accommodate new management for developments. Accommodation for overseas staff of CI Resort/new developments.	30 tourism beds/hotel type rooms with ensembles of 4-5 star rating, room service and basic shop facilities to support development (CITA). Extra Divers - 38 tourism beds at Settlement development site for proposed development). 2 houses (3 bed), 25 staff beds as part of FIFO style development.	Dependent on response from 30 and 40 bed developments, assuming niche tourism market expands, Asian carriers fly to CI and generally airlines are willing to increase flights (tourism relies on plane seats). Additional staffing requirements for new developments.	200 bed resort of 5 star rating, development to include restaurants, cafes and some shopping (D.Kwon). STAFFING: 3 (3BR) houses, 25 staff beds in FIFO style development. TOTAL STAFFING STOCK, 5 HOUSES (3BR), 50 STAFF BEDS.	Assess tourism market (CITA) and further define gaps for tourism product. Creation of linkages with CKI to enhance tourism market.	As per growth markets.		
Contractors - Short term works (inc. IDC)	CI.8			100 -150 new contractors over 2 years. 130 FIFO workers for IDC.	A range of planned infrastructure projects on island - requires off island workforce. IDC accommodation for contractors (FIFO) is unsatisfactory, contractors sharing rooms, facilities (kitchen and bathroom) no acceptable, this is a HR issue (attraction and retention) - <i>HR Serco</i> . Currently no accommodation for emergency response and unplanned surges such as accommodating Federal Police as demonstrated in recently with the group being housed in the skate park and, airport sheds	Between 100-150 new contracting employment opportunities (part time and full time) over the next 2 months (Ec.Dev Officer - RA). 100 bed FIFO facility required immediately for IDC.	FIFO 1 bed units for contractors (similar to university accommodation with generous shared facilities). 4-5 bed houses for sharing - ie contractors from same company	Assume 100 contractor accommodation beds to service 150 positions - program of work to plan for optimal accommodation usage. Assume of 100 contractor beds, 50% (or 50) would share 4-5 bedroom houses.	Deliver 150 beds for FIFO , 50 for infrastructure projects and 100 for IDC (<i>also refer to CI.7 for tourism staff needs</i>). Deliver 10 houses (4 group).	Potentially the FIFO, short term contractor threshold has been reached, therefore no more accommodation delivery for this group.	No additional requirement, (<i>also refer to CI.7 for tourism staff needs</i>).	Potential drop in FIFO with changing industries and social structure	FIFO accommodation to be targeted to new industry eg education, staffing for tourism, group tourism - design of FIFO to accommodate this ultimate change of use.	FIFO facility potential PPP with government/industry	FIFO accommodation to be innovatively located, planned and designed to enable responding to future changes in CI economy/industry. Accommodation should be flexible and of a high standard. Involve community in planning design and construction - capacity building.
Future agro businesses	CI.9			Potentially 3 agricultural businesses over time	Opportunities for new industry in agricultural business, desire for economy to diversify, agricultural business part of Future 2018 actions. Existing housing and unit stock is old and delapidated AWAIT LANDGATE STATS	For every agricultural business, 1 Manager and 5 employees on average - 6 houses per business.	Houses to attract families for longer term tenure or semi retired farmers (couple) looking for lifestyle change.	Planning for businesses in first 2 years, potentially research expert required and assistant.	Deliver 2 x 3 bedroom houses over first 2 years.	1 production business established in first 5 years, assume planning team become part of first business team - for housing need numbers.	Additional 4 houses in 5 years. TOTAL STOCK 6 HOUSES	2 additional production businesses established over 10 years.	Additional 12 houses in next 5 years. TOTAL STOCK 18 HOUSES	Linkage with business development, incentive from government PPP with business and accommodation	
Ageing housing stock	CI.10														
Research industry	CI.11			Research business - arm of CSIRO with 3 research teams, National Parks proposal for research team.	Opportunities for new industry in research: oceanography, seismic, climate change research monitoring, astronomy, National Parks. (<i>Included in Future 2018</i>)	Target of 2 houses per research team.	Houses to attract world class experts in climate change, oceanography and astronomy. High standard of accommodation to attract calibre of expert.	Plan for 2 research teams in first 2 years.	Deliver 4 houses (3 br) over first 2 years.	Additional 2 research teams in first 5 years.	Additional 4 houses in 5 years. TOTAL STOCK 8 HOUSES	No change	No change	Funding through innovation initiatives - Commonwealth	
FIFO families	CI.12			130 FIFO staff for SERCO	FIFO wanting to settle on island, FIFO families coming to island provide benefit of more participation in casual jobs (cooking, hospitality, sales - under represented areas in 2006 Census) and in community activities. SERCO seeking to create longer contracts to encourage contractors/families to come to island to live (<i>SERCO</i>). FIFO staff call CI Property on a weekly basis seeking houses to live in (<i>IR.Murray</i>).	20-30% of FIFO staff would settle on island (with families) if accommodation available - <i>SERCO</i> . 130 staff are FIFO for SERCO. 60 out of 360 union members are FIFO (<i>Union Administrator</i>).	Varies based on household structure, families, couples and singles. 1,2 & 3 bedroom units and 3 bedroom houses.	Greatest pressure appears to be from families and couples to settle on island. Assume a mix of families, couples, singles wanting to settle on island.	26 dwellings (20% of FIFO staff) to be delivered in first 2 years. Mix of 1,2,3 bedroom units and 3 bedroom houses.	The trend continues for families wanting to settle on island at a slower rate, assume another 10% of group.	13 dwellings (20% of FIFO staff) additional to be delivered in 5 years. Mix of 1,2,3 bedroom units and 3 bedroom houses.	Assuming IDC continues to operate at current levels, potentially additional 10% of FIFO staff to be targeted for permanent accommodation.	13 dwellings (20% of FIFO staff) additional to be delivered in the subsequent 5 years. Mix of 1,2,3 bedroom units and 3 bedroom houses.		
People with disabilities	CI.13	N/A	N/A	Unknown - anecdotal	There is no accommodation for people with disabilities.	At least 1 young man has specifically been identified	A house that can accommodate up to 4 people with disabilities	Assume there is demand for up to 4 people with disabilities to live with 24 hour care	1 house (4BR) designed for people with disabilities.	Assume no additional need beyond one house	Nil change	Assume no additional need beyond one house	Nil change	Funding for disability services to provide care for house. Lottery's Funding is a potential capital funding source.	

Cocos (Keeling) Islands Accommodation Needs Synopsis Chart - 2011

						2 Years		5 Years		10 Years		
	Code	Group Size (source)	Challenge, State of Play & Trends	Possible Response	Accommodation Needs & Types	Assumptions	Needs	Assumptions	Needs	Assumptions	Needs	Investment Options
User groups												
Senior Coco Malays	CKI.1	Demographic observation - The total population of home islanders in 1986 was 414. Based on the 2006 Census the estimated Home Island population over 65 in the order of 26	Traditionally the Cocos Malay Culture has allowed for the youngest daughters and family to care for elderly parents	This trend is diminishing as older parents are quite happy to stay in their homes alone given the immediate proximity of relatives	There has been no evidence of need displayed by the community for this age group in the whole of CKI	Specific accommodation such as NA old age home or retirement units are not required . Home Islanders may move to CI or the mainland when specific age care is required.	Need may arise and should be reinvestigated	TBA	Review the need	TBA	Not required	
Post high school youth	CKI.2	16 individuals were studying on the mainland in 2010 - Each year 5 to 6 students are departing to the mainland to study at TAFE or Uni.(CK Co-operative) The average length of stay abroad is estimated at 2,5 years - (School records) - The targeted age group is 21 to 24. Prior to 21 Home Islanders are reluctant to grant independence.	Qualified students are detracted 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 jobs/disposable income, quality accommodation and independence). This loss currently experienced at 100% rate (no students are returning) is an alarming indicator and a critical long term socio-economical challenge facing the Cocos Malay community.	The community advocates the urgent need to focus on facilitating the return of qualified students as well as the retention of on-island school leavers. To be meaningful, the provision of affordable accommodation must be synchronised with and matched by the creation of significantly attractive employment opportunities such as Agro-business research, RAAF, Governemnt contracts and Tourism management.	1 bed self contained units are considered most appropriate as it provides maximum independence and privacy for boys and girls alike - Single quarters are considered substandard compared to the quality available to this group on the mainland - Out of the 5 to 6 students that could return each year and to reverse the current trend, at least 65% could be encouraged to return. 1/4 of those returning may go to live with their family and 3/4 may choose to live independantly.	The minimum annual need for 1 bed self contained unit is 3. Taking into account the deficit accumulated over the last 3 years and an average occupancy of 3 years, a total of 9 units would be required to effectively respond to the need of this group and allow an orderly occupation rotation over time. 6 new jobs would need to be created each year.	6 X 1 Bed units (apartment format) to be released in parallel to efforts to provide equivalent number of new jobs.	Reassessment of the needs of that group can be monitored with the School and the community each year after year 2 to ensure that the rotation pattern and the need for new accommodation reflects the circumstances on the ground. (ie candidates and jobs)	Minimum 3 X 1 Bed units , possibly 6 if the scheme is successful	Reassessment of needs based on Y2 and Y5 results, Students success rates and sustainability of jobs available	To be determined around Y5	WI Land component provided by Commonwealth through a long term lease (say 50 years/estimated building life) - CKI Co-operative invest in capital and sell 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)	CKI.3	The 2006 census indicates a total of 65 in this age group of wich approximately 40 lived on HI - 5 HI singles are currently requiring an independent accommodation immediately (co-operative)	Last year 6 girls and 2 boys came back to HI after completing High School. These young individuals have no jobs on Island and are contributing to the overcrowding experienced in some HI households	Again the meaningful retention of this group on island will be directly connected with local job availability	1 X Bed self-contained unit would be preferable to single quarters (lack of flexibility and cultural challenges) This would also allow additional flexibility to meet the needs of the qualified students opting to return	The immediate response should be based on "declared" 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 released in the first 2 years to accommodate that group.	6 X 1 bed units (apartment format) to be released in parallel to efforts to provide equivalent number of new jobs.	As per CKI.2 group	TBA	Review the need	TBA	As per CKI.2
HI young couples (25-34)	CKI.4	An estimated 26 young couples (52 individuals) with no children where found to live on HI in 2010 (CKI Co-operative)	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 stay within a family structure on HI in the short term and 50% may consider accommodation on WI if it was available	Land could be made available within the WI Urban Area - Expansion ODP in a relatively short timeframe - Some 12 young couples could be accommodated immediately	2X Bed unit with study to allow the accommodation of two young children in later years	This group has the potential to facilitate the transitional dispositions required due to the reduced prospects of further accommodations being deployed on HI (Infrastructure limitations & Climate threats) All possible candidates prepared to live on WI could be accommodated	12 X 2 bed & study	Provide for the second half of the target group in the 3rd year onwards	12 X 2 bed & study	Review the needs given that many young couples would have moved into family homes (subject to provision of family homes) and free up the units made available in year 2		WI Land component provided by Commonwealth through a long term lease (say 50 years/estimated building life) - Community Housing Model
WI Small Businesses	CKI.5	The Cocos Islands 2011 telephone directory shows 20 small businesses, 10 shops, 5 restaurants and 10 tourism accommodations	All HI businesses are run and staffed by locals residents. In contrast the staff and management of WI businesses are reliant on accommodation available on the market or provided by spouse working with Government (6 cases identified)	The reliance on 6 Government accommodations is a permanent threat to the sustainbability/existence of the businesses involved. An other 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	A total of 9 houses (3 bedrooms) to accommodate operators/managers whilst seasonal, relief and or temporary skilled workers would require 4 one bed and 2 two bed self contained units	Replacement of 50% of accommodation indirectly provided by Government to ensure that key businesses like Auto mechanics and Plumbing remain secured. 50% of staff short stay accommodation of sufficient quality to be attractive to tourists when not in use for business purposes	3 X 3 bed houses - 1 X 2 bed house and 2 X 1 bed self contained units	Balance of stated need	3 X 3 bed houses - 1 X 2 bed house and 2 X 1 bed self contained units	Robust business growth of say 20% commensurate with stated economic perspective for the IOT	2 X 3 bed houses and 2 X 1 self contained units	Land component to be negotiated with Commonwealth. Creation of a small business association to pull together small business resources towards creation and management of affordable staff housing (perhaps in the form of a super scheme?). Product could be designed to Tourism standards to ensure enhanced viability.

Cocos (Keeling) Islands Accommodation Needs Synopsis Chart - 2011

	Code	Group Size (source)	Challenge, State of Play & Trends	Possible Response	Accommodation Needs & Types	2 Years		5 Years		10 Years		Investment Options
						Assumptions	Needs	Assumptions	Needs	Assumptions	Needs	
User groups												
Future tourism	CKI.6	The current total beds supply (full capacity) on CKI is 164 and 10 additional beds are to be available at Oceania House within 2 years. It is estimated that a steady flow of over 1500 tourists are visiting CKI each year (CKI Tourism Strategy 2010-2013)	The need for new tourism accommodation on CKI is clearly expressed in the 2010-2015 IOT-EDSP. The challenge for any future tourism project on CKI will be to secure additional aeroplane seats 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 IOT. 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 (ACIL Tasman 2008).	There is currently several projects under consideration: Zephyr Kite Tours (ZKT) targeting kite & windsurfing patronage accommodated in safari hard floor tents (24 beds) Extra Divers (ED) targeting international divers in bungalow style accommodation (35 beds) and a Resort at Trannies Beach (120 Beds)	The ZKT and ED operations would require one 3 Beds house 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	ZKT could be operational within 2 years	1 X 3 bed house	ED and Trannies Beach Resort could be operational within 5 years	2 X 3 beds house	Review the need	TBA	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 outcomes to ensure creation of sustainable job supply for CKI.2 and CKI.3 groups - Land required for single houses to be purchased through conditional Government single residential lots land release program.
Government contractors	CKI.7	Government infrastructure works are generally executed by contractors. The bulk of the workforce is sourced outside CKI. Whilst local employment participation is encouraged, the taking is relatively modest.	The last large Government Infrastructure Contract was the Rumah Barru Jetty. The contractor had a permanent workforce of 26 for approximately 18 months. Most of the workforce was accommodated at the Q station (20 beds in 2 dormitories) and 4 X 3 beds houses. The next major work will be the resurfacing of the airfield landing strip unlikely to match such number (possibly 20)	Subject to adequate on-going maintenance, the capacity available at the Q Station is likely to be sufficient to accommodate any demand associated with future Government infrastructure work. The Government should consider retaining such capacity to also allow for unpredictable activities such as coastal repairs, special events, community emergencies or natural disasters.	Progressive upgrade of the facility is desirable to provide better privacy conditions.	Introduce say 6 new one bed/bathroom accommodation to facilitate upgrade of existing dormitories - Maintain collective kitchen that would also service future tourism accommodation within the Q Station precinct	6 X 1 bed/bath units	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	TBA	Review the need	TBA	Given public interest profile, Government to retain ownership of accommodation to ensure flexibility in usage/management
Future agro businesses	CKI.8	Potential to establish an agronomy and aquaponics 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 HI.	As recognised by the 2010-2015 IOT-EDSP, the development of horticulture and aquaculture is a key component of the future CKI economy.	Accommodation needs for the short term trial period can be covered using the Q Station quarters currently vacated - 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 CKI working and training a team (say 8) interested Cocos-Malays.	Each technicians would require a 3 bedrooms house - Cocos Malay participation may be in the mix of single and young couple.	The sociological work to be carried out during the trial should confirm the link between accommodation and job provision for the CKI.2 and CKI.3 groups. Accommodation envisaged for CKI.4 could also meet the demand associated with agro-business employment	3 X 3 bed houses	Previous recent horticultural trials on CKI have failed whilst more ancient activities in that field have demonstrated fresh food autonomy on CKI for up to 3000 people. Future accommodation need of that user group will require reassessment if and when commercially sustainable production levels are achieved	TBA	Review the need	TBA	Residential accommodation subsidised by Government for first 5 years to kick-start new industry until sustainable production dividends are demonstrated.
Ageing housing stock		In Progress...										