



12th October 2021

Kelli Small
Chief Executive Officer
Shire of Cocos (Keeling) Islands
PO Box 1094, Cocos (Keeling) Islands, WA 6799

Good afternoon Kelli,

I wish to submit a formal request to the Cocos Council to consider an application from me to lease lots 223 and 224 Trannies Beach, West Island for the construction of a new ECO Resort.

As I continue to work on the planned development of my Cocos Boronia Resort, it is accepted that this resort will target the higher end tourist market leaving a void for family type accommodation.

As outlined in The Deloitte Review on Tourism, The Cocos Islands Strategic Community Plan 2016 – 2026 and the Cocos (Keeling) Island 2030 Strategic plan, (attached) the common theme is for sustained development of the economy through tourism. For that to happen there needs to be accommodation and while the existing accommodation is of good quality, is it limited and not sufficient to support the findings of these reports. My new Cocos ECO Resort will compliment my Cocos Boronia Resort and provide that accommodation.

As with the Cocos Boronia Resort my ECO resort will provide more opportunities for local employment and engagement of local businesses.

With the knowledge that the two lots at Trannies have been the subject of previous calls for expressions of interest to build a tourist resort there by council, I provided a brief to my architects to design an eco-resort that was family friendly. You will note in the concept design we have single room villas, double with a connecting breezeway and three bedrooms with the third bedroom a bunk room for kids.

The resort has been designed to accommodate all the needs of families so that it creates a “stay in the resort” type atmosphere.

There are no restrictions on who can stay at the resorts and I would welcome all from the Cocos community to come and share an experience with us.

I would also welcome tourism from all countries and each resort will have the appropriate welcoming cultural necessities to make the stay one of relaxation and pleasure.

Understanding that insurance is an important component of my resort’s development and an ongoing need for the private and business sectors of both Cocos and Christmas Islands, I have been pursuing a better insurance outcome through Canberra since 2018 and as evidenced by the attached letter from The Hon. Warren Entsch and through his and my verbal communication, I understand the issue will be resolved in the positive.

Separately, as previously advised I have been in discussion with Fulton Hogan on their future accommodation needs during the construction of the runway upgrade and those discussions are ongoing.

One of the defining items in our discussions is timing. Could we firstly secure the councils approval to lease the two lots? Could we then complete the council's requirements as conditions for leasing and, could we construct the resort and have it finished on time to accept their workers?

Understanding this is an option, I have attached a Timeline for council to review that may or may not suit Fulton Hogan. The Timeline will of course depend on the outcome of my discussions and future processes in working with council if my application is successful. Fulton Hogan are aware of this.

I have attached a set of Financial Projections that I request remain **confidential**.

These projections do not include any Fulton Hogan future agreement.

They also represent room rates of today, not at opening in the future.

I have assumed the same lease terms and conditions we have finalised for my Cocos Boronia Resort to present some reality in the results.

They are designed to meet the attached timeline.

In support of my request to lease the two lots at Trannies I have included:

- Cocos ECO Resort Concept drawings
- Timeline
- Fulton Hogan email
- Financial Projections
- Letter from Mal James - MRJ Advisors
- Letter from The Hon. Warren Entsch MP
- Edited Documents that include The Deloitte Review of Tourism
Cocos Shire Strategic Community Plan 2016 – 2026
IOT Cocos (Keeling) Islands 2030 Strategic Plan

Could I please request that you look on my application favourably.

Yours sincerely,



Chris Blakeman

4 Skye Court Greenwood, Western Australia, 6024

Email: chrisb@indianoceanleisure.com.au

Phone: 0417 007 720

ABN: 36 073 707 945

From: PATTERSON, Scott <Scott.Patterson@fultonhogan.com.au>

Sent: Tuesday, 5 October 2021 10:30 AM

To: Chris Blakeman <chrisb@indianoceanleisure.com.au>

Cc: MILLER, James <James.Miller@fultonhogan.com.au>

Subject: RE: Chris Blakeman - CKI Project

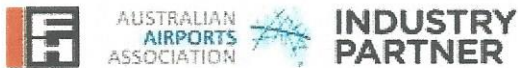
Hi Chris,

Following on from our conversation a short time ago, I can advise that due to the competition for development of CKI Lots 223 & 224, we/ the Project, are exploring other locations on West Island for the Construction camp and compounds.

However nothing is confirmed as yet.

Thank you

Scott Patterson | Commercial / Contracts Manager - Cocos (Keeling) Islands Airfield Upgrade Project |
Fulton Hogan | Level 4 Suite 3, 256 Adelaide Terrace, East Perth WA 6004 | Mobile +61 499 400 737 | Web
www.fultonhogan.com



From: PATTERSON, Scott <Scott.Patterson@fultonhogan.com.au>

Sent: Friday, 24 September 2021 1:32 PM

To: Chris Blakeman <chrisb@indianoceanleisure.com.au>

Subject: RE: Chris Blakeman

Hi Chris,

Good to talk to you today.

As promised, you now have my email address.

Thank you

Scott Patterson | Commercial / Contracts Manager - Cocos (Keeling) Islands Airfield Upgrade Project |
Fulton Hogan | Level 4 Suite 3, 256 Adelaide Terrace, East Perth WA 6004 | Mobile +61 499 400 737 | Web
www.fultonhogan.com



Fulton Hogan may collect, use and disclose personal information about you so we can perform our business activities and functions and provide quality customer services.

You can view our Privacy Statement at

<https://www.fultonhogan.com/privacy-policy/>

22nd September 2021

Mr Chris Blakeman
Indian Ocean Leisure
C/O – chrisb@indianoceanleisure.com.au

Dear Chris,

COCOS (KEELING) ISLANDS – TRANNIES BEACH PROPOSAL

We refer to our various discussions and meetings regarding the proposal for a “family” style resort on Lots 223 and 224 on West Island, adjacent to Trannies Beach.

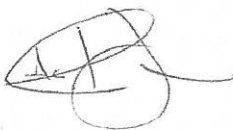
Whilst it is early days in the process recent world events have accentuated the need for good quality, affordable family holiday destinations within Australia. Cocos (Keeling) Islands has witnessed firsthand the overwhelming demand for such and is ideally placed to capitalise (long term) from this scenario.

MRJ Advisors Pty Ltd has been involved in debt and equity raising of over A\$3 billion in the last 10-15 years, in Australia and internationally, and is confident that with the appropriate framework for the Trannies Beach Proposal the required funding will be available for the project. Preliminary estimates, subject to final design work, for the development is circa A\$50 million. As noted, this is subject to change.

The appropriate framework includes, but not limited to, suitable long term lease on commercial terms, environmental assessment, and community engagement, including co-benefits that can be achieved by careful design.

Should you or the Cocos (Keeling) Islands have any questions please do not hesitate to contact the writer.

Kind regards



MALCOLM JAMES
Director



Email: warren.entsch.mp@aph.gov.au Web: www.warrenentsch.com.au

Mr Chris Blakeman
Indian Ocean Leisure
Via email: chrisb@indianoceanleisure.com.au

22 September 2021

Dear Mr Blakeman,

Following our telephone conversation earlier today, I am writing to you to inform you that the \$10 billion Northern Australia Reinsurance Pool was committed at the last federal budget. The Government is currently undertaking a process to plan, design and construct the reinsurance pool, it is scheduled to commence operations from the 1st of July 2022.

I have been very strongly advocating for some years now, bringing light to the significant void in insurance coverage that has plagued Northern Australia—this void, as you are aware extends to Australia's Indian ocean island territories. I have been and continue to advocate very strongly to ensure that Cocos (Keeling) islands will be included in the arrangements for the reinsurance pool.

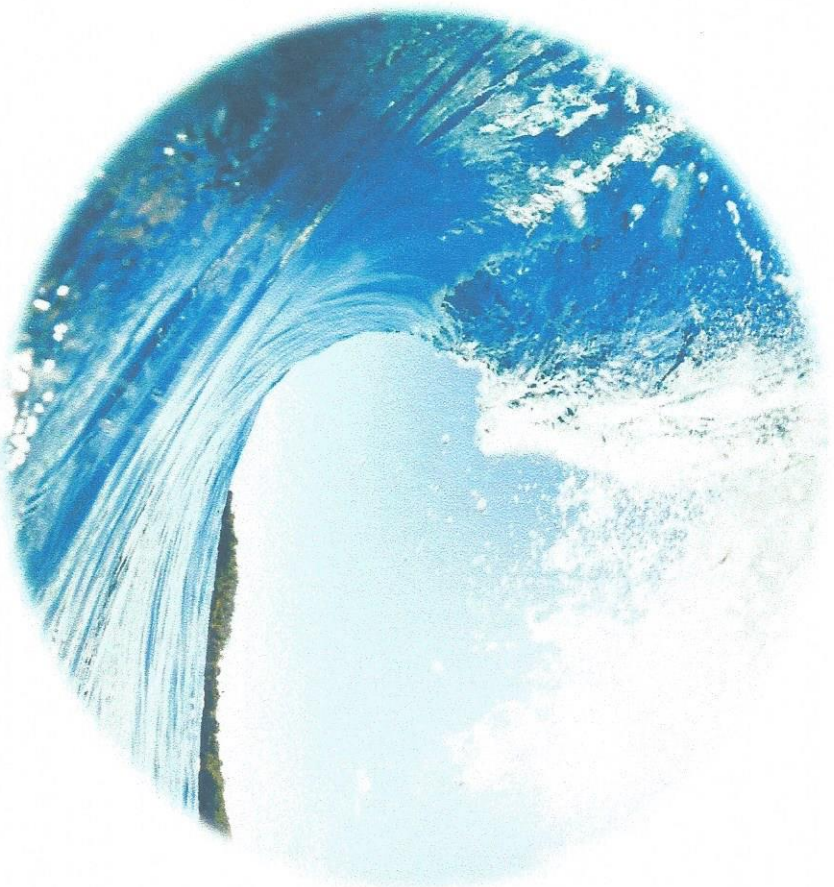
There is a new company *Picnic*, an insurance mutual, that is planning to enter the market and provide insurance coverage for Northern Australia and our various island territories. This is still a work in progress, but these key elements have remained central to my negotiating outcome on the reinsurance pool. We are all determined to ensure these important developments become a reality.

While the Cyclone Reinsurance Pool Taskforce has closed submissions for its consultation paper on the 18th of June 2021. I would still invite you to provide me with a submission, should you wish, and I will ensure it finds its way to the correct authority and is provided due consideration.

Best regards,

The Hon Warren Entsch MP
Federal Member for Leichhardt
sb:we

Deloitte



Review of Tourism – The Cocos (Keeling) Islands and Christmas Island

Indian Ocean Territories Regional Development Organisation – Tourism Review

July 2020

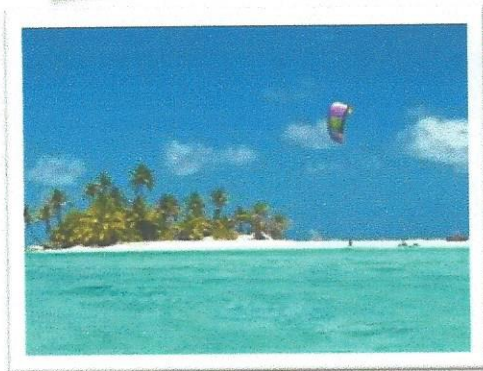
Findings – General

Similar size and scale jurisdictions have developed sustainable tourism industries that drive local economies

- Many destinations received a high volume of tourists visiting from distant regions. For example, high numbers of British and German travellers visit the Maldives. This is consistent with strong visitation from European visitors travelling to the IOTs for diving. There are twelve and thirteen-hour direct flights to the Maldives from Munich and London respectively, costing on average \$1,478 (Munich) and \$1,340 (London) across the year. In 2018, tourists had an average stay of 6.4 days. This demonstrates tourists were willing to pay a significant amount to travel to a distant destination of choice for a short period. The IOTs can benefit from the forecast increase in airports across Asia to improve accessibility to the region and develop marketing campaigns targeting a particular visitor profile in distant regions, such as the German scuba diving market.
- A combination of water and land activities at destinations provides tourists with options regardless of inclement weather and generally results in an extended length of stay. For example, the Cook Islands offered a vast range of both water and land activities, including land activities suitable for inclement weather. These include gyms, day spas, interactive museums and kids club. Diversifying offerings on the IOTs will improve the existing visitor experience and cater to different customer markets.
- Remote destinations leverage limited Wi-Fi and connectivity to target visitors seeking to disconnect from technology. Hamilton Island's most recent marketing campaign, 'Remember Why' focused on limiting technology in favour of traditional family holidays. These campaigns appeal to nostalgia and remind people to enjoy the simple, family orientated activities. The IOTs have similar connectivity constraints and can use this as an advantage during marketing campaigns.
- Successful marketing campaigns target visitors on social media, particularly Instagram, Facebook and Twitter with content updated regularly and often daily. Traditional television and print media marketing not only showcases the destination but highlights accessibility, flight operators and logistics.
- Successful tourism destinations with similar product offerings to the IOT provide five-star accommodation. The average nightly rate of accommodation for five-star properties often exceeds \$1,000 AUD per night. In most jurisdictions, the average nightly rate of accommodation for five-star properties is over \$500 AUD per night.
- Lord Howe Island has developed a successful tourism model that can be implemented in the IOTs. Tourism on Lord Howe Island is limited to 400 licensed tourist beds and 400 tourists per night. As such, Lord Howe offers accommodation and activities at a higher price points targeting visitors with a high disposable income to create a sustainable and exclusive tourism sector.
- Jurisdictions reviewed offer products to hire, such as surf boards, kayaks, stand up paddle boards (SUP) and aqua scooters. With the small number of tourism operators in the IOTs, many of whom have employment outside of the tourism sector, self-hire offerings broaden the range of products available to visitors.
- The rise of the Asian middle-class and development of Asian mega-hub airports is driving increased tourism across Asia Pacific. The IOTs are ideally located to capitalise on the increase mobility of the Asian middle-class and have existing cultural synergies and products that appeal to Asian markets.
- The IOTs meets the requirements of the Asian millennial independent traveller by providing an exotic destination that focuses on experience and cultural immersion.
- Limited connectivity is a drawback for visitors seeking respite from technology, however dedicated hotspot sites at areas and sites of interest enable Asian millennial travellers who are typically active on social media the opportunity to upload experiences and content in real time to promote the IOTs.
- Any discussions to re-open the Christmas Island Casino and Resort need to consider the context of the current gambling industry. The rise of online gambling, increase in casinos across Asia and visa restrictions for Indonesians entering Australia are factors that have emerged since the Christmas Island Casino and Resort ceased operations.
- There are opportunities to develop new products, including using sport as a catalyst to drive tourism. World-class designed golf courses that encompass five-star resorts and investment in mountain bike trail infrastructure are two products that have been successfully developed in other Australian jurisdictions.



SHIRE OF
COCOS
KEELING
ISLANDS



STRATEGIC COMMUNITY PLAN
2016 - 2026

Community Response

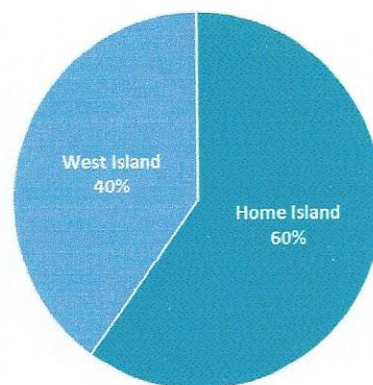
The community was asked to say what they consider most special about the Shire of Cocos (Keeling) Islands. It is evident that they highly value the natural environment, in particular the un-spoilt natural beauty and scenery, fresh air, attractive climate and clear turquoise waters. The safe and friendly community spirit is also highly regarded.

When asked about a vision for the future, the most common responses included preserving the community spirit, the environment and uniqueness of Cocos (Keeling) Islands, with the minimal crime level and beautiful beaches to be retained into the future.

The community surveys have provided a valuable insight into the key issues and aspirations as identified by the local residents. Importantly for the Council, these views have established clear priorities and subsequently shaped the visions, values, objectives and strategies documented in this report.

Community response:

- 81 members of the community (15% of the resident population) responding by completing the survey and attending the community workshops
- The responses were from residents on both Home and West Islands, in the proportions represented in the adjacent diagram



During the community workshops, participants were asked to show how they would like the limited resources available prioritised over the 27 services listed. The following graph shows the priority services relative to other services, as viewed by the workshop participants.





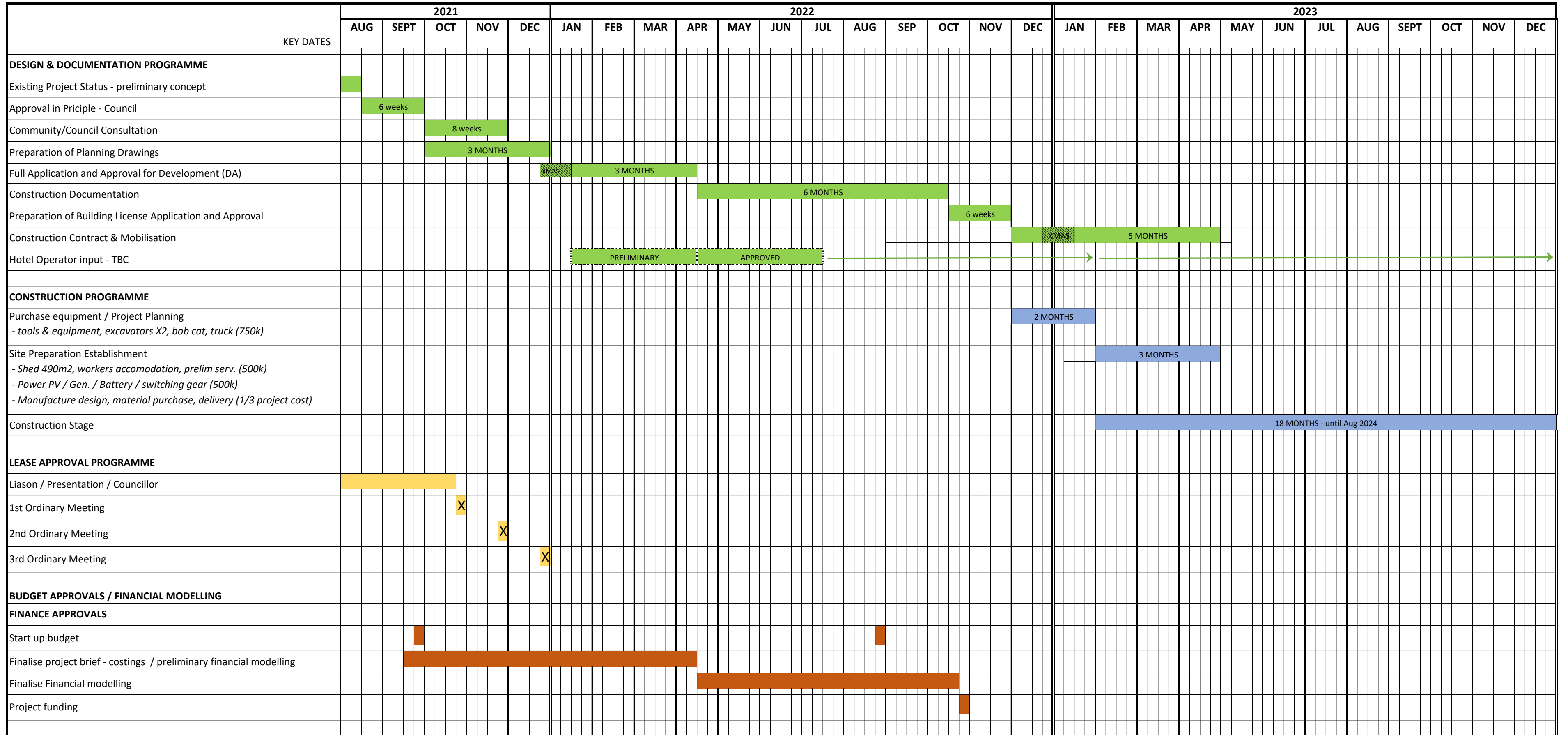
OUR COCOS (KEELING) ISLANDS **2030 STRATEGIC PLAN**

MARCH 2019

Welcome to Paradise

The community recognises the need to broaden and deepen the economic base, to build resilience and sustainability. Growth in tourism is considered the most promising opportunity, with proximity to Southeast Asia and markets identified for ecotourism, cultural tourism, and Muslim friendly tourism. Import-replacement opportunities have also been identified for local food production and agribusiness, and early trials in aquaponics have yielded encouraging results. Educational opportunities in all the Islands comparative strengths

The long-term strategy is to build year-round capacity through greater tourism accommodation options, such as attracting investment for an eco-resort. › There are over 600 million potential tourists to the north in Southeast Asia. The Cocos Co-op is building connections with Malaysia to promote CKI as a Muslim-friendly tourist destination. This initiative could be strengthened with the support of Tourism Australia. Expansion of the tourism industry will bring many business opportunities. Support for small businesses will build local business capacity and ultimately create new jobs.



NOTES: