

**Joint Standing Committee on the National Capital and External  
Territories**

**Strategic importance of the Indian Ocean Territories**

The Hon Andrew Hastie MP  
Chair  
Joint Standing Committee on the National Capital and External Territories  
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Canberra ACT 2600

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Thank you for the opportunity of making this submission to the Joint Standing Committee on the National Capital and External Territories (JSCNET) Inquiry into the strategic importance of the Indian Ocean Territories. I write this submission from the perspective of someone who researches and tutors in politics, governance and public policy at the University of Notre Dame Australia as well as a PHD student at the same University. I believe I also qualify in making this submission given my recent tenure of six and half years as the Chief Executive Officer for the Shire of Christmas Island. In both my capacity as CEO and PHD student I have made several submissions to previous JSCNET Inquiries regarding the Indian Ocean Territories, and in particular Christmas Island. In this regard I feel I make this submission with some authority given the experience, skills and knowledge I have acquired regarding the Indian Ocean Territories, with specific emphasis on Christmas Island as described above.

I confirm the Committee Terms of Reference dated 17 November 2016 as follows:

- *The changing regional security environment and security contingencies;*
- *Defence capability in the territories and associated infrastructure development;*
- *The scope of maritime, air and other cooperation with Indo-Pacific partners; and*
- *Impacts on local communities.*

My submission intends to briefly comment the first three points of the Inquiry Terms of Reference given there has been adequate previous and more qualified discussions and reports regarding these points. In this regard my focus is concentrated on the fourth point 'impacts on local communities' and particularly Christmas Island given my experience and knowledge of the Christmas Island community as a result of my tenure as CEO for the Shire of Christmas Island. This submission will also draw on the recent community survey questionnaires that were circulated to a number of *on island* residents and *off island* participants as part of the PHD thesis study process with the intention of seeking their views

on various questions asked regarding the future of Christmas Island. The survey questionnaire process was/is endorsed by the University of Notre Dame and approved by its Ethics Review Committee with an independent person (from the student) being responsible for conducting the *on island* survey process. Importantly this has been the only comprehensive survey of its kind of local *on island* residents with the responses representing approximately 5% of the total permanent local population. Also a recent University of Western Australia (UWA) Cultural and Demographic study commissioned by the Shire of Christmas Island during my tenure as CEO provides relevant information and data to the context of this submission. Accordingly this data and information will be paraphrased where relevant throughout this submission.

### **Submission to Terms of Reference Points One, Two & Three**

I would refer the Committee in the first instance to some of the previous studies and reports available in regard to the strategic importance of the Indian Ocean Territories (IOTs) in the Indian Ocean sphere that I am sure the Committee is aware of, or at the very least will be made aware of during the course of this Inquiry. Reports such as 'A Federation in These Seas' by Alan Kerr circa 2009, and in particular chapters 11 and 12 regarding the Indian Ocean Territories and the acquisition by Australia of its external territories, and interestingly the reasons why the Indian Ocean Territories were acquired. For example *Christmas Islands defence value had been raised in 1952 by a joint planning (Commonwealth) committee, which had reached the view that the island had no strategic value at that time because it had no airport and its harbour was unsuitable. However Defence's assessment of strategic importance was flagged, and the committee noted the desirability of being able to use Christmas Island for an airfield while (simultaneously) denying it to any potentially unfriendly power<sup>1</sup>.*

The Committee would be aware that the Commonwealth of Australia formally accepted Christmas Island as a Territory under the authority of the Commonwealth under the Christmas Island Act 1958. The Act was proclaimed to come into operation on 1 October 1958. Furthermore the Australian Government was concerned (at the time) *not only for a continued supply of phosphate to its rural industry, but also with territorial expansion and consolidation of its political influence in the Indian Ocean<sup>2</sup>.* It is also noted by Kerr *that Australia had two particular interests in Christmas Island: one as a source of phosphate and two as a strategically located island<sup>3</sup>.* In this regard the Indian Ocean Territories have a long history of strategic importance to Australia consistent with the Terms of Reference of the recent JSCNET Inquiry. In addition, the proclamation in 1980 of the Christmas Island National Park has rendered approximately 68% of the island as a National Park to the exclusion of any further (economic) development such as phosphate mining although recently eco-tourism development has been proposed within the National Park<sup>4</sup>.

1. 'A Federation in these Seas: An account of the acquisition by Australia of its external territories' – Alan Kerr – Commonwealth Attorney Generals Department, Canberra, (page 321).
2. 'The Phosphateers: A History of the British Phosphate Commissioners and the Christmas Island Phosphate Commission' - M Williams & B McDonald, Melbourne University Press 1985, (page 352).
3. 'A Federation in these Seas: An account of the acquisition by Australia of its external territories' – Alan Kerr – Commonwealth Attorney Generals Department, Canberra, (page 321).
4. 'Christmas Island National Park Management Plan 2012 -2022' - Director of National Parks Commonwealth of Australia – Canberra 2012 (page 18).

In 1958 it was reported in the *Melbourne Herald* (10 June) that Christmas Island was not only perceived strategically as a stepping stone to South East Asian countries but that it also lay on the line of flight of missiles launched from Woomera testing range in South Australia, and though there were no immediate plans for developing a missile research station on the Island, the potential for a base was considered real should the range of rockets ever be extended<sup>5</sup>. The island's proximity to the equator made it an ideal launch site for satellites, as heavier payloads could be launched into orbit using relatively less fuel, and as a terminal for Woomera would make that range easily the longest, and in many respects, the best in the world. Forty years later, in January 1998, Asia Pacific Space Centre Pty Ltd (APSC), a South Korean consortium, proposed the development of a communications satellite launching facility on Christmas Island<sup>6</sup>. While the project did not proceed the above highlights the historical strategic importance of Christmas Island that appears to remain unchanged today. As the recent Future Directions International publication *The Indian Ocean Region – A Framework for Australian Policy Options* succinctly notes the Indian Ocean is critical to global trade, food and energy security. It is also a stage for the pursuit of global strategic and regional military and security interests<sup>7</sup>. It therefore stands to reason that the IOTs are of significant strategic importance to the Australian Government.

As noted above there are numerous reports, inquiries, studies and publications that provide a plethora of historical and contemporary information that the Committee can draw upon in regard to the strategic importance of the IOTs (and Christmas Island) in determining what strategic direction might be appropriate for the IOTs. Accordingly this submission has only intended to provide contextual comment in regard to the impact this strategic importance will have on the Christmas Island community.

#### **Submission to Terms of Reference Point Four**

It is integral to the Inquiry that due consideration be given to the impact of the Inquiry outcome to the local community on Christmas Island (and for Cocos-Keeling Islands). Given that the Indian Ocean Territories have long been considered to be of 'strategic importance' to successive Australian Governments since assuming sovereignty in 1958, any direction the government proposes, especially in terms of strategic military development that is intended for security, trade or other reasons must be carefully considered in terms of any impact on the local community. This is especially relevant should any such strategic development include an involuntary or voluntary reduction and/or relocation of the community of Christmas Island from the island.

Fundamental to the impact of any strategic development by the Commonwealth on the community of Christmas Island must be first and foremost an understanding and recognition by the Government of the existence of a permanent population on the Island. The recent UWA Study together with thesis research undertaken by the author of this submission indicate that the local population can in fact be interpreted as indigenous to the island. That is, the *Report on Christmas Island's Ethnic and Cultural Distinctiveness* undertaken by the University of Western Australia in June and July 2016 as commissioned by

5. 'Australia's Arc of Instability The Political and Cultural Dynamics of Regional Security' – Chapter 4, E Tiang Heng and Vivian Louis Forbes, edited by Dennis Rumley, Vivian Louis Forbes and Christopher Griffin – GeoJournal Library, Springer Publishing – Netherlands (page 77).

6. *Ibid*, page 69.

7. 'The Indian Ocean Region – A Framework for Australian Policy Options', Future Directions International, Canberra, 2014 (page 7).

the Shire of Christmas Island and released in September 2016, notes that historic accounts and archaeological investigations contend that there was no extant Indigenous population living on Christmas Island prior to the establishment of permanent settlement in 1888<sup>8</sup>. Furthermore on the basis of the historic accounts and archaeological investigations, there is no evidence to suggest that the island was permanently inhabited prior to settlement from 1888 onwards by the mining company and indentured labourers<sup>9</sup>. While this point may directly impinge more specifically on the question of whether the Island is a non-self governing territory (as defined by the United Nations) and is/has been disputed by the Australian Government in several studies, reports and inquiries, it does demonstrate recognition of and respect for the local Chinese and Malay permanent population including its unique culture and history. In this regard the local community can and should expect that any development of their *permanent home* should not impact detrimentally on them (or their future generations), especially in terms of involuntary or voluntary relocation from the island, reduced economic opportunities and/or reduction in services to them that would have a negative social effect.

The lack of effective or fair governance arrangements and transparent community consultation is symptomatic of the development of the island since Australian sovereignty in 1958. Several previous JSCNET Inquiries and subsequent Report recommendations have done little to alleviate this cynical feeling by islanders. Most recommendations from these JSCNET Inquiries and subsequent Report remain inactive and have never been implemented by the Commonwealth. Most notably the 2006, 2010 and 2016 Reports whereby the Committee(s) have made numerous recommendations in regard to the community's political, social, economic and governance situation, especially in response to the various submissions made to the Inquiries that have reflected the community's frustration and disappointment. For example the 2006 JSCNET Inquiry *Current and Future Governance Arrangements for the IOTs* recognised that there were serious questions for government to address relating to accountability and transparency in decision making in the Indian Ocean Territories. Lack of accountability, lack of transparency and failures in community consultation are undermining decision making processes and the community's confidence in those processes<sup>10</sup>. In this context it is understandable the community feel cynical and suspicious when JSCNET Inquiries are held that will have an effect and impact on their sense of community security and long term future.

The recent change in government policy towards asylum seekers has seen an economic downturn for the island and the multiplier effect this has had on local employment and business. The phosphate mining operations remain stable in terms of local employment and business, however most are aware that the grade of ore is low and the longevity of the mine is finite. In this regard the long term prospects for islanders are concerning and while this Inquiry obviously seeks to investigate alternative opportunities, it should not be at the expense of being detrimental to the local permanent community of Christmas Island.

8. *Report on Christmas Island's Ethnic and Cultural Distinctiveness' – University of Western Australia – School of Social Sciences – UWA Press – September 2016 (page ii).*
9. *ibid* page 7.
10. *'Current and Future Governance Arrangements for the Indian Ocean Territories' - Commonwealth Joint Standing Committee on the National Capital and External Territories – Commonwealth of Australia – Canberra, 2006 (page 17).*

Numerous community survey questionnaire responses have also indicated concern by the community in regard to the Commonwealth's intention for the long term future of the island that the Committee should take note of when formulating their final report. This comprehensive questionnaire provides qualitative data in regard to the aspirations of islanders and their desire to remain permanently on the island they consider their home. In this regard any proposed development of strategic importance should consider this survey data whereby the impact of any such development on the local community should not be at the expense and demise of the community's living conditions and certainly not result in the involuntary or voluntary relocation of the local population from their permanent home of Christmas Island.

#### **Submission Recommendations**

- 1. That the Committee give due consideration to the community of Christmas Island of any impact that any development may have on the island of a strategic nature and consult widely with the community in an open and transparent manner in regard to the details of any such potential developmental impact.**
- 2. That the Committee ensure that irrespective of any strategic development that may be initiated, that this does not include the involuntary or voluntary relocation of the local permanent population from Christmas Island, and**
- 3. That the Committee recommend to the Australia Government that it progress implementation of the recommendations of previous JSCNET Reports especially where relevant to affording the community the right to determine its own political and governance future that will enhance its decision making capacity.**

I thank the Committee for the opportunity of making this submission and am available with some advance notice to elaborate on the contents of this submission at any Public Hearing the Committee may schedule for Perth. My contact details are provided below in accordance with the JSCNET submission guidelines.

Mr Kelvin J Matthews