



Christmas Island

A Natural Wonder



Submission to the Joint Standing Commission on the National Capital and External Territories Inquiry into the Strategic Importance of the Indian Ocean Territories

Terms of Reference

- 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

General

The strategic importance of Christmas Island and the Cocos (Keeling) Islands has long been recognised. Since discovery, the Islands have been subjected to battles, foreign occupation, influx of refugees, changes to immigration zones, riots and deaths and have been used as a strategic communication and transport hub.

Christmas Island currently hosts an Immigration detention Centre and is a base for Defence Force personnel. Naval and Border Force vessels regularly patrol the waters.

Tourism

Tourism is important to Christmas Island as part of a diversified economy and has been recognised by Barry Haase, Administrator of the Territory of Christmas Island, as the future. There is potential for substantial tourism growth and the economic contribution from tourism to increase.

Impacts on local communities

From a tourism perspective the current level of defence activity provides a range of benefits without any significant negative impacts. These benefits are mainly economic through flights, refueling and resupplying vessels and local spending by personnel based on Christmas Island and on shore leave from the boats. The social benefits and community benefits include involvement and support for local activities and community groups.

However, should the defence capability increase there will be impacts on the local community which must be recognised and managed. These impacts can be detrimental to tourism. Recent growth in tourism and renewed interest for investment is partly attributed to the dissipating negative image of Christmas Island from the detention centre and associated activities and an increase in availability of flights, accommodation and vehicles for tourism. These services were previously fully utilised to support the Immigration Detention Centre and associated activities, leaving little capacity for tourism.

This experience of a significant increase in population and focus on immigration detention services provides an insight into the potential impacts if there is significant growth in the defence capability and personnel on Christmas Island. The Department of Infrastructure and Regional Development commissioned a report a few years ago on the impacts of immigration, which could serve as a reference. The report is not publicly available.

The potential impacts include:

- **Reputational damage and a perception of Christmas Island only as a defence base.** This is likely to reduce the number of people wishing to visit and overshadow the view of





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Christmas Island as a natural wonder known for its red crab migration, endemic birds, world class diving and intact tropical rainforests. The biggest strength for tourism in Australia is world class nature¹.

- **Safety and Security.** With the increase in global tensions, particularly in the Asian region, there will be genuine concern that Christmas Island is no longer a safe place to visit. This will impact on both tourism and the local community. Christmas Island is considered a very safe destination. Tourism Australia's research shows that 61% of respondents rate 'a safe and secure destination' as among the top 5 most important factors when choosing a holiday destination².
- **Accommodation,** there is current capacity in government owned accommodation for an increase in personnel. Any overflow, which uses commercial accommodation eg hotel rooms and private houses will negatively impact on tourism and may increase rent due to lack of supply. Increases in rent impact on costs for tourism operators and staff and the ability to provide services.
- **Cost increases** - the cost of living increased rapidly with the increased population and limited supply of goods and services during the immigration years. Should this occur, it is detrimental to those people on fixed and low incomes. Not all residents receive generous remote living allowances and conditions and this creates inequities and workforce issues to attract and retain staff in tourism jobs which may be lower paid and casual.
- **Infrastructure** - increase in population and the needs of defence provide an opportunity for improvements to infrastructure. Any improvements must also consider the needs of the community eg. upgrade of airport facilities, upgrade of mobile phone service from 2G, accessing fibre internet technology using the undersea cables which are laid close to the Island and community and tourism infrastructure eg roads, paths, lookouts, amenities etc.
- **Increased economic activity** – there must be opportunities for local business and individuals to benefit from increases in economic activity, to retain and attract small business, local services and residents.
- **Social impacts** – Christmas Island has a proud vibrant multicultural community which welcomes visitors and new residents. Social impacts of increased population are many and varied and impact on people's happiness, jobs, opportunities and lifestyle. Social impacts were experienced during the peak period of the immigration detention centre and included unsociable behavior by the workforce, feelings by local residents as being treated as second class citizens, a focus by government and decision makers on the needs of immigration to the detriment of the needs of the community and a lack of infrastructure and goods to meet the needs of an increased population. These impacts can be managed through planning and involvement in local activities and community groups.



¹ Tourism Australia 2020

http://www.tourism.australia.com/documents/Statistics/Research_130624_CDP6pagesummary.pdf

²Tourism Australia 2020

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