



Australian Government

Department of Defence

**Joint Standing Committee on the National Capital and
External Territories Inquiry into the strategic importance of
the Indian Ocean Territories**

**Department of Defence
Written Submission**

January 2017

Introduction

1. On 17 November 2016, the Joint Standing Committee on the National Capital and External Territories commenced an inquiry into the strategic importance of the Indian Ocean Territories.
2. The terms of reference for the inquiry are to inquire into and report on the strategic importance of the Indian Ocean Territories to Australia, with regard to:
 - 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.

Response to the Terms of Reference

The regional security environment

3. The Indian Ocean region hosts an increasingly complex security environment as its importance for the world economy continues to grow rapidly. The region has major trade and energy routes linking Australia with many of our most important economic partners. Half of the world's container traffic and one-third of bulk cargo traverse the Indian Ocean. The region also produces around 40 per cent of the world's offshore oil. Over the next 20 years, the Indian Ocean will see a substantial increase in intra-regional maritime trade, including in energy, food and other natural resources, which will bring significant benefits to Australia.
4. In response to the expanding strategic importance of the region, the Indian Ocean is witnessing growing competition among major powers. India, the United States and China are increasing their levels of military activity in the region, while France and the United Kingdom maintain a naval presence. As a result of military modernisation, more regional forces will be able to operate at greater range, and with more precision, especially in the maritime and air environments, supported by more advanced intelligence, surveillance and reconnaissance networks, as well as cyber capabilities.
5. There are a number of challenges to Australia's Indian Ocean maritime borders and maritime resources, and these could grow over the coming years. Australian fisheries remain relatively abundant, making them appealing targets for long-range illegal fishing fleets. People smuggling will also remain a major challenge.
6. These challenges are reflected in the six key drivers identified by the 2016 Defence White Paper as shaping Australia's strategic environment over the next two decades, namely:
 - the roles of the United States and China and the relationship between them;
 - challenges to the stability of the rules-based global order; the enduring threat from terrorism and extremist movements;
 - fragile states caused by uneven economic growth, crime, social, environmental and
 - governance challenges and climate change;
 - the pace of military modernisation and the development of more capable regional military forces; and
 - the challenge presented by new non-geographic threats such as in space and cyber.

Australian Defence capability in the Indian Ocean

7. The 2016 Defence White Paper identifies Australia's first Strategic Defence Interest as a secure, resilient Australia, with secure northern approaches and proximate sea lines of communication. Our geography affords us an opportunity to detect and respond effectively to hostile military operations and incursions at sufficiently long ranges to prevent an adversary from reaching the Australian mainland. Australia's Indian Ocean Territories provide a further measure of strategic depth for gaining broader situational awareness to Australia's north and north-west, including through deployment of relevant Defence capabilities.
8. Defence shares its responsibility for safeguarding the security of our maritime borders in the Indian Ocean with other agencies, particularly the Department of Immigration and Border Protection. The delivery of the 2016 Defence White Paper provides Defence with the capabilities necessary to ensure its maritime border security requirements can be met. These responsibilities also extend to helping protect Australia's offshore resource extraction activities, maintain Australia's sovereignty over our offshore territories and Exclusive Economic Zone and fulfil our international search and rescue obligations such as our cooperation with regional partners in the search for missing Malaysia Airlines flight MH370 in the Southern Indian Ocean.
9. A wide range of existing and future capabilities ensure Australia's maritime border security requirements can be met, including manned and unmanned maritime surveillance and response aircraft, offshore patrol vessels, destroyers, frigates, support vessels, small patrol boats, watercraft, and naval combat helicopters. To augment these capabilities, the Government has also acquired a new large-hulled multi-purpose patrol vessel, the Australian Defence Vessel *Ocean Protector*, in addition to Australian Border Force Cutter *Ocean Shield*. To increase situational awareness, these capabilities are well supported by Defence's communication, navigation, intelligence, surveillance and reconnaissance capabilities based on Australia's mainland.
10. Given their location, the Cocos (Keeling) Islands have strategic value as a staging location for maritime air patrol and surveillance activities to monitor Australia's approaches from the north-west and west. Christmas Island is a valuable location for supporting border protection operations through the replenishment of Royal Australian Navy vessels and staging maritime patrol aircraft, as well as providing situational awareness of Australia's northern approaches. Heard Island and the McDonald Islands, located in the southern Indian Ocean, have seen some limited operational activity by the Royal Australian Navy in support of the Government's efforts to combat illegal fishing.
11. Defence will continue to develop infrastructure in the Indian Ocean Territories in support of these activities. This includes proposed upgrades to the runway facilities on the Cocos (Keeling) Islands to support the introduction of Australia's P-8A Poseidon maritime patrol aircraft, which will play a key role in enhancing Australia's ability to undertake border surveillance and carry out our maritime search-and-rescue responsibilities. In relation to border security operations, Defence will continue to work with other agencies, including the Department of Immigration and Border Protection.
12. The Indian Ocean Territories also provide effective locations from which to deploy and support Australian Defence Force capability in the region. This includes contributions to humanitarian assistance and disaster relief operations, in addition to operations in response to security contingencies that threaten Australian interests, including in relation to maritime trade.

Cooperation with regional partners

13. Defence undertakes a range of cooperative activities with regional partners in the Indian Ocean, both bilaterally and through regional organisations.

14. The Indian Ocean Naval Symposium, which was established in 2008 and currently has 23 member states and seven observers, is a key forum for enhancing maritime cooperation between littoral states, with a view to building effective maritime security architecture in the region. During its chairmanship of the Indian Ocean Naval Symposium in 2014-15, Australia oversaw the creation of three working groups on:

- humanitarian assistance and disaster relief;
- maritime security (including issues related to counter-piracy and transnational crime); and
- information sharing and interoperability.

These working groups are increasing mutual understanding and delivering tangible outcomes, such as guidelines, training, operating procedures and maritime exercises.

15. Defence routinely contributes a Royal Australian Navy vessel and personnel to support the multinational United States-led Combined Maritime Forces comprising deployments from 31 countries in the Middle East Region and Western Indian Ocean to defeat terrorism, prevent piracy, encourage regional cooperation and promote a safe maritime environment. These operations make a significant contribution to ensuring safe and open access to the region and fostering maritime trade and commerce.

16. Australia and France undertake close cooperation in the Southern Indian Ocean and Southern Ocean to combat illegal fishing operations based on the 2005 *Treaty between the Government of Australia and the Government of the French Republic on Cooperation in the Maritime Areas Adjacent to the French Southern and Antarctic Territories, Heard Island and the McDonald Islands*. The Treaty provides a framework for enhancing joint surveillance of fishing vessels and promoting scientific research on marine living resources within the territorial seas and exclusive economic zones of Australian and French territories.

17. Australia also cooperates with partners from across the Indo-Pacific region in response to particular issues. For example, Australia has played a lead role in the search for Malaysia Airlines flight MH370 in the Southern Indian Ocean. Search efforts involved more than 22 military aircraft and 19 ships from Australia, China, Japan, Malaysia, New Zealand, Republic of Korea, United Kingdom and United States. Defence played a key role in supporting the Australia Maritime Safety Authority as the lead search and rescue agency.

Conclusion

18. In an increasingly complex security environment, Defence recognises the importance of the Indian Ocean Territories in meeting Strategic Defence Interests outlined in the 2016 Defence White Paper. Defence is committed to ensuring that the Indian Ocean Territories continue to play an effective role in achieving Australia's national security objectives. Defence will also continue to deepen practical cooperation with Indo-Pacific partners to meet shared security challenges and to respond to other contingencies in the region. The funding provided in the 2016 Defence White Paper supports new capabilities and upgraded facilities to allow Defence to fulfil these missions effectively.