



Strategic Forum

Dr Alison Clegg
Committee Secretary
Joint Standing Committee on the National Capital and External Territories
PO Box 6021
Parliament House
Canberra ACT 2600

Strategic Importance of the Indian Ocean Territories

Dear Dr Clegg,

I am writing in response to your kind invitation to provide a submission to the Committee relating to its inquiry into the strategic importance of the Indian Ocean Territories.

This submission will, of necessity, be relatively brief. It will attempt to review and further develop the major work that I undertook on these issues in the late 1980s. The most relevant publications are:

Ross Babbage *Should Australia Plan to Defend Christmas and Cocos Islands?* (Canberra Papers on Strategy and Defence No. 45, Strategic and Defence Studies Centre, Australian National University, Canberra, 1988). (Scanned copy attached)

Ross Babbage *A Coast Too Long: Defending Australia Beyond the 1990s* (Allen & Unwin, Sydney, 1990) pp. 165-187.

I assume that you have access to both of these documents in the Parliamentary Library. However, in the event that this is not the case, I attach a scanned copy of the first and, should it be needed, I can arrange for you to be sent a photocopy of the second.

Let me direct my remarks primarily to the first two listed points in the Terms of Reference.

The Changing Regional Security Environment and Security Contingencies

1. Many of the broad security judgments made in the two publications listed above remain valid. However, the security environment in the region is now markedly different to that of the late 1980s. Amongst the more important features of the current and developing security environment are the following:
 - Until the end of the Cold War the centre of global power and strategic competition was in Central Europe. Now the centre of global power and strategic competition has shifted to the Western Pacific. This means that Australia has been catapulted from the backwaters of global power to being close to centre stage.

Strategic Forum Ltd

ABN: 32610240938

76 Long Point Street, Potato Point 2545, Australia

Ph: +61 2 4473 5773 Fax: +61 2 4473 5773

Pursuing Solutions to Key Security Challenges

- The rise of China's military capabilities and Beijing's assertive international operations, when combined with the relative decline of those of the United States, means that American and allied forces no longer enjoy uncontested superiority in large parts of the Western Pacific. This change in the strategic balance is encouraging a recalibration of the strategic approaches of many of the countries in Southeast Asia. It has also brought higher levels of strategic risk and elevated levels of security uncertainty to much of the region.
- These and related developments mean that the strategic importance of Australia and the potential roles of Cocos and Christmas Islands have changed and are likely to continue to change in the years ahead. In several respects their strategic importance is rising.
- My assessment is that during the last 30 years Australia's relations with those countries closest to Cocos and Christmas Island have improved substantially. This is partly a product of the political and economic development of Indonesia and other regional states and also a consequence of a general strengthening of Australia's regional ties. This is not to say that a serious deterioration of relations with Australia's neighbours is impossible. It is just to point out that such a development is less likely. In particular, a crisis escalating into an armed clash with our immediate neighbours would need to be preceded by a substantial deterioration in regional political and security links.
- A more troubling and consequential set of security concerns arises from China's expansion and militarisation in the South China Sea and its assertive international behaviour more generally. The Western allies in the Pacific now feel compelled to adopt more competitive stances to balance and offset China's behaviour. This is encouraging Australia, its allies and partners to strengthen their military capabilities, modify their force postures and consider new defence approaches to ensure their on-going security. These trends have important implications for Australia as a whole and for the Indian Ocean territories in particular.
- In the event of serious tensions or conflict between the major powers in the Western Pacific the strategic importance of the Eastern Indian Ocean would gain greater attention. The security of shipping passing through the Malacca Strait and the other major straits in the Western end of the Indonesian archipelago would quickly come into sharp focus and surveillance, patrolling, escort and interdiction operations could be anticipated. These and related contingencies now have a higher priority in security planning for this theatre.

Defence Capability in the Territories and Associated Infrastructure Development

Before addressing defence capabilities and associated infrastructure on the territories directly, let me touch briefly on a number of relevant changes in Australian and allied military capabilities since the late 1980s.

- Australian and allied intelligence capabilities to monitor relevant developments in Southeast Asia and the Eastern Indian Ocean have improved significantly in recent years. Many of the capabilities developed and refined during Operation Sovereign Borders have the potential to contribute significantly to broader security and defence operations in this theatre.
- Australian and allied surveillance and monitoring of strategically-relevant maritime and air movements have also improved in recent years. This is a result of significant advances in satellite, over-the-horizon radar and other sensor coverage of this region and improved understanding of normal civil and military operations across the theatre.

- Australia's air capabilities have also improved markedly and are in the process of making even further important advances. Key amongst them are:
 - The Triton high-altitude unmanned aerial vehicles soon to enter service will be capable of providing high-resolution round-the-clock surveillance of all relevant surface activities across this region with on-station times over 24 hours.
 - The **P-8 Poseidon long range maritime patrol aircraft** will be capable of operating from mainland bases to the area around Cocos and Christmas for extended periods of time and also, if required, of attacking hostile shipping and submarines in the area.
 - The F/A-18 Super Hornets possess a superior air combat capability to the Classic Hornets and are capable of operating in the vicinity of these territories from mainland bases for limited periods without aerial refuelling.
 - F-35 Joint Strike Fighters will also be able to operate in the vicinity of these territories for modest periods without aerial refuelling. Importantly, they will bring unmatched fifth generation air combat capability to the theatre and, together with other RAAF assets, are capable of dominating the air environment.
 - The C17 and C130J transport aircraft provide a much larger and faster capability to move people, equipment and supplies to and from these territories.
 - Supporting all of the crewed aircraft listed above are the RAAFs new tanker aircraft. These force multipliers can help all of the other aircraft to remain on station near these territories for much longer periods.
 - In contrast to earlier eras all of these aircraft types are increasingly networked so as to facilitate highly efficient coordinated operations.
- There have also been major advances in the capabilities of Australia's naval units during the last 25 years. In general the RAN's major surface combatants, submarines and support vessels are of world standard. They are well armed and most are able to both defend themselves and associated assets from attack and also launch powerful strikes against opposing vessels and shore targets. The three air warfare destroyers soon to join the fleet will be amongst the most advanced ships of their kind in the world. Of potential special importance to the offshore territories has been the introduction into service of two large, multi-purpose amphibious ships. They are capable of transporting most types of Army equipment quickly to offshore locations.

Recent years have also seen some development of the civil infrastructures on both Cocos and Christmas Islands. Whilst I have not had the opportunity to personally visit these upgraded facilities my understanding is that they primarily comprise:

- Modest improvements to the airfields and associated fuel and other facilities.
- Some upgrades of communications systems and the more widespread use of satellite phones.
- Significant upgrades and extensions to accommodation facilities, especially on Christmas Island.

Potential Future Use of the Territories for Defence and Security Purposes

The potential defence and security uses of the offshore territories that were discussed in the publications listed above remain pertinent. However, the changed regional strategic circumstances and altered ADF capabilities impact on the relative priorities of some of the potential options. Operation Sovereign Borders has certainly demonstrated

that these territories can contribute substantially to Australia's security at relatively short notice and for sustained periods.

What priority should be given to upgrading defence-related capabilities at Christmas and Cocos? In my view, some further investments are appropriate but the relative strategic importance and the cost-effectiveness of these options need to be weighed carefully.

The most obvious possibilities would appear to include the following:

- A significant further upgrade of the airfields to permit the extensive use of all RAAF aircraft at full load.
- A substantial upgrade of fuel and other logistic storage and supply facilities to permit sustained Australian and allied operations on and from these islands with little notice.
- The construction and operation of selected air and surface surveillance facilities. These could take numerous forms but might include the deployment and operation of sensor systems carried by tethered aerostats.
- The deployment and operation of underwater sensor systems to monitor submarine and surface movements in the area.
- The development of some sort of Army presence on both territories to provide an effective defence of the territories against all but major attacks.
- Develop the air facilities on one or both of these territories to support continuous or frequent use by Tritons and other long-range surveillance aircraft.

Are all of these possibilities technically possible? Yes, they are. Would they all be cost-effective? Most are probably not. Key factors need to be weighed.

Whilst expanded air facilities would appear to be highly desirable, on Christmas the terrain is such as to make a substantial upgrade of the present facilities impossible. The airfield would need to be moved to a new location that permitted relevant runway lengths and other spaces to be acquired and efficient operations to be performed. This is technically feasible but would be very expensive.

There are lesser terrain limitations at the airfield on Cocos. Current facilities on West Island could be extended relatively easily to the west, despite some environmental sensitivities. Construction costs would, however, be well above those for comparable facilities on the mainland.

Were air and related facilities on these islands to be substantially upgraded the costs of staffing and operating such facilities would also be significantly higher than at comparable facilities on the mainland. Some of the elements of cost may be twice as high as those at Exmouth and Curtin.

Then there is the question of whether, in a security crisis, substantially upgraded air and other facilities on Christmas and Cocos could be defended. Much would depend on the level of threat at the time. An effective defence against most types of attack would be technically feasible but it would require the deployment of scarce defence assets from the mainland to make an opponent's operations against one or both of these territories a high risk venture.

Australia's defence resources are finite. Difficult choices need to be made about what to put on the ground in particular locations now and in the circumstances of future contingencies. In many contingencies more than basic security enhancements may be difficult to justify.

This raises the important question of Australia's options were a foreign power to seize one of these territories in a future crisis. This situation would pose complicated challenges. However, in general terms it would be possible for Australia and its allies to make a foreign power's lodgement on one or both of these territories to be exceedingly expensive and probably unsustainable for the longer term. A full-scale assault to expel foreign forces from these territories would require a very large force and necessitate complex operations. Australia would most likely require substantial allied assistance to mount such an effort.

Is More Defence Investment Warranted?

My view is that, despite the reservations expressed above, it would be wise to give further consideration to some additional defence-related investments at Cocos and Christmas Islands. The priorities might be the following:

- A substantial further upgrade of airfield facilities on West Island at Cocos. The primary goal should be to expand the runway, hardstand, fuel and associated facilities to permit all-weather operations of all RAAF aircraft at full loads for a reasonable period. Passive protective design features would be warranted.
- Raise and train an Army Reserve unit on both Cocos and Christmas Islands. These units would be primarily trained to defend critical facilities, protect the local community and secure key areas so as to facilitate the rapid arrival of reinforcements from the mainland. A premium would be placed on recruiting and training members of the resident communities.
- Periodic exercises in which relevant ADF units deploy to the territories, reinforce the local reserve units and conduct realistic operations to test contingency plans.
- Possibly consider the construction of some additional specialised ADF facilities that would enhance regional surveillance and warning capabilities.

Whatever further defence-related investments and initiatives are considered, there would be a need for early consultation and close cooperation with local residents.

Should members of the Committee wish to discuss these and related matters further, I will be pleased to do what I can to assist.

With regards,

Dr Ross Babbage AM
Chief Executive Officer