

1 Introduction

The Cocos Islands Cooperative Society Ltd (Cooperative) is providing a submission in response to the Joint Standing Committee on the National Capital and External Territories Inquiry into the strategic role of Christmas Island and the Cocos (Keeling) Islands. Its submission relates to the Cocos (Keeling) Islands only. The submission is prepared by Ron Grant, General Manager, of the Cocos Islands Cooperative Society Ltd.

2 Cocos Islands Cooperative Society Ltd

2.1 Introduction

The Cooperative established in 1978 is owned by members of the Cocos Malay Muslim community and employs approximately 70 persons, making it the largest employer within the Cocos (Keeling) Islands.

It has the following operational groups:

Logistics Group

Stevedoring Division

Airlines Division

Marine Services Division

Freight Management Division

Hospitality Group

Cocos Beach Resort
Tropika Restaurant

Retailing Group
Supermarket Division
Hardware Division

Special Contract Services Group
Infrastructure Services Division
Specialized Services Division
Defence Services Division

Corporate Management Group

The following web sites provide information on the Cooperative:

www.cocoscoop.cc

www.cocosbeachresort.com

2.2 Cooperative and the Defence/Border Protection Establishment

2.2.1 Introduction

The Cooperative has a close working relationship with the Army, RAAF, RAN and Australian Government Agencies that are involved in the protection of Australia's borders. Revenue from such operations form a significant

portion of the Cooperative's revenue and profits, and contribute towards the employment of Cooperative employees.

2.2.2 Army

The Cooperative has worked with the SAS Regiment and the Pilbara Regiment when these regiments conduct training exercises on the Cocos (Keeling) Islands. The Cooperative supports such regiments in the following manner:

- Provision of logistics support for RAAF C130 used to transport personnel and equipment.

- Land transport

- Plant and equipment

- Vessels for transport and exercise purposes

- Accommodation and catering

- Storage facilities (frozen, chilled and dry)

Transport (marine and land) for army personnel and equipment that are embarking or disembarking on vessels such as ADV Ocean Protector, ABFC Ocean Shield, or HMAS Choules. Working with Army logistics personnel associated with above vessels for support of LCVP and using landing craft operated by the Cooperative.

The Cooperative has developed expertise in these areas and has developed close working relationships with Army personnel.

2.2.3 RAAF

The provision of support for 92 Wing's 10 and 11 Squadron's P3 operations which includes:

- Accommodation and catering

- In flight rations

- Assistance with P3 engine changes

In addition the Cooperative will be involved in infrastructure projects that will be required to support the introduction of the P8s into service as a replacement for the P3s.

The provision of logistical support to 37 Squadron in relation to unloading and loading of C130 aircraft plus accommodation and catering

The provision of logistical support for 34 Squadron VIP aircraft.

The Cooperative also provides infrastructure support for the Cocos (Keeling) Islands ASD Station where personnel from RAAF 3 Telecommunications Unit are located.

2.2.4 RAN

The Cooperative provides logistical support for ADV Ocean Protector and vessels such as HMAS Choules. This incorporates the handling of supplies, transport of personnel and equipment. Personnel are transported on the R J Hawke, operated by the Cooperative, and supplies on the landing craft operated by the Cooperative, or LCVPs or RIBS operated by vessels. Commercial flights operated in support of vessels are ground handled by the Cooperative and range from A319, A320 to B737.

Additionally the Cooperative provides logistical support for vessels of foreign navies.

2.2.5 Border Protection

ABFC Ocean Shield is logistically supported by the Cooperative for the receiving, storage and transport (land and marine) of supplies, transport of personnel, and the provision of accommodation for ABF personnel. The Cooperative maintains storage facilities for ABF.

Cooperative stevedoring operations handle supplies for ABF, as do its barge operations.

2.2.6 Humanitarian Operations

During refugee operations the Cooperative provides marine transport, land transport, accommodation and catering support, aircraft ground handling and infrastructure support. During the peak period the Cooperative assisted with approximately 5,000 refugees.

2.2.6 Infrastructure

The Cooperative has provided a range of support across its Groups for all major infrastructure projects on Cocos that have a direct, or indirect defence, application. These have included the construction of the Rumah Baru Marine facility, resealing of the Cocos runway, the construction of the ASD facility, and the facilities such as the Cocos (Keeling) Islands Radionuclide Monitoring Station operated by CTBTO (Comprehensive Nuclear Test Band Treaty Organization), and the Cocos (Keeling) islands IMS (International Monitoring System) facility operated by the CTBTO. The last two facilities are for the monitoring of nuclear explosions.

.

The above provides background information on the Cooperative's operations and the contribution that such operations have on the economy of the Cocos (Keeling) Islands.

3 The changing regional security environment and security contingencies

In 1986 when I first commenced employment with the Cooperative on the Cocos (Keeling) islands the RAAF P3s and USN P3s were frequently operating from Cocos (Keeling) Islands in their maritime surveillance, anti-submarine roles within the Cold War environment. The Cocos (Keeling) islands were supplementing the US facility of Diego Garcia. With the end of the Cold war in 1991 there was a scaling back of these operations with the USN ceasing operations from the Cocos (Keeling) Islands.

The First Gulf War (1990/1991), Australia's involvement in Afghanistan, commencing in 2001, and the Second Gulf War (2003), saw the Cocos (Keeling) Islands being used as a transit facility for RAAF aircraft, which continues today.

Commencing in 2012 the Cocos (Keeling) islands became a destination for Sri Lankan refugees travelling by boat, with the last boat arriving in 2016. RAAF P3s were involved in border protection duties, and still are, with the Australian Government ensuring Australia's borders are secure., and with concerns that the current international refugee environment could spread to Australia. The RAAF P3s work in conjunction with the

ADV Ocean Protector and the ABFC Ocean Shield, and when required other vessels.

With increasing concerns over the PRC Australia and its partners are evaluating their options in relation to the Cocos (Keeling) Islands. P3s/P8s will no doubt be deployed in their maritime surveillance, anti-submarine and anti vessel roles. The election of a new President in the USA will no doubt change the global security environment, and in particular within the Indian Ocean and Pacific regions.

With majority Muslim populations in Indonesia and Malaysia, Australia's position on issues relating to Muslims will be closely monitored by those countries, in particular statements made by minor Australian political parties. Australia has significant trading relationships with the Muslim world from the Middle East to Southeast Asia, and these are important economic relationships.

The 2016 Defence White Paper and the associated Integrated Investment Program identified the rebuild of the Cocos (Keeling) Islands West island runway. The rebuild of the runway will permit the operation of the RAAF P8s and other RAAF aircraft.

The Cocos (Keeling) Islands Radionuclide Monitoring Station operated by CTBTO (Comprehensive Nuclear Test Ban Treaty Organization), and the Cocos (Keeling) islands

IMS (International Monitoring System) facility operated by the CTBTO are for the monitoring of nuclear explosions, with particular concerns in relation to North Korea and Iran.

It can be seen from the past that the Cocos (Keeling) Islands always has a strategic role to play with Australia's defence commitments, even though it has been minor in some circumstances.

The future expenditure on defence related facilities on the Cocos (Keeling) Islands will have major economic and social impacts for the Cocos (Keeling) Islands. The Cooperatives has a strategic plan which has two main thrusts:

“Island Builders” – Specific to improving the current Cooperative Group's operations, and to support “Gateway to Asia”.

“Gateway to Asia” – Specific to developing tourism and marine resources for the Malaysian market.

The rebuild of the Cocos (Keeling) Islands will permit direct flights from Kuala Lumpur, Malaysia to the Cocos (Keeling) Islands, provided there are adequate Australian border facilities, to accommodate arriving tourists, and encourage the development of tourism and marine resources.

It will give the Shire of the Cocos (Keeling) Islands and opportunity to develop land held in trust for the Cocos Malay community for the development of tourism facilities.

4 Defence capability in the territories and associated infrastructure development

The above has been covered previously in this submission, but the associated infrastructure development will be addressed.

In a previous document that the Cooperative submitted to the Committee that related to the rebuild of the Cocos (Keeling) Islands runway, the logistics associated with this infrastructure development have been covered comprehensively. The logistics for this operation would apply to any defence related project. In short the current logistical infrastructure can only cover minor deployment of defence personnel and equipment.

A comprehensive study would be required of the current infrastructure, and what would be required, should there be an increase in defence operations in the Cocos (Keeling) Islands.

Ultimately any decision would have to be made as to the value of the Cocos (Keeling) Islands within changing defence environments and the

availability of resources, and the allocation of those resources within theatres of operations.

5 The scope of maritime, air and other cooperation with the Indo-Pacific partners.

This has been previously covered but due to the uncertainty of what USA policies are developed and applied following the election of a new president, and how Indo-Pacific partners of Australia react to these US policies, this is a very grey area. Australia's cooperation with such Indo-Pacific partners will depend on where Australia positions itself with such US policies.

Perhaps just as important as the Indo-Pacific partners would be the relationship with countries in the Middle East, as the Cocos (Keeling) Islands are closer to these countries than Pacific partners.

6 Impacts upon local communities

The relationship that the Cooperative has with the defence/border protection bodies has been a positive one, and the Cooperative believes that this will continue.

There is some concern among the Cocos Malay community that an increase in the defence presence could lead to a depopulation of the Cocos (Keeling) island as happened in Diego Garcia.