AUSTRALIA'S CONTRIBUTION TO THE FIGHT AGAINST TERRORISM IN SOUTHEAST ASIA

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The Australian Government recognises that Islamic-based terrorism is a threat to the security of South East Asia and to Australia, and that an international response is required to counter the threat. Australian counter-terrorist policies are two-fold: to stop any attack in Australia and to assist regional countries defeat the terrorist threat. The threat is identified as coming from terrorist groups in Indonesia, with offshoots in Malaysia and the Philippines, where many training camps are located, with trained personnel then travelling by boat from the Philippines to Indonesia or Malaysia. While Westerners including Australians have been killed in Indonesia (as have many Indonesians), there has not yet been an attack mounted against the Australian mainland.

This paper will examine the Australian contribution to counter-terrorism in South East Asia and is divided into four sections. First the paper will briefly consider the whole of government approach adopted by Australia and the contribution of various government departments and agencies to their counterparts in the region. Second, the paper will outline the extensive operational experience of the Australian Defence Force (ADF) in South East Asia, demonstrating the capacity available for the military contribution to counter-terrorism operations. Third, the paper will critically examine the methodological evidence used to demonstrate a maritime terrorist threat to shipping in the Malacca Strait. Finally the paper will offer some initiatives to counter these 'threats'.

AUSTRALIA'S OFFSHORE COUNTER-TERRORISM ACTIVITIES

Australia has adopted a coordinated international strategy with three main elements:

- building the will to combat terrorism through greater international and regional cooperation
- delivering practical results against terrorists through effective operational-level cooperation
- sharing Australian experience and training to strengthen regional capabilities.

Importantly Australia has adopted a formal network of bilateral counter-terrorism with a number of regional countries. What is significant is that these arrangements are concerned with cooperation between regional police, intelligence agencies, security authorities, customs, immigration and transport services, defence forces, and the financial sector. This reflects the Australian view that counter-terrorism is a law enforcement issue in the first instance, with the use of military forces a last resort. Therefore this section will focus on non-military activities conducted by AusAID, the Australian Federal Police and the Office of Transport Security.

Role of Relevant Government Agencies

Recognising that terrorist groups are able to use entrenched poverty as a recruiting tool, the Australian aid program managed by AusAID aims to both reduce poverty as

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a long term goal, while building counter-terrorism capacity in selected countries. It achieves this across two broad objectives:

- building the capacity of partner countries to manage terrorist threats by strengthening counter-terrorist and broader law enforcement capacity, and
- promoting environment conducive to economic growth and poverty reduction to minimise the potential for terrorist networks to develop.

AusAID runs extensive long term development programs, which are not considered in this paper, to assist countries to alleviate poverty. Three areas have been selected for strengthening counter-terrorism capacity: terrorist financing and money laundering; policing; and border security.³

The Australian Federal Police (AFP) has law enforcement responsibility for counter-terrorism, domestic and offshore, and has entered into a range of cooperative agreements under a Memorandum of Understanding with regional counterpart agencies to exchange information and to assist with tracking suspect terrorists. The AFP has 62 officers based in 31 posts in 26 countries, including counter-terrorism liaison officers in Washington and London, as well as advisers in the Philippines and Malaysia. The AFP also has teams based in both Indonesia and the Philippines supporting counter-terrorism operations. Their activities revolve around assisting in the development of intelligence and the coordination of operational arrangements, as the Australian counter-terrorism policy is to take the fight to the source, which is offshore. This is achieved by co-locating and integrating AFP officers into the day-to-day operations of counterpart agencies to maximise the exchange of criminal intelligence and specialist law enforcement skills.⁴

The Office of Transport Security (OTS) in the Department of Transport and Regional Services is responsible for domestic transport security (land, maritime and air), but with an offshore component given the international nature of air and maritime transport. Importantly, OTS is responsible for the development of legislation concerning transport security and applying penalties for breaches of the legislation, but not for the physical enforcement of transport security measures. Under the Maritime Transport and Offshore Facilities Security Act 2003, the owners of 300 port facilities in 70 ports, 60 offshore oil and gas facilities, as well as 55 Australian-flagged ships were required to conduct security assessments and develop appropriate security plans to manage those risks. OTS provides training and assistance to Southeast Asian countries on transportation security issues, with Transport Security Liaison Officers posted to both Jakarta and Manila, with another three officers about to be posted to Jakarta and two more to Manila. These officials share responsibility for transport security issues across all other South East Asian countries.

**Assistance to Indonesia**

The Australian Government has committed $10m over four years to building a counter-terrorism capacity in Indonesia. This includes such activities as designing projects to strengthen counter-terrorist capacity and border management, air and seaport security to be delivered by other Australian Government agencies to their Indonesian counterparts. Concerning border management, the aim is to strengthen the capacity of Indonesian immigration officials to identify and apprehend those involved in terrorism, people smuggling/trafficking and other transnational crime.⁵ AusAID is contributing $3.5m to the Indonesian National Police for crisis management training and intelligence officer and analyst training, with institutional support for the
establishment of a Transnational Crime Centre and development of a Criminal Information Management System. AusAID is also providing $3.5m to strengthen Indonesia's anti-money laundering regime, in the areas of legislative drafting and training in suspicious financial transactions investigations. A $3m fund has also been established to foster capacity-building links between Australian and Indonesian agencies dealing with travel security.\(^6\)

AusAID’s Indonesian Counter-Terrorist Capacity Building Initiative and the AFP’s Law Enforcement Cooperation Program is providing assistance valued at $4.8m over four years to upgrade Indonesian police capacity to deal with all types of transnational crime, including counter-terrorism.\(^7\) In February 2004, Indonesian and Australian announced a joint venture to build the Centre for Law Enforcement Cooperation in Jakarta. At a cost of $38m, the project funds the physical infrastructure, technical equipment, training and the gaining of operational experience. The Centre is developing links to transnational crime centres throughout the region and promoting a culture of cooperation and information exchange. Major regional partners of the Centre include the Philippines, Malaysia, Thailand and Singapore, where the aim of this multinational approach is to develop regionally-consistent practices and a stronger inter-country policing network. This Centre is also linked to the Indonesian Transnational Crime Coordination Centre, which assists in boosting intelligence and information sharing in the region.\(^8\)

The AFP also has a team in Indonesia dedicated to assisting the Indonesian National Police apprehend the remaining suspects for the 2002 Bali bombing and the 2004 bombing of the Australian Embassy in Jakarta.\(^9\)

Less visible, but critical, is the work of OTS in Indonesia, where advice is provided on maritime and aviation security issues, as well as the provision of training for undertaking port and ship security assessments. AusAID has supported other Government agencies to strengthen airport, immigration and customs control capabilities. This including installing a border management and alert processing system in four airports, improving security policy and procedures at Jakarta and Denpasar international airports and enhancing management of high risk sea cargo and vessels.\(^10\)

**Assistance to the Philippines**

AusAID funds a $5m counter-terrorism assistance package for the Philippines over three years in four related areas.\(^11\) AusAID is funding the AFP to build the capacity of the Philippine police force in forensic and crime scene investigation. Two document examination laboratories will be established to build the capacity of the Bureau of Immigration to better detect fraudulent travel documents; in 2004-05 nearly 400 fraudulent travel documents were referred to these laboratories for examination.\(^12\) The AFP has signed memoranda of Understanding with the Philippines National Police, the Philippines Drug Enforcement Agency and the Philippines National Bureau of Investigations.\(^13\) The AFP has a team in the Philippines that collects, collates, analyses and assesses information and intelligence to support AFP staff in the Philippines.\(^14\) A $3.65m project is underway to assist in building the counter-terrorism capacity of law enforcement agencies in the areas of intelligence sharing, bomb investigation techniques, and forensic capacity.\(^15\)
OTS is developing and delivering training modules to strengthen the capacity of several ports in Mindanao province to develop port security plans. AusAID is also supporting the development of links between law enforcement, border control and port security officials in the southern Philippines and the neighbouring counterparts.\(^\text{16}\)

**Assistance to Malaysia and Singapore**

In 2002 the AFP reached in principle agreements establishing Memorandums of Understanding enabling joint investigations and the exchange of information on transnational crime with the heads of Malaysia’s and Singapore's law enforcement agencies and since then, the AFP has run several counter-terrorist courses in both countries. Moreover, both the AFP and Singaporean law enforcement agencies have run training courses for other countries.\(^\text{17}\)

**Assistance to Thailand**

AusAID provides little aid to Thailand who prefers to be a regional aid donor rather than a recipient.\(^\text{18}\) In 2003 the AFP signed a Memorandum of Understanding with the head of Thailand’s law enforcement agency and since then, the AFP has conducting negotiator training with the Royal Thai Police.\(^\text{19}\) AusAID has been strengthening the capacity of institutions involved in securities regulation and anti-money laundering.\(^\text{20}\)

**Summary**

For cooperation between countries, they need to agree there is a problem, agree that they might require assistance in particular areas and be willing to accept assistance from countries with the requisite expertise. While countries in South East Asia might not agree on the necessary steps required to manage the economic and political problems that assist recruiting by terrorist groups, all would appear to agree on the appropriate response being one of law enforcement.

Importantly, the main Australian contribution to regional counter-terrorism is a land-based solution through capacity building of regional law enforcement skills and legislative frameworks. Australia also has particular expertise in port/shipping maritime security, which is being shared with the region through outposted OTS officers.

**AUSTRALIAN MILITARY OPERATIONS IN SOUTH EAST ASIA**

The Australian Defence Force (ADF) has been involved in South East Asia since the 1950s, predominantly in Malaya/Malaysia and Singapore. The ADF was committed to operations during the Malayan Emergency, confrontation with Indonesia over the formation of the Federation of Malaysia and during the Vietnam War.

The Royal Australian Navy (RAN) has been based in South East Asia since 1955 through deployments as part of the Far Eastern Strategic Reserve. Two frigates out of a total of seven in the RAN inventory were permanently deployed into Malayan waters with the regular deployment of the aircraft carrier HMAS *Melbourne* demonstrating Australia's concern with regional maritime security. Significantly, senior Australian naval officers commanded the Malaysian Navy from 1960-67.\(^\text{21}\)

The Australian Army was deployed to Malaya during the Emergency and to Malaysia as part of the 28th Commonwealth Brigade based at Terendak, fought against the
Indonesians in Borneo during Confrontation and were committed to the Vietnam War from 1962-72. The Royal Australian Air Force (RAAF) took over the Butterworth air base in Malaya in July 1958, were committed to operations during both Confrontation and the Vietnam War.\textsuperscript{22}

Australia's defence commitment to Malaysia and Singapore was strengthened after Britain, in 1966, foreshadowed the withdrawal of her military forces East of Suez by 1971. In June 1968 Malaysia and Singapore requested Australia and New Zealand (NZ) fill this defensive gap: on 25 February 1969 Australia and NZ agreed to retain their forces in the region. Australia would maintain one ship, two squadrons of Mirage aircraft and 1200 troops in Singapore and as Australia forces were leaving Malaysia, Australia promised Malaysia 10 Sabre fighter bombers and 90 RAAF maintenance personnel. On 1 September 1971 the Integrated Air Defence System in Butterworth was formed to provide for the joint air defence of Malaysia and Singapore, and on 1 November 1971 the Five Power Defence Arrangements (FPDA) came into force.\textsuperscript{23}

Australia slowly began to draw down her military forces in South East Asia during the 1970s as the Vietnam war ended. In the mid-1980s Australia withdrew its Mirage aircraft but promised to stage its new F/A-18 aircraft through Butterworth for four months a year with occasional F-111 deployments and regular P-3C Orion deployments from Butterworth into the Indian Ocean, Malacca Strait and South China Sea conducting joint maritime surveillance operations.\textsuperscript{24}

The mid 1980s saw a reorientation of Australian defence policy to the notion of self-reliance and a subsequent build up of military forces, concentrating on air and naval forces to deter or attack an adversary in the northern approaches to Australia. As part of this reorientation was acknowledgement of the importance of economic and political stability in South East Asia to Australian security. Indonesia was assessed as Australia’s most important neighbour, as the Indonesian archipelago was a protective barrier to the Australian north, while Australia was a stable and non-threatening country on Indonesia’s southern flank. This relationship was important, as any major threat to Australia would have to come through the Indonesian archipelago.

**Defence Cooperation**

Notwithstanding policy developments of the mid 1980s, Australia has been involved in defence cooperation activities in South East Asia since the 1960s, staring with Malaysia and Singapore from 1963, Indonesia from 1968 and the Philippines and Thailand from 1972-73. Initially cooperative activities with Malaysia and Singapore in the 1960s were related to basing of Australian forces there, but over time activities have focused more on the requirements of the countries concerned.\textsuperscript{25}

In order to promote a sense of shared strategic interest, Australian defence policies since the 1980s have included cooperation with South East Asian States in the development of their defence capabilities and for the ADF to exercise and train with them. This approach to the region was one of seeking a commonality of interests, to strengthen regional stability so there would be limited potential for external powers to introduce tension or conflict. Support for security in South East Asia was for practical cooperation through activities, such as: consultation on security prospects and policies, reciprocal visits by defence representatives and military units, combined exercises, specialist consultancy arrangements, training and joint projects.
Exchanges and visits promoted an understanding of different cultures, traditions and organisations, while training through attendance at courses and staff colleges provided technical knowledge and skills. Importantly many senior foreign officers have been trained in Australia and the contacts thus gained assist when dealing with sensitive issues between countries. This was particularly valuable to Australia during the 1999 INTERFET operation in East Timor.

**Military Exercises**

Australia conducts a significant military exercise program in South East Asia. These exercises might be bilateral, multilateral or held under specific arrangements.

These exercises might be bilateral, multilateral or held under specific arrangements. Bilateral exercises are conducted with most South East Asian countries except Indonesia, which participates in some multilateral exercises. Given differences in skills and capabilities between navies, the aims of each exercise may vary widely.

- The RAN trains with the Royal Malaysian Navy under Exercise *Mastex*, which aims to improve interoperability in combined maritime procedures and tactics.\(^{26}\)
- The RAN trains with the Royal Thai Navy under Exercise *Taa Nok Sii*, which aims to progressively develop a RTA maritime air surveillance capability. Under Exercise *Austhai*, last conducted in 2004, the aim is to develop basic interoperability in aspects of maritime warfare common to both navies. Exercise *Austhai 06* will further progress that interoperability.\(^{27}\)
- The RAN trains with the Royal Brunei Navy under Exercise *Penguin*, which aims to enhance interoperability by practising maritime patrol and surveillance procedures.\(^{28}\)
- The RAN trains with the Philippines Navy under Exercise *Lumbas*, which aims to develop interoperability in coordinated or combined maritime patrol and surveillance operations.\(^{29}\)
- The RAN trains with the Republic of Singapore Navy under Exercise *Singaroo*, which aims to improve interoperability in combined maritime procedures and tactics. Exercise *Singaroo 06*, planned for July-August 2006 aims to improve interoperability in all facets of naval warfare in order to undertake effective maritime combined and coalition ops.\(^{30}\)

Australia hosts a major multilateral exercise as part of its *Kakadu* series, and over July-August 2005, Exercise *Kakadu VII* took place with Indonesia, Malaysia, NZ, Brunei, Philippines, Thailand, Singapore and PNG, to develop relations and interoperability with the participating nations.\(^{31}\) Importantly, where some countries might have sensitivities concerning training together in a bilateral exercise, participation in a multilateral exercise often provides a circuit breaker allowing trust between parties to develop.

The defence forces of Britain, Singapore, Malaysia, Australia and NZ regularly exercise under the auspices of the Five Power Defence Arrangements (FPDA). Exercise *Flying Fish 03* was a joint and combined operation in a multi-threat environment for the defence of peninsular Malaysia and Singapore, with the aim of enhancing interoperability and to strengthen the professional relationship between the defence forces.\(^{32}\) The standard naval exercise is Exercise *Bersama Lima*, which aims to practice and develop operational procedures and tactics in a joint/combined
maritime exercise. Exercise Bersama Lima runs for two consecutive years in September and Bersama Padu runs in July of the third year.

At the sixth WPNS Workshop in 1997, Australia proposed that mine countermeasures (MCM) cooperation could be a significant area for cooperation, given the emergence of like capabilities in the region, particularly in South East Asia. This initiative was also significant from the positioning of MCM as a common naval capability in otherwise quite differently structured navies. The concept was developed within the RAN and internationally through a workshop held at HMAS Waterhen, where the notion of an exercise based on international doctrine was explored. It was agreed to hold such an exercise and Singapore in conjunction with Indonesia agreed to host MCMEX and DIVEX 2001 during June 2001, involving 16 countries, 15 ships and 1500 personnel. The exercise program included mine hunting and mine sweeping operations, diving, sea riding and medical exchange programs. Singapore and Indonesia hosted MCMEX and DIVEX 2004 during April-May 2004, conducted in the Singapore Strait and off the Indonesian Island of Palau Bintan, involving 18 countries, 20 ships and 1600 personnel. In addition to the 2001 elements, these Exercises included: combined maritime explosive ordnance disposal training, live mine disposal charge firings at sea, and shore-based training on formation minesweeping tactics. In December 2005, Australia hosted an international MCM Seminar in Sydney. Malaysia hosted MCMEX and DIVEX 2006 during June 2006, involving 21 countries, and eighteen ships. A key focus of this exercise was to hunt, defuse and destroy mines in coastal waters of the South China Sea.

Various other bilateral exercises occur between the ADF and South East Asian defence forces. All are aimed at improving procedures, tactics and professional skill, through benchmarking and learning from each other. Occasional multilateral exercises test all forces involved and are the highest level of exercise training available.

Notwithstanding the reorientation of some aspects of the FPDA maritime serials, all training with Southeast Asian defence forces focuses on basic skills necessary to conduct operations, which also develops the skills required for maritime counter-terrorism activities.

Summary
The key to maritime cooperation between navies is trust and understanding. Collaboration through multilateral activities provides an understanding of how each navy thinks, operates and what capabilities it possesses. It also provides an opportunity for personnel to interact, exchange ideas and professional expertise and gain an understanding of each other. Competency building through specific activities allows navies to train together to further enhance their skills. Cooperation and capacity building allow more experienced navies to pass on knowledge and expertise to other members. Importantly 'experience' is not limited to larger navies; rather it is based on specific skill sets across a range of navies.

Australia has over 50 years of institutional military experience in South East Asia, particularly on maritime issues. Exercises with Malaysia, Singapore and Indonesia on a bilateral or multilateral basis provide the necessary skills and experience for maritime counter-terrorism activities.
THE 'THREAT' OF MARITIME TERRORISM

What has become increasingly clear since the events of 11 September 2001, is that the entire supply chain relating to international seaborne trade is now more vulnerable. While States had long been aware of the possibilities of attacks against transportation, September 2001 saw a reorientation from attacking transport toward the use of the transportation system itself as a weapon. A trading system based on lowering economic costs to its users and shortening of delivering schedules is not necessarily conducive to stronger security measures.

To address this emerging threat, under the auspices of the International Maritime Organization (IMO), a range of measures were introduced to improve maritime safety and security. In December 2002 the international community agreed to amendments to the International Convention for the Safety of Life at Sea (SOLAS) 1974. A new chapter was included in SOLAS - Chapter XI-2 Special Measures to Enhance Maritime Security, and the International Ship and Port Facility Security (ISPS) Code was introduced. The aim of this activity was to create an international legislative framework for regulating and assessing the security of international shipping and associated port facilities.

Importance of the Malacca Strait

The Asia-Pacific is the most economically dynamic region in the world and is the driver for global economic growth and development, based predominantly on seaborne trade. South East Asia contains the major international sea-lanes for this seaborne trade, while also having a complicated maritime geography, adjoining territorial seas, and unresolved boundary delimitation issues. The trunk route between Europe and North Asia must pass through the Straits of Malacca, where it branches out through Hong Kong northwards to East Asia or the west coast of the US, or branches out southwards from Singapore to the Australian ports.

Shipping is vulnerable to attack or disruption by a variety of groups with differing motives, including local-operating pirates, criminal gangs, state-supported pirates/criminal gangs, terrorist groups and least likely at the moment, nation states. The vulnerabilities facing international shipping include attacks on ships; the hijacking of cargoes, the actual ship and increasingly the ships’ crew (for ransom); sinking ships, either to block narrow passages, port entrances or focal points or to create an environmental catastrophe; turning the ship into a weapon, either to attack land infrastructure through collision or explosion or to incapacitate the crew so that the ship continues underway along a busy strait, risking collision with other ships; and the importation of drugs, weapons, people in shipping containers.

Sea Robbery in the Malacca Strait

There is public concern over piracy in the Malacca Strait and fear of a possible maritime terrorist attack. While international shipping is being attacked in the Malacca Strait, the methodology adopted by the International Maritime Bureau's (IMB) Piracy Reporting Centre causes confusion over both the scale and types of attacks being perpetrated and does not assist with the development of appropriate policy responses to the assessed problem.

The IMB is funded by shipowners, who might have a vested interest in overstating the
threat facing international shipping, in order to pass on protective security costs to the littoral states (Indonesia, Malaysia, Singapore) rather than absorb them. It has been shipping policy to shrink crew numbers to lower costs, but now the ships have no crew to 'protect' the ship if it is boarded. It also appears the shipowners do not wish to fund ship 'defences' - electric fences and the like - preferring the littoral states to patrol the waters to stop the 'pirates'. There is no evidence that shipowners have begun to reroute shipping from the Malacca Strait, so it is not clear how seriously they actually regard the 'threat'.

Notwithstanding the possibility of overstating the threat to shipping, the number of attacks are probably lower than what is actually occurring as ships often do not report an incident. Shipmasters might not report an attack to the authorities as they cannot afford the delay (which might be a couple of days) to be interviewed by law enforcement officials. There are growing concerns that ship hijackings are not being reported with shipowners instead paying the ransom - this only encourages more attacks.

Confusingly the number of reported attacks is overstated because attempted attacks are combined with actually attacks. The IMB does not use the internationally accepted definition of piracy, their is much broader - so someone getting on board while the ship is berthed and stealing a wallet or ship’s stores is classified as pirate attack.

The use of the IMB data is misleading and has led to calls for increased naval patrols in the Malacca Strait. However, many attacks occur while the ship is berthed or at anchor - which means that it is up to port authorities or for the ship to protect itself. If the ship is steaming through the Strait then responsibility is with the ship to repel boarders in the first instance and then for maritime forces (navies and coastguards) to respond.

**Maritime Terrorism**

There is a growing concern that South East Asia is vulnerable to a maritime terrorist attack, either against shipping or directed against Singapore. The maritime transportation system is vulnerable and there have been some incidents of maritime terrorism indicating the capacity of some groups to undertake attacks and possible attack methodologies for other groups to adopt. However it is not yet clear there is a direct and organised maritime terrorist threat to Western shipping and trade. As an example, the attacks on the USS Cole and the MV Limburg do not necessarily translate to all out attacks on regional shipping; nor do attacks on oil/gas platforms in Saudi Arabia/Iraq translate to attacks on regional installations. Similarly, LTTE attacks on shipping are for a secessionist purpose in Sri Lanka and are not necessarily indicative of general maritime terrorist capabilities. The introduction of the ISPS Code is the first attempt art quantifying the problem and proposing possible solutions.

Currently the Proliferation Security Initiative (PSI) appears to be the only mechanism to intercept hostile cargoes at sea (or in the air), although there have been doubts expressed over the legitimacy of intercepting ships on the High Seas. However, in October 2005, amendments to the Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation, 1988 were agreed. The 2005 Protocols broaden the list of offences made unlawful under the treaties, so as to include the offence of using a ship itself in a manner that causes death or serious injury or
damage, and the transportation of weapons or equipment that could be used for weapons of mass destruction. They also introduced provisions for the boarding of ships where there are reasonable grounds to suspect that ship or person/s on board the ship is, has been, or is about to be involved in, the commission of an offence under the Convention. It is reasonable to assume that once the 2005 Protocols to the SUA Convention are ratified, then PSI member states are on a sounder legal footing than previously, if required to intercept suspect cargoes. Combined with the implementation of the ISPS Code, the PSI can be seen as a means to intercept problem shipping as far from a port as possible.

Economic Impact
While the cost of the ship and its cargo, as well of the lives of the ships’ crew, have a nominal value, it is the economic impact of trade disruption to nations that has become increasingly critical. With globalisation increasing these trends, the industries of many countries have moved to a just in time production philosophy, relying on goods to be delivered when required. This means that disruptions to deliveries through ship sinkings or more probably, rerouting can have major impacts that can flow through a national economy. This is particularly the case if the energy trades are affected.

Summary
What is occurring in the Malacca Strait is in fact sea robbery not piracy, which means that only the littoral states can respond to attacks in their waters. There is no evidence of a link between pirates and terrorists although terrorists might commit piracy to generate funds for other activities. There is also no identifiable maritime terrorist threat to shipping in South East Asia - the shipping industry is vulnerable and might become a target in the future, but current understanding of regional terrorist groups is that they do not have a maritime capability. That said, there have been international efforts both cooperatively through the PSI and legislatively through the IMO to create the ability to intercept and board suspect shipping.

Critically when considering any possible Australian involvement, little Australian trade transits the Malacca Strait. Australia’s exports of crude petroleum and oil transit through the Lombok, and Makassar Straits and then via the South China Sea if bound for Hong Kong or China, or via the Philippines Sea if bound for Korea and Japan. Exports of coke and coal transit through the Lombok and Malacca Straits if bound for Burma and Europe; or transit through the Lombok and Makassar Straits and then the Philippines Sea to Hong Kong, Taiwan, Korea and Japan. Exports of iron ore transit through the Lombok and Makassar Straits and then the Philippines Sea to Hong Kong, Taiwan, Korea and Japan. Thus any interest Australia may have in the security of the Malacca Strait is not related to direct Australian trade, rather to the stability of South East Asia and/or the second or third order effects if the energy trades to North and East Asia are affected.

Australia has been involved in the Proliferation Security Initiative since its inception in 2003, having hosted two meetings and led two exercises, one in 2003 and one in 2006. These exercises are concerned with intercepting and diverting or boarding aircraft or ships thought to be carrying WMD, and for naval participants, are excellent training for boarding operations.
Traditionally, navies have been responsible for the protection of merchant shipping, when attacks have been conducted by other navies, but changes to the international shipping industry and the growth of many stakeholders, as well as the demise of national fleets have complicated the legal picture. The protection of seaborne trade is a complex task and will almost always involve more than one country. Consequently, some form of cooperation will be necessary and clearly there would be benefit in having them agreed before an incident. Regional cooperative mechanisms provide a good foundation for this.

Under international law, Australia cannot conduct patrols in the Malacca Strait without Indonesian and Malaysian agreement, which would not appear to be forthcoming. Moreover, if agreement were forthcoming it is not evident what these patrols would achieve - they might act as a deterrent but would not necessarily be a ready reaction force unless an attack occurred near to their patrol area.

Navies periodically hold exercises to test and assess common procedures, and usually take the form of Naval Control of Shipping (NCS) command post exercises. There are also international naval trade protection fora known as Shipping Working Groups (SWG). The two main ones are NATO and the Pacific and Indian Oceans (PACIO SWG). The members of the PACIO group are the US, UK, Republic of Korea, Australia and Chile. Singapore and South Africa have observer status and the US tends to look after Japanese interests. Working Group efforts are designed to ensure all participants know how each views trade protection, to develop common strategic and operational level concepts and annually to test communications links.

INITIATIVES

Focusing on the possibility of maritime terrorism, it is clear, just as for land-based terrorism, that cooperation between countries is required to negate it. Indonesia and Malaysia reject any external involvement in the Malacca Strait as an impingement of their territorial sovereignty as coastal states. Singapore as a maritime state feels threatened and given her total reliance on seaborne trade, seeks assistance on managing and defeating the threat. So, given maritime jurisdictions in the Malacca Strait, no external country can conduct patrols or intervene in these waters except with the agreement of the coastal states concerned, although the littoral states are willing to accept assistance. Bilateral arrangements rather than multilateral arrangements would appear to best suit Malaysia and Indonesia (whereas multilateral arrangement best suit Singapore).

Maritime Cooperation

First, before cooperation can be contemplated, there needs to be agreement on what the actual common threats are facing each country in order to demonstrate a common purpose (in the case of the Malacca Strait, it is not clear that such an agreement exists amongst the littoral states). The Malacca Strait is vital to Singapore, important to Malaysia but perhaps of little importance to Indonesia. If such agreement does not exist, then external pressure on the littoral states to act will be self-defeating. However, assuming some form of agreement can be reached, from this flows the identification of possible responses to the common threat, leading to assistance in developing relevant capabilities if required.
Second, Maritime Domain Awareness is vital to identify if, when and where an attack might occur. This will involve the fusing of intelligence and surveillance information and its transmission to those who need access to it. This will entail inter-agency cooperation within each country, evolving over time to a combined activity between countries.\footnote{Department of Foreign Affairs and Trade, \textit{Transnational Terrorism: the Threat to Australia}, Canberra, 2004, p. 52.} The RAAF conducts Operation \textit{Gateway} maritime surveillance flights from Butterworth, while the littoral countries are considering the development of their own Eyes in the Sky - a proposal for joint maritime surveillance. After the Shangri La Dialogue meeting in Singapore in early 2005, Australia provided the littoral states with advice on aircraft leasing options as undertaken by the Australian Coastwatch Organisation. Recently the IMO agreed the introduction of a Long Range Identification and Tracking (LRIT) system, to enable countries to identify all vessels transiting their waters and particularly those intending to enter port. All SOLAS-compliant ships will have LRIT satellite systems that will provide the ship’s identity and location. It has already been accepted that Flag States will be able to access the data from their ships anywhere in the world, while Port States will be able to access the data from a nominated port following a declaration from the ship of an intention to enter that port.\footnote{Department of Prime Minister and Cabinet, \textit{Protecting Australia Against Terrorism}, Canberra, 2004, pp. 14-15.}

Third, joint and/or combined operations centres which fuse the intelligence and surveillance picture, but also plan and conduct exercises, planning and operational activities. Importantly, the common threat assessment must be high enough to justify this level of cooperation.

Fourth, training, exercises and exchanges are important, initially to improve individual skill sets, then collectively across a vessel and then between vessels. An inter-agency approach to training is required, so that all agencies concerned with maritime security are involved in all relevant training and importantly gain an understanding of individual agency culture. Joint exercises and then patrols enable maritime forces to work together. Basic passage exercises and then more involved serials provide the skill sets for basic sea keeping tasks for surveillance, interception and eventually enforcement. At this level, both organisations should be able to communicate with each other and more importantly, understand each other, with a thorough understanding of each other’s doctrine and operating procedures. The FPDA could be used as the basis for these exercises, extended to include Indonesia as an observer. Another option is to use the Western Pacific Naval Symposium (WPNS) as the appropriate vehicle for cooperation.\footnote{The attraction of the WPNS is that it already includes all the major parties involved in Malacca Strait security.} The attraction of the WPNS is that it already includes all the major parties involved in Malacca Strait security.

Fifth, the most suitable framework for the protection of shipping in the Malacca Strait might be the adoption of NATO Naval Control of Shipping (NCS) standards as the doctrine, administration and training already exist. It is not evident that the threat level warrants this approach yet. The Pacific and Indian Ocean Shipping Working Group (PACIOSWG) could be the administrative mechanism to bring these standards into effect, while also providing the framework for command post exercises to test administrative procedures, as well as exercises to test NCS scenarios. Australia as a key member of the PACIOSWG could provide guidance where necessary.
6 AusAID, *Counter-Terrorism and Australian Aid*, p. 6.
16 AusAID, *Counter-Terrorism and Australian Aid*, p. 7.
24 P Lewis Young, 'Malaysia and Singapore defence forces' *Journal of Defence and Diplomacy*, February 1988, p. 27.
40 These countries are Australia’s major trading partners, so if their economies are affected by problems in the Malacca Strait, then Australia will be similarly affected, albeit with a time lag.
Canadian, Singapore and Malaysia, to name but a few countries, have or are in the process of, creating such centres.


The purpose of the WPNS is to increase naval cooperation in the Western Pacific among navies by providing a forum for discussion of maritime issues, both global and regional, and in the process generate a flow of information and opinion between naval professionals leading to common understanding and possibly agreements.