

## Regional security

### Introduction

- 7.1 Regional security is linked to a number of different areas. The Committee received evidence on cooperation regarding:
- defence relationships;
  - insurgency and terrorism;
  - transnational crime;
  - biosecurity and health; and
  - security of radioactive materials.
- 7.2 Human rights and civil society issues are discussed in Chapter 8.

### Defence relationships

- 7.3 The Department of Defence (Defence) provided the Committee with an overview of the strategic situation in the ASEAN region. It told the Committee that a 'significant military modernisation' of capability was

occurring as each country became economically more prosperous. Maritime security was a significant issue in ASEAN and countries were investing in their naval forces. This modernisation, however, was not taking the form of an arms race.<sup>1</sup>

7.4 The Committee notes a similar conclusion of the 2008 Shangri-La Dialogue conference:

In many cases, Asia-Pacific armed forces were acquiring equipment – such as long range strike aircraft and submarines – that could be classed as ‘offensive’. There appeared to be a reactive quality to the military programmes of some combinations of states. However, there was broad consensus within the group that regional states were not involved in an arms race, which would imply an ‘aggressive build-up with malicious intent’, as one participant put it. Because their economies were expanding rapidly, states were able to spend more on their armed forces even though the proportion of GDP spent on defence remained constant or declined. Often, economic expansion also meant that states had more to protect, particularly in terms of maritime interests. It was also evident that spending more on defence and buying major military platforms did not necessarily translate into more effective military capabilities.<sup>2</sup>

7.5 Defence also commented that within ASEAN there was a more cooperative approach and between the region and Australia. Defence added that, for example, the response of Cambodia and Thailand to their border dispute indicated ‘a situation where countries are coming to a structure where they can deal with each other more effectively.’<sup>3,4</sup>

7.6 More specifically, Defence provided information on its multilateral relations with the region – through the ARF, the Five Power Defence Arrangements (FPDA), and the Shangri-La Dialogue – and its bilateral relations with individual ASEAN member countries (excluding Burma with which it does not have a bilateral defence relationship nor does it participate in bilateral defence force training exercises.<sup>5</sup>)

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1 Mr Lachlan Colquhoun, *Transcript 12 September 2008*, p. 35.

2 International Institute for Strategic Studies *The 7<sup>th</sup> IISS Asia Security Summit 2008*, p. 62.

3 Mr Lachlan Colquhoun, *Transcript 12 September 2008*, p. 38.

4 In October 2008, Cambodian and Thai forces clashed over a disputed border area near the World Heritage Preah Vihear Temple site. The two countries subsequently agreed in November 2008 to make demarcation of the border area a priority once landmines in the area had been cleared. Agence France-Presse, *Cambodia, Thailand make ‘big step’ in border talks*, 10 November 2008.

5 Defence, *Submission No. 7*, p. 75.

## ASEAN Regional Forum

- 7.7 As noted earlier in Chapter 2, the ARF is the ASEAN region's primary multilateral security forum. Defence told the Committee that initially the ARF 'began largely as a confidence building measures forum' with 'a lot of talk about mutual issues of concern', but with 'not a lot of action'. The focus has changed, however, towards 'genuine practical ARF-wide activities.'<sup>6</sup>
- 7.8 Defence provided examples of these practical activities. Following the Indian Ocean tsunami in December 2004, the ARF focused on improving regional coordination and response to natural disasters in the Asia-Pacific. The ARF Shepherds' Group on Disaster Relief was created in 2006 with Australia as a founding member. The Group was an informal grouping of countries established to 'better coordinate the various disaster relief initiatives in the ARF.'<sup>7</sup>
- 7.9 Australia and Indonesia subsequently co hosted an ARF-endorsed disaster relief desk-top exercise in Jakarta in May 2008:
- The desk-top exercise, designed by both Australian and Indonesian military planners with input from civilian agencies such as AusAID, DFAT and Emergency Management Australia, focused on building regional military-military and civil-military cooperation in responding to a fictional disaster relief scenario. The exercise also evaluated the draft ARF Strategic Guidance for Humanitarian Assistance and Disaster Relief initially drafted by Indonesia and Australia.<sup>8</sup>
- 7.10 A follow-up to the exercise, Defence advised, was a proposed 'live disaster relief "voluntary demonstration of response" activity involving military and civilian assets' hosted by the Philippines and US during 2009.<sup>9</sup>
- 7.11 A second aspect of ARF work is the promotion of 'closer regional cooperation on peacekeeping.' To this end Defence co hosted with Malaysia the inaugural ARF Peacekeeping Experts' Meeting in 2007.
- The meeting produced an almanac listing contact details for regional peacekeeping experts, existing training centres and training courses to promote regional training cooperation.

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6 Mr Lachlan Colquhoun, *Transcript 12 September 2008*, p. 41.

7 Defence, *Submission No. 7*, p. 79.

8 Defence, *Submission No. 7*, p. 79.

9 Defence, *Submission No. 7*, p. 79.

Discussion also focused on identifying measures to improve regional peacekeeping coordination and interoperability, and on promoting greater awareness of UN peacekeeping standards and UN doctrine for peace operations.<sup>10</sup>

- 7.12 A second ARF Peacekeeping Experts' Meeting was held in Singapore in 2008.

## Five Power Defence Arrangements

- 7.13 The FPDA involves Australia, New Zealand, the UK and ASEAN members: Singapore and Malaysia. Defence advised that recent initiatives focused on 'promoting greater levels of interoperability and increasing capacity to respond to non-conventional threats, including maritime security, humanitarian assistance and disaster relief.'<sup>11</sup>
- 7.14 The Committee discussed at some length the FPDA when it reviewed Australia's relationship with Malaysia.<sup>12</sup>

## Shangri-La Dialogue

- 7.15 The Shangri-La Dialogue annual conferences were established in 2002 to enable Asia-Pacific defence ministers to engage in confidence building dialogue and to foster practical security cooperation.<sup>13</sup> Defence commented that 'the meeting provides valuable opportunities for bilateral counterpart meetings and to progress bilateral and multilateral security initiatives.'<sup>14</sup>
- 7.16 Topics at the recent conference in 2008 included:
- whether an arms race existed in the Asia Pacific (discussed above);
  - the success of counter-terrorism (discussed below);
  - regional security architecture (discussed below); and
  - climate change and regional security (discussed in Chapter 9).

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10 Defence, *Submission No. 7*, pp. 79–80.

11 Defence, *Submission No. 7*, p. 77.

12 JSCFADT, *Australia's relationship with Malaysia*, Canberra, March 2007, pp. 20–3.

13 <<http://www.iiss.org/conferences/the-shangri-la-dialogue/about>> Accessed January 2009.

14 Defence, *Submission No. 7*, p. 77.

## Defence bilateral relations

7.17 The Department of Defence submission provided details of Australia's bilateral defence relationship with nine ASEAN member countries. These included:

- Brunei – special forces training and exercises and assistance in developing air capability.
- Cambodia – support for the development of a counter-terrorist capability and national maritime security.
- Indonesia – support for Indonesia's military peacekeeping centre and continued support for humanitarian aid and disaster management cooperation. Training for Indonesia's military and Department of Defence personnel both in Australia and Indonesia on 'defence management, civil-military cooperation, maritime law and security, operations law, peacekeeping, and emergency and disaster management.' The Lombok Treaty signed in February 2008 confirmed and strengthened defence cooperation with Indonesia.
- Laos – provision of English language assistance and training in Australia.
- Malaysia – provision of training, personnel exchanges, and bilateral exercises. A permanent Australian Defence Force presence at Royal Malaysian Air Force Base Butterworth assists Malaysia's capability to conduct maritime patrols.
- Philippines – provision of training in Australia, and in the Philippines on 'aviation security, financial management and accountability, and combat medic training.' Development of an army watercraft capability and a Coast Watch capability (see below).
- Singapore – provision of training facilities for land and air exercises and training in Australia. Provision of training courses in Australia covering 'submarine escape training, marine engineering, aeromedical evacuation, aviation safety, peacekeeping operations, maritime air surveillance, joint warfare and generic management, and officer training.'
- Thailand – capacity building in counter-terrorism, peacekeeping and governance. Provision of training in Australia and bilateral exercises to enhance skills and build interoperability.

- Vietnam – provision of training in Australia and support for a bilateral military medical research project into malaria and dengue fever.<sup>15</sup>

## Insurgency and terrorism

7.18 In January 2007, ASEAN member states signed the ASEAN Convention on Counter Terrorism. Areas of cooperation recognised by the Convention included a commitment to:

- Take the necessary steps to prevent the commission of terrorist acts, including by the provision of early warning to the other Parties through the exchange of information;
- Prevent those who finance, plan, facilitate, or commit terrorist acts from using their respective territories for those purposes against the other Parties and/or the citizens of the other Parties;
- Prevent and suppress the financing of terrorist acts;
- Prevent the movement of terrorists or terrorist groups by effective border control and controls on issuance of identity papers and travel documents, and through measures for preventing counterfeiting, forgery or fraudulent use of identity papers and travel documents; ...
- Enhance cross-border cooperation;
- Enhance intelligence exchange and sharing of information; ...
- Ensure that any person who participates in the financing, planning, preparation or perpetration of terrorist acts or in supporting terrorist acts is brought to justice.<sup>16</sup>

7.19 To take effect, the Convention requires the ratification of six member states, but up to June 2008 only Singapore and Thailand had ratified the agreement.<sup>17</sup> Media reports on the ASEAN Summit of February 2009, however, indicated that ASEAN would ‘work for the full implementation of a regional counter-terrorism pact’ in 2009.<sup>18</sup>

7.20 While much of the Defence’s relationship with ASEAN member countries is aimed at developing capability in conventional forces and activities, a significant proportion is devoted to combating terrorism and insurgency.

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15 Defence, *Submission No. 7*, pp. 74–7.

16 ASEAN Convention on Counter Terrorism, 13 January 2007.  
<<http://www.aseansec.org/19251.htm>> Accessed March 2009.

17 Xinhua, *Indonesia tentative on ASEAN’s counter terrorism convention*, 6 June 2008.  
<<http://english.peopledaily.com.cn/90001/90777/90851/6425972.html>> Accessed March 2009.

18 Agence France Press, *ASEAN to intensify counter-terrorism efforts: draft*, 1 March 2009.

Australian contribution to security in the region is also being made by the AFP and the Australian Customs Service.

- 7.21 There are three general concerns:
- lawlessness in the tri-border area of southern Philippines, Malaysia and Indonesia;
  - the terrorist threat posed by Jemaah Islamiah centred on Indonesia; and
  - terrorism/insurgency in southern Thailand.

### Philippines, Malaysia, Indonesia tri-border area

- 7.22 Defence explained the challenges posed in the tri-border area of the Philippines, Malaysia and Indonesia:

... we have a number of overlapping insurgencies plus relationships of convenience between some of those insurgencies and terrorist groups such as Jemaah Islamiah and Abu Sayyaf. ... It is quite a lawless region with hundreds and hundreds of tiny little islands and we do see criminals, terrorists and insurgent groups using those islands to island hop between countries.

... It tends to be the same channels, the same types of people who are smuggling people, weapons, drugs or anything else.<sup>19</sup>

- 7.23 In response, Defence was involved in a major project to provide fan-driven boats to the Philippine armed forces. These were being built in Newcastle NSW and would enable Philippine forces to manoeuvre in the marshlands of the southern Philippines which were being used by terrorists as a fallback area.<sup>20</sup>
- 7.24 While Defence was unable to undertake full exercises with the Philippines due to that country's constitutional restrictions, Australian special forces personnel and counter-terrorism experts did provide the Philippines with advice on counter-terrorism capability.<sup>21</sup>
- 7.25 Defence advised that as well, the Australian Customs Service was assisting in the creation of a Philippines Coast Watch South initiative based on Australia's Border Protection Command. Defence added that the US was also assisting through the provision of radar sites to the

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19 Mr Lachlan Colquhoun, *Transcript 12 September 2008*, pp. 38, 40.

20 Mr Lachlan Colquhoun, *Transcript 12 September 2008*, p. 36.

21 Mr Lachlan Colquhoun, *Transcript 12 September 2008*, p. 37.

Philippines, Malaysia, and Indonesia. The aim was 'to try and improve the radar picture and try and encourage those countries to share that information so that they can see when people are transiting.'<sup>22</sup>

7.26 As regards internal policing within the Philippines, the AFP told the Committee that it was important to increase the capacity of law enforcement agencies to meet terrorist threats. To that end, the AFP had helped to establish 'a regional cooperation team' in Manila and was undertaking:

... a large amount of capacity and capability development work with the police in the Philippines not only in the investigations and intelligence area but also in training their people and setting up their forensics capability in bomb data and more pure forensics.<sup>23</sup>

7.27 The AFP had helped to establish bomb data centres in Manila, Jakarta, and Bangkok. The Singapore Police also had such a centre. Bomb data centres were designed to:

... help to identify what substances may have been used in the bomb and what the triggering mechanisms may be. If a mobile phone or something of that nature has been used as a triggering device then it may assist in being able to get hold of the data within that and trying to understand who is behind it. The forensic capability which is required here is quite sophisticated. What we have found with developing that capability and capacity within those countries is that then they are linked together [and they create] ... a forensic capability which extends across the region and which is underpinned by a great deal of expertise both here and offshore.<sup>24</sup>

7.28 The AFP concluded that, while historically counter-terrorism had been considered a military responsibility, the increased police involvement was improving the situation.<sup>25</sup>

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22 Mr Lachlan Colquhoun, *Transcript 12 September 2008*, p. 38.

23 Assistant Commissioner Peter Drennan, *Transcript 2 October 2008*, p. 31.

24 Assistant Commissioner Peter Drennan, *Transcript 2 October 2008*, p. 32.

25 Assistant Commissioner Peter Drennan, *Transcript 2 October 2008*, p. 38.

## Counter-terrorism in Indonesia

7.29 The AFP told the Committee that while the terrorist threat in the Philippines was 'focused within the Philippines',<sup>26</sup> the threat in Indonesia involved Australian and Western targets:

There are Islamic terrorists in the region attempting to develop a purist, violent and intolerant form of Islam that actually threatens the tolerant mainstream form of Islam that does exist throughout the region. More recently, between 2002 and 2005, Jemaah Islamiah conducted a number of bombing campaigns against Australian and Western targets.<sup>27</sup>

7.30 The regional threat remained high and evolving, but the AFP noted that:

... the law enforcement efforts, particularly from the Indonesian National Police, have been quite effective and there have been quite a number of people arrested and prosecuted. Despite the ongoing disruption to that network, some key figures, particularly the pro-bombing group which is led by Noordin Top, remain resilient. As I say, the threat continues to exist and the arrest of the 10 JI suspects in Palembang in June [2008] and the seizure of explosives is a salient reminder that the issue ... continues to exist.<sup>28</sup>

7.31 In response, the authorities with Australian assistance and involvement had created a Jakarta-based regional cooperation team,<sup>29</sup> a bomb data centre (its role is described above), and a Multi National Operations Support Team (MNST) based in Jakarta. This team comprised law enforcement officers from Indonesia, Philippines, Singapore, Thailand, and Australia who worked 'collaboratively in response to terrorist threats in the region.'<sup>30</sup>

7.32 The AFP told the Committee that MNST provided:

... a central point where intelligence can be aggregated, to have some analysis of that intelligence done and therefore to look at the problem from a more regional perspective. ... There have been some considerable successes which have come from it. More than anywhere else, where it probably works is that it is bringing

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26 Assistant Commissioner Peter Drennan, *Transcript 2 October 2008*, p. 31.

27 Assistant Commissioner Peter Drennan, *Transcript 2 October 2008*, p. 30.

28 Assistant Commissioner Peter Drennan, *Transcript 2 October 2008*, p. 30.

29 Assistant Commissioner Peter Drennan, *Transcript 2 October 2008*, p. 31.

30 DFAT, *Submission No. 24*, p. 294.

together a range of countries across the region to sit and look at their law enforcement intelligence.<sup>31</sup>

- 7.33 A problem, however, was the ability of member countries to fund their presence at MNOST. This was because the required level of understanding and training and competency in English necessitated the presence of a senior or very experienced person.<sup>32</sup>

## Southern Thailand insurgency

- 7.34 The unrest in southern Thailand takes the form of an Islamic separatist campaign based on three provinces bordering Malaysia.<sup>33</sup>
- 7.35 Defence told the Committee that it was looking to provide counter improvised explosive device training to Thai forces.<sup>34</sup>
- 7.36 The AFP told the Committee it was working with the Thai police 'to set up a regional cooperation team in Bangkok which will assist in their capability development.' There was also a bomb data centre in Bangkok.<sup>35</sup>
- 7.37 The ASEAN Summit in February 2009 provided the opportunity for the Foreign Ministers of Malaysia and Thailand to come to a common view on the issue. Both countries reaffirmed their cooperation and endorsed Thailand's approach which emphasised socio-economic aspects and the need to cooperate 'under 3Es concept, which included education, employment and entrepreneurship.'
- 7.38 Malaysia also stated its position that 'it regarded the security and well-being in Thailand's South as identically important to those of Malaysia's north.'
- 7.39 The immediate outcome of the meeting was the announcement that the administration in Thailand's southern provinces would be restructured 'to involve the people and the police more in the process.'<sup>36</sup>

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31 Assistant Commissioner Peter Drennan, *Transcript 2 October 2008*, p. 40.

32 Assistant Commissioner Peter Drennan, *Transcript 2 October 2008*, p. 40.

33 <[http://en.wikipedia.org/wiki/South\\_Thailand\\_insurgency](http://en.wikipedia.org/wiki/South_Thailand_insurgency)> Accessed January 2009.

34 Mr Lachlan Colquhoun, *Transcript 12 September 2008*, p. 37.

35 Assistant Commissioner Peter Drennan, *Transcript 2 October 2008*, p. 31.

36 Press release, *Malaysia ready to cooperate with Thailand to resolve the situation in the Southern Border Provinces*, 27 February 2009. <<http://www.14thaseansummit.org/pdf/27PR-bilatFMEng.pdf>> Accessed January 2009.

## Transnational crime

7.40 The AFP told the Committee that it was empowered through the AFP Act, Ministerial directions, and international conventions to provide information to overseas agencies to combat transnational crime. The AFP added:

Police-to-police assistance is an informal process which allows law enforcement agencies to share information quickly with their foreign counterparts. The timely exchange of information is a key element of law enforcement efforts to combat transnational crime and generally this does not entail the exercise of coercive powers and does not require a mutual assistance request.<sup>37</sup>

7.41 Regarding countries which imposed the death penalty, the AFP advised that this 'was not a sufficient reason for Australia to disengage in collaborative efforts at a law enforcement level.' After charges were laid for an offence which attracted the death penalty, however, the AFP had to seek advice from the Attorney-General or the Minister for Home Affairs to ensure that any ongoing actions were consistent with Australian government policy and other international obligations.<sup>38</sup>

7.42 To facilitate contacts with its overseas counterparts the AFP had Liaison Officers in all the ASEAN member countries except Laos and Brunei.<sup>39</sup> These officers were all attached to the embassy in an official capacity.<sup>40</sup>

7.43 The AFP and DFAT advised that Australia was focusing on a number of areas of transnational crime including:

- human trafficking – the focus was on Indonesia and Malaysia where people were transiting to Australia from southwest Asia,<sup>41</sup> and it was providing a course on the topic in Brunei 'using AFP trainers and AFP doctrine';<sup>42</sup>
- online child sex exploitation – the AFP was involved with the Vietnamese Police in a 'high tech crime centre';<sup>43</sup>

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37 Commander Paul Osborne, *Transcript 2 October 2008*, p. 25.

38 Commander Paul Osborne, *Transcript 2 October 2008*, p. 25.

39 AFP, *Submission No. 35*, p. 442.

40 Assistant Commissioner Peter Drennan, *Transcript 2 October 2008*, p. 29.

41 Commander Paul Osborne, *Transcript 2 October 2008*, p. 33.

42 Commander Paul Osborne, *Transcript 2 October 2008*, p. 28.

43 Assistant Commissioner Peter Drennan, *Transcript 2 October 2008*, pp. 29–30.

- child sex tourism – as a consequence there was an increase in the level of attention and focus by overseas agencies and an increase in the level of information and intelligence sharing;<sup>44</sup>
- trade in narcotics – the current focus was on methamphetamine precursor movement through the Asia region;<sup>45</sup> and
- intellectual property crimes – the AFP had appointed an Asia-Pacific Intellectual Property Police Officer in early 2008 and in June 2008 hosted an IP Crime Workshop in Bangkok.<sup>46</sup>

7.44 The AFP also detailed the broad training programmes in which it was involved:

- some 4000 officers had been trained in the Jakarta Centre for Law Enforcement Cooperation – as well as courses on investigations and intelligence, training was provided in Islamic law, forensics, management and leadership, and there were also specific courses for policewomen;<sup>47</sup>
- annual courses in Singapore on the management of serious crime; and
- triannual Asia Region Law-Enforcement Management Program courses in Hanoi in partnership with the Royal Melbourne Institute of Technology – courses focused on tertiary accredited management subjects for middle management level ASEAN police officers.<sup>48</sup>

7.45 The outcome of its work, the AFP advised, was that a number of successful prosecutions in Australia had resulted, as well as the disruption of illegal activities and the arrest of suspects and prosecutions in ASEANAPOL countries.<sup>49</sup> The AFP's conclusion is applicable to combating terrorism and insurgency as well as combating transnational crime:

The success of such programs increases your ability to prevent and detect terrorist activity and conduct proactive investigations. But also, when you have a high degree of expertise or knowledge, then you make such activity more difficult, so people ... need to take more risk in what they are doing and expose themselves

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44 Commander Paul Osborne, *Transcript 2 October 2008*, p. 33.

45 Commander Paul Osborne, *Transcript 2 October 2008*, p. 33.

46 DFAT, *Submission No. 24*, p. 294.

47 Assistant Commissioner Peter Drennan, *Transcript 2 October 2008*, pp. 32–3.

48 Commander Paul Osborne, *Transcript 2 October 2008*, p. 37.

49 Commander Paul Osborne, *Transcript 2 October 2008*, pp. 28–9.

more and therefore provide greater opportunity for law enforcement to get visibility on what they are actually doing.<sup>50</sup>

Criminals do actually take a business approach to this: they will generate and maximise their profits and minimise their risks. From our perspective, if we can maximise those risks by developing the capability and capacity of particularly those countries that are exploited and are more vulnerable, that will certainly add to the global effort to combat transnational crime.<sup>51</sup>

- 7.46 Other Australian agencies play a significant support role in combating transnational crime. For example DIAC told the Committee that it had provided training and capacity building in areas such as ‘document fraud examination and intelligence analysis’ in relation to people movements. Its Airport Liaison Officer program also played an important role in detecting people who were undocumented or did not have an authority or right to enter Australia.<sup>52</sup>
- 7.47 As well, DAFF advised the Committee that Australia and Indonesia had initiated the Regional Plan of Action (RPOA) to promote responsible fishing practices including combating illegal unreported and unregulated fishing in the region. The RPOA was endorsed by eight of the ASEAN member countries<sup>53</sup> and covered the conservation of fisheries in the South China Sea, the Sulu-Sulawesi Seas, and the Arafura-Timor Seas. There were five priority areas:
- assessing the current resource and management situation in the region,
  - developing stronger coastal state responsibilities,
  - strengthening monitoring control and surveillance,
  - undertaking port state monitoring, and
  - developing regional capacity building mechanisms.<sup>54</sup>

## Committee comment

- 7.48 The Committee notes the wide ranging and comprehensive contribution of Australian agencies to the security of the ASEAN region. The security

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50 Assistant Commissioner Peter Drennan, *Transcript 2 October 2008*, p. 32.

51 Assistant Commissioner Peter Drennan, *Transcript 2 October 2008*, p. 34.

52 Ms Arja Keski-Nummi, *Transcript 12 September 2008*, pp. 14, 15.

53 Brunei, Cambodia, Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam.

54 DAFF, *Submission No. 25*, p. 334.

status is bound to fluctuate, but the Committee is confident that the level of co-operation will ensure long-term success.

- 7.49 Australian agencies should use the various forums provided by ASEAN and the focal point of Australia's diplomatic missions to establish and maintain agency-to-agency links and communications.

## Biosecurity and health

- 7.50 The incidence of plant and animal diseases such as foot and mouth, and human pandemics such as that potentially arising from avian influenza, could pose a significant threat to the security of the Asia-Pacific region.

## Biosecurity issues

- 7.51 DAFF told the Committee that it engaged ASEAN member countries mainly on a bilateral basis and focused on 'developing ASEAN capacity to manage animal and plant pests and diseases and to develop effective emergency response mechanisms.' Nevertheless, it remained mindful of Australia's interests:

Cooperative activities with ASEAN members need to be mutually beneficial and in line with Australia's national interests, including Australia's exports and maintaining Australia's animal and plant health status.<sup>55</sup>

- 7.52 The submission from the DAFF provided three examples:
- Sanitary and Phytosanitary (SPS) Capacity Building Program – aimed to enhance the capacity of ASEAN member countries 'to meet international SPS standards consistent with the WTO Agreement on the Application of Sanitary and Phytosanitary Measures';<sup>56</sup>
  - Indonesian Quarantine Strengthening Project – aimed to 'mitigate local quarantine risks associated with major diseases of quarantine concern, including highly pathogenic avian influenza', thereby extending outwards Australia's quarantine border and providing early warning and improved response to emerging quarantine threats; and

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55 Mr Paul Morris, *Transcript 2 October 2008*, p. 2.

56 Countries involved are: Burma, Cambodia, Indonesia, Laos, Philippines, Thailand, and Vietnam.

- Australian Fumigation Accreditation Scheme – aimed to ‘address the high quarantine risk posed by ineffective fumigation treatments performed offshore’ through providing training and an accreditation system for fumigators, regulatory officers and overseas fumigation companies.<sup>57,58</sup>

7.53 A consequence, however, of increasing awareness of quarantine issues and capability was the wish of countries to protect their own human, plant and animal health. As a result, several countries had put in place new regulations and protocols for the importation of plant and animal products into their markets. This had changed the focus of some of DAFF’s work to ensure:

... that these new protocols are done in a way which, on the one hand, is consistent with their international obligations under the sanitary and phytosanitary agreement of the WTO and, on the other hand – in recognition of our relatively favourable plant and animal health status – allows us to continue to supply products to their markets.

... So, while in principle they do recognise their international obligations, on occasion they will put in place these generic restrictions for all countries which we then have to go and do a sort of rearguard action on to convince them that in fact they do not need to require vaccinations and testing of us because we are free of these diseases.<sup>59</sup>

7.54 The Committee questioned DAFF as to whether these new restrictions were in fact a response to Australia’s vigorous biosecurity regime. DAFF responded:

There are very few examples where you could say explicitly that another country has done something in response to us not allowing their products in. But we do find that their progress on our issues can be quite slow at times and, on occasions, seemingly slower than perhaps their progress on other countries’ requests. So, indirectly, there is a suggestion that, because we are quite strict in terms of letting their products in, that can affect progress at least in terms of their responding to some of these issues.<sup>60</sup>

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57 Countries involved are Indonesia, Malaysia, and Thailand with the expectation that other ASEAN member countries will become involved.

58 DAFF, *Submission No. 25*, pp. 333, 335.

59 Mr Paul Morris, *Transcript 2 October 2008*, pp. 6, 7.

60 Mr Paul Morris, *Transcript 2 October 2008*, p. 7.

- 7.55 DAFF had responded to such potential delays by maintaining 'strong and vibrant relations with these countries' through providing operation assistance as well as posting two councillors to the region. These were based in Thailand and Indonesia and played an important role in strengthening relations.<sup>61</sup>
- 7.56 DAFF added that in the case of Thailand there had been a significant increase in its imports due to FTA negotiations. It had responded by tightening up its biosecurity regime as there was 'a higher level of plant and health risk because of the quantity of product.'<sup>62</sup>
- 7.57 SPS issues were not included in FTA negotiations, DAFF affirmed, to prevent compromising Australia's plant and animal health status. Often, however, an FTA would include a chapter on SPS, but this was usually a statement on the need to abide by international requirements. On the other hand, sometimes the FTA would result in the creation of an SPS committee 'to try to facilitate technical-level discussions on issues and, in that way, try to smooth the way to removing some of these barriers in the future.'<sup>63</sup>

## Health issues

- 7.58 The submission from the Australian Academy of Science provided information from the Menzies School of Health Research (the Menzies) which highlighted the effect of health on regional security and well-being:
- regional security can be directly affected by factors such as pandemics, or indirectly compromised by social instability caused by high rates of mortality and morbidity;
  - the regional economic growth can be similarly compromised by health-related factors;
  - the impact of global warming on the region [discussed in Chapter 9] is known to take health dimensions;
  - enhancing health research partnerships between Australia and ASEAN countries will yield health information of benefit to Australia and partner countries, and help to build research and broad academic capacity both for Australia and partner countries.
- 7.59 The submission added that medical research had an important role in assisting Australia to expand its relationship with ASEAN member
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61 Mr Paul Morris, *Transcript 2 October 2008*, p. 7.

62 Mr Paul Morris, *Transcript 2 October 2008*, p. 8.

63 Mr Paul Morris, *Transcript 2 October 2008*, p. 16.

countries and 'in helping to meet Australia's commitment to achieving the Millennium Development Goals'.<sup>64</sup>

- 7.60 The Menzies provided details of its collaboration with the region which focused on tropical diseases such as malaria. In Indonesia, collaboration and outcomes included:
- a research and training MoU with the Indonesian Ministry of Health;
  - collaborations with the Eijkman Institute, and District Health Authority in Timika, Papua;
  - construction of a joint Menzies-Indonesian Ministry of Health research facility in Timika, Papua and ongoing technical and operational support; and
  - participation in the South East Asian Severe Malaria Treatment study which demonstrated that a change in treatment drugs reduced mortality to severe malaria by 35 per cent (the World Health Organisation subsequently changed its treatment recommendations).<sup>65</sup>
- 7.61 In Thailand and Singapore, the Menzies collaborated in work on malaria with the Mahidol-Wellcome, Tropical Research Unit, Bangkok; and the A\*Star<sup>66</sup> and National University of Singapore.<sup>67</sup>
- 7.62 The Walter and Eliza Hall Institute of Medical Research (WEHI) also focused on malaria, as well as on tuberculosis, dengue fever and HIV. Its collaborations included:
- a formal collaborative agreement with the Eijkman Institute in Jakarta whereby Indonesian scientists spend time at the WEHI for collaboration and training;
  - a collaborative project with the University of Melbourne and the National Institute of Malariology, Parasitology and Entomology in Hanoi aimed at building capacity to respond to problems associated with highly drug-resistant malaria, hook worm infections, and iron deficiency in women; and
  - three workshops on malaria held in India and Bangkok.<sup>68</sup>

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64 AAS, *Submission No. 9*, p. 102.

65 AAS, *Submission No. 9*, pp. 104-5.

66 Agency for Science, Technology and Research, Singapore.

67 AAS, *Submission No. 9*, p. 105.

68 AAS, *Submission No. 9*, pp. 96, 97.

- 7.63 The Committee acknowledges that this is but a snap shot of the collaborative work on human health issues being undertaken by Australia and ASEAN institutions. This is exemplified by the information provided to the Committee by the National Health and Medical Research Council (NHMRC) which listed grants provided in 2006 for urgent research into a potential avian influenza-induced pandemic.<sup>69</sup> The NHMRC submission also provided information on recent successful applications for collaborative research between Australian institutions and institutions in Indonesia, Malaysia, Philippines, and Thailand.<sup>70</sup>

### Committee comment

- 7.64 The Committee notes the work being undertaken in the areas of biosecurity and health by Australia in collaboration with ASEAN member countries. The Committee agrees with DAFF when it argued that enhancement of biosecurity in ASEAN can expand outwards Australia's quarantine border and provide early warning and improved response to emerging threats.
- 7.65 The same is true of work in the health area as this not only improves the well-being of ASEAN member countries and thereby its security, but also protects Australians travelling abroad.
- 7.66 There is always room to increase spending, but this may be difficult in the current global financial crisis. What must be maintained, however, is a vigilance towards new threats and the flexibility to respond rapidly. The good relations Australia has with ASEAN member countries enables the communication necessary to convey the nature of any threat and coordinate the appropriate response in a timely manner.

### Security of radioactive materials

- 7.67 As noted in Chapter 2, ANSTO has provided assistance to ASEAN member countries for some considerable time through:
- the Regional Cooperative Agreement for Research, Development and Training related to Nuclear Science and Technology (RCA);
  - the Forum for Nuclear Cooperation in Asia (FNCA); and

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69 NHMRC, *Submission No. 16*, pp. 185–6.

70 NHMRC, *Submission No. 16*, p. 187.

- bilaterally on various projects, in particular through its Regional Security of Radioactive Sources (RSRS) Project.

## Regional Cooperative Agreement

7.68 ANSTO advised that, following Australia's joining the RCA in 1979,<sup>71</sup> some \$7 million had been committed to various projects. The most recent project involved \$1.42 million to implement a project:

... to improve regional radiological safety capabilities over the three years between 2004 and 2006. The objective of the project was to improve regional capacity to respond to radiological risks, including aquatic environmental risks, and radiological emergencies, including terrorism.<sup>72</sup>

7.69 ANSTO told the Committee that AusAID had recently reviewed the 'criteria for allocating aid and [had] decided that projects under the RCA [were] no longer eligible for AusAID funding.' ANSTO was trying to find an alternative source of funding for a further RCA project.<sup>73</sup>

7.70 Further discussion on ANSTO funding is provided below.

## Forum for Nuclear Cooperation in Asia

7.71 The FNCA was founded by Australia, Indonesia, Malaysia, Philippines, Thailand, and Vietnam in 1990.<sup>74</sup> ANSTO's involvement in projects had included:

- from 1997 to early 2008, sponsorship of a peer review of four research reactors in the region, three of which were in Indonesia, Malaysia, and Vietnam;
- a project concerning 'small angle neutron scattering for research reactors' which involved Indonesia, Malaysia, Philippines, Thailand, and Vietnam; and
- participation in a Radioactive Waste Management project also involving Indonesia, Malaysia, Philippines, Thailand, and Vietnam.<sup>75</sup>

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71 Membership comprises Australia and the ASEAN countries: Burma, Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam, together with Bangladesh, China, India, Japan, Republic of Korea, Mongolia, New Zealand, Pakistan, and Sri Lanka.

72 ANSTO, *Submission No. 30*, p. 423.

73 Mr Steven McIntosh, *Transcript 6 November 2008*, p. 10.

74 Membership has since expanded to include Bangladesh, China, Japan, and Republic of Korea.

75 ANSTO, *Submission No. 30*, p. 423.

7.72 ANSTO told the Committee that, as part of the radioactive waste management project, it provided advice on radioactive waste conditioning. It commented that the ASEAN member countries involved had the advantage of centralised waste storage facilities for disused material as well as low-level radioactive waste. It added that those facilities were well-managed and well-run.<sup>76</sup>

## Regional Security of Radioactive Sources Project

7.73 In providing evidence to the Committee, ANSTO drew a distinction between nuclear materials used in nuclear reactors, 'which have already been afforded high levels of physical protection and security management', and radioactive materials 'that are primarily used in medicine and industry.'<sup>77</sup>

7.74 Australia had worked with the region for many years:

... on radiation safety and application of nuclear techniques in medicine, agriculture, industry and so on. It has been largely through the IAEA programs and some bilateral programs, but as a result of that we are recognised as having the expertise and the wherewithal to contribute to these applications of nuclear technology in these sectors.<sup>78</sup>

7.75 For example, radioactive materials such as cobalt-60 have been used since the 1960s for cancer radiotherapy and indeed such sources had been provided as part of Australia's aid to the region. Australia no longer produces cobalt-60 as it has replaced the technology with accelerator therapy.<sup>79</sup>

7.76 Prior to the terrorist attack in New York in September 2001, the concern had been for the accidental loss and subsequent exposure to radioactive sources such as cobalt-60:

... in fact an accident in Thailand involved a cobalt-60 source from a former medical centre that had been abandoned. It had basically become lost to regulatory control or proper ownership. ... That particular source ended up being acquired by scrap metal dealers, who were irradiated externally from this source. Two or

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76 Mr Allan Murray, *Transcript 6 November 2008*, p. 15.

77 Mr Allan Murray, *Transcript 6 November 2008*, p. 3.

78 Mr Allan Murray, *Transcript 6 November 2008*, p. 8.

79 Mr Allan Murray, *Transcript 6 November 2008*, p. 11.

four of them ended up dying as a result of their radiation exposure.<sup>80</sup>

7.77 There were other major incidents in Brazil and Turkey and in response the IAEA had developed a code of conduct on the safety and security of radioactive sources – security against accidental access. The September 2001 attack, however, created the need to strengthen the code and led to the RSRS project:

After September 11 we went back and revised the code to make the security provisions much stronger to deal with intentional access, and it was those security provisions, which were new and did not exist in IAEA standards at all in relation to radioactive materials, as distinct from nuclear materials, which the RSRS project is applying in the region.<sup>81</sup>

7.78 ANSTO advised that the RSRS project had been funded by an appropriation amounting to \$6.5 million allocated in the 2004 and 2006 budgets.<sup>82</sup> This form of funding allowed ANSTO to be more responsive to the needs of regional countries.<sup>83</sup> The project had ‘engaged all ASEAN member states’ with the aim of:

... decreasing the vulnerability of radioactive sources ... to loss, theft, damage, misuse or sabotage, thus reducing the likelihood of terrorists acquiring such material. The means by which the RSRS Project advances this objective include:

- enhancing national regulations and regulatory infrastructure for radioactive source security;
- assessment of, and assistance with, the physical protection and security management of radioactive sources and the facilities in which they are used and stored;
- capacity building for radiological emergency preparedness and response; and
- identification of, and assistance with securing, vulnerable radioactive sources.<sup>84</sup>

7.79 ANSTO told the Committee that it had been involved at the operational level ‘with a number of hospitals and counterpart agencies in Indonesia, the Philippines and Vietnam.’ It added that it was working with other

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80 Mr Allan Murray, *Transcript 6 November 2008*, p. 4.

81 Mr Steven McIntosh, *Transcript 6 November 2008*, p. 4.

82 ANSTO, *Submission No. 30*, p. 425.

83 Mr Allan Murray, *Transcript 6 November 2008*, p. 10.

84 ANSTO, *Submission No. 30*, pp. 424–5.

nations such as the US and Canada.<sup>85</sup> For example, the US had installed hardware such as alarms and locks around which the security plans had been developed.<sup>86</sup>

7.80 ANSTO described the outcomes of the project to date:

Indonesia, for example, has modified its regulations to reflect the requirements for security and physical protection of radioactive sources. ... the fact that this is now regulated by the nuclear regulatory authority in Indonesia is significant, because they first had to obtain the authority within their government to do that. A similar process has occurred in the Philippines and Vietnam. We are about to work with our Malaysian colleagues in a similar vein.

... there is now that top-level recognition of the need to progress these matters. This is reflected in the fact that many of these countries are now signing on to the IAEA code of conduct for the safety and security of radioactive sources. It is a voluntary code, but it shows a commitment that they are prepared to implement the requirements of that code.<sup>87</sup>

7.81 Nevertheless, ANSTO believed that work still needed to be done. As its submission stated:

In ANSTO's experience in working with the ASEAN countries, it appears that nuclear regulators, operators and related security or emergency response personnel need continued bilateral or multilateral support to improve the safety and security of their radioactive sources. The concepts and practice of security measures and appropriate safety and security culture need to become more deeply embedded in the organisational work culture across all sectors responsible for radioactive sources' regulation, use and protection. The development of effective security programs requires on-going training and the gradual development of a security culture by all concerned. The development of an organisational culture which embeds both security and safety culture requires ongoing systematic regional engagement.<sup>88</sup>

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85 Mr Allan Murray, *Transcript 6 November 2008*, pp. 6, 8.

86 Mr Steven McIntosh, *Transcript 6 November 2008*, p. 7.

87 Mr Allan Murray, *Transcript 6 November 2008*, pp. 6, 7-8.

88 ANSTO, *Submission No. 30*, p. 426.

## Potential commercial benefits

- 7.82 As noted above, Australia has funded ANSTO's support to ASEAN member countries through a one line appropriation or through AusAID. This funding needed to be renewed because the appropriation for the RSRS project had ended and AusAID had ceased funding RCA projects.
- 7.83 The Committee explored the possibility of ANSTO seeking a commercial return for the assistance it provided to ASEAN member countries, either directly or from third countries who are supplying a radioactive source or nuclear materials through building Australian involvement into the supply contract.<sup>89</sup>
- 7.84 ANSTO responded that Australia was not in the nuclear industry other than as a uranium supplier. Moreover, ASEAN member countries only had research reactors which needed small amounts of uranium. There was consequently little commercial benefit to be had from the sector. Benefits through the provision of educational services were also limited because there were no Australian university nuclear engineering courses.<sup>90</sup>
- 7.85 Turning to radioactive sources, ANSTO noted that many of the cobalt-60 sources in the region had been supplied by Australia so there was a 'legacy issue' to ensure their security. Indeed, Australia was benefiting from the goodwill which had been generated from providing cancer therapy technology, particularly in Vietnam.<sup>91</sup>
- 7.86 Many of the radioactive sources were being used by 'public health authorities, which are chronically underfunded in places such as Indonesia and Philippines', so ANSTO was not motivated by possible commercial returns even in the mid-term.<sup>92</sup>
- 7.87 China, which supplied radioactive sources to the region, had signed up to the IAEA's code of conduct so it had to satisfy itself that any country receiving a source such as cobalt-60 had 'sufficient regulatory mechanisms in place to ensure the safety and security of that source.' As well, there was an obligation written into the contracts of supply for the return of the source after its useful life to the country of origin. Nevertheless, whether the recipient country requested the supplier to be more 'proactive in supporting their safety and security infrastructure'

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89 *Transcript 6 November 2008*, pp. 12, 14.

90 Mr Steven McIntosh, *Transcript 6 November 2008*, p. 12.

91 Mr Allan Murray, *Transcript 6 November 2008*, p. 11.

92 Mr Allan Murray, *Transcript 6 November 2008*, p. 13.

was a matter for the recipient. ANSTO had found that because of its relationship with its counterparts in the region, countries had preferred to work with Australia on 'improving their regulatory and safety and security infrastructure.'<sup>93</sup>

7.88 ANSTO concluded:

... we do adopt quite a strategic approach, particularly when working with the Americans. It is a much more integrated approach that we have adopted over the last couple of years where we have identified where all of these high-risk facilities and sources might be, and from a motivation of safety and security, rather than commercial or trade prospects, we are looking at that strategically.<sup>94</sup>

### Committee comment

7.89 The Committee considers that it is in Australia's interests to assist ASEAN member countries in securing their nascent nuclear infrastructure and their radioactive sources. ANSTO through its ongoing engagement with the region is well placed to provide that assistance and in the long term may be able to assist should ASEAN the member countries introduce nuclear-power.

7.90 The Committee believes there is merit in ANSTO attempting to seek a commercial return from its expertise and goodwill in the region by engaging suppliers of nuclear and radioactive materials to the ASEAN region with a view to ANSTO providing safety and security advice to ASEAN the member countries.

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93 Mr Allan Murray, *Transcript 6 November 2008*, pp. 14-15.

94 Mr Allan Murray, *Transcript 6 November 2008*, p. 15.