

Part III

Defence and security in the Indian Ocean rim, including counter piracy and port state control

The Indian Ocean has long been of central importance to trade; DFAT described the security of the Indian Ocean shipping lanes as 'vital to both Australia's economic interests and the energy security of the wider region, due to the centrality of the Indian Ocean's maritime trade routes to the energy security of many Asian states.'^{*}

In their article 'Our western front: Australia and the Indian Ocean', Drs Bateman and Bergin argued that the threats and risks in the Indian Ocean rim are extensive and varied—including: maritime security concerns (risks of interstate or intrastate conflict; threats to good order at sea, such as maritime terrorism, piracy, people smuggling and illegal fishing).^{**}

Part 3 of the committee's report examines the strategic significance and key defence and security issues of the Indian Ocean rim.

^{*} DFAT, *Submission 30*, p. 6.

^{**} Sam Bateman and Anthony Bergin, *Our western front: Australia and the Indian Ocean*, Australian Strategic Policy Institute, March 2010, p. 3.

Chapter 10

Defence and security in the Indian Ocean

The convergence of...strategic and economic interests is driving major Asian powers, such as China, Japan, South Korea and India, to increase their security presence in the region.¹

Strategic significance of the Indian Ocean rim

10.1 The Department of Defence's (Defence) submission identified the Indian Ocean as being of 'critical importance as a global trading thoroughfare'. The 2009 Defence White Paper determined that the Indian Ocean would continue to grow in significance with Asian states relying on the sea trade routes for transportation of resources.² Mr Michael Shoebridge, Defence, elaborated on this point noting that China, Japan, South Korea and India are all reliant on sea lane access to the Middle East and Africa in order to service their energy needs.³

10.2 DFAT also highlighted on the extent of the Asian countries' reliance on the Indian Ocean for transport of energy and resources noting that 'the Indian Ocean, in its totality, carries around one third of the bulk cargo traffic and around two thirds of the world's maritime oil shipment'.⁴

10.3 The reliance on secure sea transportation routes places great strategic significance on the Indian Ocean rim choke points such as the Strait of Hormuz and Malacca.⁵ DFAT drew attention to the extent of trade through these choke points:

- the Strait of Hormuz carried roughly 35 per cent of all seaborne traded oil, or almost 20 per cent of oil traded worldwide in 2011;
- some estimates put the proportion of global and regional trade (by volume) shipped annually through the Strait of Malacca at around 40 per cent and 80 per cent, respectively;
- by some estimates the Mozambique Channel carries an estimated 30 per cent of the world's oil supplies; and
- an estimated 20 per cent of total world trade passes through Bab-el-Mandeb (Gulf of Aden).⁶

1 Mr Shoebridge, Department of Defence, *Committee Hansard*, 6 December 2012, p. 25.

2 *Submission 5B*, p. 1.

3 *Committee Hansard*, 6 December 2012, p. 25.

4 *Submission 30*, p. 16.

5 Mr Shoebridge, Department of Defence, *Committee Hansard*, 6 December 2012, p. 25.

6 *Submission 30*, p. 16.

10.4 With trade a major part of Indian Ocean maritime traffic, the most significant security threats are those that affect merchant vessels—in particular piracy and terrorism. Other associated problems include drug trafficking and arms trafficking.⁷

Significance for Australia

10.5 Drs Bateman, Bergin and Russell Trood argued that despite the importance of the Indian Ocean for Australia's strategic and security interests, 'Australia often forgets that it is a three-ocean country.' They stated:

[Australia] rediscovers the Indian Ocean at roughly fifteen year intervals: in the late 1970s and early 1980s when the Soviet Union moved into Afghanistan, and again in the mid-1990s when Australia took a leading role in attempting build cooperation across the IOR.⁸

10.6 The Defence White Paper 2013 identified the Indian Ocean as a vital strategic interest for Australia—in particular protection of the sea lanes crossing the region from piracy. It stated that the key to regional stability was Australia's partnership with India and its other relationships with emerging naval powers in the region.⁹

10.7 The Defence White Paper 2013 emphasised the concept of the 'Indo-Pacific', a region defined as an arc from India through to the Pacific Ocean. It listed 'the continued rise of China, the increasing economic and strategic weight of East Asia, and the emergence of India as a global power as key trends developing the Indian Ocean as an area of strategic significance. In its assessment, 'In aggregate, these trends are shaping the emergence of the Indo-Pacific as a single strategic arc.'¹⁰ The paper described Australia's strategic interest in the Indian Ocean:

Australia's Indian Ocean coastline is longer than those bounded by the Pacific or Southern Oceans. Australia is responding to the rise of the Indian Ocean region as an area of global strategic significance, and as an integral part of the Indo-Pacific strategic system. The security of its waters, and the trade which flows through them, is important to global, regional and Australian strategic interests. [T]he Indian Ocean is surpassing the Atlantic and Pacific oceans as the world's busiest trade corridor.¹¹

Counter-terrorism

10.8 Mr Sergei DeSilva-Ranasinghe, a defence analyst, pointed out the scale of counter-terrorism cooperation within the Indian Ocean rim, noting:

7 Department of Defence, *Submission 5B*, p. 1.

8 Drs Bateman, Bergin and Trood, *Submission 21*, p. 3.

9 Department of Defence, *Defence White Paper 2013*, paragraph 3.22, p. 26.

10 Department of Defence, *Defence White Paper 2013*, paragraph 1.12, p. 2.

11 Department of Defence, *Defence White Paper 2013*, paragraph 6.64, p. 65.

Some 11 of Australia's 17 bilateral counter-terrorism MOUs [Memoranda of Understanding] have been signed with Indian Ocean-region countries. Australia's engagement in the Iraq and Afghanistan Wars again entailed significant ADF logistic support across the Indian Ocean. Both before and after these wars the ADF has been required to mount longstanding maritime operations in the ocean directly, particularly through the RAN's participation in sanctions enforcement, terrorist interdiction, anti-piracy and counter-people smuggling operations. The ADF also continues to support Australia's widening economic and diplomatic ties with Africa, bilateral defence co-operation with Pakistan, and nascent but expanding bilateral strategic linkages with India.¹²

10.9 The AFP elaborated on Australia's work in capacity building in the region—particularly of neighbouring countries to combat counter-terrorism. Governance instruments such as Memoranda of Understanding (MoUs) form the basis of the AFP's police-to-police assistance to countries such as Indonesia, India and Timor-Leste. The AFP currently has agreements and MoUs with 20 countries in the Indian Ocean rim and neighbouring regions. On average, the objectives of an MoU are wide-ranging and include:

...promoting police cooperation (to assist in combatting transnational organised crime), information exchange and access to information, provisions for joint activities or operations and the provision of training and professional development.¹³

Naval presence in the Indian Ocean rim

10.10 Mr DeSilva-Ranasinghe observed that the Indian Ocean had recently seen the expansion of naval influence of countries such as Pakistan, India and Iran. He noted that 'Iran's naval chief has actually gone on record...claiming the Malacca Strait, right up to Aden, as being a triangle of influence for Iran's war ships to operate in'.¹⁴ Mr DeSilva-Ranasinghe argued that these comments by Iran, and Pakistan's 'look east' policy, were creating a new dynamic in the region. He explained that Pakistan was engaging 'their naval forces...in military or navy-to-navy diplomacy with countries like Malaysia and Brunei'.¹⁵

Growing influence of China—US pivot in the Indian Ocean rim

10.11 Mr Shoebridge noted that both China and India were working to modernise their navies and maintain a presence in the region—a move driven by the need to

12 *Submission 42*, p. 5.

13 AFP, answers to questions on notice, question 3, p. 4.

14 *Committee Hansard*, 22 March 2013, p. 18.

15 *Committee Hansard*, 22 March 2013, p. 18.

secure sea lines for resource transportation and which recognised the growing significance of the Indian Ocean.¹⁶

10.12 Defence believes that strategic competition between the US, China and India is likely to shape the security environment in the Indian Ocean out to 2030.¹⁷ Mr Shoebridge noted that the broader regional architecture in the Indian Ocean remains 'immature' and contrasted this situation with the development of 'multiple fora in the Indo-Pacific as a means to resolve disputes, tensions and conflict points'.¹⁸ Mr Shoebridge told the committee that Defence was also 'contributing to multilateral initiatives in the region' and would look to expand this agenda:

Together with the Department of Foreign Affairs and Trade, we are supporting the development of the Indian Ocean regional architecture, such as the Indian Ocean Naval Symposium and the Indian Ocean Rim Association for Regional Cooperation. The IOR-ARC's 20 members, for example, include key states such as India, Indonesia, Iran, the UAE and South Africa, who will be influential shapers of the Indian Ocean security environment.¹⁹

10.13 A contrary view was expressed by Mr Sergei DeSilva-Ranasinghe. While he agreed that China was an emerging economic power in the Indian Ocean rim region, he argued that China's naval ambitions had been exaggerated. Mr DeSilva-Ranasinghe submitted that China's naval presence in the region is quite light and focused more on its support of counter piracy measures than on creating a so-called 'string of pearls' strategy. This strategy refers to the Chinese purported plan to set up a series of ports in friendly countries along the Indian Ocean's northern seaboard.²⁰ Mr DeSilva-Ranasinghe contended that the 'string of pearls' theory could be debunked on two counts: firstly, that no country would want to invest in so many bases so quickly, particularly given the cost, and secondly that such expansion would bring China into conflict with India:

In fact, if they were to go down that track they would be courting potentially conflict or a very serious change in the dynamic of their relationship to one of confrontation. There is no indicator that any of those countries intend to pursue such a policy with India, especially a rising and more military capable India.²¹

16 *Committee Hansard*, 6 December 2012, p. 25.

17 *Submission 5B*, p. 4.

18 *Committee Hansard*, 6 December 2012, p. 26.

19 *Committee Hansard*, 6 December 2012, p. 26.

20 See for example, Robert D. Kaplan, 'Centre Stage for the Twenty-first Century: Power Plays in the Indian Ocean', *Foreign Affairs*, vol. 88, issue 2, March/April 2009.

21 *Committee Hansard*, 22 March 2013, pp. 21–22.

India's growing significance

10.14 Both Defence and DFAT noted the growing significance of India as a naval power and influence in the Indian Ocean rim.²² In particular, Defence noted that India had recently been engaged in a naval modernisation program that would increase its maritime capacity in the region significantly.²³ Further:

In December 2001, India's Chief of Navy announced plans to build infrastructure in four Indian Ocean island groups to enhance maritime surveillance and forward operating capabilities in the region, enhancing its existing military presence in the Andaman and Nicobar islands.²⁴

10.15 Australia has recently worked to enhance its relationship with India, both in terms of trade and political ties, and in strengthening its bilateral security relationship.²⁵ Defence noted that:

During the Minister for Defence's visit to India in December 2011 he visited Headquarters Western Naval Command in Mumbai, and agreed with his Indian counterpart to establish annual Defence Policy Talks as well as a bilateral 1.5 track defence strategic dialogue, as well as to work towards a formal bilateral maritime exercise.²⁶

10.16 The Defence White Paper explained that the strategic engagement between Australia and India has included high-level visits, exchanges and dialogue and cooperation across activities such as ship visits and professional exchanges. The navy to navy relationship with Indian was seen as particularly important with the White Paper noting that both countries would work towards establishing a formal bilateral maritime exercise.²⁷

Indian Ocean Naval Symposium

10.17 The Indian Ocean Naval Symposium (IONS) is an example of a regional response to growing concerns about security matters in the Indian Ocean rim. It is a voluntary initiative, formed with the assistance of India in 2008. The symposium aims to increase maritime co-operation among the navies of the India Ocean region littoral states and provides a forum for discussion of regional maritime issues. Discussions at

22 *Submission 5B* and *Submission 30*.

23 *Submission 5B*, p. 3.

24 *Submission 5B*, p. 3.

25 See for example, 'Prime Minister to make state visit to India', *Media release*, 11 October 2012, <http://www.pm.gov.au/press-office/prime-minister-make-state-visit-india> (accessed 7 May 2013); DFAT, 'Australia-India Comprehensive Economic Cooperation Agreement negotiations', <http://www.dfat.gov.au/fta/aifta/> (accessed 7 May 2013); and *Australia in the Asian Century White Paper*, October 2012, pp. 74, 230.

26 *Submission 5B*, p. 4.

27 Department of Defence, *Defence White Paper 2013*, paragraph 6.68, p. 65.

their workshops and seminars cover a range of threats to the security of the Indian Ocean and its coastal areas including piracy, people smuggling, narcotic trafficking, gun running and illegal, unreported and unregulated fishing. They also consider topics such as humanitarian assistance and disaster relief operations in the region. Meetings are held every two years and various seminars and workshops held each year. IONS Chair and Secretariat are rotated every two years—South Africa is the current Chair and will transfer responsibility to Australia in 2014 at the Conclave of Chiefs.²⁸

10.18 IONS has 35 member countries—this list includes all 20 members of IOR-ARC, as well as three IOR-ARC dialogue partners (France, Egypt and Japan).²⁹ Twelve countries are members of both IONS and the Combined Maritime Forces, a multi-national naval partnership led by the US to promote maritime security.³⁰ Six members of IOR-ARC participate in the Combined Maritime Forces, as well as four IOR-ARC dialogue partners. Pakistan and Saudi Arabia, while both members of IONS and the Combined Maritime Forces, are not members of IOR-ARC. Importantly, both Pakistan and India participate in the symposiums.

10.19 Regional architecture, including forums for defence dialogue, is central to bolstering Australia's relations with other countries in the region. Defence noted that Australia supports the development of regional multinational architecture in furtherance of this aim and explained the benefits of Australia's involvement with IONS:

[T]he Indian Ocean Naval Symposium (IONS) brings together Chiefs of Navy from twenty-six states...[and] provides a consultative forum for discussion of maritime security issues...Australia will host the IONS Conclave of Chiefs in Perth during 2014.³¹

10.20 Mr Shoebridge, Defence, described IONS as:

...the only real forum in the Indian Ocean that has a broad range of participants where we can build those habits of cooperation. A strong focus that it has, given the regional security environment, is around piracy—and there we have been able to build those kinds of habits of cooperation out of the very diverse set of navies that have been operating there. So there are some useful lessons out of that for the other participants in the naval symposium.³²

28 *Submission 30*, p. 50.

29 Indian Ocean Naval Symposium, 'Members' Country', http://ions.gov.in/?q=member_country (accessed 6 May 2013). IOR-ARC dialogue partners China, United Kingdom and United States of America are not members of IONS.

30 Combined Maritime Forces, 'About CMF', <http://combinedmaritimeforces.com/about/> (accessed 6 May 2013).

31 *Submission 5B*, p. 4.

32 *Committee Hansard*, 6 December 2012, p. 29.

10.21 Mr Shoebridge observed that IONS has been essentially about dialogue between littoral states and sharing lessons learnt. He explained that it was Australia's intention as Chair of IONS in 2014 to use the symposium structure to examine some practical matters—namely counter-piracy measures.³³ Defence advised the committee that 368 delegates had attended the 2012 IONS Chiefs' Conclave in South Africa in 2012 and that a similar number was planned for the 2014 conclave to be held in Perth.³⁴ In its submission, DFAT noted that India's recognition of the threat to its maritime and trading interests posed by piracy was key to India's drive for the formation of the Indian Ocean Naval Symposium (IONS) in 2008.³⁵

10.22 Mr Sergei DeSilva-Ranasinghe spoke of the benefits of IONS as a regional forum for the development of networks between navies in the Indian Ocean rim. He observed that from his own research, he believed that the forum had so far been effective in building a trans-Indian Ocean partnership.³⁶

Bilateral versus multilateral approaches to defence and security in the Indian Ocean rim

10.23 Australia's current policy perspectives on defence, strategic security and soft security approaches are based on bilateral relationships and single issue sub-regional groups (for example piracy). The committee believes that the diversity of challenges in the region prevents development of a strategy for the region as a whole, encompassing all the countries of the Indian Ocean rim. Mr Shoebridge advised the committee that:

The Australian Defence Force and the broader Defence organisation have a critical role in supporting Australia's interests in the Indian Ocean region and capitalising on these strategic opportunities. We are moving to establish stronger foundations for long-term defence partnerships in the Indian Ocean region. Our engagement initiatives are underpinned by the understanding of the importance for countries with an interest in Indian Ocean security to secure their interests collectively rather than individually. While the security architecture and broader regional architecture remains immature in this environment, our legacy of building relationships in the region and also our commitment to this collaborative approach to security we think puts us in a good position to help shape that environment.³⁷

10.24 Defence acknowledged that multilateral engagement could yield benefits, provided common interests were identified and momentum and agreement achieved. However it is clear that Defence values bilateral engagement, with Mr Shoebridge

33 *Committee Hansard*, 6 December 2012, p. 29.

34 Defence, answers to questions on notice (public hearing 6 December 2012), question 3, p. 4.

35 *Submission 30*, p. 21.

36 *Committee Hansard*, 22 March 2013, p. 19.

37 *Committee Hansard*, 6 December 2012, p. 26.

noting that 'you can often have a deeper dialogue bilaterally than you can have in a broader multilateral forum'. He observed that '[o]ur strong direction is to strengthen multilateral fora and engagement but recognise that a lot of that has to be on the foundation of close bilateral engagement and relationships'.³⁸

10.25 For example, the Defence White Paper 2013 cited the Defence Cooperation Arrangement, signed in September 2012, between Australia and Indonesia. This agreement provides a formal framework for 'practical defence cooperation under the Lombok Treaty'.³⁹ According to the White Paper, Australia will use the agreement to develop options for expanding the current program of maritime, counter-terrorism, peacekeeping, humanitarian assistance and disaster relief cooperation.⁴⁰

10.26 Nevertheless, the committee sees significant benefits for future defence and security policy development for government to focus on the challenges in the Indian Ocean rim. The committee supports any strategic policy work being done to examine synergies and opportunities for cooperation in the region, particularly with a view to the role Australia can play in promoting cooperation and security in the Indian Ocean rim. The committee would be encouraged to see Defence, in future publications, promote the practical engagement it has in leading multilateral engagement in the Indian Ocean rim. The committee is all too aware that statements of support do not result in tangible habits of cooperation between countries.

Security risks to Australia's North West—protection of infrastructure

10.27 With the second largest coastline bordering the Indian Ocean, Australia also has a focus on domestic security, including protection of Australia's external territories—Cocos (Keeling) Islands and Christmas Island.

10.28 Drs Bateman, Bergin and Trood contend that, in the past, assessments of the strategic security issues in the North West of Australia have reflected a view that this part of the continent was 'remote with relatively little national infrastructure'.⁴¹ However they noted that this view does not take into account the major strategic importance of offshore oil and gas infrastructure for Australia's prosperity and security.⁴² Drs Bateman, Bergin and Trood maintain that defence facilities in the North West are limited and that defence activity has decreased in the area:

The 'bare' air bases at Learmonth (about 1200 kilometres from Perth) and Curtin (about 1000 kilometres from Darwin) are rarely activated...Operations of the Army Reserve regional force surveillance in the Pilbara and Kimberly regions have been reduced due to budgetary

38 *Committee Hansard*, 6 December 2012, p. 27.

39 Department of Defence, *Defence White Paper 2013*, paragraph 6.30, p. 59.

40 Department of Defence, *Defence White Paper 2013*, paragraph 6.30, p. 59.

41 Drs Bateman, Bergin and Trood, *Submission 21*, p. 8.

42 Drs Bateman, Bergin and Trood, *Submission 21*, p. 8.

restrictions (Dodd 2009). There is not a naval base between Perth and Darwin. It is over 3000 kilometres from Perth to Darwin, and the ADF could be slow in responding to an offshore contingency in the Pilbara region.⁴³

10.29 Defence acknowledged the importance of the offshore resource exploitation in Australia's North West, noting further that Australia is the world's fastest growing liquefied natural gas (LNG) exporter.⁴⁴ Mr Shoebridge advised the committee of the result of work done by the Defence Force Posture Review, released in May 2012, in regards to defence work in the North West of Australia:

The ADF posture review released in May and assessed there is a greater level of Australian Defence Force activity in the northern approaches than realised. Under the review's recommendation, Defence is also improving relationships with stakeholders in the north and north-west, including greater engagement with industry and community representatives. The Defence Force is also enhancing its familiarity with and preparedness for operations in the north-west through more exercises and greater assessments to improve infrastructure.⁴⁵

10.30 On 7 June 2012, the then Inspector of Transport Security, Mr Mick Palmer, presented his report on Offshore Oil and Gas Resource Sector Security to the Minister for Infrastructure and Transport. The report found that, generally, Australia is considered a low-risk location for investment, with good security and supply reliability. However the report noted that the oil and gas industry is changing and 'Australia increasingly has a range of characteristics within its operating environment that are likely to heighten security implications in the future'. Further, in the Australian environment, 'security planning is a relatively new priority with Australian-based management positions in company security being only reasonably recently introduced'.⁴⁶

10.31 The report recognised that responding to future security threats is a challenge for industry, government, and the defence forces, noting:

While within Victoria and Western Australia relevant state police engage on a regular basis in joint exercises with industry on near-shore offshore facilities, it is understood that no Commonwealth agency has participated in such exercise since about 2004.

Although the reasons are well known and understood, ADF exercises on or in the vicinity of offshore facilities, as occurred in the Bass Strait during the

43 Bateman, Bergin and Trood, *Submission 21*, p. 8.

44 *Submission 5B*, p. 2.

45 *Committee Hansard*, 6 December 2012, p. 25.

46 Office of the Inspector of Transport Security, *Offshore Oil and Gas Resources Sector Security Inquiry*, 2012, p. 2.

1980s, have rarely been conducted in recent years, either in the Bass Strait or in Australia's North West Shelf region.⁴⁷

10.32 Defence disputed the observations made by the Office of Inspector of Transport Security that no Commonwealth agency had participated in exercises in the North West since 2004, but did accept that there had been a reduction of activity, explaining the 'well known and understood' reasons:

Defence has conducted training events on Offshore Energy Installations (OEI) since 2004, though the frequency of the training has reduced as a result of the number of factors, including the following:

- (a) The cost to industry of conducting training of this nature on their installations when factors such as economic, indemnity and workplace health and safety issues are taken into consideration;
- (b) The reduction in the National CT [counter terrorism] Committee Whole-of-Government CT exercise program that has led to fewer large scale CT exercises;
- (c) High ADF operational tempo impacting the availability of supporting air and maritime platforms; and
- (d) Difficulty in scheduling mutually suitable times for training between the ADF and industry.

As a result, smaller training events such as discussion exercises and OEI platform familiarisations have been conducted in the interim. Resourcing and location of bases are planning factors that are considered when planning CT exercises, but are not a primary consideration.⁴⁸

47 Office of the Inspector of Transport Security, *Offshore Oil and Gas Resources Sector Security Inquiry*, 2012, p. 3.

48 Defence, answers to questions on notice (public hearing 6 December 2012), question 6, pp. 20-21.



LNG tankers at Port Dampier, Western Australia.

Committee's visit to Pilbara region

10.33 Between 21 and 24 April 2013, the committee visited the Pilbara region—including Karratha, Exmouth, Dampier and Port Hedland—and was able to view firsthand the complex policy issues facing the region. Through conversations with community and industry representatives, the committee gained a valuable insight into the grassroots view of the region's future challenges.

10.34 The committee heard from a number of industry and community representatives that there was a feeling in the area that Defence did not view the region as a security priority. They felt that there was a need for more patrols, and an increased visible Defence presence. While they acknowledged that the risk of a terrorist or other hostile attack was low, they noted that the consequences would be extreme.⁴⁹ These views were also expressed through the media by the chief executive of the Pilbara Regional Council, Mr Tony Friday. Mr Friday expressed his concerns to the ABC: '[t]he reality nowadays is that any threat, either sovereign or terrorist, is

49 Information obtained during site visit in the Pilbara region.

much more likely to come from the north or west, yet a lot of the defence assets are positioned on the east coast'.⁵⁰

10.35 Comments to the media by Mr Warren Pearce of the Chamber of Minerals and Energy (CME) reinforced the view regarding threat level. In a statement to the ABC, Mr Pearce said:

All those companies undertake a risk management process when they begin their projects. The Western Australian coast is quite low risk compared to other nations and continents, so there's not really a high risk profile for the area. That said, they look at the defence presence in the Pilbara now and think it could certainly be increased and there could be a greater role for defence organisations.⁵¹

10.36 As it made site visits in the region and speaking to industry representatives, the committee found that not all of industry shared the same view of the threat level. Several resource groups in the region referred to good relationships with Defence, the AFP and the Western Australian State Police and were comfortable with the Defence presence in the region. All those to whom the committee spoke to regarding the Office of Inspector Transport Security's report on Offshore Oil and Gas Resource Security praised the report and agreed with its approach.

ADF presence and security risks in the North West

10.37 The committee has before it a number of conflicting points of view on the security risks and defence presence in the North West. In summary, the main groups are:

- community representatives (including local government);
- industry;
- state government; and
- federal government departments and agencies (including Defence, Department of Infrastructure and Transport, Office of Inspector of Transport Security, Australian Federal Police).

50 Gian De Poloni, 'Senators check out lack of defence s in the Pilbara', ABC News, <http://www.abc.net.au/news/2013-04-23/senators-check-out-lack-of-defences-in-the-pilbara/4647234> (accessed 3 May 2013).

51 Gian De Poloni, 'Senators check out lack of defence s in the Pilbara', ABC News, <http://www.abc.net.au/news/2013-04-23/senators-check-out-lack-of-defences-in-the-pilbara/4647234> (accessed 3 May 2013).



Mr John Verbeek (Shire of Roebourne), Mr John Lally (Karratha and District Chamber of Commerce and Industry), Senator David Fawcett, Councillor Bill Dziombak (Town of Port Hedland), Senator Helen Kroger, Chair – Senator Alan Eggleston, Mr Tony Friday (Pilbara Regional Council), Senator Mark Bishop, Mr David Parker (Apache Energy Pty Ltd) at Karratha.

10.38 As noted above, the committee found that industry views varied regarding the risk level and whether the current defence presence was adequate. Mr Mick Palmer, former Inspector of Transport Security, spoke of the close cooperation received from industry in the North West in his inquiry into offshore oil and gas resource security:

I think the oil and gas industry takes the issue of safety and security risk extremely seriously. With the Montara and Macondo incidents in the recent history of the oil and gas industry, obviously from a safety point of view they are acutely focused on the importance of risk mitigation and prevention. During the oil and gas security inquiry, they were deeply engaged in the inquiry process from the start. They supported the process in all its dimensions, it is fair to say. There was very open contact and communication between us. They provided one of their senior people, Mr Bill Forbes, who is now vice-president with Woodside, as the industry representative to assist the inquiry team. He did not help draft the report, if you like, but he facilitated all of our inquiries and he travelled with us overseas as well as here. There is no doubt about the genuine nature of their commitment to identify their own risks, identify their own areas of

vulnerability, move to address them and further improve the security arrangements to mitigate the chances of anything serious happening that might affect their business. They are business driven, obviously, but it is a very serious attitude to security that they bring to the table.⁵²

10.39 Representatives from the Department of State Development, Western Australian Government, expressed some frustration with regard to inquiries and reports conducted into infrastructure security in the North West of the state. They noted that while the Western Australian Government had provided much input about security and infrastructure issues, it had received no response to its concerns from the federal departments conducting reviews and inquiries:

We are consulted frequently on infrastructure. We continue to make numerous submissions around the types of infrastructure that are important for the state. So the short answer to that is, yes, we were consulted. From those government departments that we make submissions to, feedback and response is very limited in return.⁵³

10.40 The committee believes that there is a concern in the communities of the North West that Defence is not a visible presence and encourages Defence to take note of such concerns and increase community engagement in the area.

Australian Federal Police

10.41 The AFP were asked if they had made any studies similar to that of the Office of Inspector of Transport Security on the offshore oil and gas resource security risks.⁵⁴ The AFP has not done so—it stated that it relies on the work done by the Australian Security Intelligence Organisation, Office of Transport Security and the Attorney-General's department.⁵⁵

10.42 The AFP's annual report lists the principal locations of the AFP in the west and north as being in Perth and Darwin.⁵⁶ The committee heard from community representatives in the Pilbara that there was little to no AFP presence in the area (although the committee notes that the AFP are co-located with Defence at the Harold E. Holt facility near Exmouth). The committee heard from the Pilbara Regiment Commanding Officer, Lieutenant Colonel Saad Omari, that Defence in the Pilbara works with the AFP and the WA Police in regards to gathering intelligence in the area.⁵⁷

52 *Committee Hansard*, 22 March 2013, pp. 12–13.

53 *Committee Hansard*, 2 October 2012, p. 27.

54 *Committee Hansard*, 22 March 2013, p. 8.

55 AFP, answers to questions on notice (public hearing 22 March 2013), question 1, p. 1.

56 Australian Federal Police, *Annual Report 2011-12*, p. iv, <http://www.afp.gov.au/media-centre/publications/~media/afp/pdf/a/afp-annual-report-2011-2012.ashx> (accessed 6 May 2013).

57 Information obtained during site visit in the Pilbara region.

Australian Defence Force

10.43 As noted above, the Inspector of Transport Security was of the view that there was a need for increased visibility of Defence in the North West. Most community and industry representatives to whom the committee spoke during its visit to the Pilbara were supportive of a greater Defence presence in the area.⁵⁸

10.44 It should be noted that Defence has a regiment stationed in the North West with its headquarters based in Karratha. The Pilbara Regiment is an infantry unit and one of the three Regional Force Surveillance Units in the northern area of Australia. According to Defence it is responsible for 'an area of 1.3 million square kilometres from Port Hedland to Carnarvon in Western Australia, and from the coast to the border with the Northern Territory; being approximately one-sixth of the total Australia mass.'⁵⁹

10.45 The Pilbara Regiment Commanding Officer informed the committee that the regiment's role is primarily surveillance, reconnaissance, and community engagement. He explained that a key challenge for the regiment was the recruitment of reserve personnel—a task made difficult by the small population, 12 hour shifts worked in industry, and problems with release of staff from work for reserve exercises and training. While the Regiment works closely with industry, the conduct of the Regiment's exercises can be restricted as companies can be reluctant to release staff.⁶⁰

10.46 The committee also visited RAAF Base Learmonth, a bare base close to the Learmonth Airport, the main airport for Exmouth. The committee toured the facility and received evidence regarding the condition of some parts of the base.

10.47 The committee is pleased to note the government's response to the Defence Force Posture Review in the Defence White Paper 2013, in particular the undertaking to:

- prioritise resources to upgrade Royal Australian Air Force bases Tindal and Learmonth to enhance KC-30 air-to-air refuelling tanker operations and Cocos (Keeling) Islands airfield facilities to support maritime surveillance aircraft; [and]
- proceed with programmed airfield upgrades to support Joint Strike Fighter operations at Royal Australian Air Force bases Darwin, Tindal, Williamtown, Amberley, Edinburgh, Townsville, Learmonth, Curtin and Scherger.⁶¹

58 Information obtained during site visit in the Pilbara region.

59 Australian Army website, <http://www.army.gov.au/Who-we-are/Divisions-and-Brigades/Forces-Command/6th-Brigade/Pilbara-Regiment>, (accessed 6 May 2013).

60 Information obtained during site visit in the Pilbara region.

61 Department of Defence, *Defence White Paper 2013*, paragraph 5.42, p. 50.



Committee Chair – Senator Alan Eggleston and Senator David Fawcett with (from left) LTCOL Saad Omari (Commanding Officer Pilbara Regiment), and officers from the Pilbara Regiment.

10.48 The practical difficulties for Defence engagement in the North West were also highlighted, for example, at Supplementary Budget Estimates 2012-13. In response to a question regarding whether he had had taken a group of senior officers to the North West as intended, General Hurley stated:

We were planning to take the chiefs of staff committee up to the Pilbara area next month, about 12 November. I have decided to take them down to Perth as a whole. The vice chief will continue up to the Pilbara region to engage up there but in Perth we will engage with industry business leadership that is involved in the Pilbara region and that then links in with the AUSMIN, the Australia-US Ministerial Consultations meeting, which is on the next day. Firstly, for one reason it was getting particularly practically difficult to get me and others in the right place to do both activities. Secondly, there was some cost involved with going to the Pilbara that, frankly, I did not want to pay to use service aircraft to access airfields and so forth, so I have split the task and got the vice chief to go up there. We will relook at it but it really conflicted with a number of activities that came up that week.⁶²

62 *Committee Hansard*, Supplementary Budget Estimates, 17 October 2012, p. 47. Mr Shoebridge, in evidence to the committee in December 2012, believed that the Chiefs of Services Committee had in fact been to Karratha and not remained only in Perth, *Committee Hansard*, 6 December 2012, p. 31.

10.49 The committee was also interested in Defence's interaction with local industries and those concerned with national security. Asked about Defence's partnership with industry in the North West and the coordination with other security agencies, Mr Shoebridge advised the committee that while Defence works with industry, Defence (at least in Canberra) see security as primarily a company's obligation:

...from a Defence perspective it certainly is the case that companies have obligations for the safe operation of their own facilities. That includes things like evacuation planning, shutdown procedures, and thinking about how they can move people on and off those installations as they need to. We know the companies undertake that planning. We have expanded our Australian Maritime Defence Council to include representation from the Australian Petroleum Production and Exploration Association to make that closer connection. We are also in discussions with Attorney-General's and, as a result of Mick Palmer's review, with major companies about their plans for their own safety and the security of that offshore infrastructure. Our [counter terrorism] exercising and training on various rigs involves that kind of discussion and collaboration.⁶³

10.50 Mr Shoebridge also provided advice to the committee about the Defence presence in the North West. He observed that the Defence Force Posture Review had made the point that there was a considerable Defence presence in the North West as a result of Operation Resolute—Defence's contribution to border security and offshore surveillance.⁶⁴ However Mr Shoebridge did concede that the Review had concluded that although there was 'a lot of presence...it has not been made terribly visible to the population or the installation operators'.⁶⁵

10.51 In answers to questions taken on notice, Defence particularly emphasised Exercise PYTHON which was conducted in April 2013 out of Perth as being a key exercise to increase awareness of the security challenges of the North West. Exercise PYTHON was a desk top activity with industry executives and federal and state government involvement.⁶⁶ During Budget Estimates in June⁶⁷, Air Marshal Mark Binskin provided more detail regarding Exercise PYTHON. The Exercise was whole-of-government and included Defence, the AFP, Border Protection Command, and the Attorney-General's Department. Representatives from the state police and Western Australian Government attended; as did representatives from between 10 to 12 resource companies. In the course of the day-long table top exercise, or command post exercise, participants ran through a number of scenarios which involved vignettes of potential threats. Air Marshal Binskin explained:

63 *Committee Hansard*, 6 December 2012, p. 28.

64 *Committee Hansard*, 6 December 2012, p. 31.

65 *Committee Hansard*, 6 December 2012, p. 31.

66 Defence, answers to questions on notice (public hearing 6 December 2012), p. 1.

67 Estimates Hansard 3 June 2013 pp. 85–86.

We went right through the command and control that would be involved in response to any of those scenarios. I think it demonstrated to the companies that it is a complex environment in that respect. But it did go through and demonstrate to them that we know who has the responsibility at various stages of any operation or who has jurisdiction at any stage through that.⁶⁸

10.52 Defence also informed the committee that it planned and conducted liaison, exercise and engagement activities throughout the year in the region. Defence believed that these activities demonstrated that there was an active defence presence in the area. It noted further that:

Specific planning is under way to develop a joint activity in the 2014 training year to build on current single Service activities. This exercise will incorporate platforms and force elements from all three Services and the US Marine Rotational Force-Darwin.⁶⁹

10.53 In addition, Defence noted that Defence and Border Protection Command representatives attend bi-annual meetings of the Oil and Gas Security Forum (led by the Department of Infrastructure and Transport).⁷⁰ Defence indicated that it was seeking to expand membership of the Australian Maritime Defence Council, a body established in 1982 whose expanded remit creates a forum for cooperation between government, industry and Defence on maritime and shipping issues.⁷¹

Department of Infrastructure and Transport, Office of Inspector of Transport Security

10.54 In evidence to the committee on 21 March 2013, Mr Mick Palmer advised the committee that while he had met with the Defence Force Posture Review members, and raised issues identified in his report with CDF, the Defence Force Posture Review group had independently come to similar conclusions to the OITS report.⁷² The committee notes the Defence has advised that it has been consulted on the government response to the OITS report and that it will factor issues raised in the report, as well as those in the Defence Force Posture Review, in the 2013 Defence White Paper.⁷³

10.55 The committee notes in particular that the OITS Report raised the issue of coordination between agencies in the event of a security incident. It put the concerns of the WA Government to Mr Palmer regarding the lack of feedback on their submissions regarding security and infrastructure matters (see paragraph 10.40). He

68 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 3 June 2013 pp. 85–86.

69 Department of Defence, *Defence White Paper 2013*, paragraph 5.33, p. 49.

70 Defence, answers to questions on notice (public hearing 6 December 2012), p. 19.

71 Andrew Forbes, 'Australian Maritime Defence Council', *Semaphore*, October 2011, <http://www.navy.gov.au/media-room/publications/semaphore-october-2011-1> (accessed 6 May 2013).

72 *Committee Hansard*, 22 March 2013, p. 13.

73 Defence, answers to questions on notice (public hearing 6 December 2012), p. 21.

noted that sometimes there was tension between state and federal governments—competing priorities and concerns—and that this had been evident in the preparation of the OITS Report. In Mr Palmer opinion, it was fair to say that sometimes agencies were unclear about exactly who would be in charge and immediately responsible for given issues.⁷⁴ Mr Palmer advised that while oil and gas companies were often in daily contact with local police and had security preparations in hand:

Some uncertainty exists between the state and federal agencies as to exactly who would call the shots if the situation changed and federal support was needed and who would pay the bill for such federal assistance that might be given. It was those sorts of issues that we identified going through which are challenging for everybody.⁷⁵

10.56 In Budget Estimates in June 2013, Air Marshal Mark Binskin maintained that Exercise PYTHON had helped to raise awareness of the jurisdictions involved in managing response to a security incident and the coordination between those jurisdictions. He explained:

But it is complex. It gets to a point where you might have a ship that is out there. It is a ship until the time it attaches itself to the seabed inside the Continental Shelf, and now it is considered a fixed facility, so it is a different jurisdiction. If a terrorist were to take that boat, for example, while it was a ship, it would be under one jurisdiction. The minute it attaches itself to the Continental Shelf, it is against another jurisdiction. So it is quite complex, but we are across that complexity, and it is exercised.⁷⁶

10.57 Air Marshal Binskin assured the committee that participants in the table top Exercise PYTHON understood their first points of contact in the event of a security incident.⁷⁷ Although he did note that one product of the discussions during Exercise PYTHON was that more communication was needed.⁷⁸

10.58 The remoteness and isolation of the region is a further security issue for the oil and gas installations in the North West. On its visit to the Pilbara, the committee was able to get a sense of community concerns about being cut off from the rest of mainstream Australia. Mr Palmer advised the committee that this area was not a place where many government agencies reside and that both police and defence personnel numbers are small.⁷⁹

74 *Committee Hansard*, 22 March 2013, p. 13.

75 *Committee Hansard*, 22 March 2013, p. 13.

76 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Budget Estimates, 3 June 2013, p. 86.

77 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Budget Estimates, 3 June 2013, p. 86.

78 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Budget Estimates, 3 June 2013, p. 86.

79 *Committee Hansard*, 22 March 2013, p. 13.



The committee was able to see, from a charter flight, the scale of resource activity in the Pilbara region and the isolation of many industry projects.

10.59 Mr Paul Retter, Executive Director of the Office of Transport Security, Department of Infrastructure and Transport, noted that this issue of responsibility and coordination of agencies was a matter currently before government to consider in its response to the OITS report. Mr Retter believed that while there will always be concern from industry about the presence of security in the region, the size of the area makes it certain that there would be reasonable delays in responding to an incident. Mr Retter noted that:

...there are well laid-out procedures in terms of the Commonwealth assets that would respond, but there are also issues around where the state has responsibility for response within their boundaries. There are also procedures that they can follow should they believe that it is beyond their capacity to deal with.⁸⁰

Conclusion

10.60 The evidence to this inquiry has clearly demonstrated that the Indian Ocean rim is significant for Australia's defence policy and hence the committee is encouraged by the priority given to the Indian Ocean rim in the Defence White Paper.

80 *Committee Hansard*, 22 March 2013, p. 16.

2013. However the committee is concerned about the security issues in the North West of Australia, particularly after the committee was able to view for itself some of the industry installations in the area. It notes in particular Mr Palmer's comments regarding the uncertainty around agencies coordinating in the event of a security incident and believes that finding a solution to this issue should be a priority in the government response to the OITS report.

10.61 The committee is concerned that while the Pilbara Regiment is working to increase community awareness and encourage recruitment, Defence as an organisation does not view the North West region as a priority. The committee understands the resourcing implications, and appreciates that Defence is participating in whole-of-government work to ensure that security is adequate for the natural resource-rich region. Nonetheless, the committee is disappointed that the evidence provided by Defence to the inquiry placed a heavy reliance on a desk top exercise. The committee is encouraged to hear, from evidence during Budget Estimates in June 2013 that Defence work is being undertaken planning a larger, more visible exercise in the North West itself in 2014.

10.62 The committee commends the work done by the Office of Inspector of Transport Security (OITS) on the report into Offshore Oil and Gas Resource Security Inquiry. It is a comprehensive report and the committee looks forward to seeing a similarly comprehensive response from government in the near future, particularly in regards to the issues identified in the report about coordination between agencies, state and federal, in the event of an incident at a facility in the North West.

10.63 In this regard, the committee is encouraged by the reference to a renewed focus on the North West in the Defence White Paper 2013, especially the planned joint activity in 2014 which is to incorporate platforms and force elements from the three Services.⁸¹

10.64 The committee will be interested to follow the progress Defence makes in the conduct of exercises in the North West and in promoting a visible Defence presence in the area.

Recommendation 7

The committee recommends that the AFP consider greater community engagement in the North West region to increase the understanding of its role and reassure the community that the security of the region is a priority.

Recommendation 8

The committee recommends that Defence make it an urgent priority to focus on the defence of the North West. The committee encourages Defence to increase its

81 Department of Defence, *Defence White Paper 2013*, paragraph 5.33, p. 49.

cooperation with industry in order to find creative solutions to the challenges which currently prevent larger exercises and affect reserve recruitment.

Recommendation 9

The committee recommends that Defence examine the possibility of making the 2014 planned Defence exercise in the North West a larger, more visible exercise in the region—as a means of providing reassurance to industry and actively engaging the community. In particular, the committee encourages the RAN to examine ways in which it can increase visibility in the area and raise community and business awareness of its activities in the North West of Australia.

Recommendation 10

The committee recommends that in its work on the government response to the OITS Report, the Department of Infrastructure and Transport consider including strategies for community engagement. The committee strongly believes that local government and relevant state agencies have a role to play in educating community and industry about the role of various security agencies and can help to provide reassurance to the community that security of the North West is a priority for government.



Ships line the horizon, Port Hedland port.

Piracy

10.65 Countries both within and outside the Indian Ocean rim are deeply concerned about piracy particularly off the coast of Somalia, which threatens not only the peace and stability of that country, but 'regional and international security as well'. A report to the Security Council described Somali maritime piracy as 'a form of money-driven, clan-based, transnational organized crime' which posed a threat to global shipping but was also a humanitarian tragedy for hijacked seafarers and kidnapped hostages, their families and employers.⁸² In the following section, the committee considers the international and regional response to piracy in the Indian Ocean, the implications that piracy has for Australia and its contribution to combating such activity.

Prevalence of piracy in the Indian Ocean

10.66 As mentioned earlier in this the committee's report,⁸³ piracy is a significant problem in the Indian Ocean rim and has been raised at discussions in IOR-ARC with a view to encouraging collaboration and sharing of lessons learnt amongst member countries. DFAT noted in its submission that the issue of piracy was also raised at IONS in 2008.⁸⁴

10.67 The Office of Inspector Transport Security also conducted an inquiry into international piracy and robbery at sea. The report defined piracy as:

Piracy in accordance with Article 101 of the United Nations Convention on the Law of the Sea (UNCLOS) is defined as:

- (1) Any illegal acts of violence or detention, or any act of depredation, committed for private ends by the crew or passengers of a private ship or private aircraft, and directed:
 - a. On the high seas, against another ship or persons or property on board such ship.
 - b. Against a ship, persons or property in a place outside the jurisdiction of any State.
- (2) Any act of voluntary participation in the operation of a ship or of an aircraft with knowledge of facts making it a pirate ship or aircraft, and
- (3) Any act of inciting or of intentionally facilitating an act described in subparagraph (a) or (b).⁸⁵

82 United Nations, Security Council, 'Report on Somalia of the Monitoring Group on Somalia and Eritrea pursuant to Security Council resolution 2002 (2011)', S/2012/544, 13 July 2012, paragraph 38.

83 Part I in relation to IOR-ARC and Part II.

84 *Submission 30*, p. 22.

85 OITS, *International Piracy and Armed Robbery at Sea Security Inquiry Report*, April 2010, p. xiv.

Effect of piracy

10.68 Dr Sam Bateman noted that the prime causes of piracy around the world were the same as the common causes of criminal activity generally—lack of economic opportunity, employment, and effective policing. A further factor, linked to contemporary piracy off the Horn of Africa and in Southeast Asia, has been the decline in fish stocks and overfishing, particularly by commercial interests.⁸⁶ DFAT identified Somalia as 'Africa's most pressing peace, security and humanitarian issue' and noted that '[t]he crisis in Somalia has consequences beyond its borders, including as the primary source of piracy in the Indian Ocean'.⁸⁷

Global piracy—actual and attempted attacks 2006 to June 2012⁸⁸

Location	2006	2007	2008	2009	2010	2011	Jan-Jun 2012
Southeast Asia	87	78	65	68	113	101	48
Indian subcontinent	53	30	23	30	28	16	10
Americas	29	21	14	37	40	25	9
Horn of Africa	20	44	111	218	219	237	69
West Africa/ Gulf of Guinea	25	49	56	47	38	52	32
Other Africa	16	27	22	7	4	5	9
Rest of World	9	14	2	3	3	3	0
Total	239	263	293	410	445	439	177

Source: International Maritime Bureau (IMB) Piracy Reports

Notes: 1. Horn of Africa includes attacks in the Gulf of Aden, Red Sea, Arabian Sea, and Indian Ocean and off Oman and Somalia—those carried out by Somali pirates.

2. Gulf of Guinea includes Cameroon, Congo, Democratic Republic of Congo, Equatorial Guinea, Ghana, Guinea, Ivory Coast, Nigeria and Togo.

10.69 DFAT outlined in its submission the effect of piracy on trade, stating that in 2011 the estimated economic cost of piracy was between US\$6.6 and 6.9 billion. This cost includes ransoms, insurance, security equipment, guards, re-routing, prosecutions

86 Dr Sam Bateman, 'Background paper for the Perth Counter-Piracy Conference', *Special Report Issue 47—Calming troubled waters: global and regional strategies for countering piracy*, pp. 10–11.

87 *Submission 30*, p. 9.

88 Dr Sam Bateman, 'Background paper for the Perth Counter-Piracy Conference', *Special Report Issue 47—Calming troubled waters: global and regional strategies for countering piracy*, p. 8.

and military operations.⁸⁹ DRET noted that in relation to commodity trade on routes through the Indian Ocean, Australian suppliers have low-level concerns, however:

...in the future with the steady increase in Australian foreign direct investment (FDI) into IOR resources provinces, particularly in eastern Africa and South East Asia. Investments in production in Africa and South East Asia is likely to be intended to service Australia's traditional markets in Asia, which will then require transport across the Indian Ocean. Dependent on the value of these cargoes, they could become a lucrative target for piracy, similar to current LNG shipments from Nigeria.⁹⁰

10.70 The Consulate-General of the Sultanate of Oman also drew the committee's attention to its concerns about security in the Indian Ocean, stating that the increase in piracy and terrorism, particularly in the Gulf of Aden, had significantly affected the traffic of ships in the region.⁹¹ This in turn has had a detrimental economic impact on the economies of countries whose main industries are maritime industries. It should also be noted that piracy not only poses a threat to the safety of ships transiting the Ocean but to many other activities. For example, only one of the four highly ranked Indian Ocean scientific sea drilling proposals under the Indian Ocean Drilling Program is feasible because of piracy.⁹²

Combating piracy in the Indian Ocean

10.71 The United Nations Office on Drugs and Crime (UNODC) Report provides some encouragement, noting that with international attention and sustained resource contribution by more than 30 states since 2008, piracy has begun to decline:

The frequency of attacks has dropped considerably, with a 54-per-cent reduction in incidents in the first half of 2012 compared with the previous year, and there was only one attack in the third quarter of 2012, the lowest level for the third quarter of the year recorded since 2008. Somalia has elected its first permanent central Government since the start of the civil war, which is a hopeful sign for improved stability and prospects for development across the country.⁹³

10.72 Indeed, the international community has dedicated substantial resources, political, military, intelligence and financial, to combating piracy. Three large international forces—NATO, European Union Naval Force and the Combined Maritime Forces/Task Force 151—and numerous independent, national missions have

89 *Submission 30*, p. 20.

90 *Submission 15*, p. 13.

91 *Submission 25*, p. 3.

92 Integrated Ocean Drilling Program, *Detailed Report on International Workshop on Scientific Drilling in the Indian Ocean*, Goa, India, 17–18 October 2011.

93 UNODC Commission on Crime Prevention and Criminal Justice, 'Report of the Executive Director on combating the problem of transnational organized crime committed at sea', 15 February 2013, Document No. E/CN.15/2013/17, pp. 4–5.

been engaged in maritime counter piracy off Somalia.⁹⁴ However the UNODC report noted that these achievements were fragile and sustained support was needed if the region was to build on them.⁹⁵

Australia's contribution counter-piracy measures

10.73 Australia has a key role in anti-piracy initiatives in the Indian Ocean, hosting an international counter-piracy conference in Perth in 2012,⁹⁶ participating in a multi-national taskforce,⁹⁷ and providing aid funding of \$2.3 million to assist counter-piracy efforts and support for the UNODC Counter-Piracy Programme.⁹⁸

10.74 In a paper on the importance of the Indian Ocean, the Defence Minister, the Hon Stephen Smith MP commented:

The Australian maritime contribution is deployed to the US-led Combined Maritime Forces, which patrols more than 2.5 million square miles of international waters to counter terrorism, prevent piracy and reduce the illegal trafficking of people and drugs. That contribution, along with our maritime partners will be responsible for conducting maritime security operations in the Gulf of Aden, Gulf of Oman, the Arabian Sea, Red Sea and the Indian Ocean. These operations help develop and maintain maritime security and promote stability and prosperity.⁹⁹

10.75 The Defence Minister also noted that Australia hosted a Forum on Indian Ocean Piracy in the margins of the Commonwealth Heads of Government Meeting in October 2011. Following from this event, a Counter-Piracy Conference (an Australian Strategic Policy Institute event) was held in Perth in July 2012.¹⁰⁰

10.76 During this conference, the Hon Warren Snowdon MP, Minister for Veterans' Affairs (on behalf of the Minister for Defence), outlined Australia's contribution to counter both the symptoms and the causes of piracy in the region:

- the Royal Australian Navy (RAN) contributes a frigate to the Combined Maritime Forces (CMF), which is flexibly cross-tasked between the counter-

94 United Nations, Security Council, 'Report on Somalia of the Monitoring Group on Somalia and Eritrea pursuant to Security Council resolution 2002 (2011)', S/2012/544, 13 July 2012, paragraph 47.

95 UNODC Commission on Crime Prevention and Criminal Justice, 'Report of the Executive Director on combating the problem of transnational organized crime committed at sea', 15 February 2013, Document No. E/CN.15/2013/17, pp. 4–5.

96 Department of Defence, *Submission 5B*, p. 4.

97 Department of Defence, *Submission 5B*, p. 4 and Mr Shoebridge, Department of Defence, *Committee Hansard*, 6 December 2012, p. 26.

98 DFAT, *Submission 30*, p. 22.

99 *Submission 5A*, p. 6.

100 *Submission 5A*, p. 8.

terrorism, counter-piracy and Gulf maritime security task forces which form the CMF;

- as a member of the United Nations Contact Group working off Somalia, Australia contributes to the legal and operation working groups, and the Shared Awareness and Deconfliction group which assists in coordinating the CMF, NATO and EU counter-piracy efforts;
- the ADF has had a member seconded to the UN Office for West Africa to contribute to maritime security and counter-piracy capacity building work; and
- the RAN seconds officers to the UK-led Maritime Trade Operations cell in Dubai, providing liaison and coordination for ships travelling in that region.¹⁰¹

10.77 The CMF is a naval partnership of 27 countries which promotes security and stability in the Indian Ocean which encompasses some of the world's key shipping lanes.¹⁰² The CMF is led by the US and consists of three principle taskforces: CTF-150 (maritime security and counter-terrorism); CTF-151 (counter piracy); and CTF-152 (Arabian Gulf security and cooperation).¹⁰³

10.78 Ms Watt, DFAT, noted that the shipping industry was also focusing on reducing the number of hijackings and taking more responsibility for security on vessels. She explained that there was a lot more recognition and analysis of the types of factors that put ships at risk—older, run-down vessels which are easier targets for pirates—and the need for shipping companies to take more action to keep those slower, more vulnerable vessels out of high-risk areas.¹⁰⁴

Building local capacity

10.79 While the adoption of best management practices by the shipping industry and more effective international counter-piracy naval operations have lowered the number of successful hijackings, major obstacles in the judicial and legal areas undermine this success. In November 2012, the Security Council noted the limited capacity and the deficiencies in domestic legislation 'to facilitate custody and prosecution of suspected pirates after their capture'. It reported that this situation had 'hindered more robust international action against the pirates off the coast of Somalia' and too often 'led to pirates being released without facing justice'. The Security Council underlined the

101 'Paper presented by Warren Snowdon MP, on behalf of Stephen Smith, Minister for Defence to the Perth Counter-Piracy Conference' 16 July 2012, <http://www.minister.defence.gov.au/2012/07/16/paper-presented-by-warren-snowdon-mp-on-behalf-of-stephen-smith-minister-for-defence-to-the-perth-counter-piracy-conference/> (accessed 8 May 2013).

102 Combined Maritime Forces, 'About CMF', <http://combinedmaritimeforces.com/about/> (accessed 6 May 2013).

103 *Submission 30*, p. 23.

104 *Committee Hansard*, 17 August 2012, p. 6.

importance of continuing to enhance the 'collection, preservation and transmission to competent authorities of evidence of acts of piracy and armed robbery at sea off the coast of Somalia'.¹⁰⁵

10.80 In this regard, Australia is contributing to longer term projects on land designed to reduce piracy in the Indian Ocean—the building of better governance and policing, investigative capacity and prosecutorial capacity.¹⁰⁶ Mr Rauter, AusAID, informed the committee that Australian assistance to combat piracy in the Indian Ocean to date equated to approximately \$4.3 million with an additional \$2 million committed earlier in 2012. He explained that the payments have gone mostly to the UN Office on Drugs and Crime, which works with governments in Somalia, Seychelles, Mauritius, Kenya and Tanzania to:

- increase the capacity of those governments to prosecute pirates;
- have a prison system to be able to safely and securely house people who are prosecuted; and
- improve their ability to undertake maritime surveillance to detect piracy.¹⁰⁷

10.81 The AFP provides personnel to the UN counter-piracy efforts through the United Nations Office on Drugs and Crime (UNODC) in accordance with the AFP's international engagement priorities and in support of regional capacity building. UNODC has a Programme on Countering Maritime Piracy in the Horn of Africa—AFP personnel contribute to the planning, development, organisation and coordination of the Programme and related UNODC activities.¹⁰⁸

10.82 The committee has referred to the third prong in the multinational efforts to combat terrorism by providing aid to Somalia, Kenya and Tanzania in the areas of food security and agricultural production so that people have job opportunities and do not see 'piracy as their only job option'.¹⁰⁹

Conclusion

10.83 Many countries rely on the Indian Ocean as a maritime route for trade, energy and resource security. The evidence presented to the committee demonstrates the detrimental effect piracy has on stability and security in the Indian Ocean rim, and on the maritime transport hub that the ocean provides. Piracy not only affects maritime security—it can also be a deterrent for investment in offshore infrastructure, and disrupt activity such as important scientific research.

105 United Nations, Security Council, Resolution 2077 (2012), 21 November 2012, p. 3.

106 *Committee Hansard*, 17 August 2012, p. 6.

107 *Committee Hansard*, 6 December 2012, p. 7.

108 *Submission 41*, p. 3. See also Mr Rauter, *Committee Hansard*, 6 December 2012, p. 7.

109 *Committee Hansard*, 6 December 2012, p. 7.

10.84 However, some encouragement can be drawn from the fact that the cooperation of the Indian Ocean rim countries on combating piracy has had some effect—the number of piracy attacks in the region has dropped. As described in this chapter, the substantial resources and coordinated operations conducted by countries in the Indian Ocean rim, including Australia, have started to improve the situation in countries from which piracy emanates. But as the UNODC notes, the improvement is fragile and requires continued efforts to be sustainable over time.

10.85 The committee notes the effect piracy has on the stability and security of the India Ocean region and commends the efforts being made by Australia to counter piracy.

