Maritime Security Issues in an Arc of Instability and Opportunity

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The Pacific Arc of islands and archipelagos to the north and east of Australia has been characterised both as an ‘arc of instability’ and as an ‘arc of opportunity’. It is the region from or through which a threat to Australia could most easily be posed, as well as an area providing opportunities for Australia to work on common interests with the ultimate objective of a more secure and stable region. Maritime issues are prominent among these common interests. This article identifies these issues and their relevance to Australia’s maritime strategy. It suggests measures Australia might take to exploit the opportunities these interests provide.

The Pacific Arc

A special issue of Security Challenges in 2012 focused on Australia’s interests in the so-called Pacific Arc—the arc of islands and archipelagos lying to the north and east of Australia. The overall conclusion from this collection of articles was that, in order for the arc to become a source of security for Australia, rather than a threat, Australia should take a more cooperative and long-term developmental approach and start seeing the region not as an “arc of instability”, but instead as an “arc of opportunity”.1

There were good articles in this special issue, but some ‘sea-blindness’ was evident in the issue overall. The collection did not fully capture the realities of Australia’s geographical circumstances—the fact that Australia is an island, highly dependent on seaborne trade most of which passes through the Pacific Arc, and with a huge area of maritime jurisdiction and extensive maritime interests that we share with our neighbours. These interests provide a host of opportunities for Australia’s engagement in the arc that will enhance the security of both Australia and the countries within the arc.

Paul Dibb in his contribution to the special issue stressed the importance of geography, acknowledging the maxim of the most powerful Secretary of the Department of Defence, Sir Arthur Tange, that: “The map of one’s own country is the most fundamental of all defence documentation”.2 However, nowhere in the issue is the maritime nature of the “arc of opportunity” or the extent of our common maritime interests with our neighbours properly acknowledged. Joanne Wallis in her introduction referred briefly to the

problems of over fishing and sea level rise, and Ron May had a brief reference to illegal fishing and the Pacific Patrol Boat Program (PPBP).

**Defining the Arc**

The archipelagic arc to the north and east of Australia was initially referred to by Paul Dibb in 1999 as the “arc of instability” meaning the region “stretch[ing] from the Indonesian archipelago, East Timor and Papua New Guinea (PNG) in the north, to the Solomon Islands, Vanuatu, Fiji, New Caledonia and New Zealand in the east”, a definition Dibb utilised in his contribution to the special issue of *Security Challenges*. Most commentators in the special issue narrowed their view of the geographic scope of the arc. Graeme Dobell focused on states to which he saw Australia as having a sense of special responsibility: Timor-Leste, PNG, Bougainville, Nauru, the Solomon Islands and Vanuatu. He specifically excluded Fiji, from which Australia has distanced itself since the 2006 coup.

Other contributors focused on the geographic and cultural area of Melanesia, usually taken to include: West Papua, PNG, the Solomon Islands, Vanuatu, Fiji, New Caledonia and sometimes, Timor-Leste. In accordance with the majority view, the Introduction to the special issue treated the “arc” as the Melanesian region. However, to treat the Pacific Arc as comprising just the Melanesian region is essentially taking a narrow political and cultural view of Australia’s surrounding region.

This article prefers a broader geo-strategic view that includes Indonesia with its dominating strategic presence stretching across the top of Australia from Christmas Island and Java to the Torres Strait. Australian territory lies within 200 nautical miles of Indonesian territory, particularly between Christmas Island and Java, between Ashmore Island and Roti, and across the Torres Strait. The maritime boundary between Australia and Indonesia is one of the longest maritime boundaries in the world, and Indonesia is our key strategic partner in the Pacific Arc. The broader view provides a true appreciation of the strategic significance of the arc and its implications for Australia’s maritime strategy.

A recent report from the Australian Strategic Policy Institute (ASPI) argued that Australia’s first strategic priority for regional defence engagement should be with our nearest neighbours, specifically those in the archipelagic arc stretching from Indonesia through Timor-Leste and PNG to Solomon Islands.

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6 Graeme Dobell, ‘From “Arc of Instability” to “Arc of Responsibility”’, *Security Challenges*, vol. 8, no. 4 (Summer 2012), p. 34.
and Vanuatu and the French territory of New Caledonia. This priority accords with pronouncements in recent Defence White Papers. The 2009 Defence White Paper identified Australia’s most important strategic interest as the security, stability and cohesion of the immediate neighbourhood comprising Indonesia, Papua New Guinea, East Timor, New Zealand and the South Pacific island states. Similarly, the 2013 Defence White Paper identified the security, stability and cohesion of our immediate neighbourhood, which we share with PNG, Timor-Leste and South Pacific states, as our second key strategic interest after the fundamental priority of a secure Australia. The White Paper’s third key strategic interest is the stability of the Indo-Pacific, particularly Southeast Asia and the maritime environment.

**Australia’s Maritime Strategy**

There are two fundamental dimensions to Australia’s strategic thinking about the Pacific Arc. Both point to the basic importance of Australia adopting a maritime strategy for ensuring its own security and the stability of its surrounding regions.

The first dimension is the one well recognised in Australia’s defence planning that the Pacific Arc is the area from or through which a military threat to Australia could most easily be posed. The sea-air gap (or sometimes, the air-sea gap) has a long history in Australia’s defence planning lexicon although it has not always been well accepted on a joint service basis. The Air Force often talks of the air-sea gap to emphasise the fundamental importance of air power in controlling the gap while the Army has often viewed it as a strategic concept that relegates land forces to a mopping-up role for any enemy forces that might have been successful in crossing the gap.

A surprisingly recent development in Australia’s strategic thinking is that the geo-strategic reality of the sea-air gap requires Australia to adopt a fundamentally maritime strategy. Justin Jones has tracked the maturing in the evolution of maritime strategic thinking in Australia’s defence policy over recent times, claiming that 2012-13 might come to be seen as a watershed.

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period for maritime strategic thinking in Australian defence policy.\textsuperscript{14} His reasons for saying this include the frequent references to maritime strategy in the 2013 Defence White Paper, as well as the indications that the concept of maritime strategy has become joint rather than merely a naval concept. The Chief of Army’s 2012 Land Warfare Conference was titled ‘Potent Land Forces in a Maritime Strategy.’ Similarly, the Chief of Air Force’s 2013 Symposium explored a theme of ‘Air Power in a National Maritime Strategy’.\textsuperscript{15}

There is a downside, however, to a focus on the sea-air gap—it supports the tendency for Australia to seek security against rather than with its neighbours. Australians often regard the surrounding oceans and seas as a moat separating them from their neighbours. This is in contrast with Indonesia in particular. For Indonesians, the sea has a special, if ambiguous, place in perceptions of Indonesian identity.\textsuperscript{16} Concepts of wawasan nusantara and tanah air, linking the islands of the Indonesian archipelago together rather than separating them, are principles of nation-building for Indonesia. For Indonesians, the seas unite whereas for Australians the seas appear to divide. Pacific islanders can have a similar view of the uniting role of the oceans.

These insular attitudes reflect an image of Australia as an insecure nation that lacks appreciation of its own geo-strategic environment. The late Frank Broeze, an eminent maritime historian, captured this outlook when he observed:

\begin{quote}
Images and perception of national identity have revolved largely around inward-looking and often racist concepts of ‘continental’ Australia in which the sea was seen as a fence shutting out unwanted intrusions from the surrounding region. It is part of an ‘other’ world, in which Australia held no stake.\textsuperscript{17}
\end{quote}

The second dimension to thinking about the Pacific Arc is to regard it more positively as an area of shared interests, particularly ones of a maritime nature, that provide a host of opportunities for working together for the common good of regional security. This positive view helps unite Australia

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\textsuperscript{16} Robert Cribb and Michele Ford, ‘Indonesia as an Archipelago: Managing Islands, Managing the Seas’, in Robert Cribb and Michele Ford (eds), \textit{Indonesia Beyond the Water’s Edge: Managing an Archipelagic State} (Singapore: Institute of Southeast Asian Studies (ISEAS), 2009), p. 11.
\end{flushright}
Maritime Security Issues in an Arc of Instability and Opportunity

with its neighbours in building a stable region and assists in overcoming the inward-looking view mentioned by Frank Broeze.

Security in the Pacific Arc makes a vital contribution to Australia’s security and the protection of Australia’s maritime approaches. This dimension is captured well in the articles in the special issue of Security Challenges when it concludes that Australia should see the Pacific Arc as an “arc of opportunity”. It suggests “adopting a developmental, rather than security, framework”,18 including consideration of the environmental concerns of the region. The environmental concerns of the region are mostly maritime in nature, including over-fishing, marine pollution, destruction of marine habitats, sea level rise and maritime natural hazards (cyclones and tsunamis).

It is both an opportunity and an obligation of Australia to assist countries in the Pacific Arc with dealing with these threats—as well as more generally assisting regional countries with managing their large maritime zones and exploiting their resources. This was recognised in Australia’s Oceans Policy that stressed the positive role that maritime issues should play in Australia’s regional relations noting that:

Oceans affairs are rightly a central part of our broader political and strategic relations in the regions in which our neighbours have extensive maritime interests, including exclusive economic zones. They also have an urgent need to build their capacity to manage these areas.19

In his maiden speech in the Senate in March 2012, the previous Foreign Minister, Senator Bob Carr spoke of the importance of the oceans to Australia and its island neighbours. He pointed out that Australia is an island state with the third-largest marine jurisdiction in the world, observing that:

We have a great issue here. With our partners, the small island states of the South Pacific, there is a lot involved in it. I understand that those small island states are eager to have us make a commitment to the blue economy.20

Unfortunately the expectations that Australia might elevate ocean and maritime issues in our regional relations were not realised in subsequent actions of government.

Maritime Issues

Most countries in the Pacific Arc have large exclusive economic zones (EEZs). Table 1 shows how the island and archipelagic countries in the Pacific Arc have gained large areas of maritime jurisdiction, particularly with the regimes of the archipelagic State and the EEZ introduced by the 1982 United Nations Convention on the Law of the Sea (UNCLOS) (Australia is included in Table 1 to provide a comparison).

Table 1: Countries in and adjacent to the Pacific Arc—Land Area and Size of EEZ

<table>
<thead>
<tr>
<th>Country</th>
<th>Land Area (sq km)</th>
<th>Size of EEZ (sq km)</th>
<th>Approx Ratio (Land/Water)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>7,690,000</td>
<td>10,710,000</td>
<td>1:1.4</td>
</tr>
<tr>
<td>Cook Islands</td>
<td>240</td>
<td>1,989,000</td>
<td>1:8,300</td>
</tr>
<tr>
<td>FSM</td>
<td>701</td>
<td>2,900,000</td>
<td>1:4,150</td>
</tr>
<tr>
<td>Fiji</td>
<td>18,272</td>
<td>1,338,000</td>
<td>1:73</td>
</tr>
<tr>
<td>Indonesia</td>
<td>1,904,569</td>
<td>5,409,981</td>
<td>1:3</td>
</tr>
<tr>
<td>Kiribati</td>
<td>684</td>
<td>3,540,000</td>
<td>1:5,175</td>
</tr>
<tr>
<td>Marshall Islands</td>
<td>181</td>
<td>2,131,000</td>
<td>1:11,735</td>
</tr>
<tr>
<td>Nauru</td>
<td>21</td>
<td>320,000</td>
<td>1:15,238</td>
</tr>
<tr>
<td>Niue</td>
<td>258</td>
<td>390,000</td>
<td>1:1,512</td>
</tr>
<tr>
<td>Palau</td>
<td>508</td>
<td>629,000</td>
<td>1:1,238</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>162,243</td>
<td>3,120,000</td>
<td>1:19</td>
</tr>
<tr>
<td>Philippines</td>
<td>300,000</td>
<td>1,891,247</td>
<td>1:6</td>
</tr>
<tr>
<td>Samoa</td>
<td>2,935</td>
<td>131,000</td>
<td>1:45</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>28,530</td>
<td>1,340,000</td>
<td>1:47</td>
</tr>
<tr>
<td>Timor-Leste</td>
<td>14,874</td>
<td>101,259</td>
<td>1:7</td>
</tr>
<tr>
<td>Tonga</td>
<td>699</td>
<td>720,000</td>
<td>1:1,030</td>
</tr>
<tr>
<td>Tuvalu</td>
<td>26</td>
<td>725,000</td>
<td>1:27,885</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>11,880</td>
<td>680,000</td>
<td>1:57</td>
</tr>
</tbody>
</table>

Notes: 1. Size of EEZ includes territorial sea, archipelagic waters and continental shelves where appropriate. 2. Figure for Australia exclude the EEZ and its adjacent EEZ.


The archipelagic State regime in UNCLOS allows countries that are constituted wholly by one or more archipelagos and possibly including other islands, to draw straight baselines joining the outermost points of the outermost islands and drying reefs of the archipelago provided that such baselines include the main islands and certain other criteria relating to the ratio of land to water and the length of these baselines are met.\(^\text{21}\)

Most of the countries in the Pacific Arc, specifically Indonesia, PNG, the Solomon Islands and Vanuatu, qualify as archipelagic States and partly as a

\(^{21}\) These criteria are set out in UNCLOS Article 47.
consequence have gained large areas of maritime jurisdiction. PNG is one of the largest archipelagic states in the Pacific region. Its EEZ of 3.1 million km$^2$ is the second largest in the arc after that of Indonesia. The Philippines is the other large archipelagic State in Southeast Asia and could well be regarded as part of the Pacific Arc in view of its maritime interests shared with other countries in the arc. Of interest, New Caledonia, if independent, would also qualify as an archipelagic state but cannot at present because it is part of France and France is not constituted wholly by archipelagos and islands.

Large EEZs and the maritime sector are a major source of income for countries in the Pacific Arc. Ocean resources are the mainstay of most island economies. While illegal, unregulated and unreported (IUU) fishing is considered the major maritime security threat, other threats arise from transnational crime, illegal people movement, climate change and sea level rise, marine pollution, and the degradation of marine habitats. A comprehensive view of security in the Pacific Arc requires consideration of all these threats. Assisting countries in the arc with managing their large maritime zones and with meeting these threats presents a major opportunity for Australia the fulfilment of which would benefit both countries in the arc and Australia itself.

**STRATEGIC INTERESTS**

Maritime issues in the Pacific Arc have extensive strategic, economic and environmental dimensions that are common interests of both Australia and countries in the arc. A key component of Australia’s military strategy is shaping the regional strategic environment in order to minimise threats to Australian and regional interests. As Joanne Wallis noted in the special issues of *Security Challenges*:

> Although Australian defence planners have focused on the Pacific Arc as the region from or through which a military threat to Australia could most easily be posed, a more stable region, with stronger states, could equally provide Australia with a security screen.\(^{22}\)

The security of shipping passing through the Pacific Arc is a particularly vital strategic interest for Australia. About 62 per cent of Australia’s merchandise trade (73 per cent of exports and 52 per cent of imports) by value passes to or through the Pacific Arc.\(^{23}\) This trade passes either from the north-west of Australia through the Indonesian archipelago or from the east coast to the east of PNG. Australia thus has a major interest in the freedom of navigation through the Pacific Arc as guaranteed by the archipelagic sea lanes passage.

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regime in UNCLOS. Australia played a prominent role at the International Maritime Organization in negotiations regarding Indonesia’s implementation of this regime, but no other archipelagic country in the arc has so far sought to implement the regime.

The Defence White Paper 2013 notes that “the stability and security of Indonesia … is of singular importance and is our most important relationship in the region.” Ministerial exchanges and defence cooperation and interoperability gathered pace over recent years before being suspended most recently as a consequence of tensions over Australian spying and border protection arrangements.

Regular maritime exercises have taken place between the Australian and Indonesian navies, as well as coordinated patrols in the Timor Sea, but the vast majority of expenditure on Australia’s defence cooperation with Indonesia has been on personnel training, counter-terrorism, disaster relief and peacekeeping cooperation. These are important activities but there are also important opportunities to deepen Australia’s assistance with maritime security in the Indonesian archipelago. These include support for the development of BAKORKAMLA, Indonesia’s coast guard agency; the establishment of Indonesia’s National Maritime Information Centre; and for improving Indonesia’s defence procurement processes as the Indonesian Navy expands and modernises. These opportunities have, however, been jeopardised by recent tensions between the two countries.

FISHERIES
Fisheries are a key maritime issue in the Pacific Arc. The arc includes some of the world’s richest and most productive tuna fishing grounds. The Western and Central Pacific tuna fisheries reported a record value of approximately US$7.2 billion for 2012, of which approximately US$5.3 billion was caught within the waters of Indonesia, the Philippines and the Pacific islands. These tuna fisheries are the only significant renewable resource for the majority of the Pacific island countries (PICs) and provide vitally important employment, livelihoods and food security. In addition, revenue from tuna fishing licences can contribute up to half of gross domestic product and are significant components of national economies for Federated States

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24 UNCLOS Article 53.
26 Australian Government, Defence White Paper 2013, paragraph 3.17
27 Bateman, Bergin and Chanter, Terms of Engagement, p. 25.
28 Benjamin Schreer, Moving Beyond Ambitions? Indonesia’s Military Modernisation (Canberra: Australian Strategic Policy Institute, November 2013), especially pp. 18-22.
of Micronesia, Kiribati, Marshall Islands, Nauru, Solomon Islands, Tokelau, and Tuvalu.\(^{30}\)

Poor compliance with licence conditions by fishing vessels has been a major problem in the region for decades. In 2009, the Pacific Islands Forum Fisheries Agency (FFA) commissioned a series of analytical studies which found that the majority of illegal fishing in the Pacific islands region was associated with licensed vessels, and identified misreporting of catch as a key compliance concern. Misreporting is a form of criminal fraud where licensed vessels intentionally understate catches for financial gain (similar to tax evasion). This effectively steals scarce revenue from developing coastal States and undermines the effectiveness of fisheries management.\(^{31}\)

Australia provides significant support for fisheries management, development and enforcement programmes, primarily through funding to the regional fisheries organisations: the FFA, and the Secretariat of the Pacific Community’s (SPC) Division of Fisheries, Aquaculture and Marine Ecosystems (FAME).

**ENVIRONMENTAL THREATS**

Australia has a major interest in the preservation and protection of the marine environment of the ocean and the conservation of its living resources. However, those objectives can be achieved only with cooperation between neighbouring littoral and island countries. Australia is a key player or supporter of regional arrangements for protecting and preserving the marine environment.

The prevention and mitigation of maritime natural hazards (tsunamis and cyclones), including disaster relief and humanitarian assistance, is an important common interest of Australia and its neighbours. The introduction into service of the two Landing Helicopter Dock (LHD) ships being built for the Royal Australian Navy (RAN) will provide Australia with an excellent capability for providing this assistance.

The protection and preservation of the marine and coastal environments is of vital importance to countries in the Pacific Arc. Marine environmental threats include ship-sourced marine pollution and activities that might cause damage to coral reefs in the region. Climate change and sea level rise are issues of great concern, particularly for the countries that include inhabited low-lying atolls. As with fisheries, Australia largely works through or supports regional organisations on marine environmental issues.

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Pacific Regional Environment Programme (SPREP) and the Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security (CTI-CFF) are major organisations in the arc. The Arafura and Timor Sea Experts Forum (ATSEF) brings together Australia, Indonesia and Timor-Leste to work on fisheries issues and ecosystem based management of these seas.

The strategic priorities of the Secretariat of SPREP all have a significant maritime dimension—Climate Change, Biodiversity and Ecosystem Management and Waste Management and Pollution Control.

The CTI-CFF is a key arrangement for managing and conserving marine and fishery resources in the Pacific Arc. A recent study estimated that reef fishes in the Coral Triangle are worth $3 billion, comprising 30 per cent of the total value of commercial fisheries in the region, based on datasets gathered from the Food and Agriculture Organization. CTI-CFF is a multilateral partnership of six countries (Malaysia, Indonesia, the Philippines, Timor-Leste, PNG, and the Solomon Islands) formed in to address the threats facing the coastal and marine resources of one of the most biologically diverse and ecologically rich regions on earth. CTI-CFF is managed through a Secretariat based in Jakarta, Indonesia. Australia gives high priority to supporting the CTI-CFF in recognition of its significant biodiversity values, the reliance of the region on coastal and marine ecosystems for livelihoods and food security, and the connectivity between Australian and neighboring marine ecosystems.

**Transnational Crime**

Transnational crime is a major issue for countries in the Pacific Arc. Criminal activities with a maritime dimension include smuggling arms, drugs and people; illegal logging; IUU fishing; sea robbery; and illegal wildlife exports. These activities are facilitated by weak border security due to the wide maritime areas and lack of resources, the volume of maritime traffic in the region, corruption in both the public and private sectors, and poor coordination between agencies.

Transnational crime in the arc has consequences for Australia because the arc provides an avenue for the illegal entry of people, drugs and other contraband into Australia, especially in the north-west and across Torres Strait. This avenue may be a somewhat easier route for criminal activity than direct entry from South or East Asia. The Australian Federal Police (AFP) plays a leading role in countering transnational crime in the arc with officers posted to all independent countries in the arc.

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Some of the many foreign fishing vessels active in the arc may be involved in smuggling or other illegal activity at sea. A study by the United Nations Office on Drugs and Crime has found that fishing vessels are often involved in criminal activities, including the smuggling of migrants, illicit traffic in drugs, and illicit traffic in weapons. ³³

Security Focus

The maritime nature of the Pacific Arc and the extent of maritime interests in the arc suggest that there should be a clear maritime focus in our security engagement with these countries. This should be part of a “whole of government” maritime strategy, but there is little evidence of this at present. The low priority accorded the Pacific Maritime Security Project (PMSP) is the most striking example of Australia’s failure to follow through on the strategic opportunities within the arc (see below).

The lack of maritime focus is most apparent at a country level in PNG and Timor-Leste, where despite statements that maritime security is a priority for engagement, our actual defence engagement has been mainly focused on land forces. The naval elements of the defence forces of these countries have suffered as a result, and both have major problems. This may be attributed at least in part to the heavy preponderance of Army personnel serving in attaché and adviser positions in those countries along with the inability, or unwillingness, of the Navy to provide suitable personnel.

Pacific Maritime Security Project³⁴

The inaction and delays with the PMSP provide a powerful indicator of the low priority accorded by Australia to maritime issues in the region despite their obvious importance. This project is intended to provide a maritime security capability to replace the twenty-two Pacific Patrol Boats (PPBs) Australia gifted to twelve PICs in the 1980s and 1990s under the PPBP. Seven of these were to countries in the Pacific Arc—four to PNG, two to the Solomon Islands and one to Vanuatu. Looking to the future, Timor-Leste’s participation should be factored into the PMSP. A significant side benefit of the PPBP that should be retained with the PMSP is the access and strategic presence provided by the positioning of Australian maritime surveillance and technical advisers in each of the PPB recipient countries.

Australia’s support for maritime security in the PICs following the PPBP has been a vexed issue. The nature of the PMSP is still being studied despite

³⁴ This section is largely based on Sam Bateman and Anthony Bergin, ‘Staying the Course: Australia and Maritime Security in the South Pacific’, Strategic Insights 52 (Canberra: Australian Strategic Policy Institute, May 2011); updated by relevant sections of Bateman, Bergin and Channer, Terms of Engagement.
many years of consideration. Defence is due to report a final assessment of options to government in 2013. This leaves a short lead time for Australia to gain the recipient countries’ acceptance of the preferred option, start the acquisition process, develop any new infrastructure required and commence the training of personnel before the earlier PPBs become unusable.

The PMSP has been the subject of some ‘buck-passing’ between agencies. Responsibility for the project was at one stage passed to the Australian Customs and Border Protection Service (ACBPS) before being transferred back to Defence in February 2012. Defence leadership for the project is important, as the Defence organisation has the overall strategic perspective. Maritime security will always be an important component of Australia’s security cooperation in the Pacific Arc. The Department of Defence has a central role in our multilateral and bilateral security engagements in the region both with countries in the arc and with France, the United States and New Zealand.

The Defence White Paper 2013 makes a strong commitment to the PMSP noting that:

The centrepiece of the Program will be the gifting of a fleet of vessels to replace the existing Pacific Patrol Boats, which need replacing over the period 2018–2028. This fleet of vessels is planned to be provided across all states that currently have Pacific Patrol Boats (including Fiji upon a return to democracy). The Program will also propose to enhance practical cooperation across the South Pacific including through strengthening governance structures that support maritime security and the provision of aerial surveillance, advisory support and support to regional coordination centres.35

At the South Pacific Defence Ministers’ Meeting in May 2013, Australia’s then Defence Minister noted that options for the PMSP range from a straightforward patrol boat replacement program through to a coordinated surveillance and response arrangement, including the development of a regional multilateral development assistance agency modelled on the FFA.36 Consultations are planned with regional states, key regional institutions and partner nations to inform and refine options for the PMSP.37 Unfortunately, this could be seen as an admission of a lack of progress with the PMSP,

since the project was originally announced at the 2009 Pacific Islands Forum Leaders Meeting.

**RELATED ISSUES**
The former Minister for Defence also noted other key activities that Australia would soon implement to help support regional maritime security. These included a regional aerial surveillance trial and measures to strengthen the capacity of the FFA’s Regional Fisheries Surveillance Centre with the provision of new equipment and software and support for the attachment of regional personnel (from police, defence or other relevant agencies).

Although the PPBP provided Pacific island States with some national law enforcement infrastructure, the sheer size of the Pacific island EEZs required a cooperative approach. In response, the Pacific Islands region adopted a treaty framework in 1993 that enabled member states to cooperate in surveillance and enforcement and share surveillance assets. The Niue Treaty on Co-operation in Fisheries Surveillance and Law Enforcement in the South Pacific Region is an umbrella arrangement that supports the development of subsidiary agreements to implement surveillance and enforcement cooperation at the bi-lateral or sub-regional level. There are now a number of subsidiary agreements, and an increasing number of regular multilateral fisheries surveillance operations that include Niue Treaty members and non-members providing support (such as aerial surveillance).

In 2010, Australia hosted a meeting of Pacific island justice and fisheries Ministers which agreed to begin the development of a new multi-lateral subsidiary agreement to the Niue Treaty. This new agreement would support the implementation of the FFA Monitoring, Control and Surveillance (MCS) Strategy and allow for the sharing of fisheries information, cross vesting of fisheries enforcement powers, and the use of fisheries information for other law enforcement purposes. In 2012, the Agreement on Strengthening Implementation of the Niue Treaty on Cooperation in Fisheries Surveillance and Law Enforcement in the Pacific Region (the Niue Treaty Subsidiary Agreement) was concluded and is now open for signature by FFA members. This comprehensive agreement will enter into force following ratification by four FFA members and will likely become a critical component of the PMSP, providing the cooperative and surveillance framework for maritime security operations in the Pacific islands region.

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TIMOR-LESTE

Maritime issues offer fertile ground for fostering good relations between Australia and Timor-Leste.\(^{39}\) Common interests in the maritime domain include security, resource development and marine environmental protection. At present the Naval Component of the Failintil-Timor-Leste Defence Force (Falintil Forcas de Defesa de Timor-Leste, or F-FDTL) is in a poor state. Its base at Port Hera has many problems including flooding damage and unsatisfactory berthing arrangements for its vessels. Its five vessels are old and difficult to maintain. The ability of the F-FDTL to patrol in the Timor Sea, where a high level of IUU fishing occurs, is severely hampered by its current vessels’ lack of range and sea-keeping capability. Australia’s maritime security assistance has been relatively limited—Australia has offered more, including aerial surveillance, but many offers have been rejected on the ground of suspicion that Australia’s assistance had ulterior motives.

Australia did not appoint a naval adviser to Dili until early 2010, and then only at the rank of lieutenant commander. The senior defence attache positions in Dili have been mainly filled by the Army and occasionally Air Force. There is little direct contact between the F-FDTL and Northern Command (NORCOM) in Darwin on maritime security issues, although liaison between NORCOM and Indonesian Defence headquarters in eastern Indonesia is becoming routine, particularly on coordinated naval operations. There are relatively few RAN ship visits to Timor-Leste, while both the United States and France are reported to visit more frequently.

At the regional level, regular maritime security meetings between Australia, Indonesia and Timor-Leste would be beneficial to enhance good order in the Timor Sea. Australia might also offer to sponsor a maritime capability study to investigate the force development requirements of the F-FDTL Navy component.

PAPUA NEW GUINEA

By virtue of geography, PNG is an important factor in Australia’s security. Maritime security is a key concern of both countries and should figure prominently in our defence engagement priorities, but in recent years this has not been the case.\(^{40}\) The Maritime Element of the Papua New Guinea Defence Force (PNGDF) has four of the earlier PPBs, two LCHs (Landing Craft, Heavy), the Patrol Boat Base at Lombrum on Manus Island, the Landing Craft Base in Port Moresby, and some smaller units attached to the

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\(^{39}\) This section is largely based on Sam Bateman and Anthony Bergin, ‘The maritime interests of Timor-Leste’, in ‘A Reliable Partner: Strengthening Australia–Timor-Leste Relations’, Special Report Issue 39 (Canberra: Australian Strategic Policy Institute, April 2011), pp. 44-64.

\(^{40}\) This section is largely based on Bateman, Bergin and Channer, Terms of Engagement, Chapter 4.
Land Element. It currently suffers from several major problems, including a lack of resources and skilled personnel, and low morale.

The Lombrum base is very remote. Re-supply and travel are difficult and the supervision of technical standards in particular is not easy. It seems to have little priority for infrastructure maintenance and is rarely visited by advisers. This remoteness seems to be a contributing factor to the Maritime Element receiving relatively little attention in the PNGDF despite the priority attached to maritime security. The Maritime Element has generally been neglected by senior levels of the PNGDF despite the presence of senior Maritime Element officers in HQPNGDF.

Australia must take some responsibility for the problems in the PNGDF Maritime Element. The redundancy programme funded by Australia in the early 2000s to reduce the size of the PNGDF led to the loss of many of the more skilled personnel from the Maritime Element. Relatively few RAN personnel have been employed in PNG in recent years, and they have mostly been at lower ranks. Australian advisers to the Maritime Element are not involved in the day-to-day operations and maintenance of the vessels as with PPBs in the other PICs. Rather they serve in line positions in HQPNGDF and the National Surveillance Coordination Centre (NSCC).

Because of reservations about the size and capabilities of the PPBs, PNG was initially reluctant to join the PPB project. To some extent, those reservations continue—there is a widespread opinion that the country needs larger and more capable vessels. With the improved national economic outlook, the PNG Government has plans to increase the size of the PNGDF and has already approved in principle the purchase of new patrol vessels, aircraft and firearms. From an Australian perspective and for ease of training and support, it is important that PNG participates in the PMSP. However, the PNGDF now has a project looking at the acquisition of inshore patrol vessels, offshore patrol vessels and a multipurpose vessel for troop-carrying and logistic support. In view of delays with the PMSP, it would now appear likely that the PNGDF will go its own way with the acquisition of new vessels.

As a key element of Australia’s maritime strategy, the RAN should attach greater importance to supporting the PNGDF Maritime Element. A master plan for the development of this element might be funded under the Defence Cooperation Program (DCP), including a ‘get well’ program for its existing vessels, training, personnel issues and longer term basing and force structure requirements. The planned increase of mentoring teams in PNG should include a naval mentoring team based in Port Moresby but able to visit the Lombrum base regularly.
Australia’s Administrative Arrangements

There is a vexed issue with whether the administrative arrangements in Canberra are well tuned to exploiting the maritime opportunities in the Pacific Arc. There is much more security activity at sea and there are more regional forums dealing with some aspect of maritime security. There are more challenges and opportunities for Australia, but Australia is not necessarily well organised to meet them. Australia’s regional maritime security engagement requires tighter coordination, more systematic identification of priorities, and clearer policy direction.

Regular reference is made to a ‘whole of government’ approach to managing activities involving a range of government agencies, but often this can lead to a ‘hole in government’ with ‘buck-passing’ between agencies and important initiatives not being pursued because no one agency feels that it has the prime responsibility. This situation is particularly apparent with maritime security engagement and with the provision of assistance to regional countries pursuing their maritime interests.

Maritime Security Engagement

Maritime security has become more civilianised over the past decade or so. Many non-military agencies are now involved in providing some dimension of maritime security, including cooperation with neighbouring countries. Civil law enforcement has become an important element of maritime security. This was the major consideration leading to the temporary transfer of responsibility for the PMSP from Defence to the ACBPS.

Until the introduction of the military-led Operation Sovereign Borders to deal with people smuggling, Australia appeared to be moving towards a civil model for maritime enforcement. In Australia, the civil agencies involved with maritime security, broadly defined, include the ACBPS, the AFP, Office of Transport Security, Australian Fisheries Management Authority and the Australian Maritime Safety Authority. These agencies undertake their regional maritime security responsibilities primarily at a tactical and operational level while strategic and foreign policy oversight remains with the Department of Foreign Affairs and Trade (DFAT) and the Department of Defence.

The Abbott Government has made several changes to the national arrangements for maritime security and border protection, notably the transfer of the ACBPS from the Attorney-General to the Immigration portfolio and the establishment of Operation Sovereign Borders. This re-organisation, placing the entire emphasis on people smuggling as the basis for border protection and regional engagement will not be helpful for broader maritime security engagement in the Pacific Arc. Centralised coordination of regional engagement is required that covers all forms of transnational crime at sea, including illegal fishing and drug trafficking.
DEVELOPMENT ASSISTANCE

The Australian Government released a comprehensive international aid policy framework in May 2012 to guide the growth of Australia’s aid budget over the next four years. It identified five core strategic goals: saving lives, promoting opportunities for all, sustainable economic development, effective governance and humanitarian and disaster relief.

Despite the major maritime aspects of these goals for countries in our region with large EEZs, the aid policy framework makes no specific reference to oceans or maritime issues. AusAid’s website lists twenty issue areas that it focuses its work on, but there is no specific reference to ocean development. Despite this lack of profile, Australia does work closely with regional countries to support the management, development and protection of their maritime interests. AusAID, for example, has a range of program activities underway in the area of oceans management and governance. AusAID has a fisheries program in the Pacific, guided by its 2007 Pacific Fisheries Framework that outlines AusAID’s key objectives in the sector.

In 2012, the Australian Prime Minister announced $25 million to support the implementation of the Pacific Islands Oceanscape Framework, including significant funding to the regional agencies FFA and the Secretariat of the Pacific Community to support fisheries management and surveillance cooperation. The Oceanscape Framework was initiated at the Pacific Islands Forum Leaders Meeting in 2009 and envisions “A secure future for Pacific Island Countries and Territories based on sustainable development, management and conservation of our Ocean” with a focus on integrated ocean management. Although in early days, it is envisaged that Oceanscape will strengthen coordination between the regional agencies and provide greater synergies in ocean management and conservation.

In 2009 and 2010, AusAID supported the development of an FFA Regional Monitoring, Control and Surveillance (MCS) Strategy. The Strategy was informed by five analytical studies that: identified key risks; assessed the MCS capacity and implementation by FFA members; studied MCS data issues; examined MCS cooperation between FFA members (and non-members); and examined the application of aircraft, ships and other assets for MCS. The analytical studies identified a need to improve coordination

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44 Soutar et al., *Safeguarding the Stocks.*
and cooperation both within and between FFA Members, and more broadly with other maritime security partners; France and the United States. The FFA member States subsequently developed the Pacific MCS Strategy and adopted the Strategy in May 2010. The MCS Strategy aims to support fisheries management frameworks at the national, sub-regional and regional levels through a number of coordination, planning, integration, and capacity building activities.45

While the Abbott Government has closed AusAID, the Australian Aid Program continues to be implemented through DFAT. No formal announcements have yet been made regarding the structure and composition of the Australian Aid Program, but expectations are that it will prioritise strategic interests and bilateral relationships. While the aid budget has been reduced, it is still significant and would likely support development programs in the Pacific Arc given its strategic significance to Australia.

Conclusion

While Australia has been proactive in fisheries monitoring, control and surveillance, other aspects of Pacific maritime security have suffered from inaction and delays as is evident with the PMSP, and the lack of priority accorded to assisting the maritime security forces in PNG and Timor-Leste. Despite some significant successes in fisheries Australia has generally given insufficient attention to maritime security issues in the Pacific Arc. Our first priority for security engagement should be with our nearest neighbours—those in the archipelagic arc from Indonesia, Timor-Leste and PNG to Solomon Islands and Vanuatu. As a subset of this priority, high priority should be given to implementing the PMSP as the cornerstone of our security engagement in the region, including with the inclusion of Timor-Leste in the project. The opportunities for maritime security cooperation with Indonesia, Australia’s major regional neighbour, should also be more fully exploited.

As well as measures for the direct defence of Australia and its national interests, Australia’s maritime strategy must comprehend the importance of defence engagement in the Pacific Arc on maritime security interests. This means working with countries in the arc to manage and develop their maritime interests and to develop their maritime security capabilities. Unfortunately this requirement has not been well recognised in the past. The RAN itself has failed to attach the necessary importance to this type of naval diplomacy.

To facilitate Australia’s security engagement with the Pacific Arc, a trilateral forum might be established between Australia, Indonesia and Timor-Leste to

discuss security issues of common interest in the Timor Sea. Similarly, an Australia-led Coral Sea Maritime Security forum could be established to bring together Australia, PNG, Solomon Islands, Vanuatu and the French authorities in New Caledonia to discuss maritime security cooperation and information sharing in the Coral Sea region.

The reasons for Australia’s inaction with regard to developing key maritime strategic opportunities in the Pacific Arc range from some lack of appreciation of the geo-strategic significance of the arc through to bureaucratic ‘muddling through’ in Canberra that has led to a ‘hole’ in Australia’s approach to maritime security. These problems must be addressed if Australia is to have a true maritime strategy.

An Office of Ocean Affairs in DFAT, similar to the US Government’s Office of Ocean and Polar Affairs, located in the US State Department,⁴⁶ might be established to provide a focus for interdepartmental coordination, and to advance the maritime aspects of Australia’s foreign and security policy objectives, as well as the overseas assistance program. This office would help elevate ocean and maritime issues in our regional relations, particularly with the Pacific Arc.

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