

## Maritime cooperation: challenges and opportunities

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Our concept of security has broadened. It now includes considerations of environmental security, safety, food security and human security, as well as of resource security.

In the oceans, relevant threats include IUU fishing, ocean acidification, sea level rise, pollution, loss of marine biodiversity and habitats, and marine natural hazards. Safety and security can also be closely related, again particularly in the maritime domain. Climate change and its implications are now regarded as having significant security dimensions.

An important quality of non-traditional security is that in the main threats are of a shared nature and not direct threats to the interests of any one nation.

Dealing with these threats invites a cooperative response.

I will talk about the interests our countries have in maritime security and cooperation.

**Maritime energy security** is one of the most important elements needed to ensure stable energy supplies for the fast growing Asian economies.

Major user states, must contribute to the security of chokepoints such as the Strait of Hormuz and the Malacca Strait.

As far as energy is concerned we see rapid increases global energy demand, and most especially in Asia.

China and India are demonstrating remarkable growth.

The supply of energy from non-OPEC countries is declining.

This is leading to Japan becoming more dependent on energy imports from the Middle East. 30 per cent of the world's oil production is currently concentrated in the Middle East, and this will increase to about 40 per cent by 2030.

The Middle East supplies about 50 per cent of China's oil requirements; about 85 per cent of Japan's and about 50 per cent of South Korea's.

These oil tankers could be considered critical cargoes that would require protection in the event of hostilities.

It's in the region's collective interests to ensure that the energy continues to flow to North Asia.

The majority of this oil transported by sea through the two very narrow waterways of the Strait of Hormuz and the Malacca Strait.

The majority of Australian export trade to Japan transits the Indonesian Archipelago, passing through the Lombok Strait, then the Strait of Makassar into the Pacific Ocean, south of the Philippine Archipelago.

**The importance of the Malacca Strait**, along with the Strait of Singapore, has risen over the past decade.

The Malacca and Singapore straits now constitute the most economically important waterway in the world.

The main shipping channels between the Indian and Pacific oceans, they carry nearly half of the world's annual seaborne trade, including oil supplies.

Nearly 94,000 vessels used the straits in 2004, a figure thought to rise to 150,000 vessels by 2020, with tankers in the energy trade accounting for much of the increase

The importance of safety, security, and environmental protection in these straits is increasing.

User states have been concerned about the high level of piracy and seaborne robbery in the straits and, following the 11 September 2001, the possibility that a maritime terror attack could disrupt shipping in the straits.

Countries bordering the straits are worried about the implications of increased shipping traffic, the threats posed to the marine environment, the high costs of maintaining navigational safety and environmental protection, and the possibility that their sovereignty could be jeopardized by the operational involvement of non littoral countries in providing security in the straits.

We need closer cooperation among the littoral and user states to manage these issues.

This requires a comprehensive approach: navigational safety, maritime security and environmental protection. China, Japan, Taiwan, and South Korea are heavily dependent on shipping through the Straits.

This includes tankers and gas carriers moving from the Middle East, and large container ships on around-the-world service runs among Europe, East Asia, and North America as well as other types of vessel, such as car carriers and ro-ro vessels carrying important export and import commodities.

Of these states, Japan has been the most active in assisting the littoral countries with their efforts to provide safety and security in the straits and to protect the marine environment.

The Japanese Coast Guard has sent experts, held seminars and conducted joint training sessions with these states.

The Japanese Government is developing the global maritime distress and safety system, conducting joint hydrological surveys, and developing electronic hydrological maps of the straits.

Japan Coast Guard ships and aircraft regularly visit Southeast Asian states to assist local security forces through training and exercises in building their capacity to combat threats from piracy and maritime terrorism.

I will come back to role of the JCG, of which I'm a big fan!

In June 2006, Japan donated three patrol boats to Indonesia to help fight terrorism and piracy, after earlier donating a training vessel to the Malaysian Maritime Enforcement Agency.

In January 2008, Japan announced a major grant to assist in upgrading Malaysia's maritime surveillance system along the Malacca strait.

I'd like to acknowledge the great work of **Japan's Coast Guard**. As Richard Samuels noted in recent article in 'International Security' journal the

modernisation and expansion of the JCG enhance not only Japan's power projection capabilities but also Japan's ability to project influence—and it does so without the destabilizing consequences that a shift in the formal defense budget might entail.

The transformation of the JCG into a de facto fourth branch of the Japanese military may be the most significant and least heralded Japanese military development since the end of the Cold War.

A well known commentator on maritime affairs, Sam Bateman has pointed out that since 2000 Japan has been actively using the JCG as a 'foot in the water' in Southeast Asian waters. In fact, the JCG has become a regular participant in the ASEAN Regional Forum, Southeast Asia's most prominent collective security assembly.

Samuels notes this 'foot' may not be sheathed in a steel-tipped boot, but it is nonetheless a formidable addition to Japan's diplomatic and military capacity—ironically, not least because of its nonmilitary character.

The commitment by littoral states to maritime security cooperation constitutes another major step forward with regime building in the Malacca and Singapore straits. Relevant activities include trilateral coordinated maritime surface patrols among Indonesia, Malaysia, and Singapore called the Malacca Strait Sea Patrols and coordinated airborne surveillance under the Eyes in the Sky arrangement.

I would also mention here the **Regional Cooperation Agreement on Combating Piracy and Armed Robbery Against Ships** that came into effect in 2006.

This Japanese-inspired initiative, ReCAAP, is a very significant achievement that provides the basis for regional cooperation to counter piracy and seaborne

robbery in the Asian region. The agreement became operational in September 2006 with the opening of the Information Sharing Center in Singapore.

With the important exceptions of Indonesia and Malaysia, it involves all ASEAN nations, plus Japan, China, South Korea, India, Bangladesh, and Sri Lanka. It includes an information network and a cooperation regime with assigned contact points in each participating country.

Indonesia's reluctance to join ReCAAP stems from the belief that ReCAAP undermines state sovereignty in archipelagic waters and the territorial sea. Malaysia's reluctance to support ReCAAP is believed to lie in its objections to the location of the Information Sharing Center in Singapore and its view that ReCAAP is an unnecessary competitor for the IMB's Piracy Reporting Center located in Kuala Lumpur.

Tighter government control and onshore policing are important factors contributing to the improved situation with piracy and robbery at sea.

As piracy off the coast of Somalia demonstrates, corrupt governance or lack of good order onshore facilitates disorder at sea.

Pirates operate from bases onshore, usually in small fishing communities, and it is not unreasonable to assume that most of the community knows what is going on. Official and community attitudes against piracy in Indonesia have hardened in recent years. Greater awareness and more active policing onshore constitute the most significant factors leading to the reduced incidence of piracy and seaborne robbery in Indonesia, including in the Malacca strait.

As the majority of energy flows in Asia are seaborne in nature, navies would be involved in the protection of this shipping if it were threatened.

We don't yet have agreement on a common maritime threat assessment for shipping in the Asia-Pacific region.

That's the first step to wider bilateral and eventually multilateral naval cooperation.

Its encouraging that ASEAN is establishing a Maritime Forum and ARF has set up an inter-sessional meeting on maritime security. Both will address maritime cooperation, including shipping safety and security.

In terms of **Australian Japan maritime cooperation**, Japan of course is a leading seafaring nation and as already noted depends on maritime commerce and its one of the world's largest importers of oil.

The ocean is a lifeline for Japan's so security in the oceans is essential for your national security. The US-Japan Defense Alliance is substantially a maritime defense alliance in the sense of using the sea to protect common national interests.

Australia maritime domain is around 4 per cent of the planet's oceans, but Australia is not a great maritime nation, even though we have world's third largest EEZ.

Why is it so? We choose to live and play on the shores of our country but lack a maritime culture. Our national identity has largely been forged by looking inward to continental Australia, with the sea cutting us off from unwanted intruders.

We need to change this mindset. We persist in seeing our maritime jurisdiction and surrounding oceans as isolated and unimportant issues. We haven't grasped their significance as central to the nation's future in the twenty first century.

Until about thirty years ago, our marine industries were mainly in the hands of foreigners. Our marine scientific research effort to explore the economic potential of our oceans is paltry in comparison with other countries; notably in our region, China, Japan and India. It's a 'Catch-22' situation. We don't invest resources in marine research because we don't know what we have.

Our maritime domain offers great economic potential: offshore oil and gas, shipping, marine tourism and fishing are key industries already, but there are also emerging new industries, such as marine biotechnology, wind and tidal energy, desalination, deep seabed mining, and carbon capture and storage.

In national security terms, our strategic planners too often regard our surrounding oceans and seas as a moat that separates us from our neighbours: we continue to seek security against rather than with the region. This is the mindset of insular insecurity that has influenced Australian strategic thinking since the earliest days of European colonisation.

Regional oceans and seas provide important opportunities for cooperation with our neighbours. Australia has a clear strategic interest in helping to build good law and order at sea with our neighbours. It's one of the surest ways we can prevent threats to our security.

Most threats faced by the countries around us, such as population growth, terrorism, food shortages, military expansion, climate change and energy insecurity, have a significant maritime dimension.

While we can't have much influence on these issues at source, at least we can try to have an influence, even in some cases a controlling influence, on how they affect Australia via the adjacent oceans and seas.



The links between climate change and the oceans are under-appreciated. The oceans directly affect climate and, in turn, are directly affected by climate change.

Most policy concern with climate change has focused on controls to reduce greenhouse gas emissions. However, climate change also poses significant challenges for oceans management and policy. Increasing acidification of the seas is a particular threat that might have very severe consequences for Australia and our region, particularly on pristine coral reefs.

The promotion of Australia as a maritime power and a clever maritime nation would fit well with the Rudd government's concept of Australia as an activist, creative middle power focused on keeping our region peaceful and prosperous.

The Rudd government has set an ambitious goal to increase our international influence as a middle ranking power: the oceans offer a potential source of credibility and leadership to achieve that status.

In terms of maritime security cooperation with Japan we should at this point keep to the softer "S" side of security: climate change, oceans management, ocean acidification, natural disaster mitigation, and capacity building initiatives.

The South Pacific is a good area for this, especially our navy cooperating with Japan coastguard in border patrolling.

Australia and Japan can also work together to give the islands greater economic return on fisheries. Japan has a strong interest in the stability of the resource.

This can act as a balance for increasing Chinese presence there.

In the harder "S" security context Australia needs to be sensitive to Chinese concerns about a US sponsored containment strategy.

SLOC security is of course a common interest.

We can cooperate with Japan through PSI and also with Japan in your own efforts to suppress piracy off the coast of Somalia.

Its pleasing to note that your parliament last month approved a law allowing the Japan Maritime Self-Defence Force greater powers in combating piracy off the coast of Somalia. The bill allows the two JMSDF destroyers in the Gulf of Aden to escort any ship and fire at suspected pirate ships, as compared to previously only being able to escort Japanese ships and use their weapons in self-defence.

Australia recently sent a frigate to this operation.

We can share information related to maritime security more generally, including on climate refugees created by rising sea levels, and conflict created by depletion of fish stocks.

We can also cooperate in research on ocean energy resources in order to bring ocean energy sources into production. Australia is soon to get major new marine research vessel so we can cooperate more in research and development of marine resources. One area that Australia is very interested in is CO2 capture and sequestration technologies

Australia and Japan have an increasingly sophisticated understanding of highly complex climate systems – the relationships between oceanic and atmospheric systems – and how the increase in our carbon emissions is affecting them. Australia and Japan have a long history of working together on climate change and more recently acidification issues. In fact, it is the focus of our Antarctic research cooperation.

Because the **Antarctic and the Southern Ocean** play a major role in the global climate system Australia and Japan should work together to help us understand the pace, and trajectory of climate change.

A related issue is the increasing need for good order at sea, including the prevention of IUU fishing, pollution and other illegal activity in the waters off Antarctica.

Generally it seems to have been accepted that the use of naval vessels for enforcement operations against illegal fishing constitutes a “peaceful purpose” under the Antarctic treaty. Australia, for example, has used military deployments over the years for fisheries interception, search and rescue, and logistic support. Australia has a very large maritime Search and Rescue Region that stretches to the Antarctic continent.

Australia and Japan are both members of CCAMLR so we direct interest to cooperate to reduce costs in the Southern Ocean and tackle IUU fishing. The Japan Coast Guard could cooperate with Australia for Antarctic for policing and sovereignty protection and in so doing honour the spirit of the Antarctic Treaty.

Last season Australia helped Japan with its Antarctic logistic support and in the future with Japan’s new Antarctic vessel, this will open the door to future logistic cooperation in eastern Antarctica. We can build on this to work with Japan to extend Australia’s work to western Antarctica as well.

Perhaps one area that Australia and Japan need to think more about is the issue of possible **militiarisation** of Antarctica. It is not inconceivable that resource wars might extend into Antarctica in the future. The waters off Antarctica, and the claimed exclusive economic zones there, might be particularly vulnerable to such competition and conflict. There’s the Madrid Protocol of 1998 that implemented a

50-year ban on mining in the Antarctic. However, the Protocol only binds the relatively small number of countries that are party to it.

The emerging strategic competition between China on the one hand, and India and Japan on the other, is one development that could impact on activities in Antarctica. There is increased risk of geopolitical competition in and around Antarctica. China's bases are in the Australian Antarctic Territory, and the expanding Chinese presence there maybe one factor behind the funding increase for the Australian Antarctic Division in the 2009–2010 Federal Budget.