

**SENATE STANDING COMMITTEE ON
FOREIGN AFFAIRS, DEFENCE AND TRADE
REFERENCES SUB-COMMITTEE'S**

INQUIRY INTO MATERS RELATING TO THE TORRES STRAIT

DEPARTMENT OF DEFENCE SUBMISSION

Australia plays a major role in providing assistance to the Papua New Guinea Defence Force (PNGDF) through the Defence Cooperation Program. The Program's budget for Papua New Guinea is approximately \$12 million per year and is focused on increasing the sustainability, professionalism and effectiveness of the PNGDF. Activities funded by the Defence Cooperation Program include bilateral exercises, training and infrastructure projects. The Program also funds the 23 Defence personnel who support the Defence Cooperation Program in-country.

At Defence policy talks in December 2007, Papua New Guinea agreed to Australia's package of support to Phase II of the Reform Program valued at \$48 million over 10 years. The Phase II support package will focus on assisting the PNGDF to reconstitute its border security role, primarily through support to forward operating bases and border patrols. This will involve infrastructure upgrades, capital equipment, personal military equipment and ongoing sustainment of forward operating bases.

Australia deploys Royal Australian Navy maritime surveillance and technical advisers in-country to help maintain and operate four PNGDF Pacific Patrol Boats. The role of the PNGDF patrol boats is to conduct surveillance of Papua New Guinea's maritime borders, and Economic Exclusion Zone, an area that includes the Torres Strait region. Our Defence Cooperation Program contributes to enhancing the PNGDF's ability to patrol the Torres Strait region by improving its maritime surveillance capabilities.

The Australian Defence relationship with Indonesia is progressing toward a partnership marked by frank and open dialogue, increased institutional cooperation, and by joint regional leadership in combating terrorism, people smuggling and illegal fishing. The Lombok Treaty, which was agreed in 2006 and came into force in 2008, has provided a strong foundation for this partnership. The Joint Statement on Defence Cooperation, signed by Australia's Chief of the Defence Force and the Commander-in-Chief of the Indonesian Armed Forces (TNI) in Jakarta in January 2009, reflects this progress.

The Defence Cooperation Program budget for Indonesia is approximately \$5.1 million in 2009-10, and we expect to spend approximately \$3.5 million on education and training alone, which includes staff college positions, scholarships, single service training, central Australian Defence Force (ADF) courses, seminars, and support to Indonesia's academic institutions, Lemhannas and the recently established Indonesian Defence University. Our education and training program continues to have an important focus on human rights awareness, accountability, and respect for the rule of law. Training and education contributes to greater professionalism and reform within TNI and the Department of Defence.

Our program also focuses on practical cooperation through combined exercises, visits and information exchanges in the areas of maritime security, counter-terrorism, humanitarian assistance and disaster relief, peacekeeping, governance, and defence industry. We look forward to the broader relationship developing and opening up in new areas that further promote security and stability within the region.

Australia's strategic future is directly linked to our neighbours across the Torres Strait. Unsurprisingly, it has played an important role in our strategic history. Indeed, the new Defence White Paper *Defending Australia in the Asia Pacific Century: Force 2030*, which was released by the Australian Government in May 2009, noted that Australia's most important strategic interest is the defence of Australia against direct armed attack, which requires controlling the air and sea approaches to our continent. In a time of crisis, this may require military use of force. In times of peace, and certainly in the current strategic environment, this requires the fostering and enhancement of the security of our immediate neighbourhood by maintaining and growing a resilient regional community in our immediate neighbourhood.

This corresponds with Australia's second priority interest: the security, stability and cohesion of our immediate neighbourhood. It is vital that our immediate neighbours do not become a source of threat to Australia, and that no major military power, that could challenge our control of the air and sea approaches to Australia, has access to bases in our neighbourhood from which to project force against us.

Defence will continue to take a strong interest in the humanitarian welfare, political stability and economic progress of our neighbours across the Torres Strait; a function of our shared history as well as our long-standing strategic interests in ensuring community resilience is sustained. Australia's interests are inevitably engaged if countries in the region become vulnerable to the adverse influence of strategic competition. The tasks of the ADF, as outlined in the Defence White Paper, are designed to support these interests and objectives.

The geographical and physical characteristics of the Torres Strait, as well as its proximity to Australia, present many challenges to Government and security planners within our region. Confined in width and depth, the waters of the Torres Strait further test transiting vessels with complex tidal regimes and strong tropical winds and rain. The Straits region also represents a vital economic link as the main shipping route between the Arafura and Coral Seas and hosts several key commercial fishing zones. The Straits is home to around eight thousand people most of whom follow traditional livelihoods that do not necessarily conform to contemporary border control systems.

Defence contributes in a number of ways to the Whole-of-Government efforts that provide for security and stability in the Torres Strait. Within the border security context, Defence support includes the provision of valuable policy advice to the Homeland and Policy Coordination Group, Strategic Policy Coordination Group and other subordinate border security committees of Government. Along with this policy advice, Defence provides critical intelligence, surface and aerial support for the protection of Australia's borders and maritime interests through Operation Resolute and is also responsible for the hydrographic charting of the Straits. The provision of this operational support, along with close and collaborative working relationships with Australian Government agency counterparts and Indonesian, East Timorese and Papua New Guinean authorities demonstrates Defence's

ongoing commitment to ensuring the security, stability and cohesion of the Torres Strait as part of our immediate neighbourhood.

The Defence White Paper highlighted the challenges facing the South Pacific. Many South Pacific island states and East Timor will continue to be beset to some degree by economic stagnation and political and social instability.

Weak governance, crime and social challenges will continue to jeopardise economic development and community resilience, against a background of climate change (to which many of these states are vulnerable) and more frequent natural disasters. On occasion, these factors will cause security problems of the kind to which Australia may need to respond directly with appropriate forms of humanitarian and security assistance, including by way of ADF deployments.

Papua New Guinea's long-term prospects are enhanced by its significant resources and relatively large population and land area. But it faces huge challenges, including very high unemployment, criminality and high rates of HIV/AIDS. Many of Papua New Guinea's basic social and economic indicators are declining from an already low base. Major efforts are required to build and maintain basic infrastructure, improve law and order, and improve education and health standards.