

# **THE PHILIPPINES AND AUSTRALIA**

***Defense and Security Cooperation  
Against Terrorism***



**ROMMEL C. BANLAOI**

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# **PART ONE**

## **Broadening Philippine-Australia Defense Relations Against Terrorism: Issues and Prospects\***

### **INTRODUCTION**

Since the terrorist Bali bombings in October 2002, Australia has been initiating various strategic initiatives to strengthen its web of bilateral Defense relations in Southeast Asia. Canberra has signed an anti-terrorism agreement with Southeast Asian countries like Indonesia, Malaysia, the Philippines, and Thailand. This is part of Australia's overarching strategy of expanding its bilateral relations in Southeast Asia to advance its national interests which are perceived to be threatened by traditional and non-traditional security issues in Asia, particularly the spectre of international terrorism.<sup>1</sup> Among countries in the region, the Philippines has the potential to forge a Defense partnership with Australia in Southeast Asia due in large part to geographic proximity and cultural familiarity. Yet, the deeper basis for broadening their Defense ties lies in their shared regional security perspectives.

This chapter examines the state of Philippine-Australia Defense relations since September 11 and identifies some issues and prospects for expanding their Defense relations. It argues that besides geographic proximity and cultural familiarity, the more pressing convergence lies in their security interests in the region, especially in the context of the global campaign against terrorism. It concludes that the broadening of Philippine-Australia Defense ties can contribute to the web of bilateral Defense relations of like-minded states in Southeast Asia necessary for the promotion of regional peace and stability.

### **THE ORIGIN OF PHILIPPINES-AUSTRALIA DEFENSE RELATIONS**

Although the Philippines and Australia have robust interactions in various multilateral forums such as the ASEAN Regional Forum (ARF), the Asia Pacific Economic Cooperation (APEC), and the ASEAN Australia Dialogue, among others, broadening their bilateral relations is still a more manageable and efficient way to advance their common security interests. In fact, security studies theory argues that sovereign states adopt bilateralism

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<sup>1</sup> See Department of Foreign Affairs and Trade, *Advancing the National Interests: Australia's Foreign and Trade Policy White Paper* (Canberra: Department of Foreign Affairs and Trade, 2003).

because there are interests that are better advanced by maintaining separate relationships with other actors.<sup>2</sup> Moreover, bilateralism creates a "hub and spokes" pattern of alliance development and maintenance for states to pursue their common security interests.<sup>3</sup>

Philippine official sources trace the origin of Philippine-Australia bilateral relations to the 19th century when Australian missionaries came to the Philippine islands to proselytize the inhabitants. Although commercial relations were already recorded during that period, the scale of bilateral trade between both countries was very modest.<sup>4</sup> Trade relations only improved in the early part of the 20th century when Australia became the Philippines' fifth largest source of imports, particularly of coal and beef.<sup>5</sup>

Australia became an important part of Philippine history when President Manuel L. Quezon established his government-in-exile in Australia at the height of the Japanese occupation of the Philippines in the 1940s. During the second World War, Australia, as an American ally in the Asia Pacific, deployed some troops to the Philippines to help liberate the country from the Japanese imperial forces. When the Philippines achieved its independence, Canberra opened a consular office in Manila in 1946 and assisted the economic reconstruction of the Philippines within the framework of the Colombo Plan established in 1951.

The Defense relationship of both countries officially started in 1954 when they joined the Southeast Asia Treaty Organization (SEATO). The formation of SEATO was an American experiment of alliance strategy in Southeast Asia using the North Atlantic Treaty Organization (NATO) of Europe as its model.<sup>6</sup> The Philippines and Australia joined the organization because both shared the perception of common threat posed by communist expansionism in Southeast Asia. Moreover, the Philippines and Australia had close Defense ties with the United States.

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<sup>2</sup>Brian L. Job, "Bilateralism And Multilateralism: Achieving the Right Balance in Security Relations", *Strength through Cooperation: Military Forces in the Asia-Pacific Region* (Washington DC: Institute for Strategic Studies, National Defense University, 1997) at <<http://www.ndu.edu/inss/books/Books%20-%201997/Strength%20Through%20Cooperation%201997/stcchl3.html>>.

<sup>3</sup>William T. Tow, "Assessing Bilateralism as a Security Phenomenon: Problems of Underassessment and Application (In an Asia-Pacific Context)", paper prepared for the Hawaii International Conference on Social Sciences, Honolulu, 12 June, 2003.

<sup>4</sup>See Philippine Embassy in Canberra, "Overview of Relations" at <<http://www.philembassy.au.com/bil-oview.htm>>.

<sup>5</sup>Ibid.

<sup>6</sup>For more discussion about SEATO and alliance strategy, see Leszek Buszynski, *The Failure of an Alliance Strategy* (Singapore: Singapore University Press, 1983).

SEATO suffered its demise in 1977 when the organization failed to pursue constructive intervention in Indochina. As a result, Philippine-Australia Defense relations became practically moribund while bilateral relations were increasingly shaped by diplomatic and economic imperatives. Their diplomatic relations started to improve when the Philippines opened its embassy in Canberra in 1962, and further developed when Australia joined the Philippines Assistance Program (PAP) established in 1989. Filipino migration to Australia increased to 103,942, as of 2001.<sup>7</sup> According to the Philippine Bureau of Immigration, Filipinos ranked eighth among the source of migrants to Australia,<sup>8</sup> making the country another land of milk and honey for Filipinos.

When both countries signed the Philippine-Australia Trade Agreement in 1975, their two-way trade also dramatically improved. In 1998 alone, Australia ranked 17th as an export destination for Philippine exports and 11th as a source of Philippine imports.<sup>9</sup> Their economic relations further grew when both signed the Philippine Investment Promotion and Protection Agreement in 1994. In view of the success of their bilateral relations in the diplomatic and economic spheres, they decided to widen the scope of their cooperation by signing a Memorandum of Understanding (MOU) on Defense Cooperation in 1995. The MOU established the foundation for the development of Philippine-Australia Defense relations.

## **THE STATE OF PHILIPPINES-AUSTRALIA DEFENSE RELATIONS**

The 1995 MOU on Defense cooperation is a landmark for the Defense relations of both countries as it formalizes their Defense cooperation which had long been neglected since the demise of SEATO. The 1995 MOU served as a useful basis to strengthen Defense relations in the wake of strategic uncertainties emerging in the Asia Pacific as a consequence of the end of the Cold War and the demise of the Soviet Union. The MOU provides the overarching mechanism in the exploration of various opportunities to intensify their Defense ties such as the mutual benefits inherent in cooperative Defense activities and exchanges between their respective military establishments. Specifically, both countries agreed to cooperate in the following areas:

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<sup>7</sup>Philippine Embassy in Canberra, "Overview of Relations" at <<http://www.philembassy.au.com/bil-oview.htm>>. Also see Australian Department of Foreign Affairs and Trade, "Republic of the Philippines Country Brief" (March 2003) at <[http://www.dfat.gov.au/geo/philippines/philippines\\_brief.html](http://www.dfat.gov.au/geo/philippines/philippines_brief.html)>.

<sup>8</sup>Philippine Embassy in Canberra, "The Filipino Community in Australia" at <<http://www.philembassy.au.com/bil-filcom.htm>>.

<sup>9</sup> Philippine Embassy in Canberra, "Trade Relations" at <<http://www.philembassy.au.com/bil-trade.htm>>.

- Mutual access by units and personnel to each other's Defense facilities, including facilities for refuelling and replenishment of ship and aircraft, diversion airfields for aircraft, and planned and emergency repair and maintenance of ships and aircraft;
- Participation in joint training and military exercises;
- Access by Defense personnel, including exchanges of students and instructors, to training facilities and training courses in the country of the other Party;
- Exchange of information on Defense matters;
- Cooperation in Defense science and technology matters especially in areas where Defense research and development can benefit from the unique environment possessed by each country; and
- Identification of common or similar requirements for Defense-related goods and services as well as opportunities for Philippine and Australian companies to participate in meeting those requirements.

To provide policy direction and to initiate, coordinate and monitor the different activities carried out under the MOU, both countries established the RP-Australia Joint Defense Cooperation Committee cochaired by a senior representative from each country. The Joint Committee is authorized to establish sub-committees to effectively address and implement their specific projects on Defense matters. Thus, the Philippine-Australia Defense Cooperation Working Group (DCWG) was created to undertake programmes and projects on Defense-related matters. However, most of the projects implemented were largely in the area of "soft" Defense, primarily dominated by confidence building measures (CBMs). The most robust area of Defense cooperation between the two countries is in the education and training of Filipino military officers and Defense officials in Australia. Because of the MOU, Australia has become the major source of training and education of Filipino military officers and Defense personnel. The quota for Filipino military officers undergoing training and education in Australia has tremendously increased by 300 per cent since 1995. Australia is, in fact, replacing the United States as the biggest provider of military education to the Armed Forces of the Philippines (AFP).

As part of their CBMs on security issues, both countries have also conducted track two activities. Both countries conduct the annual security dialogues called Philippine-Australia Defense Dialogue on Security (PADS), initiated by their respective foreign affairs departments.<sup>10</sup> PADS has also provided a forum for their respective Defense offices to discuss Philippine-

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<sup>10</sup> The author was a participant at the Third Philippine-Australia Dialogue on Security held on 6 October 2000 at the Century Park Hotel, Manila, as the official representative of the National Defense College of the Philippines.

Australia Defense diplomacy. PADS pursued mutual sharing of perspectives on various security issues facing both countries ranging from regional conflicts like the South China Sea disputes, the Korean problem, the China-Taiwan conflict and the Kashmir dispute to other regional security concerns like the rise of China, the role of major powers and the creation of the ASEAN Regional Forum (ARF).

Although PADS provided a venue for Manila and Canberra to level off their expectations and to explore other avenues of Defense and security cooperation, the conduct of PADS was rather moot and academic because no tangible bilateral Defense cooperation matter was discussed beyond CBMs. In fact, PADS participants were reluctant to discuss controversial issues of their relations and were discreet in their articulation of security issues confronting them. Frank and candid discussions were avoided except for the enunciation of their official lines.

At the track two level, both countries also conducted the Philippine-Australia Strategic Forum (PASFOR) held at the National Defense College of the Philippines on 26-29 November 2001.<sup>11</sup> Like the PADS, the PASFOR dialogue has provided the two countries excellent forums to discuss their respective security concerns and to exchange views on various strategic issues facing the Asia Pacific region. Unlike PADS, however, PASFOR discussions were more frank and candid due to the principle of non-attribution and academic freedom. PASFOR discussed "hard" security issues like Defense industry and procurement reforms, Defense planning, Defense budgeting and even the territorial limits of the Philippines. PASFOR also tackled "soft" security issues like transnational crime, maritime security, peacekeeping Operations and the regional security outlook, among others.<sup>12</sup> In fact, Australian participants in PASFOR were noted academics reflecting the strategic importance of the Philippines for Australia.<sup>13</sup> Unfortunately, the PASFOR initiative was not sustained due to some changes in the priorities of both countries as a result of the global campaign against terrorism.

The PADS and the PASFOR initiatives could have served as valuable instruments in shaping the two countries' bilateral Defense diplomacy programs had they been sustained. Unfortunately, the global campaign against terrorism and the American return to Southeast Asia halted the momentum of Philippine-Australia exchanges on regional security because the Philippines

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<sup>11</sup>The author was instrumental in the conduct of PASFOR when he proposed the project to Dr Anthony Bergin during their meeting in Malaysia at the 15th Asia Pacific Roundtable in 2001.

<sup>12</sup> Australian Defense Studies Center and the National Defense College of the Philippines, "Philippine-Australia Strategic Forum (PASFOR): Australian Delegation Background Papers" (26-29 November 2001).

<sup>13</sup>Australian participants to PASFOR were Ainslie Barron, Anthony Bergin, Chris Chung, James Cotton, Alan Dupont, Sandy Gordon, Stefan Markowski, John McFarlane, Hugh Smith, Russel Trood, and Derek Woolner.



concentrated on reinvigorating its security alliance with the United States. As a result, Philippine-Australia Defense exchanges have been marginalized and relegated to the periphery of Philippine Defense diplomacy programs. Since September 11, the Philippines has been focusing its energy on reviving its Defense alliance with the United States in order to build its capacity not only in countering terrorism but also in addressing various threats to its security, particularly the Defense of the Kalayaan Island Group in the South China Sea. Thus, Philippine bilateral Defense diplomacy since September 11 has been largely shaped by its relations with the United States, marginalizing Philippine Defense relations with other countries, including Australia. Indeed, the cornerstone of Philippine Defense diplomacy since September 11 is the strengthening of Philippine-American Defense relations.

The reinvigoration of Philippine-American Defense relations is, therefore, diminishing Canberra's role in Philippine Defense diplomacy. This is quite unfortunate considering the fact that, after the American withdrawal from the Philippines in 1991, Australia extended various forms of assistance to the Philippine Defense establishment. When the United States downgraded its military and Defense relations with the Philippines after its withdrawal from Clark and Subic Bays, Canberra expressed willingness to enhance its Defense relations with Manila. When the United States disengaged itself from the Armed Forces of the Philippines (AFP) Defense capability development programs, the Australian Ministry of Defense signified its interest in supporting the Philippines in the implementation of the AFP Modernization Program.<sup>14</sup> When the United States reduced its slots for Filipinos in the International Military Education and Training Program (IMET), Canberra increased its slots for Filipinos undergoing Defense education and training in various institutions in Australia. In short, Australia came to the rescue of the Philippines during the lowest point of Manila's bilateral Defense diplomacy with the United States.

To sustain their strategic exchanges and to explore the future direction of Philippine-Australia Defense relations after September 11, Manila's National Defense Office for Strategic Assessment and International Policies organized the Philippine-Australia Defense Engagement Talks on 6-7 May 2003 in Camp Aguinaldo, Quezon City.<sup>15</sup> At these talks, both countries reaffirmed their common values and shared interests in regional security and expressed their commitment to conduct strategic dialogues on a regular basis to broaden their Defense ties. Although both countries have robust exchanges on various strategic concerns as part of the confidence building measures, there is a felt

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<sup>14</sup>For a discussion on American disengagement in the Philippines, see Doug Bandow, "Instability in the Philippines: A Case Study for U.S. Disengagement", Foreign Policy Briefing, no. 64 (Cato Institute, 21 March 2001). Available at <<http://www.cato.org/pubs/fpbriefs/fpb64.pdf>>.

<sup>15</sup>The author is a participant in this activity as consultant of the Department of National Defense, Office of the Assistant Secretary for Plans and Programs.

need to move forward and enhance their Defense relations beyond the area of education and training. Geographic proximity and cultural familiarity are arguably factors conducive to a stronger relationship. Nevertheless, the most enduring basis on which to build broader Defense relations is their shared perspective on regional security.

## **GEOGRAPHIC PROXIMITY**

Although Australia belongs to Oceania, its immediate strategic space is Southeast Asia. Canberra's 2000 Defense White Paper articulates the importance of Southeast Asia in Australia's strategic interests and objectives and describes the region as its immediate neighbour.<sup>16</sup>

By virtue of geographic proximity, Australia is conceivably a part of the Southeast Asian security complex "whose major security perceptions and concerns are so inter-linked that their national security problems cannot reasonably be analyzed or resolved apart from one another."<sup>17</sup> The October 2002 Bali bombings have demonstrated that an insecure Southeast Asia also means an insecure Australia. The 2003 Australia's Defense Update even reiterated the importance of Southeast Asia in the security of the country and stressed anew that Southeast Asia is Australia's immediate region. The Philippines can be a reliable strategic partner of Australia in regional security due to geographic proximity. Although Indonesia is the nearest neighbour of Australia in the strictest geographic sense, the two countries have not overcome their historic animosities. Australia-Indonesia relations rapidly deteriorated in the wake of the 1999 East Timor crisis.<sup>18</sup> Moreover, Australia's very close relationship with the United States is also complicating Canberra's relations with Jakarta. Like Australia, the United States heavily criticized Indonesia's handling of the East Timor problem resulting in the termination of their military ties. The fall-out in Australia-Indonesia relations and U.S.-Indonesia relations in the wake of the 1999/2000 East Timor intervention<sup>19</sup> has left an indelible mark in Indonesia's Defense diplomacy vis-a-vis the two countries. This situation makes it difficult for Canberra to build closer and deeper Defense ties with Jakarta.

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<sup>16</sup>Commonwealth of Australia, Defense 2000: Our Future Defense Force (Canberra: Commonwealth of Australia, 2000), p. x.

<sup>17</sup> Barry Buzan popularized the idea of the security complex. See Barry Buzan, Ole Waever and Jaap de Wilde, Security: A New Framework for Analysis (London: Lynne Rienner Publishers, 1998), p. 12.

<sup>18</sup> For more discussions on Australia-Indonesia relations, see Peter Chalk, Australian Foreign and Defense Policy in the Wake of the 1999/2000 East Timor Intervention (Santa Monica, California: RAND, 2001), chapters 2-4.

<sup>19</sup>Ibid.

## **CULTURAL FAMILIARITY**

As a former colony of the United States, the Philippines has long exposure to Western culture. This exposure to Western culture also created a profound impact on Philippine political culture. Like the West, the Philippines embraces the values of political and economic freedom; these similarities have helped the broadening of Philippine-Australia Defense relations. The Australian embassy in Manila recognizes this factor when it stated that "The Philippines, as a democratic, predominantly Christian country with a long exposure to western culture and a relatively well-educated, English-speaking population, has much in common with Australia."<sup>20</sup>

## **SHARED REGIONAL SECURITY PERSPECTIVES**

The most enduring basis on which to broaden Philippine-Australia Defense relations is their shared perspective on regional security.<sup>21</sup> The Philippines and Australia have common security interests in the peace and stability of Southeast Asia. Both countries regard their bilateral relations with the United States as an important factor for regional security. They have a convergence of interests in fighting terrorism in Southeast Asia, have common interests in the freedom of navigation in the South China Sea, share common security concerns in the maritime security of Southeast Asia and regard China as a great security challenge to peace and prosperity in Southeast Asia.

### ***Relations with the United States***

Both countries' Defense and security policies are strongly based on their Defense alliances with the United States. Their Defense alliances with the United States are potential common denominators in the broadening of Philippine-Australia Defense relations. Australia's Defense Update 2003 emphasizes that Canberra's Defense relationship with Washington "remains a national asset."<sup>22</sup> Australia has, in fact, intensified its security alliance with the United States, especially in the aftermath of the October 2002 Bali terrorist bombings. The White Paper produced by the Department of Foreign Affairs

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<sup>20</sup>Quoted in Australian Embassy in Manila, "Australia-Philippine Relations" at <<http://www.philippines.com.au/resources/philippines/ausphilrell.htm>>.

<sup>21</sup>For a very good reading on Australia' strategic perspective on regional security and Philippine-Australia relations, see Jaime Ramon T. Ascalon, "Australian Perspective on Regional Security and Prospects for RP-Australian Security Cooperation", Foreign Affairs Quarterly 1, no. 1 (January-March 1999), pp. 1-12.

<sup>22</sup>Commonwealth of Australia, Australia's National Security: A Defense Update 2003 (Canberra: Commonwealth of Australia, 2003), p. 9. Also see Jonathan O. Gackle, "US-Australian Defense Cooperation: A Model for Twenty First Century Security Arrangements", Defense & Security Analysis 18, no. 1 (2002), pp. 39-49.

and Trade (DFAT) has even stressed that "the depth of security, economic and political ties that we have with the United States makes this a vital relationship."<sup>23</sup>

The 1998 Philippine Defense Policy Paper, on the other hand, states that the Philippine-American Defense alliance as mandated by the Mutual Defense Treaty (MDT) enhances not only Philippine national Defense and security but also contributes to regional stability.<sup>24</sup> In fact, the Philippines has revitalized its Defense alliance with the United States as a result of its unwavering support for the American-led global campaign against terrorism.<sup>25</sup>

As American allies in the Asia Pacific, the Philippines and Australia welcome the American presence in the region as a stabilizing factor. Both regard the continued commitment of the United States to regional stability as an important factor in the advancement not only of their national security interests but also for the maintenance of the prevailing balance of power in the Asia Pacific region. The Philippines and Australia also regard the return of the U.S. strategic presence in Southeast Asia after September 11 as one of the most significant developments in the security of the region.

### ***Terrorism in Southeast Asia***

The Philippines and Australia share the same perspectives on the threat of terrorism in Southeast Asia. Thus both countries strongly support the global "war on terrorism". Because of the convergence of their strategic perspectives on terrorism, they signed a Memorandum of Understanding to Combat International Terrorism during the visit to Australia by Philippine Foreign Secretary Bias Ople on 2-5 March 2003. The MOU on terrorism is an important milestone in the broadening of their Defense relations, as it reaffirms the commitment of both countries "to strengthen and expand" their cooperation to fight international terrorism and articulates the determination of both countries "to prevent, suppress and eliminate international terrorism

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<sup>23</sup> Department of Foreign Affairs and Trade, *Advancing the National Interests: Australia's Foreign and Trade Policy White Paper* (Canberra: Department of Foreign Affairs and Trade, 2003).

<sup>24</sup> Department of National Defense, *In Defense of the Philippines: 1998 Defense Policy Paper* (Quezon City: Department of National Defense, 1998), p. 66. This document serves as the defense white paper of the Philippines. Since 1998, this white paper has not been updated nor revised. A draft Philippine defense white paper was circulated for comments in January 2003 but has not been approved for public circulation to date. The author is privy to the preparation of the 2003 Philippine defense white paper.

<sup>25</sup> See Rommel C. Banlaoi, "The Role of Philippine-American Relations in the Global Campaign against Terrorism: Implications for Regional Security", *Contemporary Southeast Asia* 24, no. 2 (August 2002), pp. 294-312. Also see Paolo Pasicolan, "Strengthening US-Philippine Alliance for Fighting Terrorism", *Heritage Foundation Executive Memorandum*, no. 815 (13 May 2002).

in all its forms."<sup>26</sup> In the MOU, the Philippines and Australia decided to intensify their cooperation in the following areas:

- Information and intelligence assessment;
- Law enforcement, including the prevention and investigation of terrorist activities;
- Money laundering and the financing of international terrorism;
- The development of appropriate and effective counter-terrorism legal, regulatory and administrative regimes;
- Smuggling and border control issues, including document and identity fraud;
- Illegal trafficking in weapons, ammunition, explosives and other destructive materials or substances; and
- Defense cooperation relating to international terrorist activities.

To implement their cooperation in these areas, both countries decided to undertake the following forms of cooperation:

- Exchange of information and intelligence;
- Joint training exercises and activities;
- Assistance in the prevention, investigation, and prosecution of acts of terrorism;
- Collaboration of projects of mutual interests;
- Capacity-building initiatives, including training and education programmes, convening of meetings, seminars, workshops and conferences;
- Sharing best practice and procedures to strengthen cooperation; and
- Consultation regional and multilateral fora on issues relating to international terrorism and transnational organized crime.

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<sup>26</sup>"Memorandum of Understanding Between the Government of the Republic of the Philippines and the Government of Australia on Cooperation to Combat International Terrorism" (17 March 2003).

## ***The South China Sea Disputes***

The Philippines and Australia also have a convergence of strategic perspectives on the territorial disputes in the South China Sea. Although Australia is not a claimant state, it has a stake in the issue because of its interest in the freedom of navigation in the area.<sup>27</sup> Australian commerce and trade with Asian countries depend on freedom of navigation in the South China Sea. Australia's "Asia Pacific Security Outlook" submitted to the ASEAN Regional Forum (ARF) states that although Australia "does not take a position on competing claims in the South China Sea, which are a matter for the parties concerned to resolve", Australia is wary of "heightened tensions and rivalry between claimants" because "shipping routes important to Australia" pass through the South China Sea.<sup>28</sup>

Apparently, the Philippines' stake in the South China Sea is much greater than Australia because of the issue of territorial sovereignty. However, like Australia, the Philippines is also cognizant of the implications of the South China Sea disputes for the freedom of navigation in the area. Because Australia is a mere interested observer in the South China Sea disputes, broadening Philippine-Australia Defense relations will give Australia a louder voice in the Philippines to articulate Canberra's strategic interests in the South China Sea. The Philippines, on the other hand, can use its Defense relations with Australia to leverage against China which is the most powerful claimant state in the South China Sea.

## ***Maritime Security***

The Philippines and Australia also share strategic perspectives on maritime security issues. Being an archipelagic state of more than 7,100 islands located between the South China Sea and the Pacific Ocean, the Philippines is a maritime state. Thus, maritime security is one of its foremost security concerns. Australia, on the other hand, is an island continent in a maritime region whose area of strategic interests is vast. Australia adjoins the Pacific Ocean in the east, the Indian Ocean in the west, the Southeast Asian archipelago in the north and - sometimes forgotten - the Southern Ocean.<sup>29</sup> Maritime security issues are therefore in Australia's national interest.

One major maritime security concern of the Philippines is the perplexing problem of maritime jurisdiction. The Philippines has maritime

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<sup>27</sup> For detailed analysis of Australian interests in the South China Sea, see Christopher Chung, "The South China Sea Dispute: Themes, Developments and Implications for Australia's Interests", Australian Defense Studies Centre Working Paper no. 69 (May 2002).

<sup>28</sup> See "Australia", Annual Security Outlook 2002 (ASEAN Regional Forum, 2003) at <<http://www.aseansec.org/12665.htm>>.

<sup>29</sup> RAN Sea Power Centre, Australian Maritime Doctrine (Royal Australian Navy, 2000). Also at <<http://www.navy.gov.au/seapowercenter/maritimedoctrine.htm>>.

claims overlapping with the exclusive economic zones (EEZ) of neighbouring countries of Indonesia, Malaysia, Vietnam, China and Taiwan.<sup>30</sup> The passage of the 1992 Laws on Territorial Waters by the Beijing government declaring the whole South China Sea as part of Chinese territorial waters is also causing maritime security anxieties in the Philippines. The confirmed reports of the existence of terrorist networks in Southeast Asia have also increased the vulnerability of the region to maritime terrorism.<sup>31</sup>

Australia has also expressed anxieties over maritime issues in Southeast Asia because it regards Southeast Asia and its maritime security environment as part of its strategic space.<sup>32</sup> Broadening its Defense relations with the Philippines can widen Australia's network of bilateral relations in Southeast Asia to advance its maritime security interests in the region.

### ***The Rise of China***

The rise of China is another factor in the broadening of Philippine-Australia Defense relations. Although both countries have very good diplomatic and trade relations with China, they are wary of China's growing economic power because of its spillover effects on China's growing military power. From being one of the world's least developed countries in the 1970s, China has become one of the largest economies in the world.<sup>33</sup> The World Bank and the International Monetary Fund reported that from 1979 to 1997, China's gross domestic product (GDP) grew at an average rate of 9.8 per cent.<sup>34</sup> This phenomenal economic growth has enabled a significant expansion of the PRC's Defense budget.<sup>35</sup> In view of the burgeoning economic and

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<sup>30</sup>See Edgar L. Abogado and Reynaldo L. Yoma, "Development of a Philippine Maritime Surveillance Capability", in *Issues in Regional Maritime Strategy*, edited by David Wilson (Papers by Foreign Visiting Military Fellows with Royal Australian Navy Maritime Studies Program, 1998), p. 30.

<sup>31</sup> For a detailed discussion on the war on terrorism in Southeast Asia, see Rommel C. Banlaoi, *War on Terrorism in Southeast Asia* (Quezon City: Rex Book Store International, 2004). Online version of this book is available at <<http://www.apaninfo.net/terrorism/banlaoiBook/index.htm>>.

<sup>32</sup>I share the view of Robyn Lim on this issue. See Robyn Lim, "Australia and Maritime Security" at <<http://www.glocomnet.or.jp/okasaki-inst/robyn.ansmari.html>>

<sup>33</sup>The Rise of China in Asia: Security Implications, edited by Carolyn W. Pumprey (Carlisle, Pa: Strategic Studies Institute, U.S. War College, 2002), p. 1.

<sup>34</sup>Fei-Ling Wang, "China's Self Image and Strategic Intentions: National Confidence and Political Insecurity", paper presented at the Conference "War and Peace in the Taiwan Strait", sponsored by the Program in Asian Studies, Duke University, and Triangle Institute in Security Studies, 26-27 February 1999.

<sup>35</sup>See the Annual Report on the Military Power of the People's Republic of China (Report to the Congress Pursuant to the FY2000 National Defense Authorization Act) at <[http://www.defenselink.mil/news/Jun2000/p06232000\\_p111-00.html](http://www.defenselink.mil/news/Jun2000/p06232000_p111-00.html)>.

military power of China, the Philippines and Australia are affected by the spectre of a "China threat".<sup>36</sup> The "China threat", however, is not officially articulated by the Defense officials of the Philippines and Australia. The Philippines has publicly declared China as a regional opportunity, with concomitant challenges, rather than a threat.<sup>37</sup> The Australian official line, on the other hand, states that policy towards China "should be built not on apprehensions but on a positive desire to incorporate China as a valued participant in regional security affairs".<sup>38</sup> Nevertheless, both countries are apprehensive of the growing power of a presumably "aggressive China" even as they express confidence that China will remain a benign and responsible Asian power.

### **BROADENING PHILIPPINE-AUSTRALIA DEFENSE RELATIONS: IMPLICATIONS FOR REGIONAL SECURITY**

Broadening Philippine-Australia Defense relations would have some implications for regional security. Beijing will view the broadening of Philippine-Australia Defense relations with suspicion because China does not want to see its neighbours "ganging-up" against Beijing, particularly on the issue of the South China Sea. Although the ARF can provide a forum for the Philippines and Australia to strengthen their leverage vis-a-vis China, there are still many challenges that need to be overcome in enabling the ARF to function effectively as a multilateral security mechanism capable of enforcing its decisions on detractors. The ARF is still very much at the incipient stage of confidence building and has yet to move concretely towards the second and third stages respectively of preventive diplomacy and conflict resolution. Major powers have even expressed impatience over the ARF process because China wants the ARF to move forward only at a pace most comfortable to all participants (which also means at a pace most comfortable to China).<sup>39</sup>

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<sup>36</sup>This whole paragraph including its note is from Rommel C. Banlaoi, "Southeast Asian Perspectives on the Rise of China: Regional Security After 9/11", *Parameters* (Summer 2003).

<sup>37</sup>For more discussions on Philippine perspectives of China, see Aileen S.P. Baviera, *Strategic Issues in Philippine-China Relations: Comprehensive Engagement* (New Manila: Philippine-China Development Resource Center, 2000).

<sup>38</sup>Stuart Harris, "The Role of China in Australia's Regional Security Environment" in *In China's Shadow: Regional Perspectives on Chinese Foreign Policy and Military Development*, edited by Jonathan D. Pollack and Richard H. Yang (Santa Monica, California: RAND, 1998), p. 132.

<sup>39</sup> For an excellent reading on the development of the ARF, see Michael Leifer, "The ASEAN Regional Forum", Adelphi Paper no. 302 (London: International Institute of Strategic Studies, 1996). Also see Carlyle A. Thayer, "Multilateral Institutions in Asia: The ASEAN Regional Forum", Asia Pacific Center for Security Studies Seminar Series (December 2000).



The United States will welcome the broadening of Philippine-Australia Defense relations as a complement to their bilateral alliances with Washington. But Washington would not be too keen to see Philippine-Australia Defense relations evolve as a substitute to Philippine-American Defense relations. In the case of Japan, as a major Asian power aspiring to be a normal state, Tokyo is watching all developments in bilateral Defense relations of countries in Asia. However, Japan would not stand in the way of Philippine-Australian Defense relations getting closer as long as that development does not affect its aspiration of becoming a normal Asian power.

Broadening Philippine-Australia Defense relations will also matter to India because of its "Look East Policy". There is a strategic perception in New Delhi that China's strategy is to encircle India. Thus, India wants to establish friendships with Australia and Southeast Asian countries to counter China in the region. India will welcome the broadening of Philippine-Australia Defense relations because of their common security interests to check China's growing influence in Southeast Asia. In fact, India is also rebuilding its Defense ties with Australia because of common security interests.<sup>40</sup>

Southeast Asian countries will welcome the broadening of Philippine-Australia Defense relations for purposes of regional stability. In general, Southeast Asia views a strong web of complementary rather than competitive bilateral Defense relations in the region as a positive factor for regional security. Because the Philippines and Australia tend to share common values, strategic space, and regional security perspectives, there is a need to intensify their Defense relations to effectively address their common security interests. Intensifying Defense relations should not be limited to education and training and CBMs. It is in their mutual interest to start discussing "hard" Defense issues to lend credence to their burgeoning Defense ties.

In the short term, the Philippines and Australia will continue to strictly implement the provisions of their MOU on Defense cooperation. In the September 11 context, the opportune moment could well have arrived to elevate this MOU into a full-blown bilateral agreement to enhance Defense cooperation, especially in such areas as Defense procurement, institutionalization of Defense planning and acquisition systems.

There is a need to elevate the status of their MOU on counterterrorism into a workable plan of action. The MOU does not have any provision for military cooperation, except for a token provision identifying the Defense sector as one of the implementing agencies of the MOU. Although Australia sought to widen the scope of the document to include "joint military operations", the Philippine government did not accept the idea because of

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<sup>40</sup>Jenelle Bonnor, "Australia-India Security Relations: Common Interests or Common Disinterests?" Working Paper no. 67 (Australian Defense Studies Centre, April 2001).

constitutional constraints. Thus, the final terms of the MOU referred only to joint training.<sup>41</sup>

In the medium term, both countries could explore the possibility of entering into a status of forces agreement (SOFA) similar, but not necessarily identical to the Philippine-American Visiting Forces Agreement (VFA).<sup>42</sup> In comparison to the U.S., a Philippine-Australia SOFA would be less controversial because of the absence of colonial baggage. Through SOFA, the Philippine-Australian forces can work together well to address their mutual Defense concerns. Their shared experiences in East Timor are good examples of how Australian and Filipino forces can work together to maintain regional peace and stability. In the long term, the Philippines and Australia could also consider exploring the possibility of entering into a mutual Defense agreement. Their shared perspectives on regional security, cultural familiarity, and geographic proximity can foster a closer security relationship. This agreement can complement their existing mutual Defense agreements with the United States to advance their mutual security interests.

Broadening the framework of Philippine-Australia relations has enormous potential to advance their common security interests. The Philippines and Australia do not have serious conflicts with one another. More importantly, both do not pose threats to each other. Since the establishment of diplomatic relations, their cooperation in various fields has been productive, longstanding and strong. Australia and the Philippines are even described by their respective foreign affairs departments as "partners in development."<sup>43</sup> The strengthening of their partnership is reinforced by close people-to-people contacts. In view of the fact that their relations are already robust in functional areas, there is a strong need to strengthen these relations to Defense and security areas. As stressed by Minister Alexander Downer, "the goodwill engendered through the continuing development partnership will remain an important part of our relationship."<sup>44</sup> This relationship must necessarily include the broadening of their Defense relations which can contribute ultimately towards a stronger security architecture in Southeast Asia necessary for the promotion of regional peace and stability.

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<sup>41</sup>Agence France-Presse, "Philippines, Australia Sign Anti-Terrorism Pact", Philippine Daily Inquirer, 4 March 2003.

<sup>42</sup>On 26 November 2006, Australia and the Philippines have agreed to sign a pact on status of forces to be ratified by the Philippine Senate. The agreement was similar to status of forces agreements among members of the North Atlantic Treaty Organisation (NATO). Then Philippine Defense Secretary Avelino Cruz said that the agreement with Australia could also be used as a template for similar arrangements with Southeast Asian states, such as Brunei, Indonesia, Malaysia and Singapore.

<sup>43</sup>Australian Agency for International Development (AusAID), Australia and the Philippines: Partners in Development (Canberra: AusAID, 1998).

<sup>44</sup>Ibid.

## **PART TWO**

### **Philippines-Australia Maritime Security Cooperation and the Status of Visiting Forces Agreement (SOVFA): *Strategic Achievements and Operational Challenges In the Age of Global Terrorism***

#### **INTRODUCTION**

Though the world's oceans cover two-thirds of the earth, securing the maritime domain continues to be derisory. The sea has always been an anarchic area that it is regrettably barely policed and protected until now.<sup>45</sup> The seas have sadly become the medium of various non-traditional security threats like piracy, sea robberies and various forms of smugglings that enormously undermine national, regional and global security.<sup>46</sup> The threat of global terrorism aggravates the growing anxieties of states relying on the security of the world's oceans. Thus, maritime security is an arduous task of all stakeholders in this age of global terrorism.

Australia and the Philippines are two sovereign maritime nations whose prosperity and survival depend heavily on the security of their maritime domains. The two countries share common maritime strategic space making their security interests inextricably linked with each other. Thus, they have a converging interest to promote and enhance their maritime security cooperation, particularly in the aftermath of September 11, 2001 (9/11) terrorist attacks, in order to ameliorate their common maritime security dilemma.

To strengthen their security cooperation, which inevitably includes maritime security, the Philippines and Australia signed the Status of Visiting Forces Agreement (SOVFA) on 31 May 2007. The signing of this agreement is a significant milestone in the history of Philippine foreign and security relations as the SOVFA becomes the second most important security agreement of the Philippines with other countries, next only to the United States. Australia, on the other hand, regards the SOVFA as a necessary step to intensify Australian security assistance to the Philippines as part of its

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\*Paper presented to the 2008 Royal Australian Navy Sea Power Conference held in Sydney, Australia on 29-31 January 2008.

<sup>45</sup>Gal Luft and Anne Korin, "Terrorism Goes to Sea", *Foreign Affairs* (November/December 2004).

<sup>46</sup>*The National Strategy for Maritime Security* (September 2005).

strategic interest to promote maritime security in Southeast Asia, which is an integral part of Canberra's strategic space. Though this is not the first time that Australia entered into a status of forces agreement (SOFA) with other countries,<sup>47</sup> the SOVFA provides Canberra a strong legal justification to vigorously assist Manila in increasing its capacity in port security and border control, which both aim to prevent terrorist attacks and deter transnational criminal acts in the critical sea lanes of Southeast Asia. There is no doubt that the SOVFA provides the Philippines and Australia immense opportunities to bolster their maritime security cooperation after 9/11.

This paper examines maritime security cooperation between the Philippines and Australia in the age of global terrorism with a particular emphasis on the SOVFA. It takes stock of their strategic achievements and identifies some operational challenges in Philippines-Australia maritime security cooperation since 9/11.

## **MARITIME SECURITY COOPERATION BETWEEN THE PHILIPPINES AND AUSTRALIA: A BACKGROUNDER**

**Early Contacts.** Though official diplomatic relation between the Philippines and Australia was only established in July 1946, conventional historiography states that both countries already had bilateral interactions as early as the 19<sup>th</sup> century when Australian missionaries came to the Philippine islands to spread Christian faith.<sup>48</sup> But there is no exact record to satisfactorily describe the beginning of their early interactions. A book attempted to take stock of the early contacts of the Philippines and Australia.<sup>49</sup> However, there is still a strong need to conduct a more rigorous scholarly research to have an authoritative source of the early beginning of Philippines-Australia relations.

Like the experiences of other countries, the maritime domain became the main means for the Philippines and Australia to discover one another. The known early contacts between the two countries is said to have occurred in 1606 when Torres reached Manila through a strait that presently bears his

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<sup>47</sup>Australia has SOFA with Malaysia, New Zealand (though not yet enforced), Papua New Guinea, Singapore, and the United States.

<sup>48</sup>It is said that missionary work and migration were the main areas of bilateral relations in the early 19<sup>th</sup> century. See "Background on Philippine-Australia Relations" at <http://www.mdaa.org.au/publications/ethnicity/filipino/general.html>

<sup>49</sup>Reynaldo C. Ileto and Rodney Sullivan (eds), *Discovering Australasia: Essays on Philippine-Australian Interactions* (North Queensland: James Cook University of North Queensland, 1993).

name.<sup>50</sup> The Torres Strait lies between Australia and the Melanesian island of New Guinea and it belongs now with the Australian state of Queensland.

**World War II Period.** While the rest of the early account of Philippines-Australia relations is indeed history, there is a need to stress that even before the granting of Philippine independence in 1946, the Philippines and Australia already had maritime security cooperation of some sorts. During the Second World War, the Royal Australian Navy (RAN) joined the Allied Forces in the fight against the Japanese Imperial Army in the Philippines. More than 4,000 Australian personnel fought alongside the Philippine armed forces to liberate the country from Japanese occupation. It is very sad to note, however, that in Philippine military history, RAN involvement in the Philippines during the Second World War has not been given due scholarly attention.

**Post-Independence Period.** When the Philippines received its political independence from the United States, Canberra immediately opened a consular office in Manila. The Australian government even assisted the economic reconstruction of the Philippines within the framework of the Colombo Plan formally established in 1951. It was also in 1951 when the Philippines open its Defense Attaché Office in Australia. Since then, the Philippines and Australia have exchanged visits of their security officials to discuss common issues and concerns during the height of the cold war.

**The Cold War Period.** The Philippines and Australia promoted security cooperation during the Cold War when they joined the Southeast Asia Treaty Organization (SEATO) in 1954. SEATO was initially composed of the United States, the United Kingdom, France, Australia, the Philippines New Zealand, Pakistan, and Thailand. Their involvements in SEATO activities demonstrated their common aversion against communist expansionism in Southeast Asia.

But Philippines-Australia security cooperation at the height of the Cold War was largely a function of their military alliance with the United States.<sup>51</sup> Because of their reliance on the American security umbrella, the Philippines and Australia failed to really cultivate closer bilateral security relations during the early years of Philippine independence. Moreover, SEATO suffered its demise in 1977 when the organization failed to pursue constructive intervention in Indochina. As a result, Philippine-Australia Defense relations

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<sup>50</sup>See John Douglas, *Past and Present of Thursday Island and Torres Strait* (Brisbane: Outridge Printing, 1900), pp. 1 -10.

<sup>51</sup>Queenie R. David-Balaba, "Philippine-Australian Defense Relations: Parallels, Lost Opportunities, and Future Directions" (Paper presented at the Second Filipino National Conference, Brisbane, 6-7 November 1992). Also published in Iletto and Sullivan (1993), pp. 156-175.

became practically moribund while bilateral relations were increasingly shaped by diplomatic and economic imperatives.<sup>52</sup>

**The Martial Law Period.** The declaration of Martial Law in 1972 by Philippine President Ferdinand E. Marcos was a turning point in the history of their bilateral security relations. During the Martial Law period, the Philippine government opened its doors to other security partners in the Asia Pacific region to enhance its strategic leverage with the US, which at that period was averse to Marcos' authoritarian regime. It was at the early phase of Martial Law when the Philippines began serious talks with Australia in the area of security, which culminated in 1973 when the Philippines entered into Defense Cooperation Program (DCP) with Australia. Coincidentally, it was also during this difficult period when Canberra looked for strategic options beyond the US alliance particularly after the fall of Vietnam in 1974. The fall of Vietnam resulted in American withdrawal of land forces from Southeast Asia. This new security environment provided the Philippines and Australia the proper strategic backdrop to re-examine their regional security policies and to explore the possibility of expanding their bilateral security relations beyond their military alliance with the US.

**Post-Bases/Post-Cold War Era.** The termination of Philippine-American Military Bases Agreement (MBA) 1991 accelerated the strengthening of Philippines-Australia security relations. With the withdrawal of American troops in the Philippines after the expiration of the MBA, the "once-strong" and "once-special" Philippine-American relationship has been essentially past its best.<sup>53</sup> Since the American bases had long been regarded as the "linchpin of a partnership built around a network of bilateral and multilateral arrangements between the Philippines and the US", the security relationship between the two countries was said to have been left on uncertain ground.<sup>54</sup>

With the fall-out in Philippine-American security relations after 1991, the Philippine Defense establishment deliberately sought the assistance of its Australian counterpart, which at that time was also looking for a reliable security partner in Southeast Asia after the end of the cold war. Both countries

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<sup>52</sup>For details, see Rommel C. Banlaoi, "Broadening Philippine-Australia Relations in the Post-9/11 Era: Issues and Prospects", *Contemporary Southeast Asia*, Vol. 25, No. 3 (December 2003), pp. 473-488. For a candid critic of this article, see Peter M. Sales, "Living in the Shadow of the Hegemon: Philippine-Australian Relations and the Global War Against Terrorism" (Paper presented to the Australasian Political Studies Association Conference University of Newcastle 25-27 September 2006).

<sup>53</sup>See Richard D. Fisher, Jr., "Rebuilding the U.S.-Philippine Alliance", *The Heritage Foundation Backgrounder*, No. 1255 (February 22, 1999).

<sup>54</sup>See Hermann Joseph S. Kraft and Renato C. De Castro, *U.S. Military Presence in Southeast Asia: Forward Deployment in the Post Bases Era* (Manila: Foreign Service Institute Center for International Relations and Strategic Studies, 1994), p. 1.

conducted a series of intense bilateral security dialogues from 1992 to 1994, which successfully resulted in the signing of the historic Philippines-Australia Defense Cooperation Agreement in 1995. The Defense agreement covered mutual access to Defense facilities, the joint training and military exercises, access to training facilities and courses, exchange of information, cooperation in Defense and science and technology and Defense industry. With their Defense Cooperation Agreement, the Philippines and Australia have since undertaken a number of defense-related activities. Among these activities were the Philippine participation in Exercise LUMBAS, the first RP-Australia Maritime surveillance Exercise (MARSURVEX), and the Australian-hosted multilateral Fleet Concentration Period (FCP) KAKADU Activity. There have also been regular exchanges of visits of their respective Defense and military officials, which have contributed immensely to confidence building. They have also conducted regular intelligence exchanges on various security issues of mutual interests.

From 1991 to 2001, Australia has become the biggest destination of Filipino military students undergoing education and training abroad. This was the period when the US restricted the entry of Filipino military students to American military schools. The Philippines and Australia also worked together in coalition operations in East Timor in 1999. Though 9/11 resulted in the reinvigoration of Philippine-American security relations and resumed its military commitments to Manila, the Philippines and Australia sustained their security cooperation while supporting the American global war against terrorism.

In March 2003, the Philippines and Australia signed an agreement on Cooperation on Combating Terrorism in order to “prevent, suppress and eliminate international terrorism in all its forms.” In July 2003, they signed an agreement on combating transnational crimes, which include issues of maritime piracy, smuggling and their nexus with terrorism. The war on terrorism in Southeast Asia and maritime security became the rallying areas of Philippines-Australia security relations after 9/11. Their security relations were further cemented by the signing of the SOVFA. One of the most important strategic goals of the SOVFA is to intensify Philippines-Australia maritime security cooperation amidst the threat of international terrorism enormously posed by Al-Qaeda, Jemaah Islamiyah (JI), and the Abu Sayyaf Group (ASG).

## **PHILIPPINES-AUSTRALIA MARITIME SECURITY COOPERATION IN THE POST-9/11 PERIOD**

Since 9/11, the Philippines-Australia security relations have grown significantly in the area of maritime security. Australian security assistance to the Philippines, in fact, is largely in the area of maritime security. Australia’s counter-terrorism assistance of AUS\$10 million from 2003-2008 has focused on strengthening the capability of the Philippine military to bolster maritime

security against terrorism, particularly in maritime border control and port security. They even conducted the Maritime Security Seminar in June 2005 to identify issues and concerns in their maritime security cooperation. As a result of this seminar, the RAN conducted a maritime needs analysis (MANA) of the Philippines from September to December 2005. The MANA gave Australia a clearer understanding of the type of maritime security assistance that should be extended to the Philippines.

Philippines-Australia maritime security cooperation after 9/11 is focused on three major projects: 1) the Philippines Port Security Capacity Building Project; 2) the Army Watercraft Project; and, 3) the Coastwatch South Project. The level of comforts generated by the implementation of these three projects prompted the two nations to sign the SOVFA.

**Philippines Port Security Capacity Building Project.** One of the flagship projects of Australia in the Philippines to promote maritime security cooperation is the Philippines Port Security Capacity Building Project (PPSCBP). It was launched in 2004 with a total funding of AUS\$1.3 million. The PPSCBP aims to strengthen port security in the Philippines in order to reduce risks of the Philippines from maritime terrorism. The project also assisted the Philippines to meet the July 2004 deadline for compliance with the International Ship and Port Facility Security Code (ISPS) being enforced by the International Maritime Organisation (IMO). The project should have terminated in 2005. But it was extended for 18 more months and was expected to conclude in mid-2008. Since 2004, the project assisted some 100 Philippines ports with more than 2,000 port security personnel to develop and implement port security plans.<sup>55</sup>

**Army Watercraft Project.** Australia is also supporting the Philippines in Army Watercraft Project (AWP), which aims to assist the Armed Forces of the Philippines (AFP) in developing small watercraft capability to better patrol the waters of Mindanao known to be the sanctuary of international terrorist groups operating in Southeast Asia. Various intelligence reports have shown that terrorists are using the waters of Mindanao as a means of transit, not to mention that it has been the haven of local and international pirates, smugglers and sea robbers.

The implementation of AWP was a product of the watercraft needs analysis conducted from 28 August to 2 September 2005 by the Army Watercraft Needs Analysis Team (AWANAT) from Australia. The study, which was also done in conjunction with the MANA, confirmed that the AFP's counter-terrorist operations in the south are constrained by the lack of suitable

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<sup>55</sup>See Government Priorities for Port and Maritime Security and Counter-Terrorism 2007 Port and Maritime Security and Counter-Terrorism Conference Melbourne, 30 April 2007 at [http://www.ministers.infrastructure.gov.au/mv/speeches/2007/VS08\\_2007.htm](http://www.ministers.infrastructure.gov.au/mv/speeches/2007/VS08_2007.htm) < accessed on 14 January 2007.



means to deploy troops into marsh areas.<sup>56</sup> Thus, Australia committed to provide the Philippines 18 to 30 boats to support the project, along with training in small boat handling, surveillance and reconnaissance and maintenance of the vessels.<sup>57</sup>

***Coastwatch South Project.*** The largest maritime security project between the Philippines and Australia is the Coastwatch South Project (CSW). This project aims to enhance the capability of Philippine maritime security forces to monitor the transit of people in the Celebes, Sulu and Sulawesi seas. Through this project, Australia is helping the Philippines in developing its maritime surveillance and interdiction capabilities by centralizing surveillance and response mechanisms in securing Philippine maritime borders in Mindanao. The CSW covers various corridors comprising Zamboanga Peninsula, Basilan, Sulu and Tawi-tawi; Davao Gulf and General Santos seaward going to the North Sulawesi Island in Indonesia; and the Southern part of Palawan and Balabac Island seaward going to Banggi Island and Sabah.<sup>58</sup> These waters are of great interests to Australia's maritime security.

## **STRATEGIC ACHIEVEMENTS**

Because of its commitment to enhance the maritime security capability of the Philippines, Australia participated in Balikatan 2006 as observer. The Balikatan has been the largest joint military exercise between the Philippines and the United States. The SOFVA has provided the Philippines and Australia the legal justification to conduct their own bilateral military exercises.

The signing of SOFVA in 2007 was the culmination of the two countries' commitment to mutually advance their common maritime security interests. President Gloria Macapagal Arroyo describes Australia as one of its most important strategic partners in regional security. Cultural familiarity, shared liberal democratic values, geographic proximity and common military alignment with the US create a relationship of amity between the two countries. The SOFVA seeks to further operationalize their existing defense cooperation activities by providing more opportunities for security coordination particularly in the conduct of joint/combined naval trainings/exercises.

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<sup>56</sup>Office of the Assistant Secretary for Policy and Special Concerns, "Executive Briefing on Philippines-Australia Security Relations" (Quezon City: Department of National Defense, 2006).

<sup>57</sup>For more information about the project, see Australian Embassy in the Philippines at <http://www.philippines.embassy.gov.au/mnla/medrel1509b.html> <accessed on 14 January 2007>.

<sup>58</sup>General Hermogenes C. Esperon, Jr., "Progress in Counter-Terrorism: The Philippine Experience" (Paper presented at the 6<sup>th</sup> Shanrila Dialogue, Singapore, 2 June 2007), p. 8.

Since 9/11, Philippines-Australia security cooperation is inherently maritime in nature. The SOVFA undoubtedly elevates Philippines-Australia maritime security relations to a higher plane. It affirms that their maritime security interests are so interlinked that their maritime security problems cannot be reasonably analyzed or resolved apart from one another. Australian Minister of Defense, Brendan Nelson, underscored that the SOVFA has further strengthened Philippines-Australia defense and security relations arguing that the agreement provides a more comprehensive legal framework to support the Australian Defense Force and Philippines personnel engaged in Defense Cooperation activities.<sup>59</sup> One major area of their Defense cooperation is maritime security. Based on national interests analysis of the Parliament of Australia:

This treaty is of great significance to Australia, as it would allow our Defense cooperation with the Philippines to deepen, particularly in the area of combined exercises. The Australia-Philippines Defense Cooperation relationship has been growing in the last few years, with the focus remaining on counter-terrorism, maritime security, and assistance to the Philippines Defense Reform program. The main components of our counter-terrorism cooperation include an annual bilateral counter-terrorism training activity called Dawn Caracha, the Army Watercraft Project, and maritime security assistance.<sup>60</sup>

With the SOVFA, Australian forces can now conduct combined naval military exercises with the Philippine counterparts to enhance their interoperability in managing common threats. Though the Philippines and Australia have conducted in the past some naval military exercises, which include the Philippine participation in Exercise LUMBAS, the first Philippine-Australia Maritime Surveillance Exercise (MARSURVEX), and the Australian-hosted Multilateral Fleet Concentration Period (FCP) KAKADU Activity, the SOVFA can make the conduct of their bilateral naval military exercises more regular. The SOVFA also enhances their bilateral interactions to overcome their common maritime security predicaments.

Australia has a strong resolve to intensify maritime security cooperation with the Philippines because of Canberra's enormous strategic interests in the security of Southeast Asian shipping lanes, particularly in combating piracy.<sup>61</sup>

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<sup>59</sup> Australian Ministry of Defense Media Release, "Australia and the Philippines Strengthen Defense Ties" at <http://www.minister.Defense.gov.au/NelsonMintpl.cfm?CurrentId=6724> <accessed on 18 January 2008>.

<sup>60</sup>The Parliament of Australia, "National Interest Analysis of the Philippines" (August 2007) at [http://www.aph.gov.au/House/committee/jsct/7august2007/treaties/philippines\\_nia.pdf](http://www.aph.gov.au/House/committee/jsct/7august2007/treaties/philippines_nia.pdf) <accessed 18 January 2008>.

<sup>61</sup>See Carolin Liss, "The Challenges of Piracy in Southeast Asia and the Role of Australia", *Austral Policy Forum* (25 October 2007).

Australia is informed by the reality that Southeast Asia is the world's piracy hotspot. Considering that almost 40 percent of Australian commercial vessels pass through the pirates' prone waters of Indonesia and the Southern Philippines, Australia has awesome interests to promote the security of these areas by building the capacities of littoral states. Australia has, therefore, assisted Philippine maritime forces to build and enhance indigenous capability to secure its waters, protect the freedom of navigation and counter threats to maritime security, particularly those emanating from international terrorist groups.

The Philippine government strongly welcomes Australian assistance to improve its ill-equipped maritime forces. Though the Philippines has the second world's largest archipelago, it is undoubtedly one of the weakest maritime forces in Asia. The American military withdrawal in 1991 aggravated the already poor state of Philippine maritime forces. Though the Philippine military ventured into a force modernization program in 1995, the 1997 Asian financial crisis prevented its planned implementation and prompted even one own naval officer to lament that the Philippine Navy "lags both in quality and quantity among the other navies in the region."<sup>62</sup> Philippine National Security Adviser Norberto Gonzales has also regrettably admitted that the country's maritime forces have very limited capability to protect its waters when he lamented:

"We cannot watch and check every boat that travels between Indonesia and Mindanao. Over 26,000 trips are made by these boats and it is impossible to monitor each of them given the government's meager resources."<sup>63</sup>

With the SOVFA, the Philippine government has expressed optimism to receive more maritime security assistance from the Australian government.

Candidly, the main strategic intention of the Philippine government in entering into SOVFA with Australia is to get more military assistance from a country that it regards the most important and reliable strategic partner in regional security, next to the US. Thus, immediately after the SOVFA signing, the Australian government announced the donation of 28 airboats to the Philippine military worth US\$4 million to enhance its capability to fight terrorism and promote its maritime security.

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<sup>62</sup> Cdr Jose Renan C. Suarez, "Towards a Navy of Substance: A Modernization Program," *Navy Digest*, Vol. 3, No. 1, January-June 2003, p. 32. Also see Lt. Antonio F. Trillanes, "An Implementation Analysis of the Philippine Navy Modernization Program," *Navy Digest*, Vol. 3, No. 1, January-June 2003, pp. 21-28. Trillanes is one of the principal actors in the July 2003 Oakwood Mutiny. He is presently in military custody awaiting court martial.

<sup>63</sup> Edith Regalado, 'RP Can't Police Sea Lanes Between Mindanao, Indonesia', *Philippine Star* (16 October 2006). Also cited in *Ibid*.

Being maritime nations, Philippines and Australia share many strategic perspectives on various maritime security issues. Their maritime security concerns converge around the following strategic issues, which facilitate their cooperation and enhance their engagement: a) Alliance with the United States, b) the China Challenge, c) Maritime Terrorist Threats in Southeast Asia, d) South China Sea Disputes, e) the Taiwan Issue, and f) Non-Traditional Security Issues. The SOVFA is a logical product of their innate interests to promote maritime security.

***Alliance with the United States.*** One apparent security convergence between the Philippines and Australia is their strong security alliance with the foremost maritime power of the world. The Philippines and Australia are American security allies and both welcome the United State's continuing strategic commitment to promote and maintain the maritime security of the Asia Pacific region.

The Philippines declares its security relations with the US as the linchpin of its defense and security policy.<sup>64</sup> Though the Philippines views its cooperation with Southeast Asian neighbors as the cornerstone of its regional policy,<sup>65</sup> its alliance with the US continues to shape the direction of its foreign and security policy, particularly in the global campaign against terrorism. Thus, when the US announced the implementation of Regional Maritime Security Initiative (RMSI) in Southeast Asia, the Philippines government expressed support to the project. However, pressures from Malaysia and Indonesia prevented the Philippines to actually participate in the implementation of the RMSI.

Australia, on the other hand, strongly regards the US as the keystone of its defense policy and is therefore essential for advancing its national interests and fundamental for its security and prosperity.<sup>66</sup> In its 2003 Defense White Paper, Australia underscores that "Australia and the US continue to share many values and interests, and we jointly benefit from, and contribute towards, global stability and prosperity."<sup>67</sup>

Existing military alliance with the United States is a strong tie that binds the Philippines and Australia. There is even an argument that the

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<sup>64</sup>Department of National Defense, *In Defense of the Philippines: 1998 Defense Policy Paper* (Quezon City: Department of National Defense, 1998).

<sup>65</sup>ASEAN Regional Forum, *Annual Security Outlook 2007*, "The Philippines" (Jakarta: ASEAN Secretariat, 2007).

<sup>66</sup>Commonwealth of Australia, *Advancing the National Interest: Australia's Foreign and Trade Policy White Paper* (Canberra: Department of Foreign Affairs and Trade, 2003).

<sup>67</sup>Commonwealth of Australia, *Australia's National Security: A Defense Update 2003* (Canberra: Department of Defense, 2003), p. 9.

Philippines and Australia are integral parts of the “San Francisco System”, which supports the “hubs and spokes” strategy of the United States.

**The China Challenge.** The Philippines and Australia also share common concerns on the challenges posed by the rapid rise of China, which is fast emerging as the foremost Asian maritime power. Although both countries have very good diplomatic and trade relations with China, they are wary of China's burgeoning economic power because of its spillover effects on China's expanding military power.<sup>68</sup> In 2007 alone, it has been noted that China's defense budget has reached US\$ 44.94 billion, representing an increase of 17.8 per cent compared to previous year. The 2006 military spending has in fact doubled the defense budget in 2000.<sup>69</sup> If this rate continues, it is projected that China's defense spending will reach threefold or US\$185 billion by 2025.<sup>70</sup> According to Australia Defense Update 2007, while China's economic growth has benefited the world, China's rapid military expansion, however, can cause instability in the Asia Pacific region.<sup>71</sup> The Philippine government shares this perspective when it regards the economic rise of China as an opportunity with concomitant security challenges when it comes to the military dimension of its rise.<sup>72</sup>

**Maritime Terrorist Threats in Southeast Asia.** The Philippines and Australia have common strategic interests in combating maritime terrorism in Southeast Asia. Though historical and empirical evidences have indicated less terrorist attacks on seas before and after 9/11, there is a tremendous fear that maritime vessels and facilities are facing the awesome risks of maritime terrorism.<sup>73</sup> Because of terrorist threat posed by JI (with its ambitious desire to establish a pan-Islamic state in Southeast Asia) combined with the high incidence of piracy in the waters of Southeast Asia, maritime terrorism has become a serious challenge to the region's maritime security, in which the Philippines and Australia have a tremendous stake.<sup>74</sup>

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<sup>68</sup>Banlaoi, “Broadening Philippine-Australia Relations in the Post-9/11 Era: Issues and Prospects”, p. 483.

<sup>69</sup>Ibid., p. 150.

<sup>70</sup>Ibid.

<sup>71</sup>*Australia's National Security: A Defense Update 2007* (Canberra: Department of Defense, 2007), p. 19.

<sup>72</sup>For a detailed discussion on this topic, see Rommel C. Banlaoi, *Security Aspects of Philippines-China Relations: Bilateral Issues and Concerns in the Age of Global Terrorism* (Quezon City: Rex Book Store International, 2007).

<sup>73</sup>Michael D. Greenberg, Peter Chalk, Henry H. Willis, Ivan Khilko, David S. Ortiz, *Maritime Terrorism: Risk and Liability* (Santa Monica, CA: RAND, 2006).

<sup>74</sup>Rommel C. Banlaoi, “Maritime Terrorism in Southeast Asia: The Abu Sayyaf Threat”, *Naval War College Review*, vo. 58, no. 4 (Autumn 2005), pp. 63-80.

The threat of maritime terrorism started to cause panic in Southeast Asia in the aftermath of 9/11 when Dominic Armstrong of the Aegis Defense Services (ADS) reported that the robbery of an Indonesian chemical tanker, the *Dewi Madrim*, off the coast of Sumatra on 26 March 2003 appeared to be the handiwork of terrorists who were learning how to drive a ship, in preparation for a future attacks at sea.<sup>75</sup> What interests analysts on the incident was the observation that the *Dewi Madrim* case has failed to conform to the established patterns or customary practices of piracy attacks. The perpetrators were fully armed with automatic weapons that attacked the ship through the bridge rather than the safe room and instead of ransacking the crew's goods, they steered a laden tanker for almost one hour.<sup>76</sup>

Another important case that raised the global apprehensions on maritime terrorism was the gruesome bombing of *Superferry 14* on 27 February 2004 after it left Manila Bay. The incident resulted in the death of 116 passengers and the wounding of around 300 others. Because of the human and physical damages caused by the explosion, it was described that the *Superferry 14* blast was the most violence man-made disasters in Philippine waters since 9/11 and the worst terrorist attack in Asia since the 2002 Bali bombing. Though the ASG claimed responsibility for the said explosion, it was actually carried out by Redento Cain Delloso, a Muslim convert associated with the Rajah Solaiman Islamic Movement (RSIM).<sup>77</sup>

The Philippines and Australia share common anxieties on the threat posed by maritime terrorism in Southeast Asia considering that the two countries heavily rely on sea-borne trade. Almost all (99.9%) of Australian trade by weight is transported by sea. As an archipelago of 1,707 islands with one of the world's longest coastline, the Philippines, on the other hand, heavily relies on maritime trade. This is indicated by the fact that an estimated 375,000 fishing vessels and around 15,000 other vessels and oil tankers operate in Philippine waters. The Philippines is, in fact, the first choice for seafarers among international shipping lines. Thus, securing the waters of

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<sup>75</sup>Michael Richardson, "Terror at Sea: The World's Life Lines are at Risk", *Strait Times* (17 November 2003).

<sup>76</sup> Ibid.

<sup>77</sup>For detailed analysis of the Rajah Solaiman Islamic Movement, see Rommel C. Banlaoi, "Muslim Convert Terrorism and Political Violence: The Rajah Solaiman Islamic Movement" (Paper presented to the international conference of the Council of Asian Terrorism Research held in Philippine Plaza Hotel, Manila, Philippines on 27-29 March 2007) and Rommel C. Banlaoi, "The Use of Media in Terrorism in the Philippines: The Rajah Solaiman Islamic Movement," (Paper delivered during the Sixth Biannual International Symposium of the Council for Asian Terrorism Research with a theme, "Understanding the Role of the Media In the Spread of Ideological Extremism" held on 5-7 November 2007 at JW Mariot Hotel, Kuala Lumpur, Malaysia).

Southeast Asia against possible terrorist attack is the common task of the Philippines and Australia.

Of particular concern of both countries is the JI known to have used two maritime routes to move from Northern Indonesia to Southern Philippines. The first route was from Manado to Davao while the second route was from the northernmost part of Kalimantan to Davao using Sandakan of Malaysia as a stop over. It is therefore important for Australia to help the Philippines in enhancing its maritime security capability to better protect its southern borders from international terrorist groups operating in the Southeast Asian maritime domain.

***South China Sea Dispute.*** The South China Sea or what some Filipinos call the "Western Philippine Seas"<sup>78</sup> lies in the northern extent of the Indo-West Pacific Seas. The disputed islands are collectively known as the Spratlys composed of no less than 190 islets, reefs and rocks with approximate area of 150,000 square miles. They are surrounded by rich fishing grounds and potentially by gas and oil deposits. They are claimed in their entirety by China, Taiwan, and Vietnam, while portions are claimed by Malaysia and the Philippines. There are fears that the South China Sea disputes, if not properly managed, may disrupt the freedom of navigation in the area, which may, in turn, trigger a great power rivalry in the Asia Pacific. Great powers have enormous stakes in the South China Sea as their major trade routes pass through this area.<sup>79</sup> It is believed that a disruption of the freedom of navigation in the shipping lanes of the South China Sea will also disrupt regional economies. This will attract major powers to become involved.<sup>80</sup>

It has been a long-standing position of the Philippines and Australia to develop a regional code of conduct for the South China Sea to peacefully manage the territorial dispute in the area. As a claimant state, the Philippines regards the South China Sea dispute as an integral aspect of its territorial defense. Australia, though not a claimant state, is a major stakeholder as it relies on the freedom of navigation in the area. An embedded interest of Australia in strengthening its maritime security cooperation with the Philippines is to provide opportunities to discuss the South China Sea Dispute and make the Australian Defense Forces more effective in their regional engagement. The SOVFA can allow the Philippines and Australia to conduct maritime exercises in the Philippine-controlled portions of the South China Sea.

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<sup>78</sup>Miguel D. Fortes, "Policy Statement: The Role of Marine Environmental Science in the Western Philippine Seas" University of the Philippines Marine Science Institute (undated).

<sup>79</sup>Ralph A. Cossa, "Security Implications of Conflict in the South China Sea: Exploring Potential Triggers of Conflict", *A Pacific Forum CSIS Special Report* ", PacNet Newsletter #16. April 17, 1998.

<sup>80</sup>*Ibid.*, p. 9.

**Taiwan Issue.** The Philippines and Australia ambiguously uphold a one-China policy, which recognizes that Taiwan is one of the provinces of the People's Republic of China. Mindful of the complexities of the issue, both the Philippines and Australia want the status quo to prevail in the area and urge both China and Taiwan to avoid making provocative or unilateral actions that might escalate tensions in the Straits because security crises in the straits can spillover to the entire Asia Pacific region. Thus, a peaceful resolution of the Taiwan issue is warranted by all nations depending on stability of sea routes connected with the strait. In its 2007 security outlook for the ASEAN Regional Forum, Australia categorically states that "pending a peaceful resolution of differences, the status quo shall be maintained and both sides encouraged to avoid provocative or unilateral steps that might be misunderstood or lead to increased tensions."<sup>81</sup> Intelligence analysis, strategic scanning and net assessment in the Philippines share a common view that status quo should prevail in the cross strait in the short and medium terms.<sup>82</sup> Because of their security convergence on the issue of Taiwan, Philippine-Australia maritime security cooperation inevitably includes the development of a common approach to manage the regional implications of the Cross-Strait Conflict. It may be argued that Philippines-Australia maritime security cooperation is also meant to prepare both countries for any security contingencies in the Taiwan Strait.

**Non-Traditional Security.** Like other states in the Asia Pacific, the Philippines and Australia are also concerned about the proliferation of non-traditional security (NTS) issues in the region like piracy and armed robberies against ships, people smuggling and human trafficking, small arms trafficking and drugs trafficking. Piracy problem in Southeast Asia alone is a cause of tremendous security concern. James Warren of the Asia Research Institute at the National University of Singapore (NUS) claims that piracy in the region is costing the world economy a staggering amount of US\$25 billion a year.<sup>83</sup> Alan Chan, a vocal anti-piracy advocate and an owner of Petroships in Singapore, states that piracy is costing the region around US\$500 million a year.<sup>84</sup> The Organization for Economic Cooperation and Development, on the other hand,

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<sup>81</sup>ASEAN Regional Forum, *Annual Security Outlook 2007*, "Australia" (Jakarta: ASEAN Secretariat, 2007).

<sup>82</sup>Office of the Deputy Chief of Staff for Intelligence, *An Overview on Taiwan: Its Relations with RP and Key National Developments* (Quezon City: Armed Forces of the Philippines, January 2004).

<sup>83</sup>See "Asia Piracy Costs \$25 bln a year, says experts", Reuters News Service, Singapore (11 December 2002) at <http://www.planetark.com/dailynewsstory.cfm/newsid/18987/newsDate/11-Dec-2002/story.htm> <Accessed 27 April 2004>.

<sup>84</sup>Bintan Eric Ellis, "Piracy on the High Seas is on the Rise in Southeast Asia", *Fortune* (29 September 2003). Also at <http://www.singapore-window.org/sw03/030919fo.htm> <Accessed 27 April 2004>.



says that new maritime security measures to counter the threat of attacks will require an initial investment by ship operators of at least US\$1.3 billion, and will increase annual operating costs by US\$730 million thereafter.<sup>85</sup> The cost of piracy in Southeast Asia is projected to increase in the future, as the trend in modern piracy becomes more bloody, ruthless and terrifying in the context of its nexus with terrorism. The July 2003 Philippines-Australia agreement to combat transnational crimes and the 2007 SOVFA are intended to enhance their cooperation in the NTS areas, particularly in the area of piracy and maritime terrorism.

## **OPERATIONAL CHALLENGES**

While there are strategic achievements in Philippines-Australia maritime security cooperation, there are, however, some operational challenges that both nations have surmount in the implementation of SOVFA and pursuance of their common maritime security interests. These are: 1) the non-ratification of the Philippine senate of the SOVFA, 2) apprehension in the Philippines about the presence of Australian troops conducting naval military exercises in Philippine territories; 3) controversial issue of jurisdiction; 4) resistance of opposition groups on the ulterior motive of Australia; and 5) the issue of interoperability in an unequal situation.

**First**, the SOVFA, which intends to deepen and widen their maritime security cooperation, still needs ratification by the Philippine Senate. The Australian Federal Parliament's Treaties Committee has recommended that Australia ratify the SOVFA. But as of this writing, the Philippine Senate has not acted on the SOVFA and therefore cannot yet be operationally implemented.

The Philippine Senate opted not to act decisively on the SOVFA in order not to inflame the controversy brought by the rape case against American soldier who participated in the Philippine-American joint military exercises. Furthermore, the Philippine Senate viewed that discussing the SOVFA amidst the crisis in the implementation of Philippine-American Visiting Forces Agreement (VFA) was unpopular. Thus, the Philippine Senate was bidding its time to deliberate on the SOVFA.

After the signing of SOVFA, however, the Philippine Navy and Royal Australian Navy held a small joint maritime training in October 2007 dubbed as "PN-RAN Exercise LUMBAS 2007". Held in the Island of Cebu, LUMBAS 2007 was conceptualized as the first Staff Exercise and Command Post Exercise (STAFFEX/CPX) between the two countries' naval forces. It aimed to

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<sup>85</sup>See Report of the Organisation for Economic Cooperation and Development, "Price of Increased Maritime Security is Much Lower than Potential Cost of a Major Terror Attack" at [http://www.oecd.org/document/30/0,2340,en\\_2649\\_201185\\_4390494\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/30/0,2340,en_2649_201185_4390494_1_1_1_1,00.html) <Accessed 27 April 2004>.

enhance interoperability and operational readiness of the naval forces particularly in Humanitarian Assistance – Disaster Relief Operations and Maritime Security Operations from the tri-boarder areas of the Philippines, Malaysia and Indonesia.<sup>86</sup> The first Lumbas was held in 2002 and since then, was held annual by the countries' naval forces.

**Second,** there is a strong apprehension in the Philippines about the presence of Australian troops conducting naval military exercises in Philippine territories. Cause-oriented organizations fear the eventual establishment of Australian military base in the Philippines, which is unconstitutional. The Philippine Constitution prohibits foreign troops from engaging in combat operations in the country. But the Philippine military has stressed that there will no establishment of permanent Australian base in the Philippines. The SOFVA only provides temporary structures for troop billeting, classroom instruction, support and messing to be used Philippines and Australian Forces during the naval exercises.

It is also feared that the SOVFA is just a cover to allow Australian troops to engage in combat operations in the Philippines. Opposition leaders in the Philippines regarded the SOVFA as a dangerous ploy to justify the presence of Australian troops in the Philippines.<sup>87</sup> In October 2005, the *Australian* cited an unnamed former Australian Security Intelligence Organisation officer, who claimed that Australian Special Forces have been involved in covert operations in Mindanao for almost a year. But the Australian and Philippine governments denied the reports. The Office of the Deputy Chief of Staff for Operations of the Armed Forces of the Philippines even assures that under the SOVFA, military operations will be done solely by Philippine troops. Australia's support will be limited to capability and capacity development and Australian troops will not be directly involved in the conduct of any military combat operation.

**Third,** there is a controversial issue of jurisdiction over possible cases of violations of Philippine laws by Australian troops. This is a very sensitive issue in the Philippines considering its sad experiences with American troops. But the Philippine Department of Justice explains that under the SOVFA, detention and litigation of Australian troops accused of violating Philippine laws shall be within the jurisdiction of the Philippine judicial system.

**Fourth,** there is an allegation that the ulterior motive of Australia in deepening maritime security cooperation with the Philippines through the

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<sup>86</sup>“Royal Australian Navy ship in Cebu for Maritime training” (15 October 2007) at [http://www.navy.mil.ph/Press\\_Release/2007/Oct/15Oct07.html](http://www.navy.mil.ph/Press_Release/2007/Oct/15Oct07.html) <accessed on 23 January 2008>.

<sup>87</sup> John Roberts, “Australia Signs Military Pact with the Philippines” ( 223 November 2005) at <http://www.wsws.org/articles/2005/nov2005/phil-n03.shtml> <accessed on we January 2008>.

SOVFA is not to really protect the waters of Mindanao from terrorist incursion but to advance its economic interests in the mining industry.<sup>88</sup> Studies show that the Philippines is one of the most mineralized countries in the world. The Philippines ranks third in gold, fourth in copper, fifth in nickel and sixth in chromite. Its untapped mineral resources have an estimated value of at least US\$840 billion. Australia has invested in several mining projects in the Philippines through the Lafayette, Indophil, Climax-Arimco, QNI/BHP Billiton Mineral, Red 5 and others.<sup>89</sup> According to Peoples Network for the Environment (PNE), a Philippine environmental organization, “more Australian mining firms are now flocking south to Mindanao following strong opposition from the local communities to mining projects in Northern Philippines and Luzon”.<sup>90</sup> Clemente Bautista, Kalikasan PNE National Coordinator, said, “Australian troops and giant mining companies are not welcome in the Philippines.”<sup>91</sup> There is also a sinister analysis that Australia has trade, mining, and other economic interests in the Philippines, making it a favourable site for deployment and operations of Australian troops.<sup>92</sup> But the Philippine government finds all these views preposterous.

**Finally,** Philippines-Australia maritime security cooperation is a classic example of a cooperation between “the haves and the have nots”, between big and small, and between rich and poor powers. Thus, there is a great difficulty in achieving interoperability in an “unequal” situation. In fact, interoperability between the countries’ naval forces is achieved in still a very limited scale to date.

## CONCLUSION

The Philippines and Australia have long-standing security cooperation. The signing of SOVFA in May 2007 is a logical result of their long-standing security cooperation. After 9/11, their security cooperation has focused largely on the area of maritime security. Australia is now deeply involved in

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<sup>88</sup>Carlos Conde, “Australia will Train Philippine soldiers in Anti-Terror Tactics,” *International Herald Tribune* (31 May 2007) at <http://www.iht.com/articles/2007/05/31/frontpage/phils.php> <accessed on 23 January 2008>.

<sup>89</sup>Austrade, “Mining to the Philippines: Trends and Opportunities” at <http://www.austrade.gov.au/Mining-to-the-Philippines/default.aspx> <accessed on 23 January 2008>

<sup>90</sup>“Aussie troops, mining firms not welcome in Mindanao: group”, *Davao Today* (29 May 2007) at <http://davaotoday.com/2007/05/29/aussie-troops-mining-firms-not-welcome-in-mindanao-group/> <accessed on 23 January 2008>.

<sup>91</sup>Ibid.

<sup>92</sup> See [www.worldproutassembly.org/archives/2006/11/enter\\_our\\_aussi.html](http://www.worldproutassembly.org/archives/2006/11/enter_our_aussi.html).

increasing the capacity of the Philippine maritime forces to secure its maritime borders against various threats, particularly those emanating from international terrorist groups operating in Southeast Asian waters.

Because of its commitment to enhance the maritime security capability of the Philippines, Australia has become the second most important strategic partner of the Philippines, next to the US. But there are operational challenges that both countries have to surmount if they want to sustain and enhance their maritime security cooperation in the years to come.



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### **About the Author**

Professor Rommel C. Banlaoi is Executive Director of the Philippine Institute for Political Violence and Terrorism Research (PIPVTR). Prior to joining PIPVTR, he was a professor of political science at the National Defense College of the Philippines (NDCP) where he became Vice President for Administrative Affairs and Assistant Vice President for Research and Special Studies. He has been a visiting scholar, research fellow, professor, lecturer, or instructor at a number of prestigious academic institutions including the University of the Philippines in Los Banos, De La Salle University in Manila, Asia Pacific Center for Security Studies in Honolulu, the Faculty of Law at Leiden University, the Netherlands, the Chinese Academic of Social Sciences in Beijing, the University of Hong Kong and Zhongshan University in Guangzhou, China.

Prof Banlaoi is editor, author, or co-author of seven books, to date including *War on Terrorism in Southeast Asia* (2004), *Security Aspects of Philippines-China Relations: Bilateral Issues and Concerns in the Age of Global Terrorism* (2007), and *Philippine Security in the Age of Terror: National, Regional and Global Challenges in the Post 9/11 World*. He also has to his credit three monographs and numerous refereed articles and book chapters published in the Philippines and abroad. He is member of the International Institute for Strategic Studies (IISS), Council of Asian Terrorism Research (CATR), International Studies Association (ISA), Asian Political and International Studies Association (APISA), Philippine Political Science Association (PPSA), Philippine Studies Association (PSA) and Philippine Association for China Studies (PACS).

Professor Banlaoi is happily married with Grace Quilitorio-Banlaoi and is blessed with two children: Rome Melchizedek and Ronaiah Gail.