

**‘Pirates and privateers: private navies in the Indian Ocean’
James Brown**

**Lowy Lecture Series:
Wednesday, 23 May 2012 - 12:30pm to 1:45pm**

I'm going to talk to you a little bit about PMSCs today, Private Military Security Companies, and as one of our subscribers pointed out before, I'm an army guy talking on a naval topic, so it's a bit risky. But what I want to do is sketch for you some of the research we're doing here, why this is important from an Australian context, how it has evolved and what's happening in the Indian Ocean, because I think that scene is changing quite quickly. And lastly, I'm going to talk to some of the issues and possible resolutions for the industry as it rises in the Indian Ocean.

In 2005, I had my first military deployment to southern Iraq. And as a brand new junior officer, I was pretty much terrified of everyone I met in southern Iraq for the first couple of weeks. I was convinced that anyone that had a beard and looked like me, was scruffy and probably wasn't wearing a uniform was some sort of CIA Special Forces type and I should stay out of their way. And if I had seen Rory Medcalf wearing that beard in Southern Iraq, I probably would have surrendered the entire base to him. But after about a month in southern Iraq, a number of such gentlemen turned up in a couple of cars. They came to our base. They were received with open arms, they refuelled, got some ammunition, had lunch, got an intelligence brief and drove off. And it wasn't until a couple of hours passed until anyone thought to ask who they were. And it turned out they were private military contractors.

In my first experience in Iraq, I had both good and bad experiences with private military contractors, but it struck me that no one had told me at that point what to do when I encountered these guys, how to deal with them, whether to work with them, whether to respond to them when they got in trouble. In the last decade the debate on private military contractors has been prolific; there's been the Commission on Wartime Contracting in the United States, there's been green papers in the UK. We're all familiar with the kind of contractors that you see on the screen, the 'Black Waters', the good, the bad and the ugly. So prolific in fact have private military contractors become that not only can you buy a private military contracted toy, that's one on the left, but you can also buy the private military company instructor toy, that's it on the right. So the issue has been picked over in great detail. A lot of lessons have been learned, a lot of legislative instruments have been enacted to regulate the industry, and a lot of lawyers have made a lot of money picking over the issues.

PMSC is a contested term. It's controversial. Companies would prefer to refer themselves, particularly in the UK, as private security companies. It used to be that the definitional delineation between firms was whether they provided combat type frontline services or not. If you provided combat type services, you are a PMSC. If you provided logistical or advice or risk assessment services, you are a PSC. That distinction is no longer useful. There are private companies that are involved in the intelligence chain which is leading to targeting of drone strikes, there are private companies involved in all sorts of interesting ways that just weren't foreseeable 5 or 10 years ago. I use the term PMSC and we use it in this project

because we think it captures what inherently sets these firms apart from other companies in the everyday economy. And that is that they rely on military tactics and military skills that can only be gained inside national militaries.

So why is this issue important for Australia? There are a couple of reasons. Australians are very well represented as private military contractors throughout the world. A lot of that is because in 2003 when the US and UK went into Iraq with their Special Forces and conventional troops, Australians didn't. So there was a surplus of Australian Special Forces operators who were able to go out and contract on the open market. Because they had trained with the US and the UK, they had interoperable skills, they often had connections. And in some cases, it was technically encouraged for troops particularly in Western Australia to take some time off, get some experience when Australia didn't have a significant contribution in either Iraq or Afghanistan. So a lot of Australians got into the industry and you'll find Australians throughout the industry today. There are a number of Australian companies. There are up to five that are doing meaningful work that are more substantial than a couple guys with a laptop. A subsidiary of an Australian company somewhat notoriously was responsible for providing security to the US Embassy in Kabul. Australians are also clients of military contractors. Most clients of military contractors are governments and the Australian government is no different. Australia in the last six years has signed over 100 million dollars' worth of contracts with private military companies predominantly for security at the embassies in Baghdad and Kabul. We have a 20 million dollar contract for two years at the embassy in Kabul with a company called Hart, previously that was held by Control Risks Group and we have a contract with UIG for the Baghdad embassy, and there was a transition there for military forces to private contractors several years ago. In the Solomon's and East Timor, Australia is also a client government for private military contractors.

Our miners, our oil and gas companies, particularly the juniors operating in West Africa, or in the waters of West Africa, also contract private military companies whether for advice or actual physical protection on the ground. Australia's military and aid workers have had multiple experiences of encountering PMSCs in Afghanistan, the Solomon's and Iraq, in fact in almost every field that they've operated in, and there is a real need there for them to know how to treat them, what their rights and responsibilities are, and where they fit into the battlefield or conflict zone. Australians are over-represented when it comes to analysing this issue. A number of Australian academics have written seminal texts on the issue of regulating contractors and also on the norm of starting to use contractors in military operations.

Ironically, Australia has become one of the most responsible states when it comes to leading efforts to regulate this industry and to assess the various aspects of both international law and international humanitarian law behind the use of PMSCs. Australian lawyers, and Australian government lawyers particularly, have been involved in the drafting of the Montreux document, which is the document devised by the International Community for the Red Cross which states can sign up to as a way of pledging to various principles to regulate this issue. And Australia has also been involved in the International Code of Conduct, which is an effort led by various stakeholders including firms themselves to come together, agree to a set of voluntary principles and setting up a form of oversight mechanism for firms.

But the industry, though it is somewhat mature is still largely unregulated. There is limited visibility of where Australians operate or what they're doing. There's poor industry transparency in some areas. Just determining the size of the industry in Australia alone is a very problematic task. And within government particularly, whilst there are deep, deep pockets of expertise particularly in DFAT and in the Attorney General's Department and in the Australian Defence Force as well, that knowledge hasn't often been broadly shared; there's been a lot of sensitivity about discussing this topic. The research we're engaged in here at the Lowy Institute is focused on broadening out some of those lessons, capturing Australian experiences over the last decade, and looking at where Australians might encounter private military security companies in the future. And Australians have encountered PMSCs in our region. The notorious Sandline Affair in PNG ended with the company seeking an arbitration outcome in the Courts of Queensland, their equipment was impounded in Darwin. In our own region, Fijians and Tongans are proportionately over-represented in the industry; they've been very quick to be seized by recruiters and they're still being recruited for use in companies all over the world. And lastly, we face on to the Indian Ocean and that's where I'm going to focus the proponents of my discussion today.

Unless you've been living under a rock, you'd know that Somali piracy is becoming an increasing problem over the last four years since 2008. Since 2008, more than 800 ships have been attacked, more than 170 vessels have been hijacked, and over 3,400 seafarers have been taken hostage for different periods of time. The average length of hostage taking for crew on a ship is now 158 days, the average ransom is 4.5 million when it's paid, and often they are paid, they are quite successful in being paid in ransoms. Last year, a total of 160 million dollars in ransoms were paid out to ships that were seized by Somali pirates. It's become such a sophisticated industry that in research earlier on this year, researchers were able to show that there are quite advanced ways to invest in piracy schemes. You can purchase someone's weapon for them and then take a share of the ransom, and they use satellite imagery to show that the Somali piracy, infrastructures and dwellings in piracy hot spots along the coast of Somalia have been expanded. There's increased construction all due to the funds flowing in. In fact, the piracy problem has become so established that at the Sundance Film Festival last year, there was a sympathetic movie shown pointing out that Somali pirates weren't bad guys, they were just simply misunderstood.

Recently the efforts to prevent piracy are focused around setting up an internationally recognized transit cargo through the Gulf of Aden. There's up to 40 ships and airplanes from various national coalitions and international coalitions patrolling that area, but that's a little bit problematic when one analyst recommends that you need up to 83 ships with helicopters, patrolling that area, just to guarantee that they'd be able to respond to a ship in distress within an hour, which is a pretty long time when you're under attack. So military coverage, though it's been successful in preventing attacks in the Gulf of Aden, has dispersed piracy attacks out into the wider Indian Ocean.

And though militaries have been able to respond to some incidents, they haven't been able to respond to all. These serious problems in prosecuting pirates, up to a thousand of them are in up to 20 countries around the region awaiting prosecution, and it's very difficult to get a

successful result. An industry doesn't look like it's going—the piracy industry doesn't look like it's going down anytime soon, although last week in a new step the EU Counter Piracy Task Force attacked pirate bases on land in Somalia.

So as a result of the course of these efforts, what we're starting to see is more of these guys. In the last 18 months, up to 140 firms, and these are credible firms who are conducting operations in the Indian Ocean at the moment with contracts, has started to establish themselves primarily providing armed guards for use on commercial shipping. The quality of these guards can be variable. The background of the firms is also variable too. A lot of them set themselves up in Poole in England, as a way to suggest an association with the British Special Boat Service, but not all of them are from a Special Forces background.

Business is booming. One of the firms I'll talk about a little bit later on had 300 employees in 2010, it had 750 last year and this year it plans to grow to a thousand employees. There are at least a thousand contractors now operating in the region as armed guards, at least a thousand although there are difficulties in putting a cap on that number. And in the large companies that are involved in providing PMSC-like services, there is a degree of optimism about the trajectory of this industry. Control Risks Group had a 50% increase in their business last year and they believe that was mainly due to piracy work. G4S, a well-known large listed company, sees counter-piracy operations as a big commercial opportunity, and a French firm had US\$26 million in sales last year in maritime private military contracting alone. The chairman of Glencore, the world's largest commodity company, has been involved in launching his own PMSC at sea that was launched in November of last year that has a vessel and a helicopter, armed guards who will travel on ships and armed convoy escort service.

And there are good reasons for why ships are turning to armed guards. It works, generally. They've been pretty successful in deterring attacks. There hasn't yet been... Sorry. With the exception of one attack in early 2008, when a pretty poor quality PMSC abandoned ship when they were attacked. Other than that, of the ships of these guards, they haven't been successfully attacked and hijacked. At the cost of using these teams, the cost of using these companies are significantly less than the runs and demands that have to be paid out. Significantly, less increasingly than the war risk insurance or the kidnap and ransom insurance that shipping companies are made to pay to be able to operate in the high risk region. That's what we're talking about there[pointing at map], the high risk area, and that is the extent of Somali based piracy in the Indian Ocean. Well before, it was just along the coast in that small area South of Yemen and North of Somalia, it's now spread out and there's been attacks reported as far away as the Western coast of India.

The way that contractors work, generally they work in teams of three or five, they'll be on with small arms, rifles, sometimes heavy machine guns, but more often, not heavy machine guns. There are isolated reports with some of them using high explosive weapons, like rocket propelled grenades, but that's very rare, and generally discouraged by the insurance companies that ultimately are behind the decision to hire them. Twenty-six per cent of ships passing through the region now that report in to various coordinating bodies report that they are using private guards. It's highly likely that the number is greater than that, but a lot of

companies are reticent to report it, because they don't want to be in any of the bureaucratic complications that take place if you report that you've got people with weapons on board.

That's a significant market. And to service that market is up to twelve ships that are being used floating at sea off these countries as floating armouries. There are problems with taking weapons in and out of port states. One of the ways to get around that problem is to have your weapons floating on a ship at sea. The ship pulls out of a port like Djibouti, rendezvous with the floating armoury, you take on board your private military team, and then off they sail. Most disembark in Galle in Southern Sri Lanka, a port town very close to the main shipping transit route, and it's become a bit of a boom town for private military contractors. The Sri Lankan government has signed up to the boom: they've been very supportive of ships who want to put on board armed contractors in Galle. If you're a private military security company and you want to put people on board there, you can approach the Sri Lankan Ministry of Defence for a license and they will let you store your weapons and equipment in a bonded warehouse inside their naval bases. So armed guard business is becoming a boom in the Indian Ocean. Parallel with that boom is another phenomenon and this would be the only company that I'll spruik during this talk. This is the company I mentioned before, who are hiring up to a thousand people this year, and what they do is they don't provide guards on ships primarily. They provide convoy escort ships at sea and you'll see some of those in a second, that's one of their ships there. Now, you'll notice a couple things about this ship. One, it's a former navy ship, two, it's armed, and three, it's flying the British Red Ensign. So this company is currently providing escort at sea with the full knowledge of shipping companies, with the full knowledge of insurers, and often with the full knowledge of coalition counter piracy military forces. This is a different prospect using on guards on ships at sea. And, I'll get into some of the complications with using private convoy escort ships later on. But their position at law is very, very uncertain, and in fact, some commentators and analyst would argue that they themselves by deploying armed force at sea, not in the manner of self-defence, would fit into the definition of pirates.

But one of the other things that we need to notice about this industry is not only has it developed quite quickly in the last 12 months, but it is becoming increasingly sophisticated. This is a company called Flag Victor, a UK-based company as so many of these maritime PMSCs are, and this company is providing an online secured marketplace where ships can meet private military teams, sort of like a dating agency for maritime private military contractors. One of the problems with shipping is that due to the spot markets, ships can change their route and their schedules quite quickly. So often, a team that is taken on board in the Gulf of Aden, somewhere like Djibouti, might need to be offloaded somewhere like the United Arab Emirates because the ship suddenly changes course and won't be proceeding through the Indian Ocean. So what this firm will do is take the spare capacity that those teams have, link them up with opportunity shipping moving through the area that hasn't got hired guards and provide a cost-effective way for everybody to make more efficient use of their time. Insurance companies are setting up bespoke solutions for firms to use, particularly around issues of third party liability. There are medical firms that will provide evacuation services at sea or remote medical assistance to firms on ships who might be involved in some

sort of confrontation with pirates. There are marketing specialists and legal specialists, hiring themselves out to spruik these firms and deal with their back-office issues. So the industry is becoming much more sophisticated and entrenched.

The reason this has happened primarily has been because ship owners have demanded it. In the last 18 months, there has been a series of steps, and I can talk to the detail of more of these in the Q&A, that have led to the use of these firms becoming a much more normalized thing. A number of shipping industry organizations, insurance clubs, various chambers of commerce have started to suggest that although they don't recommend it, they will facilitate their members utilizing private military firms at sea, by providing draft guidelines for the use of these firms: how to select them, how to interact with them, how to write contracts with them and what some of the issues in due diligence should be. As a result and because shipping companies have started to use these firms, flag states have changed their policies. The most significant states that change their policies were the UK in October of last year, and the US also towards late last year decided to change their policy on the use of armed guards on ships. Some states have held out. The Dutch for example have refused to allow armed guards on ships and refused to change their policy. But of the major European powers who are involved in shipping and who provide flag state services, the majority now reluctantly and as a palliative measure, will accept the use of private military company contractors on board shipping. This is leading to another Phenomenon occurring in the Indian Ocean.

The gentleman you can see there in the military uniform is an Italian marine currently awaiting trial for murder in the State of Kerala in India. In the middle of February this year, two Navy Marines on board this ship, the Enrica Lexie, opened fire on what they thought was a pirate skiff, coming to attack them from the stern of the vessel. Now, one of the problems with identifying pirates at sea is that often you can't identify them right until the last moment, when they pull out the weapons and they start shooting at the ship. And sometimes in fact fishermen will trail in the wake of these ships because it's a good way to churn up fish and make their catch a little bit easier, so they can be mistaken for pirates approaching the ship to attack it. In this case, an Italian ship traveling down the Indian coast, some dispute as to whether it was in Indian waters or not, opened fire on a fishing vessel that killed two Indian citizens. The Indian Coastguard were deployed to arrest and apprehend the people in the ship that had opened fire and it turned out that they were Italian Marines.

Increasingly, particularly European countries, are hiring out their militaries, their naval Special Forces, their naval marines for use on board commercial shipping in an armed guard role. So these are marine detachments provided by the state under the command of the ship, a private actor, who have the authorization to open fire on pirates that attacked their ship, or are suspected of attacking their ship. And this is becoming quite common, France has been doing it for two years, the Dutch, although they won't permit you to hire private guards, will permit you to hire Dutch military members on your team. You can hire up to 18 soldiers and a nurse, the rights are quite high and it is expected that half of the amount to be paid for these teams were paid by the private companies.

So not only are we seeing a rise in maritime private military security companies in Indian Ocean, but this issue is forcing militaries to act more like private actors themselves, to act more like private companies themselves. And as defence austerity becomes more of an issue in Europe, as contributions to counter-piracy fleets reduce because of defence austerity, and in the last two weeks we've seen the UK announce that they will no longer provide a constant naval-presence off the coast of Somalia, it's likely that these detachments will continue to be used.

There are number of issues with this phenomenon. Particularly with the vessel protective detachments hired out from national militaries. And again, I'm going to talk some admiralty laws here and I'm on shaky ground as a non-legally trained person, but ships generally transit through the coastal waters of states under a principle known as Innocent Passage. And the essential principle behind Innocent Passage is that you're not providing any sort of threat to the state, that you bear no ill will towards the state; you're proceeding for the purposes of commerce or general travel. There have been opinions expressed that it's arguable that ships would possess the right to Innocent Passage if they have armed actors on board. Warships, certainly you'd expect that they have arms on board. You'd expect that they have soldiers on board. But where private shipping has military forces on board for private purposes, it's debatable whether they can continue to exercise the right of Innocent Passage through coastal waters. That argument is also applied to the convoy-escort ships that we're talking about that are armed, whether they have the right to exercise Innocent Passage through coastal waters, whether they have the right to enter ports. And certainly, it's being assessed for armed guards on commercial shipping that don't come from national states, that come from private companies.

Now, one of the issues in private military security companies throughout the last decade has been this issue of quality control. Generally, there are a limited number of highly trained Special Forces soldiers who can be used in those companies. Eventually, it becomes a race to the bottom and companies in a number of examples, particularly in Iraq, but also in Afghanistan, have started to use more and more cheap labour, often from African countries, where there are issues of training, there are issues of command and control, and the quality of their forces and their ability to react to incidents become suspect. There is an argument that this will occur at sea. I don't think that's going to be the case. I think that there will be less quality control issues with private military companies at sea, than there have been on land.

And the reason for that is that this entire phenomenon is driven by the insurance industry where risk assessment is a way of life. These are serious assets. You're talking about hundreds of millions of dollars in cargo and ships. The people making the decision to put security on to these ships, I think, will take a much dimmer view of saving \$500 per contractor a day, by hiring someone from a less quality military. So I don't think we'll see as many quality issues with PMSCs at sea as we have at land. Secondly, I think the maritime industry is much more effective at self-regulating than the land-based PMSCs industry has been. Even in the 18 months in which these firms have sprung up, there are a number of different accreditation schemes that have popped up. There are a number of different industry groups. Firms have been much more proactive in reaching out to initiatives like the

International Code of Conduct. They have been much more proactive in signing up to the International Code of Conduct. So I think this Industry will be much more tightly regulated. And the reason for that is that the shipping security industry is already pretty regulated. After 2001 when there was a lot of concern about terrorist attacks on shipping and on ports, quite a serious international effort was undertaken to develop a security regime with common accreditation across courts, nations and flag states, and I think this self-regulation effort will build on that.

I do however think that these firms at sea will be much less transparent in the long run. There will be less reporting, there will be less interaction between them and government actors, there will be less interaction between them and NGO's particularly. So to a certain extent, we just won't know whether these firms have been involved in incidents at sea, whether they have detained people, whether they have captured or whether they have killed pirates, and there is at least one recorded incident of a private military security company team engaging and killing a pirate at sea without any consequences.

The effectiveness of these firms I think so far they've been effective in the deterring attacks but they are a palliative measure. They will not resolve the issue of piracy stemming from the Somali coast. That will only be resolved through initiatives like the Contact Group on Somali Piracy, who are looking at more broad issues of funding development and good governance in Somalia and places like Puntland. I think however there will be issues in there in the effective use of maritime PMSCs, in terms of coordination between national militaries and counter-piracy task forces and private actors. There's not a lot of interaction at the moment. It's very hard for naval ships to know when they go to do a flag verification boarding of a vessel, whether there's a private team on board. And you can imagine that the potential for miscalculation accidental engagement when a national military goes to board a private ship and finds people with weapons on board, or sees them through their binoculars.

I think that the convoy escort ships, the kind of private ships that are armed like we saw in that PVI video, I think they pose serious problems. I think they threatened the principles of the United Nation's conventional on the law of the sea I think they threaten the principles of the SOLAS principles, and I think there are serious problems in terms of whether they are legal under the flag-state legislation. I think it's very difficult to invoke the right of self-defence when you are not the ship that's being attacked. And when we surveyed some of these companies and asked them, would you be prepared to respond to a non-client ship that was under attack, they said yes. Would you be prepared to engage pirates attacking a ship that you weren't contracted to? They said yes as well. And that is seriously stretching the limits of self-defence as a mitigating factor. I also think that long term, having up to 20 ships in the Indian Ocean, the size of some small navies that are facing that ocean, without any form of legal accountability, without any form of legal transparency is problematic for the international security order.

I think the biggest problem with this trend will be the issue of dispute resolution. Dispute resolution at sea can be entirely complex. And there's one also pointed out, the shipping industry itself is entirely complex. The ship might be built in Japan, it might be owned by a

brass plate company in Malta, it might be controlled by an Italian, it might be managed by a company in Cypress, chartered by the French, skipped by a Norwegian, crewed by the Indians, registered in Panama, financed by a British bank, carrying a cargo owned by a multinational oil company and insured by a British insurance provider. To that we might add, and protected by an Australian maritime PMSC. Trying to work out which stakeholders or which state interest to take privacy is an entirely difficult prospect in terms of any normal dispute resolution at sea, that becomes much more problematic in an incident like the one we saw with the Italians and the Indians. In that incident, the Indians have relied on the 1988 Convention on the Suppression of Unlawful acts Against the Safety of Maritime Navigation, which was a Convention primarily set up after incidents like the Achille Lauro incident, to stop hijackings at sea and to provide a mechanism for states to prosecute hijackers. But that falls down, I think, when you apply it to maritime private military companies. As it is, there is no way to prosecute these guys in a common fashion. There are multiple overlapping jurisdictions, a lot of uncertainty, and I think that one of the resolutions we need, there is leadership from organizations like the International Maritime Organization, who can convene these kinds of conventions, who can establish precedent in international law and can establish a common jurisdiction that states agree these kinds of issues will be tried in.

So where to from here? There's a little bit disagreement between industry and government as to what the best method for regulation of this boom in the Indian Ocean will be. Last week, the IMO's Maritime Safety Committee met in London and they discussed the issue of private armed guards on ships, they discussed the issue of maritime private military security companies. And it's worth seeing the difference in opinion between the IMO's Secretary General and the UK Representative, Secretary of State for Transport, Justine Greening. The IMO and the Secretary General specifically, are still claiming, and you'll see in that second paragraph there, that this is not a permanent solution, that the use of these firms will not be institutionalised and that these are exceptional circumstances. I think most in the industry, certainly most in the private military security company industry, would disagree. When you've got the Admirals in charge of the major U.S. and UK counter-piracy fleets saying that the use of these firms on ships is a good thing, when you've got 26% of shipping moving through the area using guards, utilizing the services of these companies, I think you could say that there are anything but exceptional measures. I think you could say that they have been, to a certain extent, institutionalised and that they are unlikely to be temporary.

The UK on the other hand has taken quite a proactive approach in dealing with this issue and that's entirely fitting. Most of the firms, more than 60% of them, are UK based. Most of the personnel hiring themselves out at sea for security are UK based as well. The maritime insurance market is largely based in London, and that's driving a lot of the consideration for the use of these firms, and UK firms in financial interests to control up to 30% of the global shipping industry. So the UK is invested, and if for no other reason, these firms are identifying themselves as British. They use the fact that they come from the British military and they're advertising, and as you saw, they're not afraid of throwing the Red Ensign on their ships either. So the UK is significantly exposed here reputationally. There's a significant consular risk for the UK as well. They have a firm interest in making sure that they have a

handle on what is happening with their people and in their industries. To this point, they have engaged with a number of these firms; the UK government is being proactive in engaging in dialogue with maritime firms. They have established their own guidelines for the Department for Transport, they are coordinating a lot of the reporting that is happening on private military security companies.

And it's pleasing to see—in that quote there on the right hand side—that their political figures have agreed that an accreditation system needs to be set up and I would argue that that needs to be pushed by the U.K. They have made some efforts so far towards ensuring that shipping companies provide details whether they are using these firms. I think they now need to institutionalise that and provide punitive measures against companies that don't report whether they're using armed teams or not. Secondly, I think efforts under the International Code of Conduct to develop a Maritime Annex that takes into account some of those actors, that establishes an oversight mechanism where there are inspections to determine that weapons are being appropriately kept, that rules of engagement are being appropriately followed, whilst encouraging, are going to be difficult to implement practically. Any accreditation regime for this kind of activity will be difficult unless it's backed by the organs of a state.

So there is a role for states here, and I think we need to see increased presence from countries like Britain, supported by countries like Australia, in supporting initiatives to develop accreditation schemes, and also in tracking their own military personnel. One of the interesting developments in this area comes from, of all places, New Zealand. New Zealand has been quite proactive in making sure that its military personnel are required, in the documents they sign at enlistment, to report where they go after they finish working for the military. They will report if they are using their skills and where they are operating, and I think that might be something that Australia would want to consider, because we face a degree of risk if Australians are involved in this industry and get involved in incidents, and then look to Australia for consular support.

And lastly, I think, that an IMO sponsored type of Convention, similar to the Convention on Suppression of Unlawful Acts, is necessary. Now, that convention took three years to come into place. It might be that we don't see a similar convention under the IMO for another year at least, but I think it's worth establishing a common jurisdiction, establish a common understanding of how states might resolve disputes that emerge in this arena. It's a fast moving industry. There are serious amounts of money involved. There are serious amounts of personnel involved as well, and states are not the leaders in this area. They are being led by industry and ship owners. For Australia, Australians pop up in all sorts of interesting ways; Australian patrol boats manufactured by Austal have been used for privately-ran escorts in the Gulf of Aden, Australian contractors are around. Australia has a good record of leadership when it comes to both regulation and coordination of private military security companies and I think there's an ongoing role for Australia to play in the Indian Ocean Security Industry.