

The 2002 and 2005 Bali bombings scarred Australia and Indonesia and pressed home our mutual security concerns. The atrocities fostered unprecedented cooperation between the AFP and the Indonesian police, broadened Australia's aid program to Indonesia and facilitated the Lombok Agreement on security cooperation. Much less known and barely discussed is how the Bali bombings have brought Australia and the Philippines closer together. Over the last decade, the long-running Moro Islamic insurgency has provided havens for foreign terrorists and turned Mindanao into the most important regional front line in the "long war". The two central figures in the 2005 bombing, Umar Patek and Dulmatin, are still on the run in Mindanao's jungles. Over the last five years, the Philippines has suffered more deaths from Jemaah Islamiyah-inspired attacks than any other country, including Indonesia and Australia.

American diplomats in Manila, undiplomatically, have publicly referred to Mindanao as the "new Afghanistan". In response, security cooperation between Australia and the Philippines has deepened. The southern Philippines was one of four areas highlighted in this year's white paper that promises to double the aid budget by 2010. Australian assistance to the Philippines is more focused on the support for counter-terrorism activities in Mindanao and support for the decade-old peace process between the Philippine Government and the largest Moro insurgent group, the Moro Islamic Liberation Front. Philippine and Australian defence officials have negotiated a status of forces agreement that would open the door to much stronger ties. Mindanao needs sustained and patient foreign support. The long-running local insurgency requires patient diplomatic support for the stuttering peace process and the willingness of foreign governments to commit large sums of aid immediately after the signing of a peace deal or even in expectation of one; a tough ask when local commanders of the MILF still maintain ties to regional terrorists and it is unknown if its central command can or will ever rein them in. The only way these havens can be closed permanently is if a comprehensive and sustainable peace deal is struck and effectively implemented. Respective peace deals in the 1970s, 1980s and 1990s failed at the implementation stage, with the last failure helping to fragment and radicalise the Moro insurgency. Recent events are sending mixed messages about the prospects for the present process. Negotiators are analysing the latest government offer on the deal-breaking issue of ancestral domain. The two sides are discussing the scope of a new territorial agreement in which the Moro community can advance "self-determination" while remaining part of the Philippine state. The European Union has just announced a 1 million euro grant to support the peace process, Japan has joined the international monitoring team supporting the ceasefire. The US has offered \$30 million to help implement a peace deal. Yet, two weeks ago, the Secretary of Defence, the key official pushing the status of forces agreement, resigned over efforts to rewrite the Philippine constitution. Just days before that, the wife of one of the Bali bombing fugitives was captured in Mindanao, reaffirming the close ties between local commanders and JI. That arrest was followed by a series of small-scale bombings in central Mindanao. These bombings triggered an arrest warrant for the chairman of the MILF, which led to threats by the its central command to return to the gun. Only after pressure from the top was the arrest warrant withdrawn, allowing the Government to hand over its latest offer to the MILF. A peace deal is the best guarantee that Mindanao will no longer harbour terrorists with Australian blood on their hands. That will need patient diplomacy and the pre-positioning of large sums of aid money that can be quickly disbursed. While supporting the peace process is definitely a gamble for the Australian government, it is a gamble worth taking.