



ANALYSIS

# Reinforcing Indonesia–Australia defence relations: The case for maritime recalibration

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October 2018

LOWY INSTITUTE

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## EXECUTIVE SUMMARY

Indonesia and Australia are increasingly important strategic anchors in the Indo-Pacific region, as recognised by the recently announced Indonesia–Australia Comprehensive Strategic Partnership. Yet historically, bilateral defence ties between the two countries have been volatile. This Analysis makes the case for a maritime recalibration of Australia’s defence engagement activities with Indonesia to stabilise defence relations. The process of recalibrating defence relations, however, cannot proceed in a historical vacuum. The evolution of Australia’s Defence Cooperation Program (DCP) with Indonesia since the 1960s is examined in order to understand how the relationship could be recalibrated.

Three broad changes to DCP activities are recommended: reform existing DCP education and training programs to focus on joint maritime challenges; formulate long-term plans for the ‘conventional’ modernisation of the TNI, including tri-service integration, maritime security operations, and defence industrial collaboration; and increase maritime-related exercises, both bilaterally and multilaterally, and consider joint TNI–ADF exercises built around challenges in the maritime domain.

On 30 August 2018, a week after a new government was formed in Australia, Prime Minister Scott Morrison flew to Jakarta. It has become a tradition in Australian foreign policy in recent years to make Jakarta the first foreign destination for a new prime minister. This particular visit significantly boosted bilateral ties. As many had expected, Prime Minister Morrison and President Joko Widodo (Jokowi) announced that negotiations on a free trade agreement, the Indonesia–Australia Comprehensive Economic Partnership Agreement (IA–CEPA), had been successfully concluded and that the accord should be signed by the end of the year.<sup>1</sup>

More importantly, both leaders also agreed to elevate bilateral ties to a Comprehensive Strategic Partnership (CSP).<sup>2</sup> The elevated partnership would be based on five pillars: (1) enhancing the economic and development partnership; (2) connecting people; (3) securing our and the region's shared interests; (4) maritime cooperation; and (5) contributing to Indo-Pacific stability and prosperity. This broad vision strengthens the bilateral relationship across different policy areas and actors and also boosts strategic stability in the Indo-Pacific — in other words, the bilateral partnership is also a regional partnership.

Yet, one of the central elements of the strategic partnership, the defence relationship, has historically been volatile. Indeed, relations between Indonesia's armed forces (Tentara Nasional Indonesia or TNI) and the Australian Defence Force (ADF) have sparked wider bilateral crises and fallen victim to broader political controversies in the past. After the improvement in defence cooperation following the 2006 Lombok Treaty, for example, Jakarta suspended defence relations in 2013 following revelations that Australia's intelligence apparatus had intercepted communications among members of President Yudhoyono's closest circle.<sup>3</sup> The relationship was restored in August 2014 after both countries signed a Joint Understanding on a Code of Conduct, with each side agreeing that its intelligence activities would not harm the interests of the other.<sup>4</sup> However, by December 2016 there was yet another disruption to the relationship between the TNI and the ADF. TNI Commander Gatot Nurmantyo suspended discussions for future language-training activities after a TNI officer complained about some teaching materials at the Campbell Barracks in Perth.<sup>5</sup> Cooperation was restored when President Jokowi visited Australia in February 2017.

A successful and sustainable implementation of the new CSP will require the stabilisation of bilateral defence ties. This Analysis argues that the relationship between the TNI and the ADF should be reoriented towards a shared maritime vision. A maritime focus is a strategic necessity, given the shared regional challenges in the maritime domain, from piracy and illegal, unregulated and unreported fishing, to maritime disputes such as

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the South China Sea. It is also opportune, as President Jokowi has developed Indonesia's maritime outlook through his Global Maritime Fulcrum (GMF) doctrine and National Sea Policy. Lastly, a maritime focus could help recast one of the entrenched geostrategic viewpoints in the Australian strategic community, that threats to Australia will come "from or through" Indonesia.

A maritime-based defence relationship should be complemented by a recalibration of TNI–ADF cooperation activities. Such realignment, however, cannot be proposed in a policy vacuum. This Analysis explains the persistence of a 'sawtooth trajectory' in bilateral defence relations — short periods of rapid development followed by sharp and painful reversals.<sup>6</sup> The over-politicisation of defence relations — subordinating defence-specific functional goals to bilateral or domestic political ones — helps explain this pattern. It also looks at Australia's evolving defence cooperative engagements with Indonesia, from defence materiel to education and training. The resulting analysis and findings could help develop specific areas of maritime recalibration in defence engagement.

This paper's emphasis on TNI–ADF relations departs from conventional analyses of Indonesia–Australia security relations, many of which are built around broader bilateral challenges, from political and economic to sociocultural.<sup>7</sup> The decision to focus on TNI–ADF relations is not to deny the importance of these issues. However, given how powerfully defence-related events have shaped the Australia–Indonesia relationship, TNI–ADF relations will almost always feature prominently in bilateral engagements.

## EVOLVING SECURITY PERCEPTIONS AND THE QUEST FOR SHARED INTERESTS

Since the events surrounding Timor Leste's independence in 1999, the relationship between Indonesia and Australia has gradually improved. The 2005 Joint Declaration on Comprehensive Partnership and the 2006 Lombok Treaty provided the foundations for the post-Timor Indonesia–Australia relationship. In 2010, both countries agreed to negotiate a free trade agreement. In February 2017, then Foreign Minister Julie Bishop and Foreign Minister Retno Marsudi signed the Joint Declaration on Maritime Cooperation and by March 2018, both countries signed the Maritime Cooperation Plan of Action.<sup>8</sup> In August 2018, the IA-CEPA was concluded. These documents did not, of course, emerge in a vacuum. They were built around intensified government-to-government relations over the past decade.<sup>9</sup> While these sectoral agreements solidified the relationship, the new CSP provides a larger strategic framework. In fact, it positioned Australia on the same level as the United States and China, the two countries Indonesia has had a comprehensive strategic partnership with since 2013 and 2015, respectively.

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However, the new CSP does not automatically erase the past, even if it provides a signpost to the future. As one of the key elements in the broader bilateral dynamic, the TNI–ADF relationship in particular has been historically volatile. It has swung from one extreme to the other since the 1990s. Even the increasingly solid foundation provided by the Lombok Treaty and the 2012 Defence Cooperation Arrangement (updated in February 2018) could not fully safeguard the relationship from crises, as noted above.<sup>10</sup> In fact, both countries have traditionally viewed each other with a mix of ambivalence and fear. Nonetheless, policymakers and analysts have always encouraged Indonesia and Australia to cooperate based on shared interests regardless of differences since the Cold War.<sup>11</sup>

During the Cold War, however, this narrative of cooperating regardless of differences was never fully defined in the official policy discourse. The 1976 Australian Defence White Paper implied that both countries shared “basic strategic interests” but these were not explained.<sup>12</sup> By 1987, Indonesia was said to be of great strategic significance to Australia as it:

“cover[s] the majority of the northern archipelagic chain, which is the most likely route through which any major assault could be launched against Australia, [and] it also lies across important air and sea routes to Europe and the North Pacific.”<sup>13</sup>

Australia saw Indonesia’s geographic proximity as a source of threats that could come “from or through” Indonesia, thus posing risks to Australia’s security.<sup>14</sup> Under such conceptions, Indonesia might threaten Australia’s security interests in the Torres Strait and Papua New Guinea, for example, or provide a launching pad for hostile powers to the north seeking to attack Australia. Parts of this narrative survived the Cold War, with fear and ambivalence gradually becoming a constitutive element of Australia’s relations with Indonesia in much the same way that trust is an enduring feature of Australia’s relations with the United States.<sup>15</sup>

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After the Lombok Treaty, specific discussions of shared interests became less prominent. The 2009 White Paper used “shared interests” in reference to China but still considered Indonesia a possible strategic liability if its internal stability deteriorated.<sup>16</sup> The 2013 White Paper mentioned “significant shared interests” without elaboration but added that “a shared aspiration for the stability and economic prosperity of our region ... underpins our partnership and is driving increased breadth and depth in our defence cooperation”.<sup>17</sup>

It was not until the 2016 White Paper that the maritime domain came to the fore:

“Australia and Indonesia share *maritime borders and enduring interests* in the security and stability of South East Asia ... We have a *mutual and abiding interest in the security and stability of the maritime domains that we share ...*”<sup>18</sup> [Emphasis added]

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The 2016 White Paper reflected Canberra’s evolving security perception of Indonesia.<sup>19</sup> While it did not fully abandon some older geostrategic assumptions, it explicitly recognised the importance of a shared maritime domain. Instead of dwelling on pre-existing cooperation as the sole foundation of bilateral security relations, it placed shared maritime interests as another foundation and sought to rally around Jokowi’s economic goals and maritime vision. This maritime focus reversed the long-standing premise that threats could come “from or through” Indonesia. Rather than building a risk-driven engagement strategy, the 2016 White Paper showed how the same geographic destiny can be the basis for shared interests.

On the other hand, Indonesia’s Defence White Papers say very little about Australia. This is perhaps a reflection of the old notion that Indonesians do not care much about Australia, save the occasional bilateral crisis. As a retired Indonesian general once remarked, “Indonesia does not regard Australia as a threat, nor do Indonesians harbour a feeling of hostility ... as a matter of fact the country is of little interest to them”.<sup>20</sup> Where Australia is mentioned in Indonesia’s Defence White Papers, it is in relation to existing cooperative activities and sets of common challenges. There have been very few thoughtful assessments of Australia as part of Indonesia’s strategic thinking or priorities.<sup>21</sup>

Indonesia’s 1995 Defence White Paper noted that the “Australia–Indonesia relationship continues to flourish and is creating new opportunities for economic, cultural and security cooperation”.<sup>22</sup> The 2004 White Paper stated that defence relations have been affected by the changeable nature of the political relationship but reiterated Indonesia’s commitment to confidence-building measures based on “balanced and shared interests” as well as mutual respect for each state’s internal affairs.<sup>23</sup> Despite a brief concern that Australia was becoming a security threat to Indonesia,<sup>24</sup> the 2008 White Paper noted the utility of the Indonesia–Australia Defence and Strategic Dialogue as well as the expansive scope of the Lombok Treaty.<sup>25</sup> Finally, the 2015 White Paper noted that while the bilateral relationship has been “dynamic”, it has geopolitical significance in shaping regional peace and stability.<sup>26</sup>

Overall, while concrete definitions of shared strategic interests have been historically absent on both sides, there is a growing realisation that a shared strategic maritime vision could underpin a stronger bilateral partnership. Indeed, in recent years, the maritime domain increasingly seems to define the content and scope of the cooperative relationship.

## IS A SHARED MARITIME VISION ENOUGH?

The geographic proximity between Indonesia and Australia, two of the biggest states in the Indo-Pacific that oversee critical regional waterways, should have driven them into a maritime-centred security relationship.

Indeed, the 2015 joint communiqué from the third Australia and Indonesia Foreign and Defence Ministers 2+2 Dialogue declared that:

“As respectively the world’s only island continent and the world’s largest archipelagic state, located at the fulcrum of the Pacific and Indian oceans, Australia and Indonesia aspire to a secure maritime domain in which people, trade and the environment flourish.”<sup>27</sup>

Both countries have many shared maritime interests, including maintaining good order at sea; preventing piracy, people smuggling, and illegal fishing; protecting the marine environment; and managing regional instability, territorial disputes, and threats to the security of sea lines of communication.<sup>28</sup> Building on these interests, Jakarta and Canberra issued a Joint Declaration on Maritime Cooperation in February 2017. It reaffirmed their commitment to: unimpeded lawful commerce, freedom of navigation and overflight and sustainable use of living marine resources; peace, security and stability in the region, full respect for legal and diplomatic processes, and the peaceful resolution of maritime disputes in accordance with international law; and addressing the challenges posed by transnational crimes committed at sea. These principles underlie 15 broad objectives, from the sustainability of living marine resources to maritime infrastructure and maritime security.<sup>29</sup>

The 2018 Maritime Cooperation Plan of Action provides the broad policy guidelines to implement the Joint Declaration and the new CSP nominates maritime cooperation as one of its key pillars, resting on trade and sustainable blue economy development as much as maritime security, scientific collaboration, and cultural heritage. Such a maritime outlook falls squarely within President Jokowi’s Global Maritime Fulcrum (GMF) vision. Before Jokowi’s inauguration in 2014, his chief foreign policy adviser, Rizal Sukma, outlined the GMF’s fundamental tenets.<sup>30</sup> He argued that the GMF is an aspiration, a doctrine, and a part of the national development agenda. As an aspiration, it is a call to return to Indonesia’s archipelagic identity. As a doctrine, providing a sense of common purpose, it sees Indonesia as a “force between” the Indian and Pacific Oceans. As a developmental agenda, it provides plans to boost the national economy such as improving inter-island connectivity.

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On assuming office, Jokowi outlined the five pillars of the GMF during a major speech at the East Asia Summit in November 2014: rebuild maritime culture; manage marine resources; develop maritime infrastructure and connectivity; advance maritime diplomacy; and boost maritime defence forces. By March 2017, Jokowi released Presidential Regulation No 16 on Indonesian Sea Policy to codify the GMF as part of Indonesia’s regulatory hierarchy and to coordinate maritime-related policies across different ministries into a single framework.

Despite a shared maritime vision, however, both Indonesia and Australia still confront lingering concerns over their shared maritime domain.

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Various incidents involving illegal fishing and boat-borne asylum seekers suggest that a shared Indonesia–Australia maritime vision should not be taken for granted. Even a basic shared understanding of the maritime domain has not been easily managed. Consider Jakarta’s adverse reaction in December 2004 to Australia unilaterally declaring a 1000-nautical mile maritime identification zone that overlapped with Indonesian waters.<sup>31</sup> Official declarations of a shared maritime vision will not erase divergent maritime interests, assumptions, and approaches overnight.

Take the South China Sea, for example, where despite common interests in constraining Chinese militarisation and ensuring freedom of navigation, Indonesia’s ASEAN-centric and Australia’s ANZUS-centric approaches have led to different strategies.<sup>32</sup> Jakarta, a non-claimant in the South China Sea disputes, is interested in ensuring ASEAN centrality while safeguarding its waters. Canberra, also a non-claimant, sees China’s behaviour through the lens of its US alliance. Both sides are interested in sustaining a rules-based order but disagree over which rules to enforce and how.<sup>33</sup> Indonesia has been less supportive than Australia of freedom of navigation operations (FONOPs). Canberra sees support for FONOPs and the ASEAN–China Code of Conduct process on the South China Sea as complementary while Jakarta at times considers them mutually exclusive.

Indonesia and Australia also suffer from different degrees of ‘sea blindness’, a term used to describe a condition where states vastly underrate the importance of the maritime domain or acknowledge it but delay protective measures until more urgent national matters are addressed.<sup>34</sup> While Australia is a classic “trade-dependent maritime state”, its strategic culture has been dominated by the sense that the country is first and foremost a continent.<sup>35</sup> The debate over the ‘Defence of Australia’ concept in strategic planning exemplifies this tension.<sup>36</sup> This partially explains Australia’s perception of its immediate maritime neighbourhood as a source of threat rather than seeing it as a strategic benefit.<sup>37</sup> Conversely, Indonesia is an archipelagic state with a continental tradition. The country’s high levels of social, political, and economic diversity, exacerbated by the geographical challenges of an archipelago consisting of thousands of islands, created an Army-centric national security state seeking to maintain domestic stability. If there were maritime security problems, they were viewed through a domestic or internal security lens by Jakarta. As such, perhaps Indonesia has a more severe case of ‘sea blindness’ than Australia, whose maritime security focus is underdone rather than completely absent.

This unevenly developed maritime outlook requires careful management on both sides, especially by their military forces. The core of any plan to execute a joint maritime vision rests with the quality of TNI–ADF relations. This is particularly the case on the Indonesian side, where maritime security governance remains a chaotic patchwork of a dozen agencies and organisations with overlapping authority. Yet the bilateral

defence relationship remains underdeveloped, subject to broader bilateral political dynamics, and more driven by Australia's engagement initiatives than a mutually formulated long-term plan. Australia's existing defence engagement policies need to be better aligned to fit a maritime-based strategic partnership, but to do that, a historical pattern must first be broken.

## EXPLAINING THE 'SAWTOOTH TRAJECTORY' OF DEFENCE RELATIONS

Australia–Indonesia defence relations have had their ups and downs, even after the signing of the Lombok Treaty. However, the 'sawtooth' pattern started much earlier. In the late 1980s, after more than a decade of relatively successful defence cooperation, an article by journalist David Jenkins on corruption in the Suharto family threw defence relations into a deep freeze for a few years.<sup>38</sup> After a gradual thaw and renewal of relations, both countries signed the 1995 Agreement on Maintaining Security (AMS). The agreement was subsequently scrapped following the East Timor intervention in 1999 and high-level official contacts as well as military-to-military links were curtailed.<sup>39</sup> After another rebuild that led to the Lombok Treaty in 2006, defence relations were suspended to different degrees in 2013 and late 2016.

When explaining this trajectory, analysts tend to follow an established research tradition in Indonesia–Australia studies centred on a set of key themes.<sup>40</sup> They emphasise fundamental differences (Indonesia and Australia are two states with very different political, social, and cultural traits), cooperation on common interests (differences notwithstanding, both countries should cooperate as neighbours with a long history), and the quest for 'ballast' to sustain cooperation, accomplished by widening the areas and levels of engagement.

While these themes provide a useful framework for bilateral relations, they do not fully explain the sawtooth pattern in defence relations. The politicisation of defence cooperation by both Jakarta and Canberra help explain the trajectory.<sup>41</sup> The defence relationship has always been central to bilateral dynamics between the two countries. However, it is precisely because of this that TNI–ADF relations have not been developed and institutionalised as a collaborative process to jointly manage shared security challenges. In other words, the defence relationship has been unstable because it has not been developed as a (primarily) defence relationship. It is instead driven by broader bilateral interests. Of course, security relations are expected to serve broader political goals, but the unique centrality of TNI–ADF relations — in terms of profile, duration, and sensitivity — has pushed the subordination of defence engagements to bilateral interests to the point where the defence character has faded.

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*...defence cooperation activities are often pawns in the political game of the day.*

Ideally, defence cooperation should be developed with defence-related outcomes in mind. For example, joint exercises should be geared towards improving interoperability. However, Jakarta and Canberra rarely measure the success of defence cooperation by such defence-specific indicators. Instead, both sides evaluate it by the extent to which it contributes to bilateral political goals. Thus defence cooperation activities are often pawns in the political game of the day. Yet if defence cooperation is not designed to achieve defence-specific outcomes, then placing TNI–ADF relations as the ultimate benchmark of bilateral relations is problematic. We cannot politicise defence cooperation and then criticise the resulting relationship as insufficiently strong to withstand the political currents of the day.

For Indonesia, training with Australia has occasionally met genuine military training needs. More often, however, defence cooperation has been valued pragmatically or politically including to signal international credibility or as an entry point to weapon supplies. After East Timor, for example, senior TNI officers were reportedly seeking to restore relations with the ADF as a “badge of international acceptability” so that the United States would drop its military training and weapons ban.<sup>42</sup> Earlier, Australia acted as conduit between Indonesia and the United States to maintain communication in the wake of the 1991 shooting of hundreds of East Timorese pro-independence demonstrators in Santa Cruz Cemetery in Dili.<sup>43</sup> Even the AMS was partially driven by Suharto’s need to demonstrate total control by defying senior military officers who opposed the agreement. More recently, following the 2013 suspension of military and intelligence cooperation, one Indonesian official noted that defence cooperation was “expendable” (i.e. open to suspension) because it could send “a strong enough signal of displeasure” without the downside of affecting “real practical bilateral issues like tourism or trade”.<sup>44</sup> These examples illustrate that political considerations, rather than joint security challenges, drove defence cooperation activities. As such, defence relations were not sufficiently institutionalised to the point that Jakarta and the TNI were “attached” to the ADF or Australia that they would vigorously seek to prevent defence suspension when the political situation deteriorated.

Australia, meanwhile, traditionally values defence cooperation with Indonesia less for its ability to develop joint capabilities to deal with shared challenges than for its non-defence benefits. First, it acts as Canberra’s self-promoted litmus test for its bilateral commitment. As noted in an Australian parliamentary report following the AMS, “the Agreement symbolises the progress the Australian Government has made in developing one of the country’s most important but most difficult bilateral relationships”.<sup>45</sup> Second, it has a benchmarking value: stronger defence relations are a key indicator of the health of bilateral relations. As one Australian strategic analyst noted to the author: “Public rhetoric aside, what matters most is how military education and training and exercises strengthen bilateral relations. As the TNI and ADF grow close,

so will the two countries.”<sup>46</sup> That is, continued defence cooperation should help bilateral relations regardless of what that cooperation entails.

Finally, cooperation provides access and influence built around personal relationships. According to a 2001 audit report, the Defence Department made “access and influence” the core goals of defence cooperation.<sup>47</sup> The commonly cited example is the value of joint education and training during the 1999 East Timor crisis. Jim Molan, Australian Defence Attaché to Jakarta at the time, claimed “our access and insight into the Indonesian military allowed Australia’s Government to make Indonesia policy decisions with confidence”.<sup>48</sup> Subsequently, some suggested that Australia’s defence engagement could have “beneficial political spin-offs” as well as act as “a way of helping Jakarta to create a viable and effective military structure”.<sup>49</sup> Another assessment argued that defence cooperation may give Australia “an entry to high-level Indonesian Government officials, and may provide Canberra with at least a modicum of influence over Indonesian domestic and foreign activities”.<sup>50</sup> After all, as the argument goes, dozens of senior Indonesian officers were graduates of Australia’s training college at Weston Creek.<sup>51</sup> These different analyses occasionally mention defence-related goals (e.g. interoperability) as secondary benefits, but perhaps of negligible importance if they did not materialise.

Canberra may be gradually shifting this approach. As the 2016 Defence White Paper noted, defence engagement with Indonesia is now explicitly geared to “counter mutual security threats”.<sup>52</sup> However, this recent shift does not erase a path-dependent history of underdeveloped defence relations *qua* defence relations. In interviews conducted by the author with Australian analysts, officials, and retired officers, they always highlight the importance of defence relations for bilateral relations. When pressed for defence-specific outcomes or measures, most recognise that current programs have limits in shaping the TNI’s development and improving its professionalism.<sup>53</sup>

Since defence-specific goals have never been the primary benchmarks in evaluating defence cooperation, an institutionalised defence relationship primarily characterised by shared security, let alone maritime, challenges has never fully materialised. Consequently, the various defence engagement activities have not received the careful consideration they deserve. This problem can be remedied by looking at Australia’s defence engagement with Indonesia and considering how to recalibrate it to fit a shared maritime vision.

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## RECALIBRATING DEFENCE COOPERATION

Analysts have suggested that the maritime domain provides a strategic opening to improve ties between Indonesia and Australia.<sup>54</sup> While their proposals highlight the set of shared maritime interests discussed above, their prescriptions on defence cooperation fail to account for the broader

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existing policy structure, especially the Defence Cooperation Program (DCP) activities that constitute the bulk of engagement. Since the 1960s, the DCP has been a centrepiece of Australia’s defence engagement with the region, designed to build and develop close and enduring links with regional partners to support their self-defence capabilities and work effectively with the ADF.

At the outset, two principles could help guide the recalibration of defence engagement. First, Canberra should de-emphasise the discourse that Indonesia is Australia’s “most important security partner” because it is historically and comparatively inaccurate, as will be shown below. The discourse also raises unnecessary expectations of what defence cooperation can accomplish. After all, Canberra crafted the narrative to underline Jakarta’s importance and reduce the volatility in the bilateral ties, not because both countries have historically and consistently tackled security challenges together.<sup>55</sup>

Second, while it has never been an explicit policy, Canberra should state that it does not and will not seek to “professionalise” the TNI, especially over issues such as human rights. While such discourse has been relatively muted in recent years, pressure groups are likely to push for the inclusion of human rights or professional reforms in conversations involving TNI–ADF engagement.<sup>56</sup> Not only is this narrative flawed conceptually — there is no systematic proof that foreign education has or could shape the TNI’s professional norms development — it also raises unnecessary fears of ‘foreign intervention’ in Indonesia.

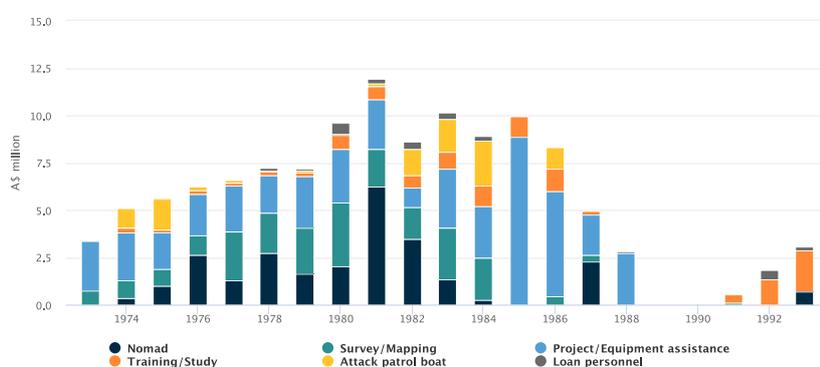
#### AUSTRALIA’S DCP WITH INDONESIA: HISTORICAL CONTEXT, GOALS, AND TRENDS

Indonesia–Australia defence cooperation originated in the late 1950s when a small number of Indonesian officers took specialist training courses in Australia. Official DCP activities did not begin until 1968.<sup>57</sup> According to the 1971 Strategic Basis of Australian Defence Policy, the intention then was to provide “opportunities to develop our defence and security relationships with Indonesia ... and assist in the improvement of Indonesian military capability for internal security and for defensive weapons”.<sup>58</sup> Such capabilities were presumably designed to ensure domestic stability under the New Order and avoid giving Jakarta the tools for another *Konfrontasi*. The DCP has since then included technical aid, training assistance, joint exercises and consultations, as well as hardware transfer (e.g. Nomad aircraft and patrol boats).<sup>59</sup>

Prior to the Jenkins affair in 1986, project assistance and technological transfer constituted the bulk of Australia’s DCP activities with Indonesia (Figure 1). By the early 1990s, Australia was focused on human capital development, including training, study visits, personnel exchanges, strategic and higher management dialogues, conferences, working groups, and combined exercises. While this shift was rarely explained

clearly and consistently, it seemed to be underpinned by three key assumptions.<sup>60</sup> First, militaries that have close training or educational links — due to their intimate knowledge of each other — are unlikely to engage in hostilities. Second, joint development of skills and training could lead to higher levels of interoperability. Finally, close military-to-military links could generate bonds of trust and close cooperation, allowing both sides to advise their governments to maintain good relations. Building on these assumptions, Australia’s defence establishment pushed further for education, exercises, and training.

Figure 1: Australian funding allocation for DCP with Indonesia (1973–1993)



Source: Author calculations based on Allan Shephard, *Australia’s Defence Cooperation Program*, Research Paper No 4 (Canberra: Parliamentary Research Service, 1993)

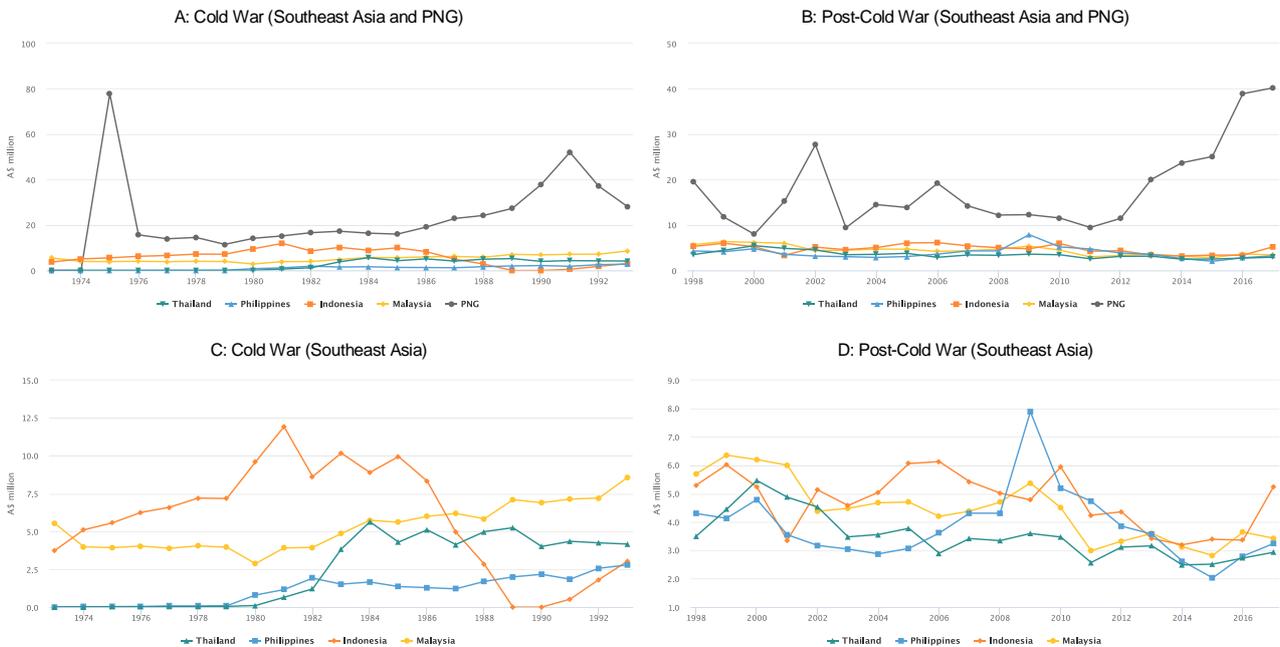
By the mid to late 1990s, over two hundred Indonesians had trained in Australian military institutions annually.<sup>61</sup> After Timor, most DCP activities were again frozen. Figure 2 shows the trend of Australia’s DCP spending during and after the Cold War. After a slow rebuild up to the signing of the Lombok Treaty, DCP funding to Indonesia averaged around A\$5 million per year. After Lombok, it fell to A\$4.4 million annually on average from 2007 to 2017 (Figure 2, panel D). When compared to other DCP funding recipients, Indonesia is not “the most important security partner” (Figure 2, panels A and B). That title belongs to Papua New Guinea (except for East Timor in 2008, not shown in Figure 2). Even when compared to only fellow ASEAN members, Indonesia was not always the highest funding recipient (Figure 2, panel D). Compared to all DCP recipients over the past two decades, Indonesia ranked second highest twice (2006/07 and 2016/17). Most often, Indonesia ranked third (12 years), fourth (two years), fifth (three years), or sixth (once in 2000/01).

This trend mirrored a decline in DCP funding for Southeast Asia. Contrary to previous assessments claiming that the weight of the ADF’s engagement had shifted to Southeast Asia by the mid-1990s,<sup>62</sup> Australia has instead devoted significantly less DCP funding to Southeast Asia (relative to the South Pacific and Papua New Guinea) since the 1980s. In 2001, Papua New Guinea and the Pacific states received 53 per cent of DCP expenditure while Southeast Asia received 41 per cent; by 2014, that share was 57 per cent and 22 per cent, respectively.<sup>63</sup> Southeast

Asia’s DCP share declined as that of Papua New Guinea and Pacific states spiked. This is understandable given the collapse of Soviet-led communism and the growing economic and defence maturity of Southeast Asian states beginning in the 1980s, while the Pacific Islands and Papua New Guinea became increasingly vulnerable at the same time.<sup>64</sup>

These trends suggest that Indonesia has historically not been Australia’s most important security partner. Even among other Southeast Asian countries, Indonesia has not been the largest recipient of DCP funding since the 1970s until very recently. The DCP itself may not be the only form of defence engagement but historically it constitutes the bulk of it, and the available DCP data provides a powerful measure of defence engagement that is difficult to ignore.

Figure 2: Australian DCP funding recipients (selected highest recipients, 1972–2016)



Source: Author calculations based on annual Defence Reports and Shephard 2003

Australia’s DCP priorities — whether education and training or project assistance — cannot be disentangled from the tumultuous history of Australia–Indonesia relations, particularly the Timor experience. A realignment of defence cooperation priorities should therefore be conducted. To that end, policymakers could consider the following:

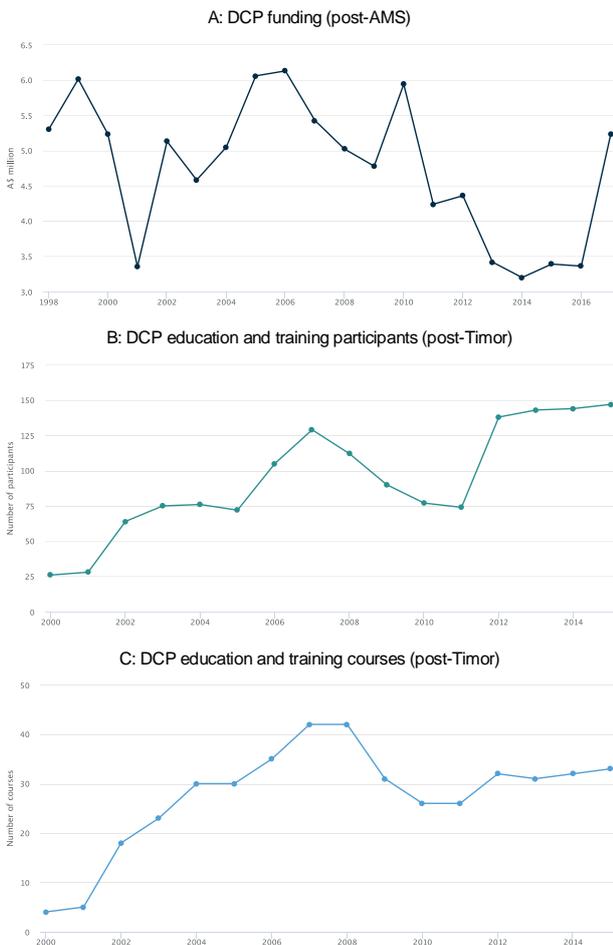
1. *Recalibrating existing DCP education and training programs to focus on joint maritime challenges.*

Education and training programs have been the primary components of Australia’s DCP with Indonesia over the past two decades. These include, among other things, joint training exercises, language training, logistics planning, staff college exchanges and Indonesian participation at the Centre for Defence and Strategic Studies, postgraduate scholarships for

TNI officers and civilian defence officials, maritime surveillance cooperation, and dialogues and seminars on a variety of regional security challenges.<sup>65</sup>

Between 2006 and 2012, around 40 Indonesian students were enrolled in DCP education and training programs each year.<sup>66</sup> As Figure 3 shows, this number increases significantly when shorter courses are included. The growth in the number of participants and courses correlates with the decline in DCP funding. One possible interpretation is that with less funding, DCP increased the number of shorter (presumably cheaper) courses to bring in more students. For example, from 2000 to 2006, there were over 63 Indonesian participants on average annually enrolled in more than 20 programs and courses. After the Lombok Treaty, there were over 117 participants on average enrolled in over 32 programs annually. If this interpretation is correct, increasing the number of short courses to bring in more participants as funding declined allowed the student-per-course ratio to become relatively stable at 3.69 or around four students per course annually between 2000 and 2015.

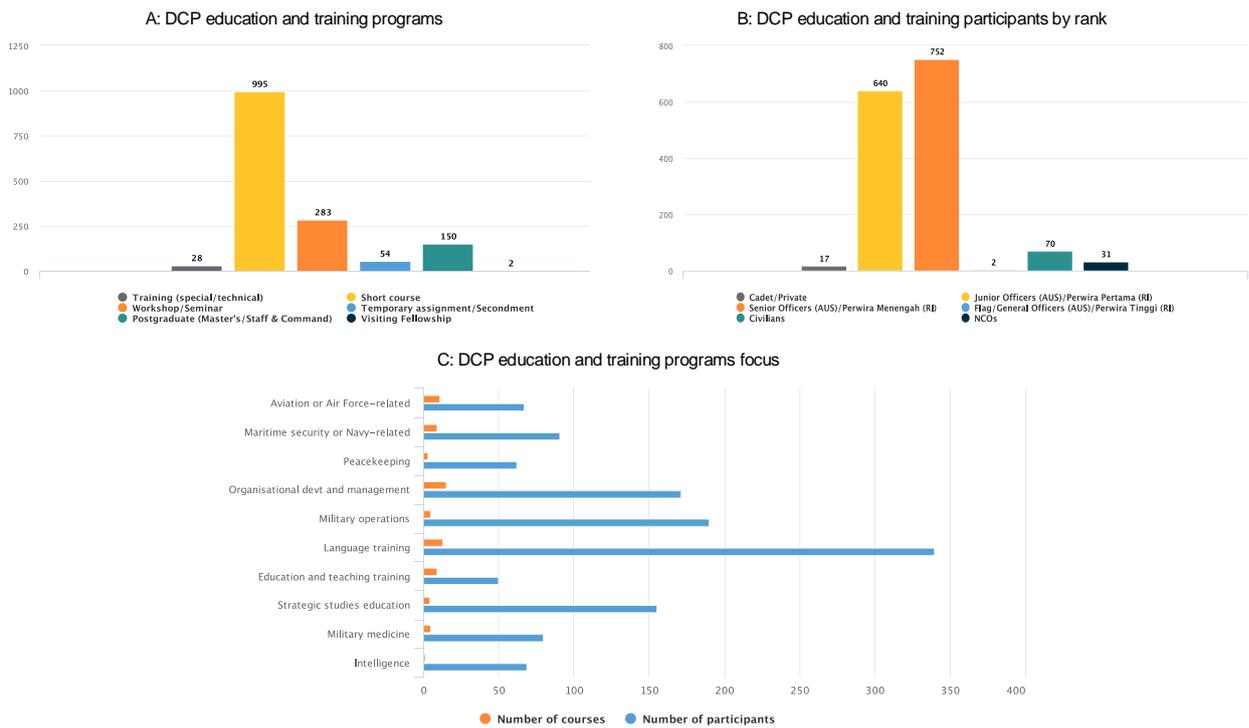
Figure 3: Australian DCP funding for Indonesia and education and training participants (1998–2017)



Source: Author calculations based on annual Defence Reports and information provided by Australian Department of Defence

According to a survey of TNI officers, Australia’s education and training assistance has helped the TNI to develop better-qualified personnel in their respective fields.<sup>67</sup> However, looking at the content and nature of the education and training programs and the ranks of the participants (Figure 4, panels A and B), several patterns emerge. First, the obvious dominance of short courses compared to other types of education and training programs. Second, most of the participants were junior and mid-ranking officers ranging from lieutenants to colonels,<sup>68</sup> with very few flag-rank officers and academy cadets participating. Third, while the focus on operations, organisational development, and strategic studies is growing, language training has been disproportionately offered for almost two decades. This is in part because language training is often a prerequisite for a wider range of other defence-specific courses or training programs and partly because of the lack of high-quality foreign language training infrastructure within Indonesia’s defence establishment.

Figure 4: Australian DCP education and training programs for Indonesia (nature, focus, and rank, 1999–2016)



Note: Data based on 1512 participants enrolled in 108 courses/programs between September 1999 and December 2016  
 Source: Author calculations based on information provided by Australian Department of Defence

Improving Indonesia’s own foreign language training capabilities would mean that valuable places in the DCP could be reallocated to maritime-related courses. As Figure 4, panel C shows, maritime-related programs (courses, training, or postgraduate degrees) have not been a priority. Of the top ten education and training courses — which almost half of the Indonesian participants completed — none were exclusively maritime-related. There were only 82 TNI personnel over time (around 5 per cent) who undertook seven maritime-related courses. Those courses ran for

an average of six weeks, compared to English language programs, which were twice as long and had almost 300 participants. Further, what seems to be an effort to maintain student-course ratios amid declining funding has created less meaningful and impactful engagement. Shorter stints mean shorter interactions and less time on deep reflective engagements. It is also unclear how the short courses correspond to the TNI's long-term organisational requirements.

2. *Formulating long-term plans for the 'conventional' modernisation of the TNI, focusing on tri-service integration, maritime power projection, its and defence industrial base.*

One of DCP's priorities in the 1970s and 80s was provision of military hardware. Today, some analysts dismiss Australia's military technological assistance as "less relevant" than the need to improve Indonesia's maritime security policymaking.<sup>69</sup> However, the reality remains: the Indonesian Navy (TNI-AL) needs hardware. More broadly, the TNI needs assistance in its modernisation efforts. Its "conventionalisation" process under the Minimum Essential Force blueprint developed in the mid-2000s could also help accelerate the professional development of TNI officers. As the 1986 Defence Review noted, Australia was well-placed to assist with training and exercising and the transfer of skills and doctrine necessary for operating modern equipment.<sup>70</sup> Yet according to a survey of Indonesian recipients of Australian education and training programs, the lack of technological cooperation remains one of the stumbling blocks in defence cooperation.<sup>71</sup> Most TNI officers realise that technological modernisation is imperative to maintaining long-term operational readiness and regional strategic relevance. Australia's lack of support in this effort might signal that it is less invested in the TNI's long-term capability development.

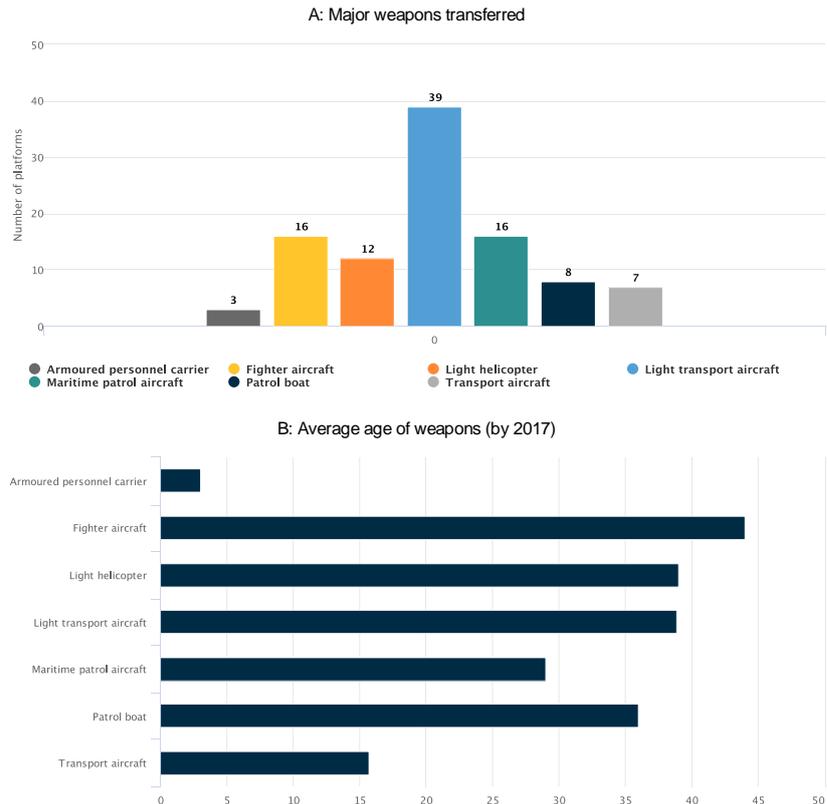
From 1969 to 2016, Australia sent light transport aircraft, patrol boats, fighter aircraft and light transport and maritime patrol aircraft to Indonesia. These platforms make up over 92 per cent of the weapons transferred over almost five decades (Figure 5). Australia transferred most of the major weapons it has given to Indonesia before the Lombok Treaty. If maritime security development was a priority then, it is no longer the case today. The last patrol boats were delivered in 2003, and the next technological project centres on land power. In late 2016, Australia and Indonesia signed an agreement to collaborate on jointly developing an armoured vehicle based on the design of Thales Australia's Bushmaster multi-role protected vehicle. Moreover, most of the major weapons transferred are now on average around 40 years and too old to operate properly (Figure 5, panel A).

Any long-term plans to rebuild Indonesia's maritime capabilities should consider the possibility of developing the defence industrial base in both countries. Since the 1990s, neither country is dependent on the other for strategic materials, defence equipment, or logistic supply; both depend

*Any long-term plans to rebuild Indonesia's maritime capabilities should consider the possibility of developing the defence industrial base in both countries.*

on third countries.<sup>72</sup> Nevertheless, both countries’ naval shipyards have witnessed periods of growth in recent years. Given the pressing needs of maritime security, long-term cooperation and joint development in naval shipbuilding is a viable consideration.

Figure 5: Australian transfer of major weapons to Indonesia (1969–2016)



Note: Panel A, Major platforms = 101, 1969–2016

Source: Author calculations based on SIPRI Arms Transfer database

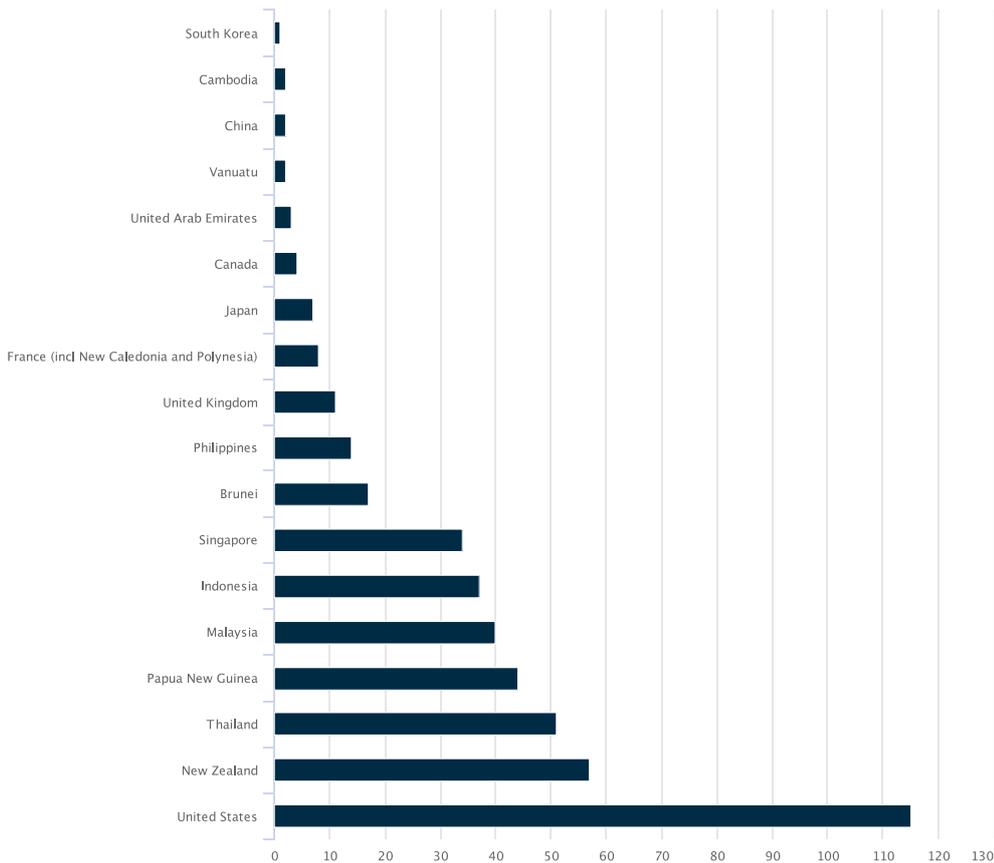
3. *Increasing maritime-related exercises and combined or joint TNI-ADF exercises at the tri-service level built around maritime challenges.*

Indonesia and Australia have increased the number of joint military exercises and training in recent years.<sup>73</sup> The fanfare surrounding these activities suggest their significance in defence relations. Indeed, the development of TNI-ADF interoperability — from communications procedures and fuel standards to operational concepts and procedures — not only increases familiarity across both militaries but also the likelihood that they can work together in emergencies.<sup>74</sup> However, these exercises need to be viewed in perspective. Based on Australian Defence Department annual reports, bilateral exercises with Indonesia amount to around 8 per cent (37 out of 449) of all ADF bilateral exercises between 1997 and 2015 (Figure 6). The United States, New Zealand, Thailand, Papua New Guinea, and Malaysia have had more

exercises with Australia than Indonesia. Again, this does not fit the “most important security partner” narrative.

Figure 6: Australia’s major military exercise partners (1997–2015)

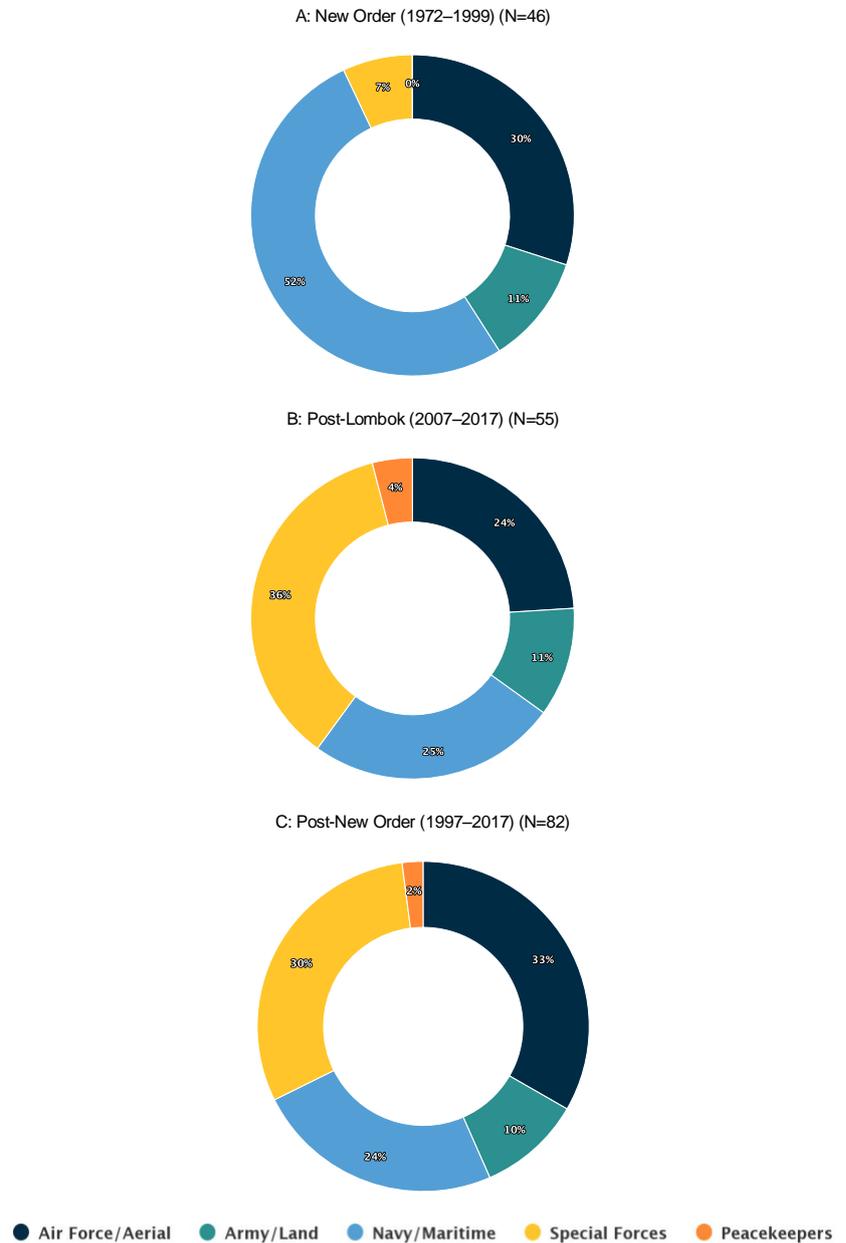
Number of major exercises as reported in Defence Force reports from 1997 to 2015



Source: Author calculations based on annual Defence Reports

In the 1990s, up until the East Timor intervention, there were at least three to four exercises annually. Since the Lombok Treaty, there have been on average more than five to six exercises per year (which from 2015 increased to a dozen annually). Since 2007, there have been at least 55 TNI–ADF exercises in total (spread over 18 different exercise formats). As Figure 7 shows, however, most military exercises are oriented towards the Army (almost half of all exercises comprise both TNI–ADF and Army special forces or Kopassus) rather than Navy or Air Force. There seems to be a steep decline in maritime-related exercises in the past decade compared to the previous three decades. The decline appears to have taken place in conjunction with the rise of exercises involving Kopassus. Over the past decade, the TNI and ADF had more special forces exercises than any other type, likely a consequence of the 2002 Bali bombings and the subsequent prominence of counterterrorism cooperation.

Figure 7: Operational characteristics of Australian military exercises with Indonesia (1972–2017)



Source: Author calculations based on annual Defence Reports and Bilveer Singh, *Defense Relations between Australia and Indonesia in the post-Cold War Era* (Westport, CT: Greenwood Press, 2002)

Any serious discussion of maritime defence realignment should therefore consider reducing special forces exercises, which tend to be controversial in both countries given the history of Kopassus. The reduction of special forces exercises would not be detrimental to bilateral counterterrorism cooperation. After all, counterterrorism cooperation between the National Police (POLRI) and Australian Federal Police (AFP) has been exceptionally productive. Both Indonesia and Australia

can afford to reduce Army special forces exercises to give way to maritime ones.

Additionally, Australia and Indonesia should consider formulating a combined TNI–ADF exercise involving all branches of the armed forces<sup>75</sup> and increasing the number of multilateral exercises that will bring in other regional partners. Australia has had almost 300 multilateral military exercises with over a dozen countries between 1997 and 2015. However, less than 7.5 per cent of those included Indonesia. Joint TNI–ADF exercises could develop more scenarios involving shared regional maritime challenges. These could be better informed by increasing the number of regional multilateral exercises involving elements of both the TNI and ADF.

## CHALLENGES FOR A MARITIME-BASED STRATEGIC PARTNERSHIP

This Analysis argues that to better implement and sustain the newly signed CSP, bilateral defence engagement should be recalibrated. The previous section focused on how Australia could make this happen. That bias to the Australian side was deliberate — the overarching architecture of the defence relationship has traditionally been drawn by Australia rather than Indonesia. This is not to say that Indonesia has been passive, and the political and strategic appetite has at times been mutual. However, the initiative for engagement tends to come from Australia. Unlike Australia, Indonesia’s defence establishment has never had a well-developed and institutionalised international defence engagement system or policy infrastructure.

There are other challenges to the proposals made here. First, even after the CSP is signed, there is no guarantee the relationship will not fall victim to bilateral and domestic politics in future, although this Analysis argues that institutionalising defence relations on a maritime basis could reduce volatility. Setting up a special desk located in Canberra and Jakarta could provide an additional bureaucratized infrastructure to better implement the CSP. The desk could be located within the offices of the Indonesian President and Australian Department of the Prime Minister and Cabinet and be guided by a bilateral commission chaired by foreign ministers. Indonesia has never done this for its other strategic partners, such as the United States and China. A special desk would thus increase the political importance of the new CSP.

Second, perhaps the most difficult challenge to re-craft defence relations would come from the Indonesian defence establishment. Australia has clearly demonstrated its interests in engaging the Indonesian defence establishment and provide resources to support it. Indonesia’s energetic and high-profile defence diplomacy activities under Yudhoyono have not been replicated by the Jokowi administration. As such, it would be incumbent upon the TNI to take the lead. However, the TNI leadership is

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*...the asymmetry of strategic cultures between externally oriented Australia and inward-looking Indonesia is likely to be amplified.*

more concerned with domestic problems. Its recent strategic narrative is filled with antiquated concepts of “proxy warfare” and “state defence” at the expense of international engagement and military modernisation. Under such conditions, the asymmetry of strategic cultures between externally oriented Australia and inward-looking Indonesia is likely to be amplified. Indeed, the rise of conservative TNI generals also means the possible reinjection of the 1999 East Timor intervention into the national security discourse. The ‘sea blindness’ discussed earlier also makes it difficult to get the TNI to push for a new maritime-based defence, which could be seen as reducing the role of the Army as the dominant service.

Still, strategic cultural differences have never been deal-breakers in defence cooperation. Dozens of countries have strong defence relationships even if their militaries have different outlooks. What is salient here is not so much strategic culture as the trust deficit between the TNI and ADF, best exemplified by the East Timor experience. This acrimonious history cannot be erased within two decades or papered over with formal agreements, although there has been commendable progress since the Lombok Treaty. However, if the defence recalibration proposals could be explicitly grounded in the CSP, and Jokowi could demonstrate his commitment to implement it, the TNI is likely to follow what the government has agreed.

Furthermore, one cannot judge the prospect of defence cooperation with Indonesia based only on a small sample of senior generals in the Jokowi administration. The current class of TNI leaders has publicly demonstrated its inward-looking and conservative conceptions of national security. However, the next generation of TNI leaders — particularly those who graduated from the military academy in the 1990s — is likely to have a different outlook. As these officers would have developed in the military during the late New Order era and after, they are more likely to be concerned with technological modernisation and the regional environment than with purely domestic concerns. Also, following the departure of General Nurmantyo and the appointment of Air Chief Marshal Hadi Tjahjanto as TNI Commander in late 2017, the defence policy focus has shifted to completing organisational overhauls and arms procurement. Indonesian strategic culture, then, is not immutable.

These challenges do not represent the entire gamut of problems that could hinder the maritime recalibration of TNI–ADF ties. Budgetary constraints and bureaucratic politics, for example, matter too. Also, I do not suggest that it is only Australia’s ‘burden’ to improve defence relations or that Indonesia should just wait and see. However, for all the reasons discussed, the best place to start thinking about the path ahead is in Canberra.

## CONCLUSIONS AND RECOMMENDATIONS

This Analysis establishes the case for a maritime recalibration of Australia's defence engagement activities with Indonesia. Additionally, the paper demonstrates how the politicisation of defence cooperation helps explain the 'sawtooth trajectory' of defence relations, and how the two countries can correct that pattern. Finally, the paper proposes several key policy recommendations for Canberra:

4. Canberra should de-emphasise the traditional narrative that Indonesia is Australia's "most important security partner". This does not fit the available evidence and raises unnecessary and unrealistic expectations of what defence cooperation can achieve.
5. Canberra should make it clear that defence engagement activities, including education and training, are not designed to 'socialise' the TNI into certain norms of professionalism, whether defined by the degree of emulation of the ADF or non-defence standards such as democracy or human rights.
6. Canberra should recalibrate existing DCP education and training activities to focus on joint maritime challenges, including expanding the number of specifically maritime-related courses and reducing the number of short courses.
7. Canberra should formulate long-term plans to assist the "conventional" modernisation of the TNI with a focus on tri-service integration and maritime security operations while considering possible mutual defence-industrial base development. This follows from the support Australia has expressed towards the TNI's modernisation process in the 2016 Defence White Paper. This support also signals Australia's willingness to help the long-term capability development of the TNI and helps reduce the lingering trust deficit.
8. Canberra should increase Navy or maritime-related exercises, and consider possible combined or tri-service TNI–ADF exercises built around maritime challenges and informed by regional multilateral exercises, while reducing the number of Army special forces exercises.

The challenges to these proposals are considerable but not insurmountable. The sawtooth trajectory of defence relations is not immutable and the shared maritime geography does not have to become a permanent source of risk. This Analysis suggests how Canberra could deepen, sustain, and facilitate the CSP by providing a maritime recalibration of the TNI–ADF relationship. If properly done, a strengthened CSP underpinned by maritime-based TNI–ADF ties could reduce the volatility of bilateral ties over the long run. A stronger and more stable TNI–ADF partnership could also shape the broader Indo-Pacific security architecture. While the recalibration will not be explicitly

designed with China in mind, it could provide an additional strategic hedge for both countries by bringing together their strategic assets. Together, Indonesia and Australia could realise their shared potential as a stabilising anchor of the Indo-Pacific.

## ACKNOWLEDGEMENTS

The author conducted preliminary research and interviews for this paper from May to June 2015 as a visiting fellow with the Lowy Institute. His position was supported by the Lowy Institute's Engaging Asia Project established with the financial support of the Australian Government. The author thanks Michael Fullilove, Aaron Connelly, Anthony Bubalo, and Dr Merriden Varrall for facilitating the fellowship. He also expresses his gratitude to the interviewees in Sydney and Canberra who generously gave their time and support. Kieran O'Leary, Matthew Flint, Jennifer Frentasia, Nathazha Sipasulta, and Naufal Yudiana provided indispensable support, constructive feedback and valuable research assistance. Many thanks also to the three anonymous reviewers as well as Sam Roggeveen and Lydia Papandrea for their comments and assistance in sharpening and finalising the paper. All interpretations and errors remain with the author and do not represent the institutional views with which he is affiliated.

## NOTES

<sup>1</sup> See “Indonesia–Australia Push Economic Ties, Trade Deal Soon”, *Channel News Asia*, 31 August 2018, <https://www.channelnewsasia.com/news/asia/indonesia-australia-push-economic-ties--trade-deal-soon-10672216>.

<sup>2</sup> See Department of Foreign Affairs and Trade, “Joint Declaration on a Comprehensive Strategic Partnership between Australia and the Republic of Indonesia”, 31 August 2018, <https://dfat.gov.au/geo/indonesia/Pages/joint-declaration-comprehensive-strategic-partnership-between-the-commonwealth-of-australia-and-republic-of-indonesia.aspx>.

<sup>3</sup> For backgrounds on the interception revelations and the ensuing suspension of defence relations, see Ewen MacAskill and Lenore Taylor, “Australia’s Spy Agencies Targeted Indonesian President’s Mobile phone”, *The Guardian*, 17 November 2013, <https://www.theguardian.com/world/2013/nov/18/australia-tried-to-monitor-indonesian-presidents-phone>; Andreas Ismar, “Indonesia to Halt Military Cooperation with Australia over Spy Row”, *The Wall Street Journal*, 20 November 2013; Ristian Atriandi Supriyanto, “The Canberra–Jakarta Row: An Indonesian Perspective”, *The Strategist*, 22 November 2013, <https://www.aspistrategist.org.au/the-canberra-jakarta-row-an-indonesian-perspective/>.

<sup>4</sup> See Catriona Croft-Cusworth, “What the Code of Conduct Says about Australia–Indonesia Relations”, *The Interpreter*, 5 September 2014, <https://www.lowyinstitute.org/the-interpreter/what-code-conduct-says-about-australia-indonesia-relations>.

<sup>5</sup> The materials were allegedly related to “sensitive issues” including East Timor, West Papuan independence, and Indonesia’s state ideology, Pancasila. See Jewel Topsfield, “Internal Cable Suggests Indonesia Never Intended to Fully Suspend Military Ties”, *The Sydney Morning Herald*, 6 January 2017, <https://www.smh.com.au/world/internal-cable-suggests-indonesia-never-intended-to-fully-suspend-military-ties-20170106-gtn834.html>.

<sup>6</sup> The sawtooth analogy is from Hugh White, “The Australia–Indonesia New Strategic Relationship: A Note of Caution”, in *Different Societies, Shared Futures: Australia, Indonesia and the Region*, ed John Monfries (Singapore: Institute of Southeast Asian Studies, 2006), 45.

<sup>7</sup> See, for example, Desmond Ball and Helen Wilson eds, *Strange Neighbours: The Australia–Indonesia Relationship* (Sydney: Allen & Unwin, 1991); Bob Lowry, “Australia–Indonesia Security Cooperation: For Better or Worse?”, Strategic and Defence Studies Centre Working Paper No 299, 1996; Simon Philpott, “Fear of the Dark: Indonesia and the Australian National Imagination”, *Australian Journal of International Affairs* 55, Issue 3 (2001), 371–388; Richard Tanter, “Shared Problems, Shared Interests: Reframing Australia–Indonesia Security Relations”, in *Knowing Indonesia: Intersections of Self, Discipline and Nation*, ed Jemma Purdey (Clayton, Victoria: Monash University Publishing, 2012), 123–156; Andrew Phillips and Eric Hiarij, “Beyond the ‘Bandung Divide’? Assessing the Scope and Limits of Australia–Indonesia Security Cooperation”,

*Australian Journal of International Affairs* 70, Issue 4 (2016), 422–440; Guy Wilson, “Defence Diplomacy: The Right Ballast for Australia’s Fragile Relations with Indonesia”, Indo-Pacific Strategic Papers, Centre for Defence and Strategic Studies, Australian Defence College, February 2017, [http://www.defence.gov.au/ADC/Publications/IndoPac/Wilson\\_IPSP.pdf](http://www.defence.gov.au/ADC/Publications/IndoPac/Wilson_IPSP.pdf).

<sup>8</sup> The Plan implements the 2017 Joint Declaration on Maritime Cooperation and includes 85 separate activities involving 17 Australian and 20 Indonesian agencies. See Minister for Foreign Affairs, “Boosting Indonesia–Australia Maritime Cooperation”, Media Release, 16 March 2018, [https://foreignminister.gov.au/releases/Pages/2018/jb\\_mr\\_180316.aspx](https://foreignminister.gov.au/releases/Pages/2018/jb_mr_180316.aspx).

<sup>9</sup> From 2007 to 2012, there were around 130 high-level visits between Australia and Indonesia — involving leaders and foreign, defence and trade ministers — roughly one ministerial visit every fortnight. See Department of Foreign Affairs and Trade, “Australia in the Asian Century, Towards 2025: Indonesia Country Strategy”, (Canberra: Department of Foreign Affairs and Trade, 2013), 20, [http://www.murdoch.edu.au/ALTC-Fellowship/\\_document/Resources/indonesia-country-strategy.pdf](http://www.murdoch.edu.au/ALTC-Fellowship/_document/Resources/indonesia-country-strategy.pdf).

<sup>10</sup> For assessments of the Lombok Treaty, see Allan Gyngell, “Australia–Indonesia”, in *Australia as an Asia–Pacific Regional Power: Friendships in Flux?*, ed Brendan Taylor (London: Routledge, 2007), 97–116; Adrianus Harsawaskita, “Rationale for Defending Indonesia: The Case of the Lombok Treaty”, in *Indonesia’s Search for Democracy: Political, Economic, and Social Developments*, eds Matthias Heise and Kathrin Rucktäschel (Baden-Baden, Germany: Nomos, 2013), 97–122.

<sup>11</sup> See, for example, Ball and Wilson, *Strange Neighbours: The Australia–Indonesia Relationship*.

<sup>12</sup> See Department of Defence, *Australian Defence* (Canberra: Australian Government Publishing Service, 1976), 7, <http://www.defence.gov.au/Publications/wpaper1976.pdf>.

<sup>13</sup> *The Defence of Australia 1987* (Canberra: Department of Defence, 1987), 15, <http://www.defence.gov.au/Publications/wpaper1987.pdf>.

<sup>14</sup> Some commentators have attributed the phrase of threat coming “from or through” Indonesia to Paul Dibb because the 1986 *Review of Australian Defence Capabilities* report (which he authored), popularised it. See Jamie Mackie, *Australia and Indonesia: Current Problems, Future Prospects*, Lowy Institute Paper No 20 (Sydney: Longueville Media, 2007), 26. However, the phrase has previously appeared in the 1968 *Strategic Basis of Australian Defence Policy*: see Stephan Frühling, *A History of Australian Strategic Policy Since 1945* (Canberra: Department of Defence, 2009), 384, line 211, <http://www.defence.gov.au/Publications/docs/StrategicBasis.pdf>. I thank Lydia Papandrea for alerting me to the original sources of the phrase. For a broader discussion, see Paul Dibb and Richard Brabin-Smith, “Indonesia in Australian Defence Planning”, *Security Challenges* 3, No 4 (2007), 67–93.

<sup>15</sup> Philpott, “Fear of the Dark: Indonesia and the Australian National Imagination”. The 1994 and 2002 Defence White Papers echoed the ambivalence when they stated both the potential risks and shared strategic interests with Indonesia. See

Department of Defence, *Defending Australia: Defence White Paper 1994* (Canberra: AGPS, 1994), 87, <http://www.defence.gov.au/Publications/wpaper1994.pdf>; and Department of Defence, *Defence 2000: Our Future Defence Force* (Canberra: Department of Defence, 2000), 20, <http://www.defence.gov.au/publications/wpaper2000.pdf>.

<sup>16</sup> See Department of Defence, *Defending Australia in the Asia Pacific Century: Force 2030, Defence White Paper 2009* (Canberra: Department of Defence, 2009), [http://www.defence.gov.au/whitepaper/2009/docs/defence\\_white\\_paper\\_2009.pdf](http://www.defence.gov.au/whitepaper/2009/docs/defence_white_paper_2009.pdf).

<sup>17</sup> Department of Defence, *Defence White Paper 2013* (Canberra: Department of Defence, 2013), 11, para 2.32, and 25, para 3.17, <http://www.defence.gov.au/whitepaper/2013/>.

<sup>18</sup> Department of Defence, *2016 Defence White Paper* (Canberra: Department of Defence, 2013), 125, para 5.34, <http://www.defence.gov.au/whitepaper/docs/2016-defence-white-paper.pdf>.

<sup>19</sup> For a discussion on this evolution, see Evan A Laksmana, “Indonesia in Australia’s 2016 Defence White Paper”, *Security Challenges* 12, No 1 (2016), 165–170.

<sup>20</sup> Hasnan Habib, “Australia–Indonesia Relations: The Politico-Defence Dimension”, in *Strange Neighbours: The Australia–Indonesia Relationship*, 175.

<sup>21</sup> It should be noted that Indonesia’s Defence White Papers are formulated with an external public audience in mind. They are not designed to specifically, explicitly, and legally guide defence policymaking.

<sup>22</sup> See *The Policy of State Defence and Security of the Republic of Indonesia* (Jakarta: Ministry of Defence and Security, 1995), 6.

<sup>23</sup> See *Mempertahankan Tanah Air Memasuki Abad 21 [Defending the Nation in the 21st Century]* (Jakarta: Kementerian Pertahanan, 2004), 67–68.

<sup>24</sup> According to one elite survey, this negative perception reflects three images shared by the Indonesian leaders: Australia is America’s “deputy sheriff”, it has (territorial) designs on West Papua, and it considers Indonesia as a major security threat. Daniel Novotny, *Torn between America and China: Elite Perceptions and Indonesian Foreign Policy* (Singapore: Institute of Southeast Asian Studies, 2010), 253.

<sup>25</sup> See *Buku Putih Pertahanan Indonesia 2008 [Indonesia’s Defence White Paper 2008]* (Jakarta: Kementerian Pertahanan, 2008), 147.

<sup>26</sup> See *Buku Putih Pertahanan Indonesia 2015 [Indonesia’s Defence White Paper 2015]* (Jakarta: Kementerian Pertahanan, 2016), 81.

<sup>27</sup> Joint Communiqué, Third Australia–Indonesia Foreign and Defence Ministers 2+2 Dialogue, 21 December 2015, [http://foreignminister.gov.au/releases/Pages/2015/jb\\_mr\\_151221.aspx](http://foreignminister.gov.au/releases/Pages/2015/jb_mr_151221.aspx).

<sup>28</sup> Sam Bateman, Anthony Bergin and Hayley Channer, *Terms of Engagement: Australia’s Regional Defence Diplomacy* (Canberra: Australian Strategic Policy Institute, 2013), 25, <https://www.aspi.org.au/report/terms-engagement-australias-regional-defence-diplomacy>; Ristian Atriandi Supriyanto, “Waves of Opportunity:

Enhancing Australia–Indonesia Maritime Security Cooperation”, ASPI Strategic Insights, November 2014, 2.

<sup>29</sup> See full list in “Joint Declaration on Maritime Cooperation between the Government of Australia and the Government of the Republic of Indonesia”, 26 February 2017, <http://dfat.gov.au/geo/indonesia/Documents/australia-indonesia-joint-declaration-maritime-cooperation.pdf>.

<sup>30</sup> Rizal Sukma, “Gagasan Poros Maritim [The Maritime Fulcrum Idea]”, *Kompas*, 21 August 2014. Sukma further noted three basic strategies the GMF could implement: (1) human capital development, from the mainstreaming of a nautical outlook to technical and technological development and training, to raising maritime domain awareness; (2) the strengthening and improvement of maritime infrastructure; and (3) the development of multilateral maritime partnerships, including perhaps an Indonesian “maritime partnership initiative” with Japan, China, India, South Korea, and Singapore.

<sup>31</sup> Indonesia saw the zone as an infringement of its sovereignty and sovereign rights over its waters in violation of the United Nations Convention on the Law of the Sea (UNCLOS). See S Wiryono, “An Indonesian View: Indonesia, Australia and the Region”, in *Different Societies, Shared Futures: Australia, Indonesia and the Region*, 16; Novotny, *Torn between America and China: Elite Perceptions and Indonesian Foreign Policy*, 255.

<sup>32</sup> See Phillips and Hiariej, “Beyond the ‘Bandung Divide’? Assessing the Scope and Limits of Australia–Indonesia Security Cooperation”, 423–424.

<sup>33</sup> While both countries support a UNCLOS-based maritime order, there are debates over different interpretations of, for example, military activities in the EEZs, the designation of archipelagic sea lanes, and the scale and practice of “innocent passage”. One can also see asymmetrical positions between Jakarta and Canberra over the importance of alliances in managing or upholding the “rules-based order”.

<sup>34</sup> Geoffrey Till, “Indonesia as a Growing Maritime Power: Possible Implications for Australia”, *Soundings*, Issue 4 (Sea Power Centre, 2015), 4.

<sup>35</sup> Michael Evans, *The Tyranny of Dissonance: Australia’s Strategic Culture and Way of War, 1901–2005* (Duntroon, ACT: Land Warfare Studies Centre, 2005), 33.

<sup>36</sup> See, for example, David J Kilcullen, “Australian Statecraft: The Challenge of Aligning Policy with Strategic Culture”, *Security Challenges* 3, No 4 (2007), 45–65.

<sup>37</sup> See Hugh White, “Australian Defence Policy and the Possibility of War”, *Australian Journal of International Affairs* 56, Issue 2 (2002), 257.

<sup>38</sup> In 1986, David Jenkins, a *Sydney Morning Herald* reporter, published an article detailing the corruption of the Suharto family and drew comparisons to the Marcos regime in the Philippines. The article touched a sensitive nerve in Jakarta, which then banned Jenkins and downgraded Indonesia’s defence relationship with Australia to a bare minimum.

<sup>39</sup> See Peter Chalk, “Australia and Indonesia: Rebuilding Relations After East Timor”, *Contemporary Southeast Asia* 23, No 2 (2001), 238. For a broader assessment of the agreement, see Lowry, “Australia–Indonesia Security Cooperation: For Better or Worse?”; Rizal Sukma, “Indonesia’s *Bebas-aktif*

Foreign Policy and the 'Security Agreement' with Australia", *Australian Journal of International Affairs* 51, Issue 2 (1997), 231–241.

<sup>40</sup> See, for example, John Monfries, *Different Societies, Shared Futures: Australia, Indonesia and the Region*; Ball and Wilson, *Strange Neighbours: The Australia–Indonesia Relationship*; Gyngell, "Australia–Indonesia", 97–116; Mackie, *Australia and Indonesia*; Ken Ward, *Condemned to Crisis?, A Lowy Institute Paper* (Melbourne: Penguin Australia, 2015).

<sup>41</sup> By politicisation, I mean the use and perception of bilateral defence cooperation as an extension of domestic and bilateral political interests.

<sup>42</sup> Cited from Damien Kingsbury, *Australia's Renewal of Training Links with Kopassus: A Critique*, Strategic and Defence Studies Centre Working Paper No 387, March 2004, 3, [http://sdsc.bellschool.anu.edu.au/sites/default/files/publications/attachments/2016-03/WP-SDSC-387\\_0.pdf](http://sdsc.bellschool.anu.edu.au/sites/default/files/publications/attachments/2016-03/WP-SDSC-387_0.pdf).

<sup>43</sup> Brenton Crowhurst, "The Australian–Indonesian Security Agreement: Where Did it Come From – Where Is it Going?", *Australian Defence Force Journal* 132 (September/October 1998), 37, [http://www.defence.gov.au/adfj/Documents/issue\\_132/132\\_1998\\_Sep\\_Oct.pdf](http://www.defence.gov.au/adfj/Documents/issue_132/132_1998_Sep_Oct.pdf).

<sup>44</sup> Author interview with an Indonesian official, Canberra, 21 May 2015.

<sup>45</sup> Gary Brown, Frank Frost and Stephen Sherlock, *The Australian–Indonesian Security Agreement: Issues and Implications*, Research Paper No 25 (Canberra: Parliamentary Research Service, 1996), 14, [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/RP9596/96rp25](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/RP9596/96rp25).

<sup>46</sup> Author interview with an Australian strategic analyst, Sydney, 14 May 2015. On the other hand, it could be argued that the growth in non-defence relations, from tourism to education, has outstripped TNI–ADF relations in recent years.

<sup>47</sup> Australian National Audit Office, *Defence Cooperation Program*, Performance Audit No 32 (Canberra: Commonwealth of Australia, 2001), 30, <https://www.anao.gov.au/work/performance-audit/defence-cooperation-program>.

<sup>48</sup> Cited from Wilson, "Defence Diplomacy: The Right Ballast for Australia's Fragile Relations with Indonesia", 6. See also Chalk, "Australia and Indonesia: Rebuilding Relations After East Timor", 246.

<sup>49</sup> Chalk, "Australia and Indonesia: Rebuilding Relations After East Timor", 246

<sup>50</sup> Allan Shephard, *Australia's Defence Cooperation Program*, Research Paper No 4 (Canberra: Parliamentary Research Service, 1993), 7.

<sup>51</sup> Gary Hogan, "Australia–Indonesia: Defence Ties the Best Ballast", *The Strategist*, 11 April 2013, <https://www.aspistrategist.org.au/australia-indonesia-defence-ties-the-best-ballast/>.

<sup>52</sup> Department of Defence, *2016 Defence White Paper*, 125, para 5.36. It should be noted, however, the opening to the Indonesian section of the defence engagement chapter still starts with the importance of a strong and productive bilateral relationship as critical for Australia's security (para 5.34).

<sup>53</sup> Author interviews in Sydney, 12–16 May 2015, and Canberra, 5–8 May 2015.

<sup>54</sup> See, for example, Evelyn Goh, “Indonesia’s New Strategic Policy under Jokowi: Change, Continuity, and Challenges”, in *A Strategy towards Indonesia*, Centre of Gravity Series Paper No 20, Strategic and Defence Studies Centre, ANU College of the Asia & the Pacific, May 2015; Supriyanto, “Waves of Opportunity: Enhancing Australia–Indonesia Maritime Security Cooperation”; Bateman, Bergin and Channer, *Terms of Engagement: Australia’s Regional Defence Diplomacy*.

<sup>55</sup> In other words, the security relationship with Indonesia is paramount because it was the “most sensitive and volatile”, not because Indonesia has been a tried and tested partner or ally. See Tanter, “Shared Problems, Shared Interests: Reframing Australia–Indonesia Security Relations”.

<sup>56</sup> From the 1990s to the mid-2000s, many in Australia had hoped that military training and education assistance could lead to a progressive change in TNI’s behaviour, culture, and professionalism, including abandoning its internal security functions, upholding human rights, and dismantling its territorial command structure. See Bilveer Singh, *Defense Relations between Australia and Indonesia in the post-Cold War Era* (Westport, CT: Greenwood Press, 2002), 79–80; Australian Council for Overseas Aid, “Inquiry into Australia’s Relations with Indonesia”, Submission to the Foreign Affairs Sub-Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade, December 2002; Alan Dupont, “The Kopassus Dilemma: Should Australia Re-Engage”, Strategic and Defence Studies Centre Working Paper No 373, February 2003, 6, [http://bellschool.anu.edu.au/sites/default/files/publications/attachments/2016-03/WP-SDSC-373\\_0.pdf](http://bellschool.anu.edu.au/sites/default/files/publications/attachments/2016-03/WP-SDSC-373_0.pdf); Chalk, “Australia and Indonesia: Rebuilding Relations After East Timor”, 247. One analyst even further raised the possible expectation that such engagement could “remould the TNI in the image of the ADF”. White, “The Australia–Indonesia New Strategic Relationship: A Note of Caution”, 53

<sup>57</sup> See Bob Lowry, “Colin East Goes to SESKOAD — In ‘A Year of Living Dangerously’, 1964”, *Australian Defence Journal* 183 (2010), 45, [http://www.defence.gov.au/adfj/Documents/issue\\_183/183\\_2010\\_Nov\\_Dec.pdf](http://www.defence.gov.au/adfj/Documents/issue_183/183_2010_Nov_Dec.pdf).

<sup>58</sup> Cited in Dibb and Brabin-Smith, “Indonesia in Australian Defence Planning”, 78.

<sup>59</sup> Singh, *Defense Relations between Australia and Indonesia in the post-Cold War Era*, 58; Lowry, “Australia–Indonesia Security Cooperation: For Better or Worse?”, 2–3.

<sup>60</sup> See Kingsbury, *Australia’s Renewal of Training Links with Kopassus*, 2; Pauline Kerr and Andrew Mack, “The Future of Asia-Pacific Security Studies in Australia”, in *The Future of Asia Pacific Security Studies*, ed Paul Evans (University of Toronto and Centre for Strategic and International Studies, 1994), 37.

<sup>61</sup> Crowhurst, “The Australian–Indonesian Security Agreement”, 37; Lowry, “Australia–Indonesia Security Cooperation: For Better or Worse?”, 8.

<sup>62</sup> Desmond Ball and Pauline Kerr, *Presumptive Engagement: Australia’s Asia-Pacific Security Policy in the 1990s* (Sydney: Allen & Unwin, 1996), 64.

<sup>63</sup> Figures cited from Bateman, Bergin and Channer, *Terms of Engagement: Australia's Regional Defence Diplomacy*, 15.

<sup>64</sup> Shephard, *Australia's Defence Cooperation Program*.

<sup>65</sup> For more details, see Alan Dupont, "New Security and Defence Cooperation", in *Bridging the Arafura Sea: Australia–Indonesia Relations in Prosperity and Adversity*, eds Idris F Sulaiman, G Hanafi Sofyan and Shannon LD Smith (Canberra : National Centre for Development Studies, 1998), 54–55; Department of Defence, "Submission to Inquiry into Australia's Relations with Indonesia", Submission No 92, April 2003, 9, [https://www.aph.gov.au/Parliamentary\\_Business/Committees/Joint/Completed\\_Inquiries/jfact/indonesia/subs](https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Completed_Inquiries/jfact/indonesia/subs).

<sup>66</sup> Cited in Bateman, Bergin and Channer, *Terms of Engagement: Australia's Regional Defence Diplomacy*, 84.

<sup>67</sup> Tim Peneliti, *Laporan Penelitian: Persepsi Perwira TNI dalam Kerjasama Pertahanan Indonesia–Australia [Research Report: Perception of TNI Officers in Indonesian–Australian Defense Cooperation]* (Jakarta: Lembaga Studi Pertahanan dan Studi Strategis Indonesia, 2010).

<sup>68</sup> Indonesian military ranking designations are different to those in Australia. The TNI considers majors to colonels as middle-rank officers (Perwira Menengah), while the ADF considers majors to brigadiers as senior officers.

<sup>69</sup> Supriyanto, "Waves of Opportunity: Enhancing Australia–Indonesia Maritime Security Cooperation", 5.

<sup>70</sup> Dobb and Brabin-Smith, "Indonesia in Australian Defence Planning", 83.

<sup>71</sup> Peneliti, *Laporan Penelitian: Persepsi Perwira TNI dalam Kerjasama Pertahanan Indonesia–Australia [Research Report: Perception of TNI Officers in Indonesian–Australian Defense Cooperation]*.

<sup>72</sup> Lowry, "Australia–Indonesia Security Cooperation: For Better or Worse?", 26.

<sup>73</sup> See details in Wilson, "Defence Diplomacy: The Right Ballast for Australia's Fragile Relations with Indonesia"; Bateman, Bergin and Channer, *Terms of Engagement: Australia's Regional Defence Diplomacy*; Supriyanto, "Waves of Opportunity: Enhancing Australia–Indonesia Maritime Security Cooperation".

<sup>74</sup> Ball and Kerr, *Presumptive Engagement: Australia's Asia-Pacific Security Policy in the 1990s*, 95.

<sup>75</sup> Supriyanto, "Waves of Opportunity: Enhancing Australia–Indonesia Maritime Security Cooperation", 6.

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