

# Political Trajectories: The Future of Australia-Indonesia Relations in a Contested Indo-Pacific Order

## *RUSI QUEENSLAND 2019 POLICY DIALOGUE RECORD OF PROCEEDINGS*

### INTRODUCTION

The expansion of China's power and influence in the Indo-Pacific and growing Sino-US tensions represent a significant geostrategic dilemma for regional middle powers Australia and Indonesia. In the face of Beijing's strategic reach, political interference in regional domestic polities and refutation of international legal norms, cooperative relations with Australia's near neighbour Indonesia have never been more important. However, this relationship since Indonesia's independence in 1945 has regularly oscillated between periods of flourish and political tension, hampering efforts to forge a normalised partnership.

Dr Shafiah Muhibat<sup>1</sup> has noted that the national interests of these neighbouring countries rarely align perfectly. Oscillations are not unusual, but they can and should be minimised, especially where they can be attributed to cultural and linguistic differences. The lack of sustained effort, resources and imagination to exploit opportunities or address lingering and emergent challenges is an underlying problem. Neither country can afford to be complacent about the long-term prospects for closer relations. Governments need to consider how to improve their approach to this vital bilateral relationship – to change the relationship's status quo to fit the new regional security dynamic, not the old one.

On 5 July 2019, the Royal United Service Institute of Queensland hosted a policy dialogue titled '*Political Trajectories: The Future of Australia-Indonesia Relations in a Contested Indo-Pacific Order*'. The aim of the Dialogue was to identify possible new avenues for engagement to strengthen the Australia-Indonesia relationship. To achieve this aim, RUSI Queensland brought together a group of distinguished scholars and practitioners from both Australia and Indonesia to identify, examine and discuss the opportunities to enhance the relationship, as well as to find ways to mitigate extant and emerging challenges that could derail these efforts. The Dialogue was funded in part by a Department of Defence grant.

*The Dialogue primer and programme is at Attachment 1.*

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<sup>1</sup> CSIS Jakarta Scholar and presenter at the RUSI Queensland Policy Dialogue 2019

## RECOMMENDATIONS

### General

These recommendations are derived from the presentations and discussions at the dialogue. They have been either explicitly reproduced or inferred by a panel of experienced practitioners who participated in the RUSI Queensland dialogue. These recommendations are made cognisant of traditional policy constraints in both Canberra and Jakarta, but they are not bound by these limitations. They are designed to prompt long-term thinking about, or future-proofing, the bilateral relationship, but are time-limited in the sense that delay makes meaningful change more difficult.

### Recommendation 1

The Australia-Indonesia bilateral relationship should be normalised.

- Notwithstanding respective national interests Australia and Indonesia should work towards the goal of establishing the closest possible relationship, one that rivals respective Western, Commonwealth or ASEAN associations. Based on a common ground of mutual interests, and setting aside cultural and traditional norms that limit the extent to which Australia and Indonesia have hitherto related to each other, new or more flexible foreign policy settings should focus on common security interests, economic partnerships and preferred status treatment in international forums. These arrangements should aspire to represent a credible and influential combined grouping, if not a block or alignment of nations. The test for a 'normalised' relationship would be the elimination of disproportionate frictions caused by intermittent irritants such as the live cattle trade, the execution of condemned Australian drug smugglers, or the problems of combatting of human trafficking. It would also be evident in much closer defence and security arrangements including combined operations, transits and maintenance operations in expanded land, maritime and air environments, including within respective territorial boundaries.

### Recommendation 2

Deepen our strategic dialogue on the Pacific neighbourhood.

- Canberra and Jakarta should team together to address 'yet to emerge' problems in the region of mutual concern. The possible establishment of a Chinese naval base in East Timor or in the Pacific, for example, constitutes an emergent challenge with profound strategic consequences for both states. **The Australian Prime Minister should prioritise regular visits to Indonesia to reinforce the importance of the bilateral relationship.**
- In Indonesia, cooperation and trust in government and business is built on a foundation of close personal relationships and rapport. This takes time and must be nurtured. While President Widodo and the Australian Prime Minister of Australia have met frequently in recent years, political turbulence in Australia has prevented deeper relationships between leaders to form. The seminar identified that following electoral success for President Widodo and Prime Minister Morrison in 2019, an opportunity now exists to build a strong and enduring personal relationship between the two leaders.

### **Recommendation 3**

In tandem with the previous recommendation, Australia should appoint a federal government Minister – or Parliamentary Secretary – with responsibility for championing the Indonesia-Australia relationship.

- This would be a powerful signal to Indonesia that we take the relationship seriously and are seeking to work together to achieve shared interests and mitigate relationship risk factors before they become serious.

### **Recommendation 4**

Draw on the success of the Indonesia-Australia Defence Alumni Organisation (Ikahan) model to develop similar alumni organisations in other professional areas, such as former parliamentarians, diplomats, academics, healthcare professionals and NGO workers.

- The seminar clearly identified the value of the Ikahan model for encouraging engagement between members of the Indonesian and Australian defence communities. This same model could be used in other areas of society-to-society engagement to provide further ballast to the relationship.

### **Recommendation 5**

Enhance academic exchange programs and further prioritise the teaching of Indonesian language and society in Australia.

- Resilient bilateral relations are built on a foundation of people-to-people links and a knowledge and understanding of each other's history, culture and language.

### **Recommendation 6**

Continue bilateral cooperation with Indonesia in the fight against terrorism and transnational crime, but also explore an enhanced strategic partnership in space, cyber affairs and new technologies.

- The fight against terrorism and transnational crime has provided a catalyst for closer security cooperation between Australia and Indonesia and this needs to continue. However, cooperation should be expanded in the fields of space, cyber affairs and new technologies reflecting the fact that physical geography has been compressed in terms of both time and space by technology.

### **Recommendation 7**

Invest in several new joint security centres in Indonesia that focus on non-traditional security issues such as emergency response, climate change and healthcare, emulating successful elements of the Jakarta Centre for Law Enforcement Cooperation (JCLEC) as a model.

- Cooperation on fighting terrorism and organised crime has provided a model on which to establish bilateral mechanisms for other areas of shared national interest. Australia's capabilities and expertise in disaster response, countering the effects of climate change and

health are all areas where Australia could provide valuable assistance to Indonesia. Reducing the risk of pandemics and other emerging diseases would also be in Australia's interest.

#### **Recommendation 8**

Build upon our shared geography and interest in the Indo-Pacific concept through an Indonesia-Australia joint maritime fulcrum strategy, encompassing economic opportunities, marine conservation and responses to shared security challenges.

- As discussed during the Dialogue, President Jokowi's global maritime fulcrum concept (*poros maritim dunia*), key tenets of which were integrated in the ASEAN Outlook on the Indo-Pacific), continues to shape Indonesia's understanding of its strategic geography. Increasing Australia's engagement and operationalisation of this concept in partnership with Indonesia, would send a positive message to Jakarta and be warmly received.

#### **Recommendation 9**

Reconsider advocating for and joining a Quad security arrangement involving The United States, India, Japan and Australia, focusing instead on enhancing security cooperation with Indonesia.

While it might be outwardly attractive to create a security arrangement between these powers, it is unlikely to be supported by India which instinctively clings to its non-aligned traditions. Such a grouping would also be opposed by Indonesia. It may be in Australia's best interests to pursue a trilateral arrangement with India and Indonesia. This would enable Australia to advance efforts to develop stronger regional security ties and avoid any concerns with the proposed Quad dynamics.

## PRECIS OF PRESENTATIONS

### **Panel 1. Common Security Interests but Differing Imperatives**

An examination of our common security issues and how the differences in our respective strategic calculus inhibits progress.

*Speaker 1: Mr Peter Jennings, Executive Director, Australian Strategic Policy Institute*

*Speaker 2: Ibu Shafiah F. Muhibat. Senior Researcher and Head of the Department of International Relations, Centre for Strategic and International Studies (CSIS), Jakarta.*

As the first speaker, Mr Jennings provided an excellent overview of the historical context that has shaped the Australia-Indonesia relationship. He noted that the relationship has followed a regular cycle – characterised by a singular negative event causing a rapid deterioration (e.g. West Papua, East Timor, drug mules, Snowden links), followed by a series of incremental steps over a much longer period to restore the relationship. Where the two countries shared a common interest, such as the desire by both Jakarta and Canberra to counter terrorism or Australia's willingness to assist Indonesia's response to natural disasters, this had provided the opportunity for relations to recover and warm more quickly.

Mr Jennings noted that government-to-government relations were probably strongest within the defence and policing arenas. The time and effort taken by the ADF, TNI, AFP and POLRI to invest in their relationships – especially at a personal level – has provided the necessary ballast to survive the inevitable disruptions in the broader relationship.

Mr Jennings then explored how the 'boom – bust' cycle could be broken. Several geostrategic trends and potential scenarios in the Indo-Pacific region represented potential opportunities. These scenarios included:

- The rise of China and its influence in the region. In stark terms, Mr Jennings posed the question of whether Australia and Indonesia would choose to 'hang together or hang separately'.
- The possibility of ASEAN dividing further on China, with some countries falling willingly under Beijing's influence while others continued to resist.
- A spike in terrorism in Indonesia, noting the threat has not gone away and if anything could grow as seasoned fighters return from the Middle East, or new terrorists emerge from the population having been radicalised by extremist propaganda espoused on social media.
- Mr Jennings noted that Indonesia's economy is expected to grow to be the world's 4th largest (behind China, India and the United States) by 2050. This growth represents a huge opportunity for trade between our two countries to also expand.

The perception in Australia that Indonesia is a difficult and risky place to do business needs to be addressed before this opportunity can be realised.

- Canberra and Jakarta could team together to address 'yet to emerge' problems in the region of mutual concern. Mr Jennings suggested that the establishment of a Chinese naval facility in East Timor or the Pacific would constitute a profound strategic shock and is an example of such an issue.
- Though unlikely, an isolationist United States policy in the Indo-Pacific would be deeply worrying to both countries and might necessitate closer relations.

Several black swan events and negative trends were also canvassed. These would inevitably place stress on the relationship:

- A flood of asylum seekers through Indonesia to Australia – not inconceivable noting there are more than 70 million displaced people world-wide.
- The relationship simply drifts, neither improving nor deteriorating. Such a trend would mean there is little capital to draw on when the next negative event occurs. It also represents a lost opportunity to realise the positive economic benefits that could accrue to both countries.
- A return to quasi authoritarianism or hard-line Islamism in Indonesian politics.
- Jakarta and Beijing develop a close relationship. This seems unlikely but is not impossible if the United States was to abandon the region.

Mr Jennings closed with several key remarks:

- The prevailing trends seem more likely to push Indonesia and Australia more closely together rather than push them apart.
- Closer cooperation will be driven by growing threats and shared interests.
- The biggest risk to the relationship is to allow matters to drift and not to seize the opportunity for closer cooperation.

As the second speaker, Ibu Shafiah Muhibat provided an excellent overview of the Indonesian side of the relationship. She began by noting the focus on domestic issues on the Indonesian side, particularly in the context of the recently held 2019 election cycle. Ibu Shafiah then went on to underline the dominant Indonesian approach to foreign policy, noting the influence of Indonesia's 'free and active' foreign policy principles. The ongoing impact of this foreign policy approach means that Indonesia is unlikely to favour signing on to arrangements that appear confrontational in nature, such as the 'Quad'. Ibu Shafiah went on to note that Indonesia was likely to engage with all nations, no matter what their government structure or ideological orientations, and would not be passive regarding key international issues.

Ibu Shafiah noted that there were several important reasons for Indonesia to work together with Australia, including geographical proximity and our shared history. While there are

occasional challenges in the relationship, as noted by the other speakers, Ibu Shafiah argued that differences and disagreements like these are relatively common for nations that are geographically proximate to each other – there is regular contact and many common areas of concern for Indonesia and Australia, and so there will always be some controversies and challenges.

Ibu Shafiah noted that President Joko Widodo (Jokowi) appears to have less interest in foreign policy compared to domestic policy, which means that other nations need to think carefully about how they can become a part of Indonesia's foreign policy priorities. Australia should expect a continuing focus by political leaders in Indonesia on the domestic context, and as such the identity and role of the Indonesian foreign minister is important. Under the current Foreign Affairs Minister, Retno Marsudi, there are a number of areas of potential ongoing cooperation, including trade and economic initiatives, socio-cultural programs, disaster management, countering terrorism and transnational crime.

Ibu Shafiah also noted the ongoing importance of Indonesia's global maritime fulcrum policy introduced by Jokowi ahead of the 2014 election. The maritime fulcrum could be connected to the geographic concept of the Indo-Pacific – a construct that Australia has clearly embraced and Indonesia and ASEAN are beginning to engage with in a serious manner. Ibu Shafiah also highlighted Indonesia's role in pushing through an 'ASEAN Outlook on the Indo-Pacific', which has now been officially endorsed<sup>2</sup>. Australia's further support for Indonesia's position would send a positive message to Jakarta and be warmly received, according to Ibu Shafiah.

**Panel Discussion:** During the panel discussion chaired by Dr Greta Nabbs-Keller (Research Fellow at The University of Queensland's Centre for Policy Futures), the two speakers were joined by Professor (Prof) Peter Leahy, the Director of the National Security Institute, University of Canberra. The key observations to emerge from these discussions were as follows:

- In geostrategic terms both Australia and Indonesia tend to look north. For Australia, the focus is on a rising China and anxiety over the future of the security guarantee provided by the United States. Indonesia shares Australia's concern over the rise of China but is also concerned to retain its non-aligned status and its position as the *de facto* head of the ASEAN regional grouping.
- Professor Leahy argued that the importance of geography to Indonesian and Australian security is being diluted by advances in technology. He noted for example, that geographic barriers and choke points that were once important to our strategic analysis were increasingly permeable to space-based capabilities, cyber, ballistic missiles and stealth technology. This trend would continue, reinforcing the

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<sup>2</sup> See [https://asean.org/storage/2019/06/ASEAN-Outlook-on-the-Indo-Pacific\\_FINAL\\_22062019.pdf](https://asean.org/storage/2019/06/ASEAN-Outlook-on-the-Indo-Pacific_FINAL_22062019.pdf)

importance for Indonesia and Australia to identify shared interests, agree on approaches and 'operationalise' responses.

- The challenge for Australia is that in geopolitical terms, Indonesia matters much more to us than we matter to Indonesia. Australia needs to work hard and innovatively to keep itself relevant in Indonesia's strategic calculus.

**Panel 2. The 'Intermestic': Indonesian Politics and the Strangers Next Door** – How domestic political factors in Indonesia and Australia both enable and inhibit the bilateral strategic relationship.

*Speaker 1: Prof Tim Lindsey – Malcolm Smith Chair of Asian Law, Redmond Barry*

Professor Tim Lindsey provided the seminar with a detailed account of the most recent 2019 election in Indonesia and what it indicates about the nature of Indonesia's domestic politics. He began by noting the immense scale of the 2019 elections as the first time during the *reformasi* era that legislative and presidential elections have been held simultaneously. This made the 2019 election the largest single-day election in the world. Whilst overall, the election was well-run considering the scale of the operation, it was unsurprising that there were some issues. Professor Lindsey argued that while these issues were not significant enough to put in doubt President Jokowi's sizable victory margin, they did lead to a challenge from rival presidential contender (Prabowo Subianto). This challenge ended in an unsuccessful formal case filed at the Constitutional Court (the *Mahkamah Konstitusi*), but this was preceded by violent protests on the streets of central Jakarta.

Professor Lindsey also noted the polarisation of Indonesian society, and that Jokowi's efforts to build support amongst the bureaucracy and security organisations had contributed to some of that polarisation. Some long-standing divisions have also informed this polarisation, particularly related to those individuals and groups who have long wanted a greater role for Islam within Indonesian politics. These divisions were present to some extent in the protests against gubernatorial candidate, Basuki Tjahaja Purnama (better known as Ahok), during the 2016/17 Jakarta election contest. Jokowi, along with his Coordinating Minister for Security, Political and Legal Affairs GEN (ret) Wiranto, has cracked down on some Islamic organisations such as *Hizbut Tahrir Indonesia (HTI)*, subsequently banned in 2017. Professor Lindsey argued that these measures contributed to the vilification of Jokowi by his opponents, including Prabowo.

Overall though, Professor Lindsey argued that there were few significant direct impacts for Australia emerging from the 2019 election. Australia was not a big feature of the 2019 election campaign, and Indonesia's relatively nationalistic approach to the economy is likely to continue. On Australia's side, Professor Lindsey argued that Australia needs to convince

Indonesia that the 'revolving door' of Prime Ministers is over and also needed to move past the legacy of some unpopular Australian leaders, including John Howard (over East Timor) and Tony Abbott (over boat turn-backs and comments regarding Australia's aid). A prompt visit to Indonesia by Australia's Prime Minister, Scott Morrison, should be a priority.

Professor Lindsey also noted that hostile or suspicious views towards Indonesia within Australian society were a challenge. He argued that there is less hostility towards Australia amongst the Indonesian public, but there is still some suspicion regarding Australia's attitude towards Indonesia. While there are often calls to address these societal attitudes, Professor Lindsey saw few signs of improvement. The risk, Professor Lindsey argued, is that Australia misses out on the opportunities present in Indonesia's likely continued economic rise. In economic terms, 'Australia is MIA in Indonesia'.

**Panel Discussion:** During the panel discussion – chaired by Mr Matt Flint (Counsellor Defence, Australian Embassy Jakarta) – Professor Lindsey was joined by Mr. Peter Jennings and Ibu Shafiah Muhibat. The key observations to emerge from these discussions were as follows:

- The role of oligarchic forces in Indonesian politics is significant. Professor Lindsey described Indonesia as a vibrant procedural democracy that arguably does not qualify as a 'liberal' democracy.
- Ibu Shafiah noted that the cases of Chinese workers entering Indonesia on development and infrastructure projects (and the narrative surrounding this) did have some impact in the election. This is one example of international politics impacting domestic politics.
- The panel were asked about the role of the military in politics. Professor Lindsey and Peter Jennings both noted the reduced role of the military in politics, and Jokowi's efforts to build his relationship with the military. Ibu Shafiah noted that it seems that retired generals often played a greater role in politics than generals still serving.
- Peter Jennings raised the importance of understanding whether Indonesia consciously sees Australia as unimportant, or whether Indonesia is just not sure what part Australia can play in its future. He argued that if the latter was true, it would mean there is space for Australia to argue for its importance to Indonesia. Professor Lindsey asked what this important role could potentially be.

**Panel 3. Climate Change, Pandemics and Natural Disasters** – An examination of how common threats from climate change, pandemic disease and other natural disasters will affect the respective strategic calculus and political imperatives.

*Speaker: Prof Cordia Chu, Centre for Environment and Population Health, Griffith University School of Environment.*

In this presentation, Prof Chu broadened the definition of security to include less traditional sources of threat. She introduced the topic with a compelling presentation on the extant and potential impacts of climate change on regional security. Prof Chu noted, for example, how rising temperatures are increasing the likelihood, spread and severity of epidemics, pandemics, infectious diseases, potential for bio-terrorism and emerging diseases. A surge in the incidents of old and new age diseases such as malaria and drug resistant Tuberculosis (TB) was also noted. The incidence of animal to human disease transmission has also been observed, including pathogens such as Zika, Ebola, MERS, SARS and H1N1 influenza.

Public awareness of climate change impacts in Indonesia and the wider region is growing. In the future, they are likely to compel governments to act. As a developed, energy exporting country, Australia is seen as a contributor to the climate change problem. Importantly, however, our advanced technology and sophisticated policy responses also present potential opportunities to be seen as part of the solution.

Prof Chu also noted other potential security impacts from global temperature increases. These included the spread of animal and insect borne diseases, droughts and desertification reducing food security, sea level rises inundating highly populated coastal areas – including Jakarta, heatwaves, water shortages and severe weather events.

Prof Chu noted that two likely security implications arising from these impacts were the increased likelihood of displaced people from third world countries seeking sanctuary in places like Australia, and an increasing requirement for humanitarian assistance/disaster response.

The remainder of Prof Chu's presentation focused not on preventing climate change, but rather the more urgent need for preparedness and adaptation to counter its affects. Underlying her analysis was the observation that scientists need to focus more on developing usable findings, not just more climate change data.

With respect to preparedness, Prof Chu cited the need for urgent action to prevent power blackouts during high demand periods in summer and to prevent and respond to bushfires and flooding. On adaptation, Prof Chu highlighted how programs developed in Australia could be used as models to be applied regionally. Prof Chu cited, for example, the

*Queensland Climate Adaptation Strategy*, sponsored by the Queensland State Government. This program takes a multi-dimensional partnership approach to climate change adaptation and resilience, with the buy-in and involvement of state and local governments, business, industry and the community.<sup>3</sup>

Prof Chu's key message was that with its expertise and innovative approaches, Australia is well placed to assist Indonesia and others in the region to develop similar adaptation programs.

**Panel Discussion:** During the panel discussion - chaired by Dr Greta Nabbs-Keller, Professor Chu was joined by Professor Caitlin Byrne and PhD Candidate Mr Dicky Budiman, both of Griffith University.

- All panel members made the observation that climate change represents an opportunity for Australia to engage with and strengthen its relations with Indonesia.
- Professor Byrne noted the growing public concern in Indonesia over a warming planet and its associated impacts. The issue has, for example, attracted the attention of the Indonesian Ulema Council (MUI). In 2015, the MUI issued a fatwa on sustainable development making it an Islamic obligation to assist the reduction in greenhouse gas emissions and to assist with mitigation efforts.
- Mr Budiman noted that Indonesia is a hotspot for emerging infectious diseases and the next pandemic is not a question of if but when. Recent cuts in US funding for research on emerging diseases in Indonesia represent an enormous opportunity for Australia to help fill the void.
- Concern over climate change in Indonesia also represents a commercial opportunity for Australian technology. Indonesia's growing population and individual wealth, combined with growing concern for the environment means Indonesia is a huge potential market for eco-friendly products.
- Brigadier (Retd) Ian Errington (former Army Attaché and subsequently Head of the Australian Defence Staff in Jakarta) highlighted that Australia had made a significant contribution to the establishment of the Jakarta Centre for Law Enforcement Cooperation (JCLEC). The operational success of JCLEC suggests further opportunities exist to build on this model through the establishment of, for example, a Jakarta Centre for Health and Disease Response Cooperation, or a Jakarta Centre for Emergency Management Cooperation, or both.

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<sup>3</sup> For more information see [https://www.qld.gov.au/data/assets/pdf\\_file/0017/67301/qld-climate-adaptation-strategy.pdf](https://www.qld.gov.au/data/assets/pdf_file/0017/67301/qld-climate-adaptation-strategy.pdf).)

**Panel 4. How Indonesia and Australia can best leverage their strategic partnership in the face of growing geopolitical contest in the Indo-Pacific.** A focus on the influences that will drive Australia and Indonesia's strategic policy into the future and the need for innovation and imagination in our strategic arrangements.

*Speaker: Professor Peter Leahy, Director of the national Security Institute, University of Canberra.*

Professor Leahy's presentation reflected on the Indonesia-Australia relationship including the challenges and opportunities that would need to be addressed. He noted that Indonesia and Australia are not natural strategic partners, but there is good reason for us to realise that our interests and trajectories align in the rapidly changing Indo-Pacific region.

In considering the relationship, Professor Leahy acknowledged that there are things that set us apart and that our interests may not always be perfectly aligned, as is the case for any two sovereign states. But there are at least as many things that encourage Australia and Indonesia to cooperate as we consider our future economic, political and military relationship. Any such alignment will be to our mutual advantage and we should seek every opportunity to enhance the existing partnership.

Underpinning the challenges to the relationship, Professor Leahy observed that most Australians don't understand Indonesia and indeed many continue to see Indonesia as a threat. Professor Leahy cited a 2019 Lowy Poll to demonstrate high levels of ignorance among the Australian public. For example, only 34 percent of Australians agreed Indonesia was a democracy, and only 70 percent knew Bali was part of Indonesia. A majority incorrectly believed that law-making was based on Islamic codes. Furthermore, fewer Australians are learning Bahasa Indonesia in Australian schools in 2019, compared to 1970, when Australia's population was one third of what it is today.

Professor Leahy observed that this ignorance limits our ability to form a strong and binding partnership. He lamented that few Australians recognise the democratic advances made by Indonesia in recent years. Indonesia is the third largest democracy in the world (after India and the United States), has a vibrant free press and a rapidly growing economy (over 5 per cent GDP growth).

Like other contributors to the seminar, Professor Leahy noted that Australia needs Indonesia much more than Indonesia needs Australia. Perhaps unsurprisingly, Indonesia is much more focused on ASEAN and its geography to the north. With Australia facing uncertain times, a secure northern border is firmly in Australia's national interests. Herein lies a potential opportunity for security cooperation with both countries sharing concerns

with the increase of China's influence in the region and by its recent actions in the South China Sea. What we should expect from Indonesia and Australia is that we recognise our differences and work towards a strategic relationship that recognises our mutual interests. Taking a long-term and strategic viewpoint, Australia's and Indonesia's interests clearly converge.

Professor Leahy then took some time defining what he meant by the term, 'strategic relationship' and how might this be applied to Indonesia and Australia. Drawing on the work of one of his PhD candidates, Professor Leahy noted that a strategic relationship has four main characteristics:

- First, states must have mutual interests.
- Second, they agree on the same approaches to achieving those interests.
- Third, they work together and support each other at the operational level.
- Fourth, they do not work against each other's interests.

Professor Leahy noted that in the case of Indonesia and Australia, a strong strategic relationship will also require:

- Innovation, imagination and patience.
- Tolerance and understanding.
- A maintenance regime and repair processes because we are likely to make mistakes and offend each other.
- A willingness to discard and adapt old methods and adopt new ones.

These characteristics and attributes provided the perfect *segue* into a description of *Ikahan* - an alumni organisation of Indonesian and Australian military officers who have studied or worked together in each other's country. Presently there are over 2,500 Indonesian citizens engaged with *Ikahan* in an active networking and social programs in Indonesia. *Ikahan* is sponsored by the Defence Section at the Australian Embassy Jakarta, where around 120 to 150 Indonesians attend monthly events.

*Ikahan's* objectives are to:

- Provide a link between our two governments;
- Provide an advocacy role and advice on how to handle difficult issues;
- Draw lessons from the past in order to nurture the future defence relationship; and
- Explain to our respective governments why things are the way they are.

*Ikahan* is overseen by a Senior Advisory Group (SAG). The SAG meets twice a year, once in Australia and once in Indonesia. It has met for seven years and each side respectively reports directly to either the Chief of Defence Force in Australia or to his equivalent, *Panglima TNI* in Indonesia. At these meetings, the SAG frequently addresses difficult issues

outside the realm of normal business which is managed by respective officials. The SAG is particularly useful mechanism when second-track diplomacy is required.

*Ikahan* represents a great model that could be adopted to enhance the Indonesia-Australia relationship in the diplomatic, cultural, trade and economic environments. Concluding his remarks, Professor Leahy noted that “Our two countries are not natural partners but that is no reason not to work together for our mutual benefit and the benefit of our region.”

**Panel Discussion:** During the panel discussion – chaired by Brigadier Justin Roocke, current Head of Australian Defence Staff Indonesia – Prof Leahy was joined by Professor Tim Lindsey and Ibu Shafiah Muhibat.

In the discussion that followed the panel addressed several questions from the floor:

- On whether the Five Power Defence Arrangement (FPDA) represented an impediment to Indonesia-Australia relations, Prof Leahy stated in his experience it was not an issue.
- On the US Marine Corps (USMC) presence in Darwin, Indonesia is certainly interested but sees it mostly in positive terms. Any concerns are allayed by the HADR focus of the deployment and that troops rotate through Darwin and are not permanent.
- On why Indonesia is a difficult place to do business, Prof Lindsey noted this is primarily due to bureaucratic red tape, a cumbersome and unfamiliar legal system (based on Dutch civil law), and enduring levels of corruption.
- On whether Australia should seek to join ASEAN as is suggested from time to time, the feeling of the panel was that it was neither necessary, nor a good cultural fit for Australia, and was not likely to happen.

Noting the potential for Papua to become a sticking point in the relationship, Professor Lindsey argued that President Widodo realised Papua needs to be well-handled. He has visited Papua at least 12 times and is keen to develop the infrastructure of Papua’s two provinces. Peter Leahy reiterated a point made earlier that Australia fully respects Indonesia’s sovereignty over Papua.

Also building on Professor Leahy’s point about how ignorant most Australian’s are of Indonesia, Professor Lindsey noted that Indonesian studies in Australia are ‘on life support’ and desperately need resurrecting. Scaling up people-to-people academic exchange programs would be a good start.

## **Conclusion**

Prior to the official close by the RUSI-Q President Mr Peter Mapp and Senior Vice President Brigadier Ian Errington, Dr Greta Nabbs-Keller summarised many of the key findings and

recommendations of the conference. These and others identified by the authors of this report are detailed in the text box at the beginning of the report.

In concluding this report, we take the opportunity to remind readers of the advice offered by His Excellency Najib Riphath Kesoema, Indonesian Ambassador to Australia from 2013 to 2017:

*“The long history of Indonesia-Australia relations has proven that, while differences and problems can arise from time to time, Indonesia and Australia have always managed to get through the challenges and even rebuild a stronger and more mature relationship. Indonesia and Australia should move forward to resolve any issues that have distracted the good relations and find opportunities for greater cooperation to ensure the common benefits and interests. There is no option for Indonesia and Australia other than to be good friends and equal partners.”<sup>4</sup>*

This advice remains just as relevant today.

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<sup>4</sup> Ambassador Nadjib Riphath Kesoema, ‘Australia and Indonesia are equal stakeholders in a common future’, The Australian, 19 August 2014, accessed from the website of the Embassy of the Republic of Indonesia, <https://ex.kemlu.go.id/canberra/id/arsip/pidato/Pages/AMBASSADOR-NADJIB-RIPHAT-KESOEMA-THE-AUSTRALIAN-AUGUST-19-2014-12-00-AM.aspx>



## Royal United Service Institute of Queensland

### Policy Dialogue

#### ***POLITICAL TRAJECTORIES: THE FUTURE OF AUSTRALIA-INDONESIA RELATIONS IN A CONTESTED INDO-PACIFIC ORDER***

**Tattersalls Club, Brisbane, 5 July 2019**

#### **Primer**



On 17 April, Indonesia will conduct the first round of its fourth direct presidential elections, whilst Australia will go to a federal poll by May 2019. These elections will set the future foreign policies and strategic outlook of both countries. In particular, the outcomes of these elections will determine to what extent Indonesia and Australia can leverage their shared strategic interests within the constraints of their domestic politics.

Hosted by the Royal United Services Institute (RUSI) of Queensland, this one day policy dialogue brings together political figures, national security practitioners, academics and industry representatives to consider future policy options and imperatives. The dialogue will consider domestic political factors in both countries that both enable and inhibit an enhanced strategic partnership. The seminar will also examine previously emerging threats, such as climate change and health threats, that now resemble mainstream policy drivers in both countries.

Issues for discussion will include political Islam and growing Islamic conservatism, leadership instability, rising populism and economic nationalism. Domestic political factors will be considered in the broader context of Indonesia and Australia's policy response to China and perceived US retrenchment from the Indo-Pacific region. The dialogue will discuss what these issues mean for our ability to forge a common strategic culture and collaborate on issues of vital importance for regional stability and prosperity. This will include an examination of the potential impact of transnational threats, such as pandemics, and the security risks these events pose and what both countries can do together to mitigate them. The dialogue will focus on defence, security and foreign policy issues in the bilateral relationship in order to generate new insights, concepts, understandings and policy recommendations and solutions. Federal and State government officials and diplomatic representatives will be invited to attend the seminar and actively participate in the



program. Senior and experienced Indonesian and Australian expert commentators and academics will be readily accessible through presentations and panel discussions, as well as informal discussions during programmed breaks.

**This seminar seeks to:**

- Increase policy awareness of the importance of the bilateral relationship in the context of a contested Indo-Pacific order shaped by geopolitical tensions
- Enhance appreciation of the value of the Australia-Indonesia defence relationship as a pillar of the broader bilateral relationship (including importance to interoperability, development of a common strategic culture and common commitment to international legal norms)
- Challenge long-held assumptions about the bilateral relationship and consider new frameworks for understanding contemporary Australia-Indonesia relations
- Reaffirm bipartisan commitment to close and constructive bilateral relations as vital to both countries’ national interests and their middle power agency in Indo-Pacific affairs
- Identify priority areas for greater policy and strategic investment

**About RUSI Queensland**

RUSI Queensland is a Constituent Body of the Royal United Services Institute for Defence and Security Studies Australia. The aim of the Institute is to promote informed debate, and to improve public awareness and understanding of defence and national security issues. The organisation has always focused on informing the public by promoting the study of strategic and defence matters. RUSI Queensland’s overarching Indo-Pacific seminar series seeks to build over time a body of authoritative knowledge for use by government departments and agencies, as well as for public consumption, conducted in an open domain. The RUSI Queensland annual seminar in July 2019 is nested within the Institute’s enduring research focus on changes to Australia’s regional dynamics that have implications for our national interests.

**Program**

<b>TIME</b>	<b>ACTIVITY</b>	<b>SPEAKER</b>	<b>REMARKS</b>
0800	<b>Registration</b>		
0900	<b>Opening Remarks</b>	<b>Brigadier Ian Errington</b> , Senior Vice President RUSI Queensland	Includes explanation of seminar format and introduction of speakers.
0915	<b>Panel 1. Common Security Interests but Differing Imperatives</b>	<ul style="list-style-type: none"> <li>• <b>Speaker 1 (25 mins). Mr Peter Jennings</b>, Executive Director, Australian Strategic Policy Institute</li> <li>• <b>Speaker 2 (25 mins). Ibu Shafiah F. Muhibat</b>, Senior Researcher and Head of the Dept of International</li> </ul>	<p><b>Panel Chair:</b> Dr Greta Nabbs-Keller</p> <p>An examination of our common security issues and how the differences in our respective strategic calculus inhibits progress</p> <p><b>Panel (25 mins)</b> Mr Peter Jennings</p>

TIME	ACTIVITY	SPEAKER	REMARKS
		Relations, Centre for Strategic and International Studies (CSIS) Jakarta	Ibu Fifi Prof Leahy
1030	<b>President's Welcome and Official Opening</b>	<b>Peter J. Mapp</b> , President RUSI Queensland  <b>His Excellency the Honourable Paul de Jersey AC, Governor of Queensland</b>	Governor's arrival announced by BRIG Errington. All stand.  President to welcome HE and seminar attendees.  HE officially opens the seminar.  Meet and greet opportunity with the Governor during morning break
1040	<b>Morning Break</b>		
1100	<b>Panel 2. The Interestic: Indonesian Politics and the Strangers Next Door</b>	<ul style="list-style-type: none"> <li><b>Speaker (45 mins) Prof Tim Lindsey</b>, Malcolm Smith Chair of Asian Law, Redmond Barry Distinguished Professor, Melbourne Law School</li> </ul>	<b>Panel Chair:</b> Mr Matt Flint  How domestic political factors in Indonesia and Australia both enable and inhibit the bilateral strategic partnership  <b>Panel (30 mins)</b> Prof Lindsey Mr Peter Jennings Ibu Fifi
1230	<b>Lunch Break</b>		
1300	<b>Panel 3. Climate change, Pandemics and Natural disasters</b>	<ul style="list-style-type: none"> <li><b>Speaker (30 mins) Prof Cordia Chu</b>, Centre for Environment and Population Health, Griffith School of Environment</li> </ul>	<b>Panel Chair:</b> Dr Greta Nabbs-Keller  An examination of how the common threats from climate change, pandemic disease and other natural disasters will affect the respective strategic calculus and political imperatives.  <b>Panel (30 mins)</b> Prof Chu Mr Dicky Budiman (PhD Candidate) Prof Caitlin Byrne
1415	<b>Panel 4. How Indonesia and Australia can best leverage their strategic partnership in the face of growing geopolitical</b>	<b>Speaker (45 mins) Prof Peter Leahy</b> , Director of the National Security Institute, University of Canberra	<b>Panel Chair:</b> Brigadier Justin Roocke  Focus on the influences that will drive Australia and Indonesia's strategic policy

TIME	ACTIVITY	SPEAKER	REMARKS
	<b>contest in the Indo-Pacific</b>		<p>into the future. The need for innovation and imagination in our strategic arrangements.</p> <p><b>Panel (30 mins)</b>  Prof Leahy  Prof Tim Lindsey  Ibu Fifi</p>
1515	Break		
1530	<b>Closing Remarks: Future Trajectory of the Bilateral Relationship</b>	<b>Dr Greta Nabbs-Keller</b>	Summary of dialogue proceedings and implications for the future bilateral relationship
1645	<b>Seminar Close</b>	<b>Brigadier Ian Errington</b> , Senior Vice President RUSI Queensland	Thank speakers and attendees.

