Defence diplomacy: the right ballast for Australia’s troubled relations with Indonesia

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Abstract
This paper examines the role of defence diplomacy in providing ‘ballast’ to the relationship between Australia and Indonesia. It contends that Australia has implemented many policies over the past three decades that have had limited success in helping to avoid serious ructions in Australia’s relations with Indonesia. It argues, therefore, that the importance of establishing ballast, or a firm foundation for the relationship, is arguably more important for Australia than ever.

The paper notes that defence diplomacy, sometimes called defence international engagement, has been used by Australia and Indonesia to build trust and common ground through increased familiarity and cooperation, and that it has proven effective in cooling tensions and avoiding conflict. The paper argues that defence diplomacy should increasingly be employed, not least so that when the next crisis occurs, as history portends it will, defence diplomacy will reveal its value as providing substantial ballast for relations between the two countries.
Introduction

In 1988, Australian Foreign Minister Gareth Evans, speaking about Australia’s relations with Indonesia, suggested that:

For many years now we have possessed what could be called common strategic interests. These interests are important, but they have not been enough to give ballast to the overly intense political relationship.¹

The same sentiment arguably still applies today. Indeed, former Australian Defence Attaché to Jakarta, Gary Hogan, has contended that ‘Evans’ comments are all the more remarkable not for what has changed over a quarter of a century but for how little has changed’.² Over the last three decades, Australia has implemented many policies that have had limited success in providing the ballast necessary to avoid serious ructions in relations with Indonesia. Although these policies have had some success, more is needed. The importance of establishing ‘ballast’, or a firm foundation for the relationship, is arguably more important for Australia than ever.

Indonesia’s importance to Australia’s security is determined by geography and the intense cultural and demographic differences.³ However, although Indonesia has always been important to Australia’s security, it is particularly so now that Indonesia is growing in power. There are numerous indicators pointing to the fact that Indonesia is indeed rising as a regional and global power.⁴ Fifty years of almost uninterrupted high economic growth is the most obvious and significant of these indicators.⁵ Indonesia’s role in the region, particularly as a leader of ASEAN, has also indicated the emergence of the country as a prominent power.⁶ Although the rise has not yet translated into a significant increase in military power, it is very likely that it will in coming years.⁷

Although governments in Australia and Indonesia have acknowledged the need to build closer ties and thereby a more stable relationship, disputes between them have repeatedly derailed attempts to do so. Indeed, Peter Jennings observed in 2014 that ‘every decade since the 1950s has seen a diplomatic or military crisis put bilateral ties into a deep freeze, at times lasting years’.⁸ It could be argued that the emergence of some of these tensions has been largely unavoidable. Australia’s involvement in East Timor’s independence in 1999 and the Bali bombings in 2002 are two possible examples. However, tension has often arisen when governments have put short-term domestic political gain ahead of a secure longer-term regional relationship. This is because governments, by their very nature, are obligated to do what they believe is best for their constituencies.⁹

There have been frequent disputes between the two countries since Indonesian independence in 1945. In the last two decades, these have included Australia’s
irregular immigration policies; Australia’s banning of live cattle exports to Indonesia; Australia’s spying on the Indonesian President; and Indonesia’s execution of convicted Australian drug smugglers. In all these cases, domestic politics have had a significant impact on how the governments have acted and reacted. As Jennings ominously suggests:

"We can’t always assume that such crises will be resolved peacefully. That’s ultimately the most compelling reason … to look for win-win outcomes rather than short-term advantages driven by internal political priorities."\(^{10}\)

There are a number of policy options at Australia’s disposal to achieve a closer, more secure relationship with Indonesia, many of which have already been tried. Australia’s commitment to stabilising relations with Indonesia is evidenced by the fact that Australia’s largest diplomatic mission overseas is in Jakarta—not Washington, Beijing or London.\(^{11}\) Foreign diplomacy has included statements of support and commitment to each other’s sovereignty and prosperity. Attempts have been made to increase the relatively low bilateral trade between the countries. Education of Australians and Indonesians in each other’s language and culture has also been tried.

Defence diplomacy, sometimes called defence international engagement, has also been consistently attempted by Australia and Indonesia. Defence diplomacy strives to use defence as a vehicle of ‘soft power’ to build trust and common ground through increased familiarity and cooperation. Opinion on the effectiveness of defence diplomacy is mixed. However, almost all commentators agree that defence diplomacy is effective in cooling tensions and avoiding conflict. A significant advantage of defence diplomacy is that it enjoys bipartisan political support. Furthermore, most defence diplomacy initiatives have been accommodated within the defence budget or involve a relatively insignificant increase to it.

This paper will therefore propose that defence diplomacy should be increasingly employed to provide ballast to relations between Australia and Indonesia. This conclusion will be drawn by first analysing why ballast is needed now more than ever by considering key factors that have and could adversely influence relations. The paper will then analyse in detail whether defence diplomacy is an effective and achievable policy to improve relations between Australia and Indonesia. Current defence diplomacy initiatives will be outlined and their effectiveness analysed. Finally, the paper will propose specific new defence diplomacy initiatives to put more ballast into relations between Australia and Indonesia.
Why is ballast needed?

For all the talk about Canberra and Jakarta needing to build closer ties, the reality is that mutual trust is lacking and connections are thin.

Peter Jennings, October 2014

Security issues

Good relations with Indonesia are important to Australia for two substantial reasons. First, although commentators generally agree that military conflict has become less likely in the last quarter of a century, good relations ensure that political missteps or misunderstandings are far less likely to provoke military action. As Paul Dibb contends, ‘a friendly Indonesia acts as a strategic shield to the immediate north of Australia. But the obverse would also apply: an Indonesia in unfriendly or aggressive hands could use the advantage of geographical proximity for military operations against Australia’. As military confrontation is in neither nation’s interest, good relations should ensure that contentious matters can be resolved peacefully.

The second reason that good relations are important to Australia is that Australia is likely to increasingly rely on Indonesia’s support in regional forums and disputes. Examples of this support have already been seen; there was a sufficient level of trust for Jakarta to support Australia’s inclusion in the East Asia Summit in 2005, even if hedging China’s influence in the region was a key driver. Furthermore, geography dictates that the two countries have intersecting interests in the region, notably economic and migration activities in the waters that separate them. As Jamie Mackie suggests:

The dominant political imperative we must keep in mind is that we need to be able to count on Indonesia’s cooperation with us, not opposition, in matters of regional international politics and also on problems arising from our contiguity in the Timor-Arafura Sea area, such as fisheries, quarantine, border protection, the maritime boundary etc. If Indonesia were to adopt an antagonistic attitude towards us on either front, its opposition could give rise to serious difficulties for us.16

Significantly, Indonesia’s undeniable rise has magnified the importance to Australia of avoiding military conflict and retaining Indonesia’s support in the region. After the spying scandal was revealed, some senior Australian politicians realised the change in the essential dynamic of relations with Indonesia, namely that ‘that the relationship with Indonesia is fundamentally asymmetrical, and that in security terms Australia needs Indonesia a great deal more than Indonesia needs Australia’. The fear is that Australia will continue to undervalue relations with Indonesia if the realisation of the changing dynamic does not translate into policy action. As Hugh White suggested after the spying scandal:
Distrust has been deepened. The pattern of regular crises has been repeated. The goodwill of a pro-Australian Indonesian president has been squandered. The opportunity to start afresh, building the kind of relationship Australia needs with Indonesia as its wealth and power overtakes Australia’s, has been lost yet again, and time is running out.\(^{18}\)

Coupled with the potential traditional security threat from Indonesia, however unlikely, is the threat to Australia’s security coming through Indonesia, which is far more likely. In 1986, Dibb argued that ‘the archipelago to our north is the area from or through which a military threat to Australia could most easily be posed’.\(^{19}\) However, today, it is clear that a more likely security threat will come not from foreign state militaries but from non-state transnational threats.\(^{20}\) Globalisation has allowed networks of crime and ideologies to propagate across state boundaries, presenting increasingly complex challenges to state-centric agencies.\(^{21}\) Thus, as Alan Dupont asserts:

> The old drivers of conflict have not been rendered suddenly impotent. They co-exist in the same space as the new transnational forces and may be influenced or intensified by them.\(^{22}\)

### The influence of leadership

If insufficient relationship ballast exists, both traditional and non-traditional security relations, though relatively stable now, could easily be affected by a range of unpredictable variables. This paper will now address perhaps the most influential variable—the individual political leadership of countries—which has a key effect on international relations. Although Indonesia’s startling progress as a democracy is a positive development, democracy can produce unpredictable leaders as easily as authoritarian regimes.\(^{23}\) White argues that ‘democracy in Indonesia may produce increasingly belligerent governments ... that could introduce new and unexpected challenges to Australia’s security’.\(^{24}\)

Had Susilo Bambang Yudhoyono not been the Indonesian President between 2004 and 2014, relations with Australia could have been more vulnerable to security tensions.\(^{25}\) This is because Yudhoyono’s presidency is widely regarded as being beneficial for relations with Australia.\(^{26}\) He was generally considered a worldly leader, focusing on issues broader than his domestic popularity.\(^{27}\) The fact that Yudhoyono’s son and four ministers in his government attended university in Australia may also have provided people-to-people links that influenced his attitude to Australia.\(^{28}\) Regardless, White laments that Australia did not take advantage of Yudhoyono’s presidency, asserting that ‘no Indonesian leader has ever offered such chances to build a new relationship with Jakarta, but they have been squandered’.\(^{29}\)
Tim Lindsey asserts that of the two 2014 presidential candidates, it was generally regarded that Joko Widodo would be more favourably disposed to the relationship with Australia. Yet there are already signs that he will not look on the relationship with Australia as positively as Yudhoyono. Comparing Yudhoyono and Widodo, Aaron Connelly suggests that:

Yudhoyono often led an effort at the political level to overcome crises in the bilateral relationship with the country’s neighbours. Jokowi, focused on domestic reforms, concerned with the defence of Indonesian sovereignty in its interactions with others, and beset by strident political opposition at home ... is less likely to make that effort.

Widodo’s attitude to Australia was glimpsed as he campaigned for president. In a pre-election debate, he said of Australia’s relations with Indonesia that there was a ‘lack of trust’. Since his election, Widodo was responsible for one of the relatively few disputes between the countries that could have been considered to be caused by Indonesia—his handling of the so-called ‘Bali nine’ executions. However, it is important to note that politicians must, first and foremost, retain the trust and support of their own constituents—an evident factor in the first two years of Widodo’s presidency.

Although commentators are still gauging the likely effect that Widodo’s presidency would have on relations with Australia, they would likely have been different if his 2014 presidential rival, retired Lieutenant General Prabowo Subianto, had won. Indeed, Lindsey claims that if Prabowo had become president, ‘the tension that has already reduced between Indonesia and Australia would be increased by aggressive nationalism’. Of course, in the event, Widodo defeated Prabowo by 56 per cent to 44, and the alternative path was never travelled. However, there has already been speculation that Prabowo may run for president again in 2019, so the challenge could still materialise.

Regardless, the relatively courteous tenor of the relationship between Australia and Indonesia, experienced under Yudhoyono’s leadership, is unlikely to return in the near future. In Australia, bipartisan support for both the defence force and Indonesian engagement, to be discussed later, reduces the likelihood that political change will cause significant disruption in relations with Indonesia. Nevertheless, increasing the ballast in relations between the two countries is therefore necessary to mitigate against current and future political leaders, on both sides, whose policies are inimical to good relations.

Why defence diplomacy?

This is the way it should be: politicians come and go. As the relationship between our leaders and politicians have their highs and lows, the relationship between our militaries should be kept constant and cooperative.
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Without the natural socio-cultural links that Australia enjoys with western nations like the US, UK and New Zealand, policy ‘substitutes’ are the only option to provide ballast to relations with Indonesia. Disputes will inevitably sour relations to some degree; the challenge is to minimise the degree and duration of animosity and distrust that results. Although there is no one policy that will ensure that Australia’s relations with Indonesia can either avoid or completely mollify all substantial disputes, some will be more effective and achievable than others. This paper asserts that one such policy strand is defence diplomacy.

What is defence diplomacy?

Although there are minor variations in definitions of the term defence diplomacy, the basic tenets are the same. Andrew Cottey and Anthony Forster, in their seminal book on the subject, *Strategic engagement: defence diplomacy as a means of conflict prevention*, suggest defence diplomacy ‘involves the peacetime cooperative use of armed forces and related infrastructure (primarily defence ministries) as a tool of foreign and security policy’.39

Gregory Winger proposes a more specific rationale for defence diplomacy, suggesting it is ‘the peaceful use of the defence institutions of one country to co-opt the government institutions of another country in order to achieve a preferred outcome’.40 For the purpose of this paper, defence diplomacy is defined as the peaceful use of defence means to achieve international cooperation and prevent conflict. Although defence diplomacy is sometimes referred to as ‘military diplomacy’ or ‘defence international engagement’, the three are considered interchangeable.41 The term defence diplomacy will be solely used in this paper.

Defence diplomacy could sceptically be regarded as a contradiction in terms. The military is generally regarded as being a nation’s instrument of hard power, whereas diplomacy is its instrument of soft power.42 Although both statements are generally considered facts, the militaries of many countries have long been employed as a soft-power tool.43 NATO, the Warsaw Pact and other alliances have engaged in defence diplomacy for narrow national interests for decades. Historically, they used it to ‘counterbalance or deter enemies, maintain spheres of influence, support friendly regimes in suppressing domestic opponents or promote commercial interests’.44

However, since the 1990s, nations have increasingly used defence diplomacy for different purposes. One obvious change is instead of it being an instrument of alliance building to counterbalance enemies, nations now use defence assets to help engender cooperation with previous or potential enemies.45 In so doing, defence diplomacy can expand important common ground with
other security partners. This application recognises what the father of soft power, Joseph Nye, asserted; namely, that it affords the opportunity ‘to get the outcomes you want without having to force people to change their behaviour through threats or payments’. Australia is no novice in this contemporary form of defence diplomacy. Rather, as Anthony Bergin suggests:

We’ve been in the defence engagement game for a long time and have established a reputation as a reliable partner, perhaps with fewer ulterior motives and clearer strategic interests than other countries.

The suite of contemporary defence diplomacy activities include but are not limited to the appointment of defence attachés; defence cooperation agreements; bilateral and multilateral military exercises; placement of exchange officers; provision of training teams; contacts between senior military and ministry officials; and provision of military equipment. As former Australian Chief of Army Peter Leahy contends, ‘in a globalised world it is clear that the task of diplomacy does not only belong to diplomats’.

Is defence diplomacy an effective policy?

Proponents of defence diplomacy claim that particularly for countries like Indonesia, with a strong military identity and presence in society, it has the capacity to cut through or at least ameliorate domestic political tensions. It therefore has the potential to provide ballast in a way that most other diplomatic policy options cannot. On the other hand, critics of defence diplomacy assert that it has no lasting effect on strategic relationships and therefore has little benefit for its cost. This section will now address the major criticisms of defence diplomacy and provide justification for Australia to employ it.

One criticism of defence diplomacy is that it fails to address strategic-level bilateral or multilateral issues. Daniel Baldino and Andrew Carr, who have written a number of articles refuting the effectiveness of defence diplomacy, claim that ‘despite a range of positive spin-offs, defence diplomacy will not substantially transform the overall picture of Asia’s ongoing political cleavages. Nor will it eliminate fundamental areas of strategic distrust’. Cottey and Forster similarly claim that:

While military contacts and transparency can help to reduce misperceptions and mistrust, they are unlikely to fully overcome the tendency of defence planners and service personnel to prepare for the worst. Nor will contacts between professional soldiers necessarily prevent armed conflict if this is the direction in which political and military leaders wish to go.

On these assertions, the critics appear not to concede that political leaders can be heavily influenced by military commanders, particularly in countries like Indonesia, where the TNI (Indonesia’s armed forces) is popular and influential.
On TNI’s influence on Indonesian politics, Natalie Sambhi asserts that ‘while the military is ostensibly out of politics, let’s get real and acknowledge that it still wields influence in Indonesian politics and business today’.54

Good relations with TNI are therefore likely to influence Australia’s relations with the Indonesian government. Furthermore, by declaring that defence diplomacy cannot overcome deep-seated differences that cause tension between nations, the critics imply that there is a ‘silver bullet’ that can. Using the same logic, it could also be said that none of the commendable policies yet implemented by Australia’s Department of Foreign Affairs and Trade has achieved this international relations nirvana; such a statement would similarly be unfair.

Critics also imply that proponents of defence diplomacy are indeed claiming that it can avoid conflict single-handedly.55 From the author’s readings, no primary source or commentator has made such a claim. Rather, Australia’s 2009 Defence White Paper asserts that:

[I]nternational defence relationships complement our broader foreign policy goals … assist in building confidence and transparency … and provide the ballast which ensures that when circumstances demand we can work together with trusted allies and partners in crises and, if necessary, in conflict.56

Similarly, the 2016 Defence White Paper, while stating that defence diplomacy contributes to Australia’s ‘strategic weight’, clarifies that ‘our strategic weight is also built on our economic and trade links with other countries, our diplomatic ties around the world and our extensive network of other government-to-government linkages such as law enforcement’.57 The document does not claim defence diplomacy to be the sole or even predominant strategic influence. However, as Michael L’Estrange concludes, ‘defence international engagement will … be increasingly important for the advancement of Australian strategic interests, particularly in the Indo-Pacific region’.58

Defence diplomacy must be part of a suite of policy options that collectively alter the tone of relations in a positive direction, thereby providing ballast. Indeed, this paper argues that defence engagement can have a strategic effect. John Blaxland cites the effectiveness of years of defence diplomacy with Thailand in the 1990s as a key factor in Thailand being the first Asian nation to commit forces (and a deputy commander) to the Australian-led operation in East Timor in 1999.59 Blaxland also argues that the Philippines’ contribution to the same operation was likely as a result of years of Australian defence diplomacy with that country.60

Most critiques of defence diplomacy argue that there is little evidence that it actually works. The East Timor crisis of 1999 is often cited by both proponents
and critics of defence diplomacy to support their position. Daniel Baldino and Andrew Carr, for example, assert that for East Timor, defence diplomacy provided ‘security protection’, rather than a ‘strategic contribution’. Their conclusion is based on evidence that the ADF and TNI avoided military confrontation due to personal familiarity and relationships formed through years of defence diplomacy. Defence diplomacy, so their argument goes, helped avoid tactical conflict but would not have been able to ‘diffuse or mitigate differences with Indonesia’s leadership in a hypothetical situation where they had chosen to resist the presence of INTERFET [the International Force for East Timor]’.

It is true that the diplomatic efforts of the Australian Government as a whole facilitated Indonesia’s acquiescence to the ADF’s deployment to East Timor. However, senior military relationships ensured that TNI misunderstandings about the military lodgement, which could have led to conflict, were avoided. Then Major General Peter Cosgrove, the Australian commander in East Timor, said after the event that ‘I believe there was a pay-off there through an understanding … [and] hopefully some level of respect, which defused situations which could have been much more critical’. At the political level, Major General Jim Molan, who was the Australian Defence Attaché to Jakarta at the time, claims ‘our access and insight into the Indonesian military allowed Australia’s Government to make Indonesia policy decisions with confidence’.

Given Jakarta’s extreme sensitivity to the issue of East Timorese sovereignty, had any military conflict occurred in East Timor, Australia’s relationship with Indonesia may have become permanently adversarial. White, although generally cautious about extravagant claims of the benefits of defence diplomacy, concedes that its use in East Timor eased strategic tensions and rivalries. Defence diplomacy, L'Estrange similarly concedes, ‘can build vital connections on which to draw in times of crisis and tension. It can reduce the potential for miscalculation and misunderstanding’.

Two examples of occasions where ballast was needed in relations with Indonesia were discussed earlier, namely the banning of live cattle exports to Indonesia and the execution of two of the ‘Bali nine’ Australian drug smugglers. This paper asserts that defence diplomacy can assist Australia and Indonesia to get relations back on an even keel after such events. As Jennings suggests:

It’s an investment that any likely future Australian government should endorse, as in time it would be able to draw on the good will generated when the next drug mule or live animal trading problem threatens to derail the relationship.
Political considerations of defence diplomacy

In both Indonesia and Australia, the defence forces enjoy support from the respective major political parties. This is largely because, in both countries, there is very strong popular support for the military. Defence diplomacy, not surprisingly, also enjoys popular and political support in both countries.

In Australia, successive governments have enthusiastically built on existing levels of defence diplomacy with Indonesia. In Indonesia, despite the security focus being predominantly to its north, defence diplomacy activities with Australia have been generally embraced. The only exception has been during times of conflict; for example, activities were curtailed (but not stopped) after the East Timor crisis and the spying allegations. However, both countries have demonstrated their faith in the value of defence diplomacy by subsequently restoring and progressively increasing engagement.

The cost of defence diplomacy, although not constituting a significant proportion of the defence budget, also receives bipartisan support in Australia. The Coalition Government dedicated an entire section of the 2016 Defence White Paper to defence diplomacy with Indonesia and described Australia’s relationship with Indonesia as ‘vital’. Although the Australian Labor Party reduced the defence budget between 2010 and 2013, it has remained committed to a strong defence force and is drawn to the low risk and potential high returns of defence diplomacy.

The Defence White Papers of 2009 and 2013, published under a Labor Government, were ambitious about defence diplomacy with Indonesia. Both claimed that Indonesia was Australia’s most important partner in the region. The Labor Party platform at the 2016 federal election, when in opposition, stated that Labor commits to ‘continue to strengthen our military and defence cooperation with partner countries in our region including Indonesia, Japan, Korea and India’.

Defence diplomacy therefore provides some unique advantages over other foreign policies: it is supported by both countries; its value is recognised by all major political parties; and funding is available for it. Furthermore, the 2016 Defence White Paper flagged that defence spending would return to two per cent of GDP over the next five years, an increase of $30 billion over current spending. Given that it also flagged an increase in defence diplomacy activities in Southeast Asia, funding for defence diplomacy will likely increase. Therefore, taking a broad view of the fragile regional security and the policy tools available to improve it, Nicholas Floyd concludes that:
With little prospect on the horizon for a large augmentation of Australia’s diplomatic resources, and with security becoming a common thread across policy issues ranging from aid to climate change to terrorism to more traditional questions of war and peace, the need for good defence diplomacy has never been greater.78

Specific defence diplomacy policy initiatives

Building defence cooperation with Indonesia with real substance is likely to prove a major challenge. Given the great differences between Australia and Indonesia in terms of culture, religion, language and political system, it will necessarily be a painstaking and incremental process.79

The ‘great differences’ Tim Huxley refers to are exactly the reasons why ballast is required in relations between Australia and Indonesia. Without ballast, those differences are more likely to lead to misunderstanding and conflict. The implicit conclusion Huxley makes is that Australia’s defence cooperation with Indonesia currently does not have real substance. However, there are many current examples, spanning almost the entire range of defence diplomacy options provided earlier, of current initiatives between the two nations to refute this notion. This section lists the major initiatives currently underway and proposes four new ones.

Current initiatives

Bilateral defence cooperation agreements are arguably at the high end of the post-Cold War defence diplomacy options proposed by Cottey and Forster.80 Australia has had a number of agreements with Indonesia in recent years. Prime Minister Keating and President Suharto signed a formal security agreement between Australia and Indonesia in 1995.81 The agreement was considered significant, not only because it completed treaties or agreements with all its major neighbours, but because Indonesia had previously been determined to follow a policy of non-alignment.82 Unfortunately, Indonesia annulled the agreement after the East Timor crisis, due mainly to a sense of betrayal that Australia had led the mission.83

The Framework for Security Cooperation, known as ‘The Lombok Treaty’, was signed in 2006 in an effort to restore some formality to security cooperation.84 Again, the treaty was signed by two leaders, Prime Minister John Howard and President Yudhoyono, who were keen to stabilise relations. The treaty required the two countries to respect each other’s sovereignty and territorial integrity, and refrain from the use of force against each other.85 In 2012, the two countries signed the Defence Cooperation Agreement, aimed at putting a framework of practical defence engagement activities around the Lombok Treaty, which marked the high point of defence cooperation between them.86
Subsequently, in response to the 2013 allegation that Australia spied on Indonesia, the countries signed the Joint Understanding on a Code of Conduct in 2014. It provided further guidelines to the Lombok Treaty to ensure intelligence was not used against each other and that intelligence cooperation should occur. All these agreements have demonstrated a general desire by Australian and Indonesian governments to build closer ties, avoid conflict, and cooperate on regional security issues.

Nevertheless, given Indonesia’s policy of non-alignment, an alliance between Indonesia and Australia is considered unlikely. Indeed, in the wake of the spying allegations, at least one commentator considered the prospect that Indonesia may once again formally abrogate its security agreements with Australia. However, the fact that this did not happen likely indicates the value that Yudhoyono gave the agreements.

Another broad defence diplomacy initiative has been the recent Australian practice of engaging with Indonesia during the drafting of the 2016 Defence White Paper. Indonesia was one of a number of key nations briefed by Defence officials on the contents of the paper prior to its release. Indonesian officials thanked the Australian Government for the early consultation, which pointedly contrasted with the lack of warning before the announcement in 2011 of plans for US Marines to train in northern Australia. It appears that Australia has learnt the value of engagement with Indonesia on security issues to build trust and minimise unhelpful assumptions about Australia’s intent.

In terms of military engagement, the two countries now conduct the highest level of exercises and training since before the East Timor crisis. These include Indonesia’s participation in one of Australia’s premier fighter aircraft exercises in the Northern Territory, Exercise PITCH BLACK. Indeed, the presence of Indonesian Sukhoi aircraft was the first time these aircraft had participated in an exercise outside Indonesia. Coordinated maritime security patrols of shared maritime borders also occur periodically, while a number of special forces and regular Army bilateral and multilateral exercises are conducted each year.

As L’Estrange notes, this type of diplomacy ‘can further strengthen alliance relationships and can expand important common ground with other security partners’. Nevertheless, the conduct of international exercises is still subject to political ructions. Indonesia cancelled a number of exercises and recalled its ambassador to Australia after the 2013 spying allegations, although the level of exercise engagement has recovered and been increased since.

People-to-people defence engagement is also being conducted at a number of levels. Although Australia has generally led proposals for defence engagement, in 2013 (before the spying allegations) Indonesia demonstrated
its commitment by initiating an annual High Level Committee meeting, co-chaired by the respective defence force chiefs, and covering a broad range of topics, including operations, intelligence, logistics, education and exercises.99 Australia also has a one-star level defence attaché in Jakarta, supported by a large defence staff.100

A handful of Australian military staff, many of whom progress into the attaché appointments, also conduct staff and government courses in Indonesia. In Australia, about 100 Indonesian defence personnel participate in courses each year.101 Many of these officers are students or staff at the two major command and staff colleges in Canberra. The 2016 Defence White Paper committed to doubling the training provided to international military students over the next 15 years.102 The long-term and strategic impact of this relationship-building and knowledge-sharing is captured by Hogan:

Dozens of senior Indonesian military officers, both active and retired, filling senior posts as governors, ambassadors, cabinet ministers, chiefs of service and senior civil servants, are graduates of Australia’s highest level civil-military leadership training college at Weston Creek, Canberra.103

New initiatives

Although the level of defence diplomacy interaction between Australia and Indonesia is higher than with any other country in the region, specific new initiatives could provide further ballast for relations.104 A common criticism of the current defence engagement is that it is not targeted to achieve the greatest benefit for the effort and financial cost expended.105 This perception may have been sustained because Australia’s current Defence International Engagement Plan is classified. It details the priorities of defence diplomacy, their objectives and their performance measures, so would presumably satisfy much of what commentators claim is missing.106 Nevertheless, the initiatives this paper will now propose are selected to provide the maximum ballast to relations with Indonesia.

Initiative 1: Establish a Defence Regional Engagement Centre

The clear intent of the 2016 Defence White Paper is that the range and scope of defence diplomacy activities will increase over the next 20 years.107 The increase extends to all Australia’s current defence partners but with particular mention of Indonesia. It includes tri-service cooperation, exercises, operations, training, more frequent policy meetings and intelligence exchanges.

Given the likely burgeoning workload to establish and maintain these activities, a Defence Regional Engagement Centre should be established, as proposed by Sam Bateman and colleagues in their 2013 review of regional defence
They reasoned that a Defence Regional Engagement Centre is necessary to prioritise and coordinate the myriad defence diplomacy activities that are underway or being planned. Furthermore, they argued that a Defence Regional Engagement Centre would allow Australia to increase what the 2016 Defence White Paper called its ‘strategic weight’ in an increasingly contested regional defence diplomacy environment.  

The range of tasks that a Defence Regional Engagement Centre could perform would include establishing the maximum capability and relationship benefit of every defence diplomacy activity; providing a venue for conferences and symposiums to discuss regional security issues, doctrine and operational military matters; overseeing Australia’s exercise program with regional countries, including the evaluation of the success of each activity; and regional intelligence-sharing in accordance with bilateral and multilateral agreements. As will be suggested later in this paper, other functions could also be incorporated.

The Centre would ideally be located in Darwin, geographically closest to the countries with which Australia would engage. It could be placed on one of the four main defence establishments in Darwin, either in an established building or a new, purpose-built one. The cost would likely be less than $5 million. The Centre would ideally contain approximately ten Australian military and civilian staff, and officers from regional countries would be invited to be employed at the Centre. As there is no comparable Southeast Asian institution in existence, the Centre would clearly signal Australia’s commitment to Indonesia and the region.

Initiative 2: Increase maritime security cooperation

Shared interests are more important, ultimately, than cultural differences. Maritime security provides a rare example of a shared interest between Australia and Indonesia. President Widodo has signalled his intent for Indonesia to be the ‘world maritime axis’. As Australia seeks to secure its northern approaches, there is therefore great potential for increased maritime security cooperation. As stated in the joint communiqué from the third Australia-Indonesia Foreign and Defence Ministers 2+2 Dialogue in 2015:

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.

In the absence of a direct security threat to either country, shared maritime security interests could focus on non-traditional security concerns such as irregular people movement, transnational crime and illegal fishing. Such
security cooperation is entirely consistent with Australian government policy as stated in the 2016 Defence White Paper:

We have a mutual and abiding interest in the security and stability of the maritime domains that we share, the free movement of trade and investment through these domains, and countering terrorism and people smuggling in our region. Australia welcomes Indonesia’s increased focus on maritime affairs and Australia will seek greater cooperation on maritime security activities that contribute to a stable and prosperous region.117

It is acknowledged that maritime security cooperation is not just a task for the military; it requires the involvement of immigration, police, customs and fisheries agencies.118 However, as this paper focuses on defence diplomacy, it will only consider in detail the involvement of Australian defence assets, where obvious opportunities for maritime security cooperation include search-and-rescue, counter-piracy, counter-terrorism, and offshore oil and gas infrastructure protection.119 In such areas, cooperation with Indonesia could be enhanced through exercises, patrols, knowledge-sharing and people-to-people engagement.

Joint exercises and operations are an activity that would benefit from substantial expansion. Coordinated maritime security patrols of shared maritime borders have been conducted by the Australian and Indonesian navies for a few years.120 There are also air force maritime surveillance exercises being conducted between the nations, such as ALBATROSS AUSINDO. To realistically exercise the respective armed forces as they would in operations, joint exercises should be conducted. In this way, ‘instead of only naval or air force exercises, Australia and Indonesia could conduct maritime bilateral exercises’.121 Joint exercising between the two countries has already commenced involving more than one Service from Australia but should be further expanded to include joint Indonesian participation.122

Increased maritime security cooperation with Indonesia would magnify the benefits of interoperability, expand the sharing of doctrine and maximise people-to-people-engagement.123 Of course, these exercises would include interagency involvement from the aforementioned maritime security agencies, further increasing the level of engagement and trust, as well as the real world utility. Furthermore, in so doing, Australia would be seen to be assisting Indonesia achieve President Widodo’s goal of being a world maritime axis. Consistent with this goal, Australia could assist the TNI to evolve into a regionally powerful security force, rather than remaining internally focused, which would improve regional security for Indonesia and partner countries.124

To further enhance maritime security cooperation, Australia should consider helping to establish a National Maritime Security Information Centre. Such
a concept was proposed by Indonesia in 2012 but the details are still being developed. The aim would be to develop an understanding of every maritime element that can affect safety, security, the economy or the environment. Australia could co-fund the centre with Indonesia, as it would be consistent with Australia’s strategic interest of securing the sea lines of communication through which most of Australia’s trade flows. Similar to the highly successful Jakarta Centre for Law Enforcement Cooperation, which Australia jointly funded, the centre would ideally be located in Indonesia. It would incorporate extensive involvement from the Royal Australian Navy (RAN) and Australian Border Force but would be a multi-agency, multinational facility.

**Initiative 3: Conduct regular LHD-ship visits to Indonesia**

Humanitarian assistance and disaster relief operations are almost universally agreed to be a significant benefit of defence diplomacy. The consequential improvement in relations between countries providing and receiving the support is substantial and lasting. For example, Australia’s assistance to Aceh after the 2004 tsunami was instrumental in restoring relations between the two countries after the East Timor crisis.

Although no-one can schedule or predict real humanitarian assistance and disaster relief operations, they can be practised. Such exercises are commonplace in defence diplomacy, as they are arguably the softest application of military power. Exercises allow not only procedural practice and interoperability benefits, they allow extensive personnel engagement at all levels of the chain of command. As Leahy has noted:

> These missions are the lowest common denominator of military cooperation, but the potential benefits are closer patterns of cooperation, opening of lines of communications between countries in the region, and professional dialogue between military forces.

The two landing helicopter deck (LHD) ships recently acquired by the RAN provide an outstanding humanitarian assistance and disaster relief capability for the ADF. Although primarily purchased for their amphibious capability, their organic layout, embarked personnel and facilities provide a formidable medical and logistics capacity. As Anthony Bergin and Athol Yates explain, ‘the LHDs, with their enormous capability can lift sufficient plant equipment to come in and rebuild large infrastructure quickly, and carry the medical support needed to treat whole communities rapidly’. While providing humanitarian assistance and disaster relief, such deployments provide a wide range of operational skills essential to warfighting.

The capability of the LHDs to conduct humanitarian assistance and disaster relief operations and exercises is matched by the political signal that they
send simply by being present. Indonesia does not possess any ships that even remotely match the size and capability of LHDs. They are huge, expensive ships that attract attention wherever they go in the region. After the LHDs were sent by the Australian Government to Fiji in the wake of Cyclone Winston in early 2016, the RAN conducted a joint exercise with the Fiji Navy.\textsuperscript{135} Fiji Times’ reporting of the LHD’s size reflects the impact of its inescapable presence, noting that ‘even from as far as two kilometres away, the mighty Australian navy ship could be seen dwarfing structures [ashore]’; the size of the LHD ensures that Australia’s commitment to the region is not just felt by those directly affected.\textsuperscript{136}

The US uses its LHDs to provide humanitarian assistance and disaster relief to countries around the world, including to Indonesia through Exercise PACIFIC PARTNERSHIP.\textsuperscript{137} Since 2005, US Navy LHDs have routinely conducted short humanitarian missions in East Timor and Indonesia, and have earned enormous goodwill.\textsuperscript{138} Similarly, China conducts defence diplomacy in the region through similar exercises and operations, particularly through the use of its hospital ship, the Peace Ark.\textsuperscript{139}

For Australia to largely match the US and Chinese commitments, despite not being a major world power, would send a strong message to Indonesia that Australia is willing and able to cooperate with and help its near neighbour. The only cost to Defence would be that the ship would not be available for other operations for the relatively short periods it was in Indonesian waters. However, as the initiative is consistent with both Australia’s defence diplomacy intent and the proposed utility of the LHDs, it is an entirely appropriate use of the capability.

\textbf{Initiative 4: Enhance people-to-people engagement through IKAHAN}

When it comes to Indonesia, nothing’s more important than personal ties.\textsuperscript{140}

As previously outlined, there are many people-to-people activities currently being conducted between Australia and Indonesia. However, there is scope and benefit in increasing them. One activity not mentioned earlier is the Australian-Indonesia Alumni Association, known as IKAHAN. Conceived in 2011 by the then chiefs of the respective defence forces, it is the first defence alumni association Indonesia has entered into with another nation.\textsuperscript{141} IKAHAN comprises over 1000 members of TNI and the ADF who have studied or worked together in each other’s countries.\textsuperscript{142} The Association meets frequently to renew bonds formed during previous engagements. In so doing, relationships formed at all ranks have the greatest chance of developing into lasting relationships and therefore trust. Activities are funded by Australia but very well attended by Indonesian military members.\textsuperscript{143}
The value of this form of defence diplomacy is not always immediately clear but, as Rick Burr asserts, ‘you don’t know how important these relationships are until you need them. But building trust takes time, consistency and sincerity’.\textsuperscript{144} An excellent example of how relationships formed through engagement, including IKAHAN, can assist the two countries to navigate stormy seas is provided by former Chief of Army, Lieutenant General Peter Leahy (retired). He used personal contacts to diffuse tensions at the commencement of the East Timor deployment in 2006.\textsuperscript{145} Furthermore, in 2013, the Australian Prime Minister asked General Leahy to deliver a message of apology to the Indonesian President after the spying revelations. He tells of the experience on arrival in Indonesia:

\begin{quote}
I was received very cordially in Jakarta and delivered the letter to a senior official in the Foreign Ministry. I did not get to see the President as he was in Bali. But I did get to see a range of my Indonesian friends. What was most significant was that they made the effort to come and see me once they learned I was in town. They all had a consistent message both as individuals but also from very senior government officials in the defence and security community. The message was simple—we are pissed off, but it will not be to the detriment of the overall defence relationship.\textsuperscript{146}
\end{quote}

Jennings, acknowledging the value of IKAHAN, suggests that the Australian Defence Department should fund the establishment of a physical home for it in both Australia and Indonesia.\textsuperscript{147} This would signal a significant commitment by Australian to the Association and the relationship that it underpins. The commitment would be consistent with Defence’s public policy as stated in the 2016 Defence White Paper, which seeks to deepen Australia’s defence relationship with Indonesia.\textsuperscript{148} The Australian home could be included in the Defence Regional Engagement Centre in Darwin. Alternatively, if that centre is not funded, office space in one of the four main defence establishments in Darwin would suffice. The Indonesian home would be in a location chosen by the TNI.

**Conclusion**

The time is opportune for closer defence relations with Indonesia and, despite the potential pitfalls, the net assessment must be that Australia’s security stands to benefit from pursuing this course.\textsuperscript{149}

Relations between Indonesia and Australia have always been brittle. As with any two near neighbours, disputes will inevitably arise and it is wishful thinking to assume they can be avoided. When disputes occur, the vast cultural and social differences between the two countries tend to result in that distrust becoming magnified and prolonged. Former Foreign Minister Gareth Evans was right in saying that ballast is needed to reduce the severity of conflicts and abbreviate their effect. If the very different heritage of the countries cannot provide the ballast, trust must be engineered. In this endeavour, there must
be many contributors. Traditional diplomacy, trade and people-to-people links are all required to provide the necessary foundations. No one policy will ensure that relations can recover quickly after disagreements.

There have always been compelling reasons for Australia to find the right policy formula to establish more stable relations with Indonesia. The primary reason is that Indonesia’s propinquity to Australia has always dictated a special importance for Australia’s traditional and non-traditional security. Indeed, as Ramesh Thakur suggests, ‘for reasons of geography and demography, Indonesia is no less important to Australia than the big three in Asia’. However, the importance of establishing ballast for relations is now more important than ever due to Indonesia’s rapidly increasing strategic weight. Indonesia’s inarguable rise as a regional and future global power will ensure that its impact on Australia’s security, both traditional and non-traditional, has the potential to be profound.

Stability in relations, afforded by a suite of effective policies, will ensure that the greatest security threats are avoided. Defence diplomacy must be a part of the policy mix—a conclusion both countries agree on. Defence diplomacy, in the form of security agreements, people-to-people links, exercises, operations and education can build trust and establish common interests. A number of factors make defence diplomacy not only a good policy but also a practical one: the strong influence of the Indonesia military on political deliberations in Jakarta; the ample capacity of the Australian government to offer desirable and affordable engagement options; and the bipartisan support afforded both the military in Australia and good relations with Indonesia.

Defence diplomacy can therefore provide some of the ballast on which a more stable relationship can be built and maintained. For maximum benefit, the Australian government must, as Floyd states, ‘drop any remnants of its autopilot approach to defence diplomacy’ and invest in the initiatives contained in this paper. These initiatives would add to existing defence engagement with Indonesia to comprise a potent component of the Australian government’s policy mix—one that can reduce tensions, maintain trust and cooperation, and avoid conflict.

When the next crisis in relations between Australia and Indonesia occurs, and history portends that it will sooner or later, relations will need ballast to ensure the severity of the crisis is minimised. Despite being influenced by the narrow domestic focus of their politicians, and lacking shared socio-cultural bonds, the two countries will increasingly focus on common regional security challenges to find a common purpose on which to agree and cooperate. When this happens, as in the past, defence diplomacy will reveal its value as a substantial ballast for relations between the two countries.
Notes


12 Jennings, ‘Australia’s golden opportunity to reconcile with Indonesia’.

13 For example, Schreer, ‘Moving beyond ambitions? Indonesia’s military modernisation’, p. 30; also Christopher Roberts and Ahmad Habir, ‘Australia’s relations with Indonesia: progress despite economic and socio-cultural constraints?’, Issue Brief No. 11, ANU National Security College: Canberra, May 2014; and Mackie, *Australia and Indonesia*, pp. viii-ix.


16 Mackie, Australia and Indonesia, pp. viii-ix.


21 Gyngell and Wesley, Making Australian foreign policy, p. 236.


27 Michael Bachelard, ‘Susilo Bambang Yudhoyono’s legacy: the great democratic leader who became a follower’, Sydney Morning Herald, 18 October 2014.


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41 Defence international engagement is the term used by the Department of Defence in most of its policy documents, such as Department of Defence, Defence White Paper 2016, Commonwealth of Australia: Canberra, 2016, p. 118. This may be because the Department of Defence is trying to deconflict its activities with those of the Department of Foreign Affairs and Trade. Reference to military diplomacy being synonymous with defence diplomacy is from Winger, The velvet gauntlet.


43 Cottey and Forster, Strategic engagement, p. 6.

44 Cottey and Forster, Strategic engagement, p. 7.

45 Cottey and Forster, Strategic engagement, p. 7.


49 Cottey and Forster, Strategic engagement, p. 7.


52 Cottey and Forster, Strategic engagement, p. 18.


58 L’Estrange, ‘International defence engagement’.


60 Blaxland, ‘Defending defence diplomacy’.

61 Baldino and Carr, Defence diplomacy and the Australian Defence Force, p. 3.


65 Quoted in Floyd, ‘Dropping the autopilot’, p. 7.


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72 Sambhi, ‘Keeping it real in Australia’s outlook on Indonesia’.


78 Floyd, ‘Dropping the autopilot’, p. 12.

79 Tim Huxley, ‘Australian defence engagement with Southeast Asia’, ANU Centre of Gravity Series, Strategic and Defence Studies Centre: Canberra, November 2012, p. 3.

80 Cottey and Forster, Strategic engagement, p. 7.


85 Roberts and Habir, ‘Australia’s relations with Indonesia’, p. 84.

86 Jennings, ‘A challenging relationship’.


92 Topsfield, ‘Australia is not a threat’.

93 Yudhoyono, ‘Australia’s strategic outlook’.


96 McGrath, ‘Indonesia-Australia alliance’.


99 Donald Greenlees, ‘Let’s try harder to rebuild trust with Indonesia’, The Australian, 30 May 2014; also Dupont, ‘Indonesian ties much tighter’.


103 Hogan, ‘Australia–Indonesia’.

104 This assessment is based on the size of the defence staff in the Australian Embassy in Jakarta relative to any other regional country, the prominence given to Indonesia in successive White Papers and publicly available information about Defence Cooperation Program funding, which comprises a proportion of overall defence diplomacy.
105 For example, Baldino and Carr, ‘Defence diplomacy and the Australian Defence Force’, p. 3; and Floyd, ‘Dropping the autopilot’.


110 Some, but not all, of these proposed tasks come from Bateman, Bergin and Channer, ‘Strategy terms of engagement’, p. 86.

111 The four main defence establishments in Darwin are Larrakeyah Barracks, Robertson Barracks, RAAF Darwin and HMAS Coonawarra.


118 Supriyanto, ‘Waves of opportunity’, p. 5.


120 McGrath, ‘Indonesia-Australia alliance’.

121 Atriandi Ristian Supriyanto, ‘From shipmates to mateship: improving maritime security cooperation with Indonesia’, ANU Centre of Gravity Series, Strategic and Defence Studies Centre: Canberra, May 2015, p. 16.


125 This paragraph is largely drawn from Supriyanto, ‘From shipmates to mateship’, p. 14.


127 For example, Nick Bisley, ‘The possibilities and limits of defence diplomacy in Asia’, in Carr, Defence diplomacy, p. 12; and Bateman, Bergin and Channer, ‘Strategy terms of engagement’, p. 79.


134 Blaxland and Claxton, ‘HADR—time to lift our game?’.


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138 Blaxland and Claxton, ‘HADR—time to lift our game?’.


140 Supriyanto, ‘Waves of opportunity’.


142 Bateman, Bergin and Channer, ‘Strategy terms of engagement’, p. 27.

143 The author attended two IKAHAN events in 2016 in Jakarta and Bandung.


145 Leahy, ‘Military diplomacy’, p. 16.


147 Jennings, ‘A challenging relationship’.


151 Dupont, ‘Indonesian ties much tighter’.