

SUBMISSION

on

AUSTRALIA'S RELATIONS WITH INDONESIA

by

THE AUSTRALIA DEFENCE ASSOCIATION

to

**The Foreign Affairs Sub-Committee
Joint Standing Committee on Foreign Affairs, Defence & Trade
of the Australian Parliament**

Melbourne
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INTRODUCTION

1. This submission to the Foreign Affairs Sub-Committee, Joint Committee on Foreign Affairs, Defence and Trade on its reference on *Australia's Relations with Indonesia* is made by the Board of directors of the Australia Defence Association on behalf of the Association.
2. The Australia Defence Association is a non-partisan citizens group structured as a corporation established by guarantee under the Australian Securities legislation with the object to promote, foster and encourage the best form of defence for Australia. The Board of seven directors is appointed by the guarantors who are drawn from a wide cross-section of the Australian community.
3. The Association is funded by private subscription and such other revenue as can be raised from various functions as well as consultancy work for industry and others. With the exception of some subscriptions to publications, all funds are derived from non-government and Australian sources.
4. The Association has correspondence relations with strategic studies institutes and individuals in 11 overseas countries, all in the Pacific Basin. It provides the Australian representation on the international committee which organises the Western Pacific sea lanes security conferences. The sixth conference in the series was hosted by the Association in Melbourne in October, 1988.
5. The Association publishes a quarterly journal *Defender* which enjoys a circulation of approximately 1000 in Australia and overseas. It also publishes a monthly digest entitled *Defence Brief* and a site on the Internet's World Wide Web at www.ada.asn.au.
6. As neighbours, the destiny of both Australia and Indonesia is entwined irrevocably for better or worse. Yet, as neighbours, the two countries can hardly be more different in their historical and cultural experiences. On the assumption that close and friendly relations are better for both countries, the challenge is to work out how such relations can be built up. This article will concentrate on the security relationship because that is where the Australia Defence Association's interests lie but, clearly, the wider relationship is certainly more important in the long run.

BACKGROUND

Geography

7. Australia's security relationship with Indonesia is driven primarily by the geographic proximity of the two countries. Indonesia is a nation of some 231 million people¹, the fourth most populous in the world since the break up of the Soviet Union. By contrast, Australia is a country of relatively small population despite being almost four times as big as Indonesia in area².
8. Of more significance is the fact that Australia's traditional security policy has been driven by a desire, conscious or otherwise, to ensure that no enemy can acquire bases for an assault on Australia anywhere in the string of islands extending from Sumatera (and Peninsula Malaysia) through Indonesia, Papua New Guinea and the South Pacific island states to New

¹ <http://www.cia.gov/cia/publications/factbook> Downloaded 23 Oct 2002

² *Ibid*

Zealand. This is Australia's shield and the so-called policy of forward defence was designed simply to maintain that shield.

9. That was and is a rational policy, the maintenance of which transcends any temporary difficulties in Australia's relations with Indonesia. It should remain one of the core elements of any Australian security policy until the strategic position which has been established vis-a-vis Indonesia is irretrievably lost. In essence, it is the current official defence policy of the 2000 defence White Paper.³

The Trade Routes Factor

10. In 2001, Australia's total overseas trade was valued at \$240.3 billion of which exports accounted for \$122.5 billion. The total value of overseas trade represented 34.7 per cent of Gross Domestic Product.⁴ At least as much again would be accounted for by import and export dependent industries so that more than half Australia's economy is directly or indirectly dependent upon secure shipping. According to the Bureau of Transport and Regional Economics, this overseas trade was represented in 1999-2000 by exports of 518 million tonnes and imports of 56 million tonnes. A subset of the unchanging geographic relationship is the fact that a large proportion of Australia's overseas trade passes through the Indonesian straits of Lombok, Ombai and Wetar. Based upon Bureau of Transport and Regional Economics figures, the Association estimates that in 2001, at least 276 million tonnes of exports and 13 million tonnes of imports passed through these Indonesian straits.⁵ Diverting that shipping from Western Australian ports in an emergency would be both difficult and costly.
11. Of less direct significance is the fact that Australia's north east Asian trading partners, Japan, South Korea, China and Taiwan, also rely heavily upon trade through the Indonesian straits, especially Malacca and Sunda as well as Lombok. Any substantial or sustained interruption of what are largely strategic imports such as oil, iron ore, bauxite, coal, nickel and wheat for these countries would have an inevitable flow-through effect on Australia's economy.
12. Thus the security of merchant shipping through the Indonesian straits represents a fundamental Australian security interest. That most of the ships are not Australian flag ships is irrelevant; the cargoes are of primary concern to Australia. Indeed, the fact that the ships may fly a foreign flag while carrying Australian cargoes has the potential to involve Australia in conflicts between other countries. Academic and departmental responses to concerns about the security of overseas trade have tended to be dismissive, suggesting that the threat is insignificant, alternatively, that Australia has no need for a trade defence capability of its own.⁶ In most cases, those responses have been couched in terms of a conflict between Australia and some other country but have ignored the reality that a conflict between one of Australia's major trading partners such as Japan and another country could involve attacks on merchant shipping ranging from low level harassment to a sustained attempt at interdiction.

³ White Paper *Defence 2000: Our Future Defence Force* (hereafter White Paper) para 6.10-6.13

⁴ Department of Foreign Affairs and Trade *Australia: Economic & Trade Statistics* June 2002

⁵ <http://www.dotars.gov.au/btre/docs/trnstats02> Downloaded 23 Oct 2002

⁶ See for example Paul Dibb *Review of Australia's Defence Capabilities* 1986, AGPS, Canberra p. 68

13. Such relatively low level threats to shipping such as piracy or terrorism also have the potential to affect trade not only through direct losses but also as a result of the impact on insurance rates.
14. Less obviously, Australia's air communications with South-East Asia and Europe as well as all intermediate areas transit Indonesian airspace. In 2001, this traffic accounted for more than two million tourists alone⁷ and clearly represents a significant national security and economic interest. In 1995-96, international tourism to Australia generated export earnings of \$14.1 billion. This accounted for 12.8 per cent of Australia's total export earnings and 63.1 per cent of services exports in that year.⁸

History

15. Australia's security interest in Indonesia predates Federation in 1901 but became significant only in 1942. Australia made a valiant but fruitless attempt to support the Dutch resistance to Japan's invasion with naval, air and ground forces engaged in Java, Ambon and Timor. Losses of men and ships were substantial.
16. After the Japanese occupation, Australian special forces units operated for more than a year in Timor and, later, carried out a number of clandestine raids in the archipelago. Late in 1944, strategic air attacks against mainly oil and shipping targets in the Indonesian archipelago were carried out from northern Australian airfields.
17. Apart from the first Japanese air raids on Darwin by Admiral Nagumo's carrier task force, all subsequent attacks on that northern Australian base were launched from Japanese airfields in Indonesia. Interestingly, the Japanese seemed to have had a greater understanding of the significance of Darwin as a strategic naval and air base than did Australians at that time or since⁹.
18. Following World War II and the outbreak of the Indonesian nationalist rebellion against the Dutch, Australia generally supported the nationalists and laid the foundation of good relations with Indonesia which have largely stood the test of time and a number of stresses over some 45 years.
19. In general, these strains arose from a post-independence determination by the government of President Sukarno to remove all vestiges of colonialism from the region. From 1958 until 1963, Indonesia sought to expel the Dutch from West New Guinea. At that time, Australia somewhat unwisely supported the Dutch until a settlement was brokered by the United States under United Nations auspices. Australia lost an opportunity to strengthen its ties with Indonesia but, in the longer term, probably little was lost.
20. Sukarno's adventurism led to his policy of *Konfrontasi* with Malaysia. This was an attempt by Indonesia to destroy the newly independent Federation of Malaysia through the use of "volunteers" to carry out low level raids into a weakly defended Malaysia.
21. Australia provided token naval and ground forces to support the largely British operation to control *Konfrontasi*. Ultimately, however, the campaign petered out after the 1965 failed

⁷ <http://www.dotars.gov.au/btre/docs/trnstats02> Downloaded 23 Oct 2002

⁸ Australian Bureau of Statistics *Year Book Australia 1998* (CD version)

⁹ for a more detailed discussion of this, see Michael O'Connor *To Live in Peace* 1985, Melbourne University Press p 27-8.

- coup by the Communist Party of Indonesia against the leadership of the Indonesian armed forces that led to the establishment of the New Order government of President Suharto. Despite Australia's involvement in the campaign against *Konfrontasi*, reasonable relations were maintained with Australian aid programmes to Indonesia proceeding without interruption.
22. A much more serious difficulty arose in 1975 when, following a revolution in Portugal, a civil war erupted in Portuguese East Timor. The Portuguese authorities favoured the leftist Fretilin by handing over their armoury to that group. Faced with the prospect of an East Timor dominated by a leftist group whose counterparts in other Portuguese colonies in Africa had sought and received help from the Soviet Union, Cuba and East Germany, Indonesia invaded and ultimately incorporated East Timor into Indonesia. Successive Australian governments gave tacit approval and ultimately recognised Indonesia's action *de facto* and *de jure*. Although the governments' policies attracted persistent but essentially marginal hostility in Australia, it is difficult to see what other option they had. Declaratory support for Fretilin would have been meaningless, achieving nothing but alienating an important neighbour, whereas the potential for armed intervention by Australia on Fretilin's behalf did not exist.
 23. Over the succeeding quarter of a century, Australia was generally content to accept the status quo. Despite a generally low grade insurgency substantially supported by Portugal, Indonesia contributed significantly to the economic and social development of what had been a badly neglected Portuguese penal colony. By 1997, however, the Indonesian military at least had become increasingly disillusioned with its inability to suppress the insurgency, an inability that was as much a product of its own incompetence as external support for the insurgency. Faced with a constant stream of casualties and a drain on its resources, influential elements of the armed forces (TNI) leadership were seeking a face-saving exit. Their search was thwarted by the departure of President Suharto and his replacement by his mercurial Vice President, Dr Habibie.
 24. Habibie let it be known that he wanted to solve the East Timor problem and his enthusiasm was fuelled by an over-hasty intervention from the Australian government late in 1998. This led to an agreement for a plebiscite under United Nations auspices to be held in August 1999. Before the agreement had been negotiated and noting Bishop Belo's assessment that a 15 year period of stability would be required before East Timor would be ready for independence, the Australia Defence Association wrote to the Prime Minister, Foreign Affairs Minister and Defence Minister setting out a proposal for the establishment of a UN Trusteeship over East Timor with an Administrator of high standing and experience¹⁰ and a security force drawn from Malaysia and Australia. To date, we have received no reply or acknowledgement from any of the ministers concerned. The detail of the proposal was included in a submission to the Senate Reference Committee on Foreign Affairs, Defence and Trade on its inquiry on East Timor in March 1999, an inquiry that was seemingly overtaken by events.
 25. The agreement between the Australian and Indonesian governments was fundamentally flawed not only because Habibie had little or no political support in Indonesia (as the November 1999 elections confirmed) but because it left Indonesian forces responsible for security in East Timor. This fundamental flaw was pointed out by the Association in June

¹⁰ Our suggestion was the former Philippines president, Fidel Ramos, but there were many other potential candidates

1999 when we noted that “the Indonesian security forces have shown over a quarter of a century, they cannot do it (ensure security).”¹¹

26. It became clear very quickly that dissident elements in the TNI were intent on creating chaos in East Timor. In this, they were assisted by the Indonesian practice of drawing the bulk of their security force personnel from within their home provinces. In the situation in East Timor, this simply exacerbated the historical experience of internal civil conflict.
27. The outcome is well known. Instead of a peaceful and smooth transition that, according to our sources within key Indonesian institutions, would have had the support of mainstream Indonesian body politic (including TNI), the transition to independence for East Timor was marred by chaos, death and widespread destruction. Australia necessarily played a central role in overcoming that disaster but should recognise that its haste and superficial policy making contributed not only to the disaster itself but also to substantial and ongoing hostility and suspicion of Australia in Indonesia. Time and events like the recent terrorist bombing in Bali will tend to overcome these but more could have been done to prevent these problems emerging. We remain concerned that Australian policy was determined by a perception that domestic political considerations required a hasty resolution however damaging that might be.
28. Paradoxically, the Bali bombing offers a substantial opportunity to overcome some of those difficulties. There can be little doubt that while the tactical targets of the outrage included not only Australian visitors to Bali, the strategic target was and remains the stability of the Indonesian government and its struggle to establish a stable and secular civil society. There is now between Australia and Indonesia a mutual and shared interest in defeating the terrorism of Islamic extremism. Australia’s rapid and constructive response in our own interest needs to be portrayed in Indonesia as helpful to their interests. In particular, Australia should be offering assistance to develop Indonesian intelligence and police capabilities.
29. Generally, it would be fair to claim that Australia has enjoyed basically good relations with Indonesia throughout the life of the republic. Such tensions as have occurred have largely been a product of cultural dissonance - especially Australian impatience - and internal Indonesian problems. They have not been substantial and have generally been managed to the satisfaction of both countries. The challenge is to remove any tensions as far as possible and build on the sound basis that exists.

AN AUSTRALIAN PERSPECTIVE

Friend or Enemy

30. Australia’s security policies with respect to Indonesia have over the years been volatile and inconsistent. There is a strong populist view that Indonesia is Australia’s most likely enemy. That view has been reinforced by an intellectually superficial defence strategy that is founded upon fiscal and bureaucratic considerations rather than security needs, a reversal of the normal practice.
31. Australia’s security policies tend to react to ephemeral fashions rather than strategic constants. A review of official statements over the past 15 years since the publication of the 1987 White Paper reveals constant changes of emphasis that reflect responses to events. This is perhaps even more so in the days following the Bali terrorist bombing on 12 October 2002. Suggestions that the Australian Defence Force (ADF) should become more involved in the

¹¹ *Defender* Winter 1999 p12.

defence of installations in Australia demonstrate a complete misunderstanding of the nature of terrorism, never mind its relative unimportance in overall strategic terms.

32. As an aside, it needs to be pointed out that terrorism cannot destroy Australia. Moreover, terrorists do not attack key installations; they attack people because killing large numbers of people terrorises. The principal defence against terrorism within Australia is provided by intelligence, police and other security services. The role of the defence force in internal security is and must always remain marginal and used as a last resort only when the other services are manifestly unable to deal with incidents. Diversion of our limited defence resources to what are properly law enforcement tasks simply ensures that the ADF will be left bereft of resources for military commitments to the defence of Australia and its interests.
33. In strategic terms, Indonesia is part of Australia's shield and our highway to the world. Fundamentally, Indonesia's external security is inseparable from Australia's and this reality should determine Australia's security relationship with Indonesia. In effect, Australia has the choice of treating Indonesia as a likely adversary or potential ally. In the Association's view, this choice is no choice at all. Policy must be directed towards ensuring that Indonesia remains an ally based upon a recognition of shared security interests.
34. This does not mean accepting that Indonesia's actions must in all circumstances be supported. It does mean however that Australia should be committing diplomatic and military resources to building and sustaining co-operative military processes that generate mutual confidence. Given the substantial cultural and historical differences, this will not be easy but good work has been done in the past on both bilateral and multilateral bases through joint training programs, training support, staff discussions and such structures as the ASEAN Regional Forum and the Western Pacific Naval Symposium. These need to be sustained and developed.
35. Given the necessary preoccupation with terrorism and the reality that Australia and Indonesia have effectively become a single target for Islamic extremists, there is also a case for developing closer police co-operation at the working level. While this would probably be under the auspices of the Australian Federal Police, State police forces should be asked to provide experienced crime investigators to work with and provide training support for the manifestly under-resourced and under-trained Indonesian police.
36. In the context of maritime security, Indonesia has invested heavily in traffic control through the archipelago partly for maritime security reasons and partly to reinforce its nationalistic claim to authority over the whole of the archipelago. This commitment has led to some tensions between Australia and Indonesia but these seem to have been overcome satisfactorily. Nevertheless, there is scope in our view for Australia to be more supportive of Indonesia's claims even though they are at odds with American concerns about freedom of navigation. If Australia were to offer co-operation with Indonesia in the policing of this traffic especially in respect of piracy or people smuggling, there could be beneficial results for security relations.
37. Overall, the Association believes that Australia should be proactive in seeking opportunities for closer security co-operation between the two countries so as to reinforce the perception that the two countries share a many security interests.

AN INDONESIAN PERSPECTIVE

38. The following brief discussion relies heavily upon conversations with Indonesian colleagues and our interpretation of those conversations. In the aftermath of the Interfet operation in East Timor, Indonesian perceptions have hardened into suspicion of Australia based to some

extent upon misunderstanding of our political system but also on what was seen to have been a radical reversal of Australian policy. These have been exacerbated by a perception that non-government support for independence movements in Indonesia are tacitly supported by government, even to the extent of funding activist NGOs. That this perception bespeaks a misunderstanding of Australia's political system should not blind Australian authorities to the need to contest the view.

39. Nevertheless, relations at a personal level between senior Australian and Indonesian military commanders were at the time of the Interfet operation and since have been marked by co-operation and a degree of personal warmth. These are realities which need to be developed as far as possible.

Role of the Armed Forces

40. The Indonesian armed forces are very large in raw terms. A limited analysis of their size and composition is set out below. What is important is that the armed forces have a unique political role in Indonesian society reflecting their origins as the successful fighters for Indonesian independence. This role may be declining as Indonesia moves towards more democratic political structures but much is yet to be done.
41. It should also be noted, however, that the TNI is heavily factionalised and that the loyalty and discipline of any faction will be driven by circumstances. The dominant faction in the leadership is conventional, based strongly on the secular-nationalist ideology of the constitution and focussed on modernisation. However, an influential group is committed to the traditional role of the armed forces and elements are strongly Islamist. Dissident groups, particularly some elements of the special forces (KOPASSUS) and those associated with the former General Prabowo are not large but are very aggressive. Australian policy tends to see TNI as a traditional military force where senior officers can actually command obedience. Policy does need to recognise that this is not the case and that sensible discrimination will actually assist the Indonesian government in its policy of asserting control over the factions.
42. Indonesians have traditionally described their national security policy as being concerned with internal security. Certainly, Indonesia was for many years faced with insurgencies and separatist movements of one kind or another. Indeed, there are at least two still in existence at opposite ends of the archipelago, the Aceh Liberation Movement in northern Sumatra and the Free Papua Movement (OPM) in West Irian. All are small and relatively inconsequential but give some concern to the Indonesian government because of the external support they receive. That preoccupation with internal security which was declining towards the end of the Suharto regime is now being reinforced by the growth of terrorist attacks throughout the archipelago.
43. This unfortunately has reversed policies that were increasingly outward looking. The growth of terrorism and communal violence arising from the activities of religious extremists has forced Indonesia to concentrate on internal security precisely at a time when political and economic developments have weakened the Indonesian government's capacity to meet the security challenges with the necessary degree of confidence.

Perceptions of Australian Security Policy

44. Despite some claims to the contrary in both countries, Indonesia generally does not see Australia as a security threat. That is natural enough; Australia manifestly has no capacity seriously to damage Indonesia in any outright military confrontation. Clearly, too, there

are no grounds for Australia to do so unless it becomes involved in some confrontation between Indonesia and Papua New Guinea, perhaps arising from cross-border activities of the OPM. Indeed, too, Indonesia's external security concerns are focussed more on China and, to a lesser extent, India. Indonesia would always prefer to have a friendly, hopefully supportive, Australia at its back.

45. On the other hand, Indonesia does perceive that Australian policy appears to be fearful of Indonesian designs upon Australia. These are clearly if indirectly expressed in the declared Australian strategy of protecting the sea and air approaches to this country. That Indonesia itself dominates those approaches (at least to the north west), the conclusion that Australia's most likely serious adversary will either be Indonesia or a country in alliance with Indonesia is hardly illogical.
46. It is perfectly reasonable and logical for Indonesia to believe that the concentration of Australia's forces in the north of the country is to defend against an assault from Indonesia or with Indonesian connivance. In ADA's view, such an assault would represent a level of military and strategic incompetence which no-one has ever ascribed to Indonesia. As indicated above, Indonesia could have a much more substantial economic and therefore political effect upon Australian policy at much less cost or risk by closing Lombok, Ombai and Wetar Straits to shipping bound to or from Australia.
47. Indonesia is, of course, hardly concerned about this mark of Australian military incompetence because it is primarily a ground forces affair and Australia's army is so small as to be irrelevant in regional security terms. Their concerns are more with an Australian insensitivity which, without any basis, appears to regard Indonesia as a likely enemy. This is at best puzzling and, at worst, insulting. That the policy is the product of an intellectually superficial and generally incompetent academic analysis is little consolation.

DEFENCE PROGRAMS

A Comparison

48. Comparisons of national armed forces are difficult at any time and mere tabulation of numbers can be misleading. Nevertheless, they do represent a starting point and are shown in Table I¹².
49. The Indonesian defence budget for 1998/99 is estimated at A\$10 billion including the cost of arms purchases and defence industry¹³. By contrast, Australian defence expenditure for the same year amounted to A\$10.165 billion¹⁴. However, Australian *per capita* manpower costs are approximately eight times those of Indonesia's¹⁵ so that Indonesia's defence purchasing power is probably greater than Australia's by a substantial factor.

¹² International Institute for Strategic Studies *The Military Balance 1999-2000* 1999, IISS, London (hereafter *The Military Balance*)

¹³ *Ibid*

¹⁴ Commonwealth of Australia *Budget Paper No 1* 1999 p 5-15

¹⁵ calculations by the Australia Defence Association based upon per capita GDP drawn from <http://www.cia.gov/cia/publications/factbook> Downloaded 23 Oct 2002 .

50. In the Association's view, the comparison of armed forces suggests that while Indonesia has a preponderance of ground forces and a not inconsequential, albeit elderly, amphibious capability, the quality of Australia's naval and air superiority substantially redresses any imbalance, at least for the time being. Furthermore, the vast bulk of Indonesia's ground

	Indonesia	Australia
All regular personnel	298,000	50,535
submarines	2	6
frigates	17	10
corvettes/fast attack craft	24	-
patrol craft	34	15
amphibious vessels	28	3
tanks	365	71
other armoured vehicles	710	600
artillery tubes	285	160
fighter/strike aircraft	79	88

Table I

forces are little more than generally static internal security forces with a local community aid role as well. These units comprising some 150,000 of the 230,000 strong army are considered to have low to negligible combat capability¹⁶.

51. The comparison is valid only in the context of some form of conflict between Australia and Indonesia. As suggested above, however, the conditions for such a conflict do not exist at present or in the foreseeable future. What is clear is that neither country is able to overwhelm the other.

Closing the Technology Gap

52. Underlying Australian defence policy is the notion that Australia must make up for its lack of manpower by maintaining in the ADF a substantial technological edge over the armed forces of potential enemies. As well as the technological edge, Australia depends much more on a high degree of professionalism and superior training. However, a number of factors are combining to reduce that edge. They include:

- a. the growing sophistication of the Indonesian economy and industrial infrastructure, including its indigenous defence industry.
- b. the end of the Cold War and the resultant decline world wide in military research and development.
- c. coupled with this, a desire by international arms manufacturers to amortise past research and development costs by expanding exports of sophisticated equipment. This trend will be supported as the Western nations abolish some of the limits on export of advanced equipment and the release of classified information. In this context, Australia could lose some of the privileged access it has enjoyed as part of the Western alliance system.

¹⁶ For a detailed description of the Indonesian armed forces, see Robert Lowry *The Armed Forces of Indonesia* 1996, Allen & Unwin, Sydney

- d. reductions by Australia in defence spending as well as in research and development of advanced indigenous systems in Australia.
53. The Indonesian armed forces now deploy sophisticated F-16 fighter aircraft and missile armed fast attack craft. While most of the frigate force is old, the more modern ships are fitted with the Exocet or Harpoon anti-ship missiles and they operate anti-submarine helicopters. However, Indonesia's naval expansion and modernisation programs were interrupted by the erratic decision (under pressure from Dr Habibie) to acquire the old East German navy of coastal defence vessels and the serious economic downturn of 1997. This was a substantial setback to Australian hopes that a modern Indonesian navy with a blue water focus would offer a better vehicle for regional naval co-operation.
54. Australia's technological edge still exists especially in professionalism and training, and in the combat support areas of surveillance and command and control. But the gap is closing especially as Australia moves in the direction of cheaper equipment and a tendency to fit for rather than with many of the weapons systems that would sustain that edge.¹⁷

CONCLUSION

55. The security relationship between Australia and Indonesia has been bedevilled by occasional conflicts and misunderstandings. Arguably, these have resulted from Indonesian actions against Malaysia or in East Timor which were the result of errors of judgment or incompetence in Indonesia.
56. At the same time, Australian impatience to achieve a satisfactory resolution to the East Timor situation led to a confrontation that was avoidable.
57. Australia's security is heavily dependent upon a friendly Indonesia because of that country's geographic position and its potential to control a large proportion of Australia's sea and air communications.
58. Similarly, the potential for Indonesia to provide bases for assaults on Australia either in its own right or especially in co-operation or thrall with other adversaries is a fundamental element of Australia's strategic position.
59. This unavoidable reality suggests that Australian policy should be to develop the closest possible security relations with Indonesia so that the two countries are perceived externally as a single strategic entity.
60. Priority should be give to the development of such programs not only to help develop Indonesia's self-defence capability but to provide an improved climate of mutual confidence.

¹⁷ the ANZAC frigates for the Australian and New Zealand navies are a case in point. In a decision now fortunately reversed, these eight ships were originally not be as well-armed as they could have been.