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RESEARCH ARTICLE

Section: *Language and Linguistics***Political dynamics of Indonesia-Australia defence cooperation: Navigating geopolitical challenges in the Indo-Pacific**Wawan Darmawan^{1*}, R. Widya Setiabudi Sumadinata¹, Akim¹, Wawan Budi Darmawan¹¹Department of International Relations, Universitas Padjadjaran, Bandung, Indonesia*Correspondence: wawan23002@mail.unpad.ac.id**ABSTRACT**

This study investigates the Indonesia-Australia Defence Cooperation Agreement (DCA) within the broader context of geopolitical dynamics in the Indo-Pacific. Employing a qualitative approach and political theory analysis, the research utilizes case study methods to assess the DCA's implications for bilateral relations, ASEAN centrality, and regional stability. Drawing on official documents, academic publications, and policy reports, the study highlights how the DCA, signed in 2024, enhances defence cooperation through increased interoperability, joint military exercises, and maritime security collaboration. The findings reveal that while the agreement strengthens Indonesia's defence capabilities and its leadership in ASEAN, it also poses challenges in balancing non-alignment policies and relations with major powers like China. This research underscores the DCA's strategic significance as a framework for addressing regional security challenges, offering insights into its potential to shape future defence collaborations in the Indo-Pacific.

KEYWORDS: Indonesia, Australia, Defence Cooperation Agreement, ASEAN, AUKUS

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Introduction

Defence cooperation between Indonesia and Australia has become one of the main pillars of their bilateral relations. Against the backdrop of a historically dynamic relationship—ranging from espionage incidents, the implementation of capital punishment on Australian nationals, to political tensions over Timor-Leste—the two nations have consistently sought to strengthen ties through diplomacy and security initiatives (Saragih & Pramita, 2020). The signing of the Defence Cooperation Agreement (DCA) on August 29, 2024, in Magelang, Central Java, marked a significant milestone in deepening this strategic partnership (Kedutaan Besar Australia Indonesia, 2024; Kemhan RI, 2024a). This agreement not only reflects the intensifying defence relationship but also underscores the two countries' roles in maintaining stability in the Indo-Pacific region.

One issue that has previously surfaced in Indonesia-Australia relations is the implementation of Australia's Operation Sovereign Borders (OSB) policy since 2013 (Saragih & Pramita, 2020). This policy was designed to deter and return refugee or asylum seeker boats attempting to enter Australia via sea routes. Under OSB, Australia unilaterally turned back asylum seeker boats to transit countries, including Indonesia, without officially notifying the Indonesian government. This practice was viewed as a violation of Indonesia's sovereignty and sparked diplomatic tensions between the two nations. Between December 2013 and January 2014, Australia reportedly entered Indonesian waters six times without authorization to return asylum seeker boats (Saragih & Pramita, 2020).

The impact of the OSB policy was felt not only in terms of sovereignty but also exacerbated Indonesia's burden as a transit country. The policy increased the number of refugees stranded in Indonesia, a nation that has not ratified the 1951 Refugee Convention and lacks formal mechanisms for handling asylum seekers. Indonesia has become a primary transit hub for asylum seekers from conflict-ridden countries such as Afghanistan, Sri Lanka, and Iran, seeking to reach Australia. Consequently, Australia's policy has placed additional strain on Indonesia's infrastructure and resources without providing a sustainable solution.

Moreover, the OSB policy highlights the differing approaches of the two nations in addressing asylum seeker issues. Australia prioritizes a securitization approach, emphasizing national security and preventing asylum seekers from entering its territory, whereas Indonesia supports a more humanitarian-oriented perspective. These differences often result in conflicting interests within the framework of bilateral cooperation. While forums such as the Bali Process and agreements like the Lombok Treaty exist, Australia's unilateral actions through OSB are often seen as inconsistent with the spirit of multilateral and regional cooperation.

A review of the OSB policy also reveals that Australia's unilateral measures weakened strategic trust between the two nations. Efforts to reconcile these issues, such as the signing of the Joint Understanding on a Code of Conduct in 2014, have been made, yet the impact of OSB continues to pose challenges to strengthening defence and security collaboration. In this context, the signing of the Defence Cooperation Agreement (DCA) in August 2024 offers new hope, even being hailed as a "historic" moment for addressing these challenges in a more coordinated manner, despite past tensions in the bilateral relationship (Rahman, 2024; Saputra, 2024; Suhenda, 2024).

The DCA encompasses various significant aspects of defence cooperation, including enhanced interoperability between the armed forces of both nations, joint military exercises, and improved defence education and training. One notable initiative is the large-scale joint military exercise, Chris Woomera, scheduled to take place in Surabaya in November 2024, involving more than 2,000 personnel (Trisnadi & Karmini, 2024). Furthermore, the agreement facilitates collaboration in maritime security, counter-terrorism, humanitarian assistance, and disaster response. What sets this agreement apart from previous initiatives is its legally binding nature, reflecting the seriousness of both nations' commitment to strengthening their strategic partnership. The geopolitical context of the region underscores the urgency of this cooperation. The Indo-Pacific, as one of the regions with the highest levels of strategic rivalry, continues to face tensions due to China's activities in the South China Sea (Satria, 2024). Indonesia and Australia, despite their differing geopolitical positions, share a common vision of maintaining a free and open Indo-Pacific. Indonesia's role as the largest maritime power in Southeast Asia, combined with Australia's military and diplomatic strengths, creates opportunities for synergy that can contribute to regional stability.

However, this cooperation is not without challenges, both domestically and internationally. In Indonesia, public skepticism toward Australia, influenced by the history of bilateral tensions, remains a barrier. On the

other hand, close cooperation with Australia may lead to perceptions of dependency or even hidden agendas favoring one party. Additionally, the influence of third-party nations, such as the United States and China, also affects the dynamics of this cooperation, especially in the context of the intensifying rivalry between these major powers.

Previous research has highlighted various critical aspects of defence cooperation between Indonesia and Australia, particularly in the context of maritime diplomacy and security dialogues. Pangemanan and Perwita (2022) examined how maritime defence diplomacy has become a strategic instrument in safeguarding Indonesia's maritime sovereignty and enhancing bilateral relations through the Joint Declaration on Maritime Cooperation 2018–2022. They emphasized that the success of this cooperation heavily relies on confidence-building measures aimed at strengthening maritime security, law enforcement, and sustainable marine resource management.

Conversely, research by Sudirman, Djuyandi, and Pratama (2023) focused on the dynamics of defence industry cooperation within the framework of the Indonesia-Australia Defence Security Dialogue (IADSD). Their article utilized the concept of the Military Industrial Complex to explain how collaboration between public and private sectors can enhance Indonesia's defence capabilities, particularly in the land force domain. They also highlighted challenges such as technological dependency on other nations, which remains a significant barrier to achieving national defence industry independence.

Earlier studies have also noted that bilateral cooperation under the Lombok Treaty (2006) has been a foundational element in developing strategic relations. Security dialogues initiated since the signing of this treaty have resulted in initiatives such as joint military exercises, coordinated patrols, and intelligence sharing. However, past incidents, such as the OSB policy and sovereignty violations, serve as reminders that this relationship is not immune to political and diplomatic challenges.

Building on the diverse approaches utilized in prior research, this article aims to broaden the discussion by examining the political impact of the latest defence cooperation agreement, the Defence Cooperation Agreement (2024). Through a qualitative, data-driven approach, this analysis seeks to provide new insights into how this agreement can address longstanding challenges and open new opportunities for strengthening strategic relations in the Indo-Pacific region.

Method

This study employs a qualitative approach to analyse the impact of the Defence Cooperation Agreement (DCA) between Indonesia and Australia in the context of bilateral relations and regional geopolitical dynamics. The research focuses on how the DCA reflects and influences political decision-making processes, power distribution, and the national interests of both countries.

The research data comprises official government documents, policy reports, academic publications, and relevant recent news. Key documents analysed include the 2024 DCA agreement text, Indonesia's and Australia's defence policies, as well as reports from institutions such as ASEAN and independent research bodies like the Lowy Institute and East Asia Forum. Additionally, secondary analyses from academic journal articles and books are utilized to enrich understanding of the political context and institutional frameworks of both countries. Data analysis is conducted through a political approach centred on theories of power and political legitimacy. This study adopts a political theory perspective to understand how the DCA is shaped by domestic political interests, diplomatic strategies, and the need to establish legitimacy in the eyes of each nation's public. This approach also includes analysing power structures, key political actors, and the dynamics of negotiations between Indonesia and Australia.

Thematic analysis techniques are employed to identify key patterns within the data, including core issues such as the role of the DCA in strengthening sovereignty, the distribution of economic-political benefits, and responses to external geopolitical pressures. This analytical framework helps elucidate how decisions regarding the DCA are articulated within the political diplomacy contexts of both nations and their impacts on regional stability.

To ensure data validity and reliability, the study employs source triangulation by comparing data from official documents, academic analyses, and insights from regional political experts. This aims to minimize interpretive bias and ensure objective analytical outcomes.

The findings of this study are expected to contribute to political studies related to defence policy, diplomacy, and its influence on regional geopolitical dynamics. Additionally, this research aims to demonstrate how political theory can be applied to understand defence cooperation within the context of complex bilateral relations.

Discussion

A. The Ebbs and Flows of Indonesia-Australia Relations

The relationship between Indonesia and Australia has undergone a long journey marked by dynamics that reflect the complexity of interactions between two nations sharing maritime borders. Despite forging strategic cooperation in various fields, their relations are often characterized by tensions arising from differences in policy approaches, national priorities, and sensitive bilateral issues (Saputra, 2024).

As the world's largest archipelagic state, Indonesia faces significant challenges in safeguarding its maritime sovereignty. These challenges include monitoring illegal fishing, smuggling, and territorial violations by foreign vessels. Conversely, Australia, with its vast yet relatively well-organized maritime territory, has adopted a stringent approach to border management, particularly in handling illegal immigration. This is exemplified by its Operation Sovereign Borders (OSB) policy, which aims to halt the arrival of asylum seeker boats.

These differing approaches have been a major source of tension in bilateral relations. Australia's OSB policy, for instance, has often drawn criticism from Indonesia, particularly when intercepted asylum seeker boats are redirected to Indonesian waters. This policy is not only perceived as violating humanitarian principles but also as disregarding the sovereignty of transit states like Indonesia. Nonetheless, both countries have maintained dialogue and cooperation in border security, including through programs such as the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA), which encompasses intelligence data exchange to combat transnational threats (Hastings, 2024; Pal, 2024; Strangio, 2024).

The asylum seeker issue remains one of the most controversial aspects of their relationship. As a transit country, Indonesia tends to adopt a humanitarian approach, allowing asylum seekers to temporarily reside within its territory. In contrast, Australia enforces highly strict policies, including the detention of asylum seekers in offshore processing centres in locations such as Nauru and Papua New Guinea. Australia's policies have often been criticized by the international community, particularly over allegations of human rights violations. On the other hand, Indonesia faces domestic challenges, including economic and social burdens resulting from the growing number of asylum seekers.

In addition to the asylum seeker issue, maritime border areas have been arenas of both tension and cooperation. Illegal fishing by Indonesian fishermen in Australia's Exclusive Economic Zone (EEZ) frequently leads to incidents of vessel detentions by Australian authorities. Australia's stringent fishing zone policies ensure the protection of its marine resources but create friction with Indonesian traditional fishermen, who are often unaware of maritime boundaries. Nevertheless, both nations have sought to improve relations through economic cooperation in border areas, including infrastructure development projects in Indonesia's remote regions aimed at enhancing connectivity and supporting bilateral economic collaboration.

Their relationship has also been tested by diplomatic incidents, such as the Australian intelligence surveillance of senior Indonesian officials in 2013. This incident shook bilateral trust and prompted Indonesia to review various forms of cooperation, including in border management (Sembiring, 2024). Such tensions highlight the vulnerability of their relations to sensitive issues that touch upon sovereignty and trust.

On the other hand, bilateral cooperation remains a vital foundation for their relationship. Programs such as border infrastructure development in Indonesia reflect efforts to integrate remote areas into national development while strengthening Indonesia's sovereignty. Meanwhile, Australia continues to develop high-tech policies to enhance border surveillance, including the use of biometric systems and intelligence-based monitoring (Isjchwansyah, 2024; Sulaiman, 2024).

The Indonesia-Australia relationship reflects unique dynamics shaped by differences in policy approaches, national priorities, and geopolitical pressures. Both nations have significant opportunities to enhance cooperation, particularly through more inclusive dialogue and joint strategies to address transnational challenges such as illegal immigration, smuggling, and the exploitation of marine resources. However, the main challenge lies in how the two nations can bridge their differences while respecting each other's sovereignty and national interests.

Defence cooperation through the Defence Cooperation Agreement (DCA) between Indonesia and Australia can serve as a mechanism to bridge historical and policy differences that often trigger bilateral tensions. For instance, in the context of the asylum seeker issue, the DCA offers an opportunity to establish a more collaborative framework, not only in border management but also in strengthening humanitarian diplomacy (Kemhan RI, 2021; Penhumas Akmil, 2024). Through more inclusive strategic dialogue, Indonesia and Australia can reduce tensions arising from unilateral policies such as Operation Sovereign Borders while ensuring their national security interests are safeguarded.

Furthermore, the DCA's focus on maritime security opens avenues to address issues such as illegal fishing in the Exclusive Economic Zones (EEZs) of both nations. More intensive joint exercises, such as the 2024 Keris Woomera exercise, which emphasizes interoperability, can enhance the operational capacities of both nations in monitoring and enforcing laws in their maritime territories. This approach also underscores the importance of cross-border cooperation in maintaining the stability and sustainability of marine resources, which are often at the root of border conflicts.

Past diplomatic incidents, such as Australia's intelligence surveillance case, underline the need for stronger mechanisms to build and maintain strategic trust. The DCA could serve as a crucial platform for enhancing transparency and communication between governments, reducing the risk of conflict, and strengthening the foundation of bilateral cooperation amidst increasingly complex geopolitical dynamics. In this regard, a commitment to open dialogue supported by the DCA can serve as a model for regional cooperation.

The dynamic bilateral relationship also reflects the importance of considering geopolitical pressures in the Indo-Pacific region. With China's growing assertiveness in the South China Sea and the establishment of AUKUS, defence cooperation between Indonesia and Australia offers opportunities to consolidate their strategic positions (Achmad & Prabowo, 2024; Kemhan RI, 2024b; Widyatmoko et al., 2022). Indonesia, with its independent and active foreign policy, can utilize the DCA to play a balancing role among major power blocs, while Australia can demonstrate its commitment to inclusive regional stability.

Ultimately, the key challenge lies in how the two nations can use frameworks like the DCA to address their domestic policy differences while advancing regional security and stability agendas. By using this cooperation as a foundation for building deeper strategic trust, Indonesia and Australia have significant opportunities not only to resolve bilateral issues but also to contribute to broader stability in the Indo-Pacific region.

B. Implications for Regional Politics in the Asia-Pacific

Defence cooperation between Indonesia and Australia through the Defence Cooperation Agreement (DCA) creates new opportunities and challenges within the geopolitical context of the Asia-Pacific. In recent years, increasing Chinese activities in the South China Sea and the establishment of AUKUS (Australia-United Kingdom-United States) have triggered new dynamics in regional security (Hanggarini et al., 2023). The DCA provides a framework for Indonesia and Australia to strengthen strategic relations and build trust; however, it also introduces complexities in Indonesia's stance toward AUKUS.

AUKUS, as a trilateral alliance involving Australia, the United Kingdom, and the United States, poses significant challenges to ASEAN centrality (Cheng, 2022). The unilateral decisions made without consulting ASEAN member states reflect the marginalization of Southeast Asia in global geopolitical dynamics. The presence of AUKUS complicates ASEAN's efforts to maintain its central role in regional security issues, particularly in managing tensions in the South China Sea. In this context, ASEAN faces challenges in remaining united in responding to increasingly complex security dynamics, given the differing perspectives among its members on AUKUS and its implications (Indrawan, 2022; Li, 2022; Manan et al., 2024; Nindya & Abiyya, 2022; Utami, 2022).

Some ASEAN countries, such as the Philippines and Singapore, have shown support for AUKUS, viewing it as a counterbalance to China's power. Conversely, countries like Indonesia and Malaysia have expressed concerns over the potential escalation of a nuclear arms race in the region. This highlights fragmentation within ASEAN, which could weaken collective efforts to achieve consensus in addressing new security challenges. Indonesia, as a strategically positioned ASEAN member, plays a key role in promoting multilateral dialogue to reduce regional tensions (Adamy, 2022; Indrawan, 2022). Indonesian diplomacy is evident in initiatives such as promoting the Code of Conduct in the South China Sea and ratifying the Southeast Asia Nuclear Weapon-

Free Zone (SEANWFZ) Treaty. By adopting a more assertive stance on AUKUS, Indonesia could reinforce its position as a bridge between the diverse perspectives within ASEAN.

The existence of AUKUS also prompts renewed reflection on ASEAN's role in maintaining Indo-Pacific stability. To remain relevant, ASEAN must strengthen collective security mechanisms and promote transparency in security cooperation among its members. This is increasingly crucial as the sustainability of nuclear non-proliferation norms in the region heavily depends on ASEAN's collective stance toward initiatives like AUKUS. Indonesia has deep concerns about AUKUS's development of nuclear-powered submarines, known as SSN-AUKUS (Barnes & Makinda, 2022; Indrawan, 2022). Despite their advanced specifications, such as prolonged submersion capability, these submarines pose environmental risks due to potential radioactive leaks. As an archipelagic nation bordering Australia, Indonesia must reaffirm its commitment to the Southeast Asia Nuclear Weapon-Free Zone Treaty and demand respect for its maritime sovereignty. This affirmation can be realized through the DCA by prohibiting SSN-AUKUS from entering Indonesian waters during transit and requiring transparency regarding the ecological impact during the manufacturing process.

Furthermore, the DCA offers Indonesia an opportunity to consolidate its position as ASEAN's regional leader in promoting stability. Through the DCA, Indonesia can leverage its relationship with Australia to strengthen ASEAN solidarity and foster peaceful dialogue in addressing great power rivalries in the South China Sea. Indonesia's pragmatic and strategic approach to viewing AUKUS as a partner, as emphasized by President Joko Widodo, reflects a shift toward more balanced regional security policies.

In terms of the defence industry, the DCA also provides opportunities to enhance Indonesia's domestic industrial capabilities. Collaboration between PT PAL and AUSTAL, one of the world's largest defence companies, could be a strategic step to improve Indonesia's technological and manufacturing capacity. This not only increases international competitiveness but also strengthens domestic defence resilience.

This defence cooperation serves as an essential instrument for Indonesia to assert its position as a middle power capable of navigating complex geopolitical dynamics. By balancing bilateral relations with Australia and regional commitments within ASEAN, the DCA has the potential to be a key tool for promoting regional stability while safeguarding Indonesia's national interests.

The DCA signed in August 2024 marks a significant milestone in deepening bilateral cooperation between Indonesia and Australia. Through this agreement, both nations reaffirm their commitment to regional security while expanding collaboration in joint military exercises, maritime security development, and enhanced interoperability between their armed forces. With more ambitious military exercises, such as the Super Garuda Shield joint exercise, Indonesia and Australia demonstrate their seriousness in improving responses to regional threats while strengthening their respective defence capabilities. Australia's support in providing Bushmaster combat vehicles for Indonesia's peacekeeping forces serves as a tangible example of this partnership, reinforcing Indonesia's role in multilateral operations.

This agreement comes amidst increasing geopolitical dynamics in the South China Sea, where China's military activities and diplomacy have raised concerns among ASEAN member states and external partners like the United States (Li, 2022). As a major trade route with abundant natural resources, the South China Sea has become a strategic competition ground (Nindya & Abiyya, 2022). In this context, defence cooperation between Indonesia and Australia not only strengthens Indonesia's national security capacity but also provides a framework to address regional tensions without aligning with major power blocs such as AUKUS or China. Through a non-alignment approach, Indonesia can utilize this relationship to assert territorial claims and contribute to regional stability.

Under the upcoming leadership of President Prabowo Subianto, Indonesia's foreign policy is projected to focus more on strengthening military and security aspects (Achmad & Prabowo, 2024; Kemhan RI, 2024b; Trisnadi & Karmini, 2024). Prabowo's tendency to increase defence spending and assert national sovereignty creates opportunities to maximize the benefits of this cooperation, including the development of domestic defence industries. However, potential populist policies, such as domestic incentives and protectionist trade measures, could create friction with major trading partners like China. Within the DCA framework, Indonesia must carefully manage its economic and security relationships, given its significant dependence on Chinese investment and trade.

Closer defence cooperation with Australia through the DCA sends a strategic message to regional players,

including China. This agreement underscores Indonesia's commitment to regional stability through an inclusive multilateral approach, without relying on any single major power. For Australia, this collaboration strengthens its military presence in Southeast Asia and broadens its influence in countering China's growing assertiveness in the South China Sea. However, this dynamic may also trigger negative reactions from China, which might view this partnership as part of a Western strategy to contain its influence. Thus, Indonesia needs to play a careful balancing role, strengthening its defence capacity while maintaining good relations with all parties.

C. Opportunities for Establishing a Special Strategic Partnership

In December 2024, Indonesia and Australia celebrated 75 years of diplomatic relations, coinciding with the conclusion of the Plan of Action for the Australia-Indonesia Comprehensive Strategic Partnership (CSP) (2020–2024) (Kilic, 2024). This milestone presents a significant opportunity for both nations to elevate their strategic partnership into a Special Strategic Partnership (SSP). An SSP would not only strengthen cooperation in traditional security areas, such as joint military exercises and patrols, but also open avenues for collaboration in non-traditional security fields, including combating transnational crime and disaster management. With strategic trust between the two nations at an all-time high, this step could lay a new foundation for a deeper bilateral relationship.

Indonesia, as the world's third-largest democracy and the projected fourth-largest economy by 2050, holds a crucial geostrategic position for Australia. Sharing the world's longest maritime border, stability within the Indonesian archipelago significantly impacts Australia's security (Kilic, 2024). Former Australian Prime Minister Paul Keating underscored that dynamics within the Indonesian archipelago would profoundly influence Australia's strategic policies, highlighting the importance of close ties between the two nations.

However, challenges persist, particularly in the increasingly contested North Natuna Sea. China's activities, including its nine-dash line claims and repeated incursions by Chinese Coast Guard vessels, have compelled Indonesia to bolster its defence posture. The Indonesian government has responded firmly by expelling foreign vessels while clarifying its position on the international diplomatic stage. This stance was evident in a joint statement with the United States last November, which explicitly rejected China's nine-dash line claims based on UNCLOS. This approach reflects Indonesia's growing assertiveness in defending its sovereignty while maintaining good relations with various parties.

Deeper defence cooperation through the SSP offers concrete solutions to maritime security challenges, including illegal fishing, human trafficking, and smuggling. Joint patrols in border waters would not only enhance regional security but also yield economic benefits for Indonesia, which loses USD 23 billion annually due to Illegal, Unreported, and Unregulated (IUU) Fishing (Kilic, 2024). Additionally, this cooperation could extend to international operations in the Indian Ocean, Pacific Ocean, and South China Sea, aligning with both nations' commitments to maritime law enforcement and international norms under UNCLOS (Hastings, 2024; Isjchwansyah, 2024; Sulaiman, 2024).

As a nation increasingly active in promoting a rules-based international order, Indonesia has the potential to play a more prominent role in fostering regional stability. The SSP would not only strengthen bilateral ties but also provide a platform for both nations to jointly address geopolitical challenges in the Indo-Pacific region. By enhancing joint military exercises and granting reciprocal access to military bases, this partnership could deepen strategic trust and yield long-term benefits for regional security.

The success of implementing the Defence Cooperation Agreement (DCA) and the potential SSP depends not only on bilateral partnerships but also on Indonesia's ability to act as a balancing force amidst great power rivalries. Given its strategic position, Indonesia must ensure that cooperation with Australia enhances its national defence capacity while also supporting ASEAN as a centre of regional stability (Hastings, 2024). Through this approach, Indonesia could reinforce its regional legitimacy as a middle power advocating for a rules-based order.

On the domestic front, Prabowo Subianto's ambition to strengthen national sovereignty through military modernization creates significant opportunities to leverage the SSP as a catalyst for accelerating Indonesia's defence industry (Satria, 2024). By utilizing technology transfers and collaboration with partners such as AUSTAL, Indonesia could reduce its reliance on imported defence equipment and build a more self-sufficient defence capability. However, this effort requires strong commitment to policy reforms, including strengthening

strategic industrial institutions like PT PAL and PT Pindad, as well as ensuring transparency in defence budget management.

The dynamics of the South China Sea remain a critical test for the implementation of the DCA and SSP (Satria, 2024). As Indonesia asserts its sovereignty in the North Natuna Sea, it must adopt a balanced diplomatic strategy that ensures its interests are respected without provoking new tensions with China. Joint patrols and military exercises with Australia could serve as strategic tools to affirm Indonesia's maritime rights, but these activities must be carefully designed to avoid straining relations with its major trading partner. Furthermore, the SSP offers Indonesia and Australia opportunities to expand their influence in multilateral forums such as ASEAN and the East Asia Summit. By promoting maritime security and adherence to UNCLOS, both nations could advocate for a substantive Code of Conduct between ASEAN and China. This initiative would not only strengthen Indonesia's regional position but also provide a platform to mitigate escalating geopolitical tensions in the Indo-Pacific.

Amid these opportunities, the greatest challenge lies in Indonesia's ability to balance its security and economic interests. Closer engagement with Australia through the SSP and DCA must be strategically managed to avoid the perception that Indonesia is aligning with a specific power bloc. Instead, this partnership should be used to bolster Indonesia's strategic autonomy, ensuring that national interests remain the top priority amidst complex geopolitical dynamics.

D. Impacts on AUKUS and Indonesia's Political Position

On 15 September 2021, Australia, the United Kingdom, and the United States announced the establishment of a trilateral security alliance known as AUKUS. This alliance aims to strengthen defence and technological cooperation in the Indo-Pacific region, with its initial step being the transfer of nuclear-powered submarine technology to Australia. This move makes Australia the seventh country in the world to possess such capabilities, marking a significant strategic shift in regional and global geopolitical dynamics, particularly in the context of rivalry with China (Hanggarini et al., 2023).

The formation of AUKUS reflects the United States' need to maintain its influence in the Indo-Pacific region and counter China's rise. For the United Kingdom, this initiative represents an opportunity to enhance global security ties post-Brexit, while Australia leverages it to modernize its military and strengthen its strategic position within the Anglo-Saxon international security architecture (Cheng, 2022). Australia's strategic reliance on the US and the UK also underscores its need to ensure the presence of these major powers in the region, given its concerns about the reliability of older alliances such as ANZUS.

The alliance has elicited various reactions across the region (Li, 2022). Countries such as Japan, the Philippines, and Singapore have welcomed the initiative, viewing it as a counterbalance to China's growing dominance. However, Indonesia and Malaysia have voiced concerns about the potential arms race and its impact on regional stability. Beyond nuclear-powered submarines, AUKUS also involves collaboration in artificial intelligence, quantum technology, and cybersecurity, further enhancing the military capabilities of its members.

Globally, AUKUS has caused friction with France following the cancellation of a diesel submarine contract between Australia and France (Adamy, 2022). This incident sparked diplomatic tensions, highlighting the potential negative repercussions of AUKUS on transatlantic relations. Additionally, the alliance has raised concerns about adherence to nuclear non-proliferation principles in the Indo-Pacific region.

Despite its promise of strategic benefits for its members, AUKUS faces significant challenges. The nuclear submarine project is expected to take decades to materialize and involves exorbitant costs (Adamy, 2022). Domestically, Australia faces criticism over the economic implications. Regionally, the success of AUKUS heavily depends on managing diplomacy with non-member countries to ensure that the alliance does not exacerbate instability. If managed appropriately, AUKUS has the potential to strengthen the security architecture in the Indo-Pacific while balancing its members' strategic interests with inclusive regional stability.

Defence cooperation between Indonesia and Australia through the Defence Cooperation Agreement (DCA) introduces a new dimension to their strategic relationship, particularly amidst the establishment of AUKUS. AUKUS, aimed at enhancing Indo-Pacific security through the development of nuclear-powered submarines and advanced military technology, has sparked mixed reactions, particularly among ASEAN countries (Korwa &

Wambrauw, 2023; Li, 2022). As a nation adhering to a non-aligned foreign policy, Indonesia faces diplomatic challenges in responding to AUKUS while maintaining regional stability and its relations with other major powers.

The Indonesia-Australia DCA presents strategic opportunities to address the dynamics arising from the formation of AUKUS. From a constructivist perspective, AUKUS is defined by the shared identity and interests of three Anglo-Saxon countries (the United States, the United Kingdom, and Australia) aimed at countering China's influence in the Indo-Pacific. However, the existence of AUKUS also raises concerns about nuclear weapons proliferation, an arms race, and potential disruption to regional stability.

As one of the first countries to express reservations about AUKUS, Indonesia holds a unique position. Indonesia's cautious statement "noting with care" the announcement of AUKUS reflects a balanced approach—neither outright rejection nor explicit support (Utami, 2022). This cautious stance demonstrates Indonesia's awareness of the implications of AUKUS on the region, including the risks of escalating tensions in the South China Sea and the erosion of nuclear non-proliferation norms.

Through the DCA, Indonesia has an opportunity to engage in dialogue with Australia regarding the strategic impact of AUKUS. One key focus is ensuring that nuclear technology transfer for submarines adheres to principles outlined in the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and the Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ) Treaty (Indrawan, 2022). This step is crucial to avoid setting a precedent that could be exploited by other nations to expand nuclear-based military technologies.

Furthermore, the DCA provides Indonesia with a platform to strengthen its position within ASEAN. The establishment of AUKUS is viewed as a challenge to ASEAN centrality, particularly as the pact was announced without consultation with ASEAN. In this context, cooperation with Australia can serve as a diplomatic tool to emphasize the importance of ASEAN as the primary forum for mediation and dialogue on regional security. By leveraging the DCA, Indonesia can balance its relations with major powers while reinforcing regional norms. Nevertheless, significant challenges remain. While the defence partnership offers opportunities for Indonesia's military modernization, it also risks creating perceptions that Indonesia is leaning toward the Western bloc. Indonesia initially expressed concerns about AUKUS, particularly regarding the implications of nuclear technology development on regional security stability and the sovereignty of Southeast Asian nations (Indrawan, 2022). This stance is rooted in Indonesia's commitment to the Southeast Asia Nuclear Weapon-Free Zone Treaty, which explicitly opposes the presence of nuclear weapons or the use of nuclear technology that could threaten regional security.

Over time, however, Indonesia's attitude toward AUKUS has appeared increasingly pragmatic. The administration of President Joko Widodo has even stated that AUKUS should be seen as a strategic partner, not a threat—an approach that reflects Indonesia's diplomatic flexibility in addressing geopolitical realities (Satria, 2024). Consequently, careful management is necessary to ensure that this relationship does not compromise Indonesia's commitment to its free and active foreign policy, a cornerstone of its diplomacy since independence. The DCA signed on 29 August 2024 signifies a substantial step in strengthening the strategic partnership between Indonesia and Australia. While it does not fundamentally redefine their bilateral relationship, the agreement aims to overcome technical and legal barriers that previously limited military cooperation. The agreement enables the two countries to engage in more complex military activities, including joint exercises and deeper interoperability, while respecting Indonesia's neutrality policy. This allows Indonesia to reject the use of its facilities in conflict situations that contradict its national policies.

Analysts from the Lowy Institute (2024) have noted that while this agreement paves the way for broader cooperation, it represents more of a "step forward" than a "giant leap." In the context of Indonesia's free and active foreign policy, the agreement provides Jakarta with the flexibility to engage according to its strategic interests without becoming entangled in the dynamics of major power blocs. This underscores the importance of the DCA as a means to build confidence and enhance regional stability without compromising national sovereignty.

Meanwhile, East Asia Forum (2024) highlights that the agreement offers Australia an opportunity to improve perceptions in Jakarta regarding its intentions in the Indo-Pacific, particularly in the context of the nuclear-powered submarine acquisition program under AUKUS. By demonstrating its commitment to UNCLOS principles and regional stability, Australia seeks to build trust with Indonesia as a strategic partner in the region.

For Indonesia, this cooperation allows for the strengthening of defence capabilities while maintaining strategic independence amid increasing geopolitical rivalries.

Through the DCA, Indonesia can also leverage this collaboration to encourage more inclusive dialogue with Australia regarding the AUKUS program. Within the framework of the agreement, Indonesia has the opportunity to advocate for greater transparency and adherence to international norms, particularly in ensuring that nuclear technology transfers do not violate non-proliferation treaties or threaten regional stability. This approach reinforces Indonesia's role as a middle power capable of active diplomacy in the region.

The DCA partnership with Australia provides Indonesia with an avenue to bridge the divide between ASEAN member states skeptical of AUKUS and those supportive of it. In this context, the DCA can serve as a platform to advocate for open dialogue and transparency in regional defence initiatives. For instance, Indonesia can use this partnership to encourage Australia to respect UNCLOS principles and enhance its engagement with ASEAN in discussing the security implications of AUKUS.

Additionally, this cooperation strengthens Indonesia's position as a middle power capable of acting as a balancing force amid great power rivalries. By maintaining its non-aligned foreign policy, Indonesia can preserve strong bilateral relations with Australia while remaining committed to inclusive regional stability. This commitment is evident in Indonesia's diplomatic efforts to promote a more substantive Code of Conduct between ASEAN and China, while reaffirming the importance of a nuclear-free zone in the region.

In line with David M. Andrews' (2024) perspective on the limitations of a formal alliance between Indonesia and Australia, the Defence Cooperation Agreement (DCA) represents a more realistic approach that respects both countries' sovereignty. This cooperation enhances interoperability and joint military exercises without creating the perception of alignment with a specific bloc, which could provoke tensions in the region. Andrews (2024) has also critiqued the proposal for a limited maritime alliance model, suggesting that such an approach would be neither practical nor diplomatic. In this context, the DCA is a more flexible solution to addressing regional security challenges. For example, this cooperation includes more complex cross-service military exercises, such as Keris Woomera 2024, allowing Indonesia and Australia to collaborate in strengthening maritime security without being bound by a formal alliance framework. This approach enables Indonesia to uphold its free and active policy while enhancing Indo-Pacific regional stability.

Moreover, Andrews' recommendation for Australia to strengthen existing security agreements, such as the Five Power Defence Arrangements (FPDA) and the Australia-Japan Joint Declaration on Security Cooperation (JDSC), provides insight into how this partnership could be positioned within a broader regional context. The DCA, in this sense, not only serves as a bilateral instrument but also as part of Australia's efforts to bolster a more inclusive security architecture grounded in international norms. For Indonesia, participation in such cooperation strengthens its role as a middle power capable of bridging ASEAN interests with those of external partners.

Nonetheless, the limitations of a non-alliance model like the DCA must be acknowledged. Without binding security commitments, the effectiveness of this cooperation depends on the strategic trust built between the two parties. This challenge is particularly evident in managing relations with China, where Indonesia must carefully balance its role to avoid antagonizing its largest trading partner while maintaining close ties with Australia. As such, this partnership requires careful diplomatic management to ensure that its strategic benefits are realized without undermining Indonesia's multilateral relationships in the region.

Conclusion

The Defence Cooperation Agreement (DCA) between Indonesia and Australia represents a strategic step to strengthen bilateral relations amidst the complex geopolitical dynamics of the Indo-Pacific. This agreement enhances military interoperability, supports the development of Indonesia's domestic defence industry, and bolsters Australia's strategic presence in Southeast Asia. However, the implementation of the DCA requires careful management to ensure transparency, build strategic trust, and maintain a balanced relationship with major powers such as AUKUS and China. As a political and security instrument, the DCA not only supports bilateral stability but also contributes to the reinforcement of an inclusive regional order, making it a relevant model for cooperation in the modern geopolitical era.

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