

# ASEAN BRIEFS

Toward the New Treaty on Common Security:  
A Turning Point in Indonesia–Australia Defence  
Cooperation?



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# Executive Summary

The announcement in November 2025 by Indonesian President Prabowo Subianto and Australian Prime Minister Anthony Albanese that they will explore a proposed Australia–Indonesia Treaty on Common Security signals the next significant phase in bilateral security relations. While the text has not been made public, official statements suggest that the treaty will formalise leader and minister-level consultations on a regular basis, institutionalise a response to shared security challenges, and extend their mutually beneficial defence activities beyond existing ones.

This paper sets out the recent history of the 1995 Agreement on Maintenance of Security (AMS) to the Lombok Treaty in 2006 to the Defence Cooperation Agreement (DCA) set for completion in 2024 before relating this new treaty to broader structural forces at play within Pacific-wide strategic competition, particularly the US–China rivalry and Australia’s shifting alliance commitments (which now includes AUKUS). Theoretically, it uses strategic hedging, institutionalisation, and middle power diplomacy to account for how both countries are managing these asymmetrical threats and protecting autonomy. The forward-looking treaty is not just another one of the many bilateral agreements but a conscious institution for strategic trust, crying out for an understanding while maintaining non-alignment of Indonesia over all these years.



## Historical Institutional Foundations

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### *The 1995 Agreement on Maintenance of Security (AMS)*

The first explicit bilateral security treaty between Australia and Indonesia was the Agreement on Maintaining Security (AMS), signed in December 1995 during the term of Prime Minister Paul Keating with President Soeharto. The treaty aimed to provide the framework for cooperation on traditional and non-traditional security, and consultations in case of danger to one party's security. Yet it was heavily reliant on individual political leadership and had only modest institutionalisation (Dobell, 2018). In 1999, Indonesia axed the accord due to an East Timor crisis—in which Australia led a United Nations peacekeeping force in territory which Indonesia viewed as undermining mutual security expectations under AMS.

The AMS experience highlighted the dangers of “top-down” agreements divorced from deep bureaucratic and institutional arrangements; although it made Indonesia and Australia kindred in principle, there were inadequate mechanisms to decouple political disagreements. This fragility is a feature of early post-Cold War security accords in Southeast

Asia, where bilateral treaties tended to be personalised and too little rooted in robust institutions (Cotton, 2004).

### *The Lombok Treaty (2006)*

Ties were thawed later when Indonesia and Australia signed the Lombok Treaty, the Agreement on the Framework for Security Cooperation, in 2006. The Lombok Treaty also obligated both countries to respect sovereignty and territorial integrity, but it laid a wider institutional basis for cooperation around security, law enforcement, and transnational challenges. The Lombok Treaty was defensive in nature, even procedural, rather than offensive, about what either side would not do to the other (DFAT of Australia, 2015).

Academic analysis of the Lombok Treaty stresses its contribution to a normalisation of security cooperation in response to the destabilization that occurred in 1999. The agreement institutionalised a bilateral security dialogue mechanism, cooperation in the field of intelligence, counter-terrorism, and maritime security. By explicitly affirming a joint commitment not to support activities that could

undermine each other's sovereignty—such as the encouragement of separatism within the other's territory—the treaty addressed core sensitivities on both sides and played a crucial role in rebuilding strategic trust (Australian Embassy Indonesia, 2012).

However, the Lombok Treaty also had clear limitations. It did not establish formal crisis-response mechanisms or institutionalised leader-level consultation, and its cooperative scope remained deliberately cautious. Indonesia, in particular, continued to adhere closely to its long-standing principles of non-alignment and *bebas aktif*, viewing any arrangement that might imply automatic security commitments with suspicion and seeking to avoid institutional paths that could be interpreted as constraining strategic autonomy.

### The Defence Cooperation Agreement (2024)

The 2024 Defence Cooperation Agreement (DCA) was signed between the Australian Minister for Defence, Richard Marles and Indonesian President-elect Prabowo Subianto, consolidating pragmatic bilateral defence cooperation. The treaty-level DCA establishment allows increased mutual military access, joint exercises, and interoperability;

Australian force elements serve and train more closely with those of Indonesia (Australian Defence Magazine, 2024). This represents an expansion of cooperation beyond the procedural security dialogue under the Lombok Treaty to include practical operational and logistical arrangements.

The DCA has already appeared in enhanced joint activities—most obviously Exercise Keris Woomera in 2024 and 2025, a large combined exercise featuring complex maneuvers and disaster relief drills which address both countries' demonstrated interest in practical cooperation (Rasyadiputra, 2025).

### Strategic Environment: Indo-Pacific Competition and Middle-Power Hedging

The journey to the Treaty on Common Security needs to be framed in the evolving Indo-Pacific strategic canvas. The region is characterised by vicious US–China competition, an increased web of defence pacts (including AUKUS), and regional states' fears of maritime insecurity, grey-zone coercion, and non-traditional security threats. For Australia, enhancing bilateral relations with significant neighbouring countries such as Indonesia helps to “thicken” security relationships beyond ally dependence on the United States and promotes a more stable



Note. Timeline compiled and processed by the authors based on multiple sources.

regional order as a whole (DFAT of Australia, 2025). For Indonesia, an advanced partnership with Australia would be consistent with a hedging strategy—one that hedges against the risk of exposure to major power games by building partnerships in many places while not entirely aligning itself elsewhere (Hannan, 2025). In strategic hedging, there is engagement with great powers and military cooperation, while also maintaining autonomy and flexibility.

Unlike alliance commitments that can involve automatic calls for collective defence, the treaty would centre on consultation and coordinated responses to mutual challenges, protecting each other's freedom of action. This is consistent with Indonesia's traditional foreign policy orientation of "bebas aktif" (free and active), which prioritises the pursuit of non-alignment and constructive engagement across geopolitical lines.

### **An Institutionalist Analysis of the Future Treaty on Common Security: Innovation or Continuity**

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The announced Australia-Indonesia Treaty on Common Security closely follows the pattern of AMS, but is vastly different in its design and purpose. Three key elements are expressed in official statements: (1) periodic consultations at the level of leaders and ministers on issues relevant to common security interests; (2) it would establish a formal mechanism for consultation in the event of adverse security developments, enabling early exchange of assessments and joint, deliberative consideration of possible responses; and (3) beneficial security activities highlighting collaboration on areas agreed upon by both sides.

The politics of this is a hybrid institutional design, deeper than Lombok's framework and more flexible than formal alliance commitments. Importantly, it incorporates leader-level dialogue, providing for strategic focus across bureaucratic sectors and potentially enhancing crisis management. Ocean-crossing littoral neighbours also regularly encounter grey-zone and non-traditional threats—from maritime security risks to people smuggling, cyber-attacks, and humanitarian disasters—that require agile, cross-agency responses.

In contrast to the Lombok Treaty's defensive guarantees and procedural cooperation, the proposed Treaty on Common Security deepens the scope and regularity of institutionalised contact as well as secure communication. Through inculcating consultation at the highest political and defence ministerial levels, both can more closely coordinate responses to cross-border challenges, thus reinforcing strategic trust – a key resource for managing asymmetrical perceptions of threat and averting miscalculations that had earlier imperilled cooperation.

### **Bilateral and Regional Security Implications**

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This potential security treaty raises several implications. Firstly, for Indonesia, the treaty signifies recognition of Australia's importance as Indonesia has traditionally "looked northward"—towards Southeast Asia—as the strategic environment of its foreign policy. This reflects Indonesia's view of Australia as a significant neighbour and partner in the defence and security sphere (Dông, 2025). The treaty also provides an opportunity to show that Indonesia can manoeuvre through great-power rivalry without losing any

autonomy. Without joining a formal security alliance, this treaty allows Indonesia to diversify its defence partnership with a close and reliable partner on its southern flank. The pursuit by Indonesia of non-alignment and ASEAN centrality compatibility may be strengthened if it capitalises on institutional arrangements that facilitate cooperation without binding mutual defence obligations.

Secondly, for Australia, the treaty mirrors Australia's efforts to expand its defence and security network in Southeast Asia, rather than relying on its traditional partners. It enables Australia to play a more proactive role in regional security through cooperation in addressing various security challenges. Stability in Southeast Asia is a crucial element of Australia's national interest. Indonesia, long regarded as Australia's "bridge" to Southeast Asia and beyond, therefore becomes a key prerequisite for Australia's own security (Santosa & Anwar, 2025). While the treaty may not constitute a real alliance relationship, it does represent further investment by Australia in its most immediate large neighbour (with whom it shares no history of conflict at any time), expanding and deepening its security architecture in the region. Lastly, for ASEAN and regional architecture, Indonesia can serve as a bridge linking ASEAN's interests with Australia's perspectives (Santosa & Anwar, 2025). As such, the treaty could reinforce institutional connections without subverting multilateral institutions as long as it stays in line with ASEAN's focus on inclusive security dialogues and respects regional norms against exclusionary bloc formation.

## Prospects and Challenges

The Treaty on Common Security has the potential to deepen Indonesia–Australia



bilateral security cooperation across several areas, including:

- **Maritime security:** Maritime security cooperation should be at the forefront, given that Indonesia and Australia share the world's longest maritime boundary (Kilic, 2025). Enhanced cooperation could include joint maritime exercises, training and capacity building programs for military personnel and the coast guard, as well as regular coordinated patrols (D. F. Anwar, interview, January 30, 2026). These efforts would strengthen both countries' Maritime Domain Awareness (MDA) and improve their capacity and interoperability to address non-traditional maritime security threats.
- **Cyber security:** Hybrid threats, such



as cybercrime, require joint attention due to their far-reaching impacts—from crippling critical national infrastructure and spreading disinformation, and causing private data breaches to financial losses. Considering Australia’s well-established capabilities and infrastructure in countering cyber threats, cooperation in the form of capacity building, information sharing, and joint cyber exercises could be further developed to support Indonesia’s cyber resilience (Priyandita, 2025; Santosa & Anwar, 2025; B. Permata, interview, January 9, 2026).

- Defence industry: Defence industry collaboration remains a relatively underexplored area of Indonesia–Australia relations. In line with Indonesia’s defence modernisation agenda, Indonesia could engage Australia in technology transfer and joint development of defence equipment. Such collaboration would not only generate economic benefits but also strengthen the defence posture of both countries (Caroline, 2025).

While the Treaty on Common Security reflects the deepening and maturation of Indonesia–Australia bilateral relations as close neighbours, the potential for future friction remains. Several challenges need careful attention, including historical baggage and trust deficit stemming from past wounds, differing foreign and defence policy priorities, and the risk of misperceptions amid major power competition.

First, sovereignty-related issues continue to leave Indonesia with historical baggage and a trust deficit toward Australia. The lingering shadows of past incidents—such as the East Timor crisis, the 2013 wiretapping scandal during President Susilo Bambang Yudhoyono’s administration, the Papua issue, as well as disagreements over the death penalty and human rights—has shaped domestic political sensitivities and public suspicion toward Australia. The Indonesian military officers who were previously involved in the East Timor crisis now hold senior military positions, which means they still carry negative memories and experiences from past events (F. G.

C. Timur, interview, December 18, 2025). The diplomatic downturns caused by these incidents, which led to the freezing of defence cooperation, underscore a clear “red line” that must not be crossed: matters of national sovereignty. Most recently, the signing of the Pukpuk Treaty in 2025 between Australia and Papua New Guinea has kept Indonesia vigilant about its potential implications, including any perception of Australian support for Papuan separatist movements. Hence, transparency regarding Australian military activities in Papua New Guinea is essential to ensure that they do not interfere in Indonesia’s internal affairs (Caroline, 2025).

Second, divergent foreign and defence policy priorities between Indonesia and Australia have produced differing perspectives and responses to regional and global dynamics. Australia remains firmly anchored to the United States and emphasises alliance-based partnerships such as ANZUS, AUKUS, and the Quad, while Indonesia continues to adhere to its long-standing “bebas aktif” foreign policy, which precludes participation in formal military alliances. It is noteworthy that the Treaty on Common Security should not be interpreted as Indonesia pivoting toward the West. At the same time that Indonesia is deepening cooperation with Australia, it is also strengthening its defence diplomacy with China and Russia—countries that Australia views as strategic competitors.

Third, there is a risk of misperception amid great power rivalry. Indonesia and Australia must ensure that the Treaty on Common Security is an effort to support stability in the Indo-Pacific, not a move to counter China. This framing is necessary to avoid tensions with third parties, particularly given that while both countries concern about China’s growing

influence in the region, China remains a vital economic partner for both Indonesia and Australia.

## Conclusion

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The agreement between Indonesia and Australia to establish the Treaty on Common Security is driven by strategic necessity, as both countries share concerns over increasingly complex geopolitical dynamics. In response, both countries are determined to address regional security challenges collectively through more institutionalised consultation mechanisms. This new treaty represents an extension and consolidation of existing security and defence cooperation. However, it is important to emphasise that the Indonesia–Australia Treaty on Common Security is not a mutual defence treaty leading to a military alliance. Rather, it is best understood as a framework for regular dialogue that encourages leaders of both countries to engage in good-faith communication and confidence building measures to prevent diplomatic surprises.

While the Treaty on Common Security reflects a maturation of bilateral relations and stands as the most significant defence agreement in the history of Indonesia–Australia ties, the potential for future friction remains—particularly regarding sovereignty issues. To address lingering trust deficits and prevent renewed strains in the relationship, both countries could: (1) prioritise practical cooperation in non-traditional security areas such as maritime and cyber security; (2) establish Track 1.5 dialogues to provide more comprehensive policy recommendations; and (3) develop proactive and transparent communication mechanisms, both at the governmental and public levels to manage differences. The implementation of the Treaty

on Common Security will ultimately depend on the formal signing by both leaders and the public release of the official document. Most importantly, for this cooperation to be meaningful rather than merely symbolic, it must be translated into concrete initiatives—not just on paper—thereby contributing to peace and stability in the Indo-Pacific region.

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## About The Habibie Center

The Habibie Center was founded by Bacharuddin Jusuf Habibie and family in 1999 as an independent, non-governmental, non-profit organisation. The vision of The Habibie Center is to create a structurally democratic society founded on the morality and integrity of cultural and religious values. The mission of The Habibie Center are first, to establish a structurally and culturally democratic society that recognizes, respects, and promotes human rights by undertaking study and advocacy of issues related to democratization and human rights, and second, to increase the effectiveness of the management of human resources and the spread of technology.

## About ASEAN Studies Program

The ASEAN Studies Program was established on February 24, 2010, to become a center of excellence on ASEAN related issues, which can assist in the development of the ASEAN Community by 2015. The Habibie Center through its ASEAN Studies Program, alongside other institutions working towards the same goal, hopes to contribute to the realization of a more people-oriented ASEAN that puts a high value on democracy and human rights. The objective of the ASEAN Studies Program is not merely only to conduct research and discussion within academic and government circles, but also to strengthen public awareness by forming a strong network of civil society in the region that will be able to help spread the ASEAN message. With the establishment of ASEAN Studies Program, The Habibie Center aims to play its part within our capabilities to the ASEAN regional development.

## About Talking ASEAN

Talking ASEAN is a monthly public dialogue held at The Habibie Center in Jakarta. Covering a wide array of issues related to ASEAN, Talking ASEAN addresses topics of: Economic Integration, Socio-cultural, & Democracy, human rights and regional peace, among others. Featuring local and visiting experts, Talking ASEAN is one of a series of twelve dialogues regularly held each month and open to a target audience consisting of ASEAN officials, foreign ambassadors & diplomats, academics, university students, businesses, and the media.

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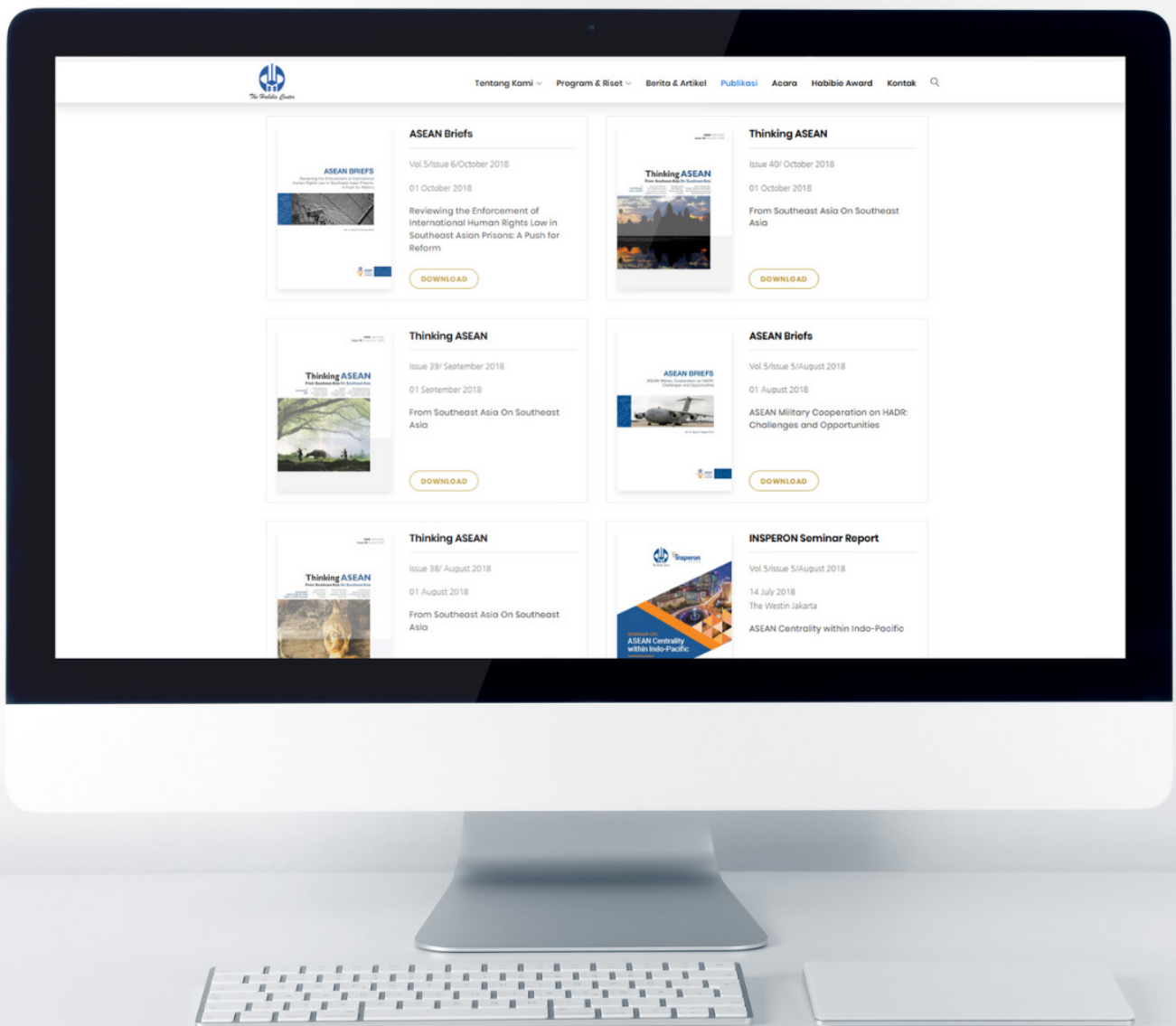
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