

# Indonesian and Australian leaders tone down refugee dispute

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1 October 2013

Australian Prime Minister Tony Abbott and Indonesian President Susilo Bambang Yudhoyono yesterday took steps to ease tensions between the two countries over Canberra's plans to use the Australian navy to return boats carrying asylum seekers to Indonesia. Abbott was sworn into office just two weeks ago after an election campaign in which both his Liberal-National coalition and the previous Labor government sought to outdo each other in whipping up anti-refugee xenophobia.

Growing signs of hostility in Jakarta to the Coalition's policies came to a head last week when Indonesian Foreign Minister Marty Natalegawa took the unusual step of releasing the minutes of a private meeting with his Australian counterpart Julie Bishop. In that meeting, he warned that "unilateral steps by Australia may constitute a risk to the close cooperation and trust" built through previous multilateral talks on the refugee issue, known as the Bali process. (See: "Australian 'border protection' regime fuels dispute with Indonesia")

Yesterday's discussions, described by Abbott as "very frank," were clearly tense. The Australian prime minister extracted a small concession from Yudhoyono that "apart from the Bali process, we need another kind of co-operation at the bilateral level between Indonesia and Australia." Nothing concrete was decided or announced, however. Indonesia's Security Coordinating Minister Djoko Suyanto told the *Australian* that the issue of turning back asylum seeker boats was not even discussed.

In return, Abbott was compelled to unambiguously declare "Australia's total respect for Indonesia's sovereignty, total respect for Indonesia's territorial integrity." He also issued what amounted to an apology, for the times "when Australia must have tried

your patience." While referring to the previous Labor government's policies, including a brief ban on live beef exports, he declared there were "times when all sides of Australian politics should have said less and done more" about stopping refugee voyages.

Abbott was forced to address Indonesian concerns that supporters of separatism for Indonesian Papua were using Australia as a base for their activities. In a menacing statement, Abbott warned that his government took "a very dim view... of anyone seeking to use our country as a platform for grandstanding against Indonesia. We will do everything we possibly can to discourage this and prevent this."

Indonesia Foreign Minister Natalegawa noted that Abbott had "constantly repeated" his "absolute respect for the sovereignty of Indonesia," but indicated that Indonesia promised little in response. Further bilateral discussions on asylum seekers—described by Natalegawa as "technical aspects"—have been assigned to Security Minister Djoko and Australian Immigration Minister Scott Morrison.

Indonesian concerns about the "border protection" policies of successive Coalition and Labor governments are bound up with broader strategic issues. Under the guise of preventing a relatively limited number of asylum seekers arriving by boat, a substantial Australian naval and air presence has been established in the waters between the two countries. During the previous Labor government, the Australian military was closely integrated into the Obama administration's "pivot to Asia," directed at containing China.

Indonesia's sensitivity to the presence of Australian warships in nearby waters is understandable. The Pentagon's war plans against China include controlling key naval "choke points" through South East Asia that are essential for Chinese access to energy and raw

materials from Africa and the Middle East. These “choke points”—the Malacca, Sunda and Lombok straits—are all situated in the Indonesian archipelago.

An article in today’s *Australian* entitled, “Why we need deeper ties with Indonesia,” emphasised that “Indonesia looms as the most important strategic reality in Australian defence thinking.” Australian Strategic Policy Institute executive director Peter Jennings warned: “Indonesia’s growing economic weight will translate into much greater military power not too many years from now.” Jennings urged Abbott to “ensure we stay close friends with Jakarta” and proposed a closer integration of Indonesia into Australian-US activities. He suggested that Australia’s Indian Ocean outpost of the Cocos Islands be used to mount joint maritime surveillance operations.

While Indonesia has strengthened its military ties with the US, it has been wary about alienating China, which is the country’s top trading partner. Like Australia, Indonesia has been hit by the slowing Chinese economy, the worsening global slump and the continuing international financial instability fuelled by the “quantitative easing” policy of the US and European central banks.

Both Abbott and Yudhoyono are keen to improve trade and economic ties. Abbott was accompanied by Trade and Investment Minister Andrew Robb and a high-powered business delegation that included top representatives of two of Australia’s “big four” banks—ANZ and the CBA—as well as Macquarie Bank, Telstra and the Business Council of Australia.

Abbott told an Indonesia-Australia business breakfast this morning that there was plenty of room to improve trade between Australia and Indonesia. He pointed out that Australia’s two-way trade with Indonesia, with its population of 250 million, was less than that with New Zealand, with just four million people. Australian investment in Indonesia is also low.

Business leaders in both countries are concerned that the dispute over asylum seekers could undermine economic relations. An editorial in yesterday’s *Jakarta Globe*, which featured negative news coverage of Australian refugee policies, warned that until a diplomatic solution to the issue was reached, trade and investment advances would be limited.

While the two leaders appeared to have patched up relations temporarily, the underlying tensions, which

are being fuelled by the broader US confrontation with China, remain.



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