

# Submission to the Joint Standing Committee on Treaties Inquiry into the Agreement Between the Government of Australia and the Government of the Republic of Indonesia on Cooperation in the Field of Defence

## Northern Territory Government Department of Trade Business and Asan Relations Submission



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## 1. Executive Summary

The Northern Territory Government welcomes and strongly supports the Agreement Between the Government of Australia and the Government of the Republic of Indonesia on Cooperation in the Field of Defence. This agreement represents a significant milestone in bilateral relations, fostering enhanced defence collaboration, regional security, and economic opportunities.

The Northern Territory Government is uniquely positioned to support the objectives of this treaty through its strategic geographical location, world-class defence infrastructure, and thriving energy and resources sector. Additionally, the Northern Territory Government supports aligning this agreement with Australia's domestic policy of **Developing Northern Australia**, ensuring the Northern Territory's capabilities contribute to regional stability and mutual prosperity.

## 2. Strategic Context Regional Security and Defence Cooperation

The Agreement's purpose – to strengthen and broaden bilateral defence and military relations while respecting sovereignty and promoting peace in the Indo-Pacific – directly complements the Northern Territory's role as a regional hub for economic and security cooperation. Specific provisions relevant to the Northern Territory include:

- **Defence Industry, Materiel, Science, and Technology:** Article 3 emphasises defence industry collaboration, creating avenues for Northern Territory-based businesses to support Indonesia's defence modernisation. The Northern Territory's proximity and expertise in logistics, maintenance and manufacturing make it an ideal sustainment partner.
- **Military Logistics Support and Operational Activities:** Article 6 outlines the role of logistical support in operational activities. The Northern Territory's infrastructure, including the Port of Darwin and Marine Industry Park, and nearby defence facilities, is well-positioned to host and supply such activities. Increased engagement could lead to infrastructure upgrades and new partnerships, fostering local job creation and economic growth.
- **Education and Training in Defence Fields:** The Northern Territory's established institutions and training facilities, including those offering vocational and higher education programs, can support the Agreement's focus on defence education and training (Article 3). This could attract Indonesian defence personnel, boosting the Northern Territory's international education sector.

The agreement aligns with shared Indo-Pacific objectives, fostering interoperability and collaboration between Australian and Indonesian defence forces. Recent increased participation by Indonesian forces in multilateral defence exercises, such as **Pitch Black**, **Kakadu**, and **Talisman Sabre**, underscores a joint commitment to regional stability and maritime security.

### 2.1. Northern Territory as a Defence Hub

The Northern Territory is home to some of Australia's most strategically important defence facilities, including:

- Larrakeyah Barracks including HMAS Coonawarra
- Robertson Barracks
- RAAF Base Darwin
- Defence Accommodation Precinct – Darwin (DAP-D)
- RAAF Base Tindal

These facilities, complemented by vast training areas such as Bradshaw Field and Delamere Air Weapons Range, provide an unparalleled environment for hosting large-scale multinational and bilateral exercises, and fostering

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greater collaboration with Indonesian defence forces. These resources align closely with the operational needs outlined in the treaty, making the Northern Territory a natural focal point for enhanced cooperation.

### 3. Economic and Strategic Opportunities for the Northern Territory

#### 3.1. Ship lift and Marine Industry Park Capabilities.

The new Marine Industry Park in Darwin, featuring a state-of-the-art ship lift facility capable of lifting and transferring up to 5,500 tonnes, offers unique opportunities to support Indonesian maritime defence and supply vessels. This infrastructure provides essential maintenance and servicing capabilities, bolstering the operational readiness of both Australian and Indonesian forces. The Park is adjacent to the entrance of East Arm Wharf, boasts seamless connections to road, rail, and sea transport and is complemented by robust supporting infrastructure and the Darwin Ship Lift key facility within the Precinct. Centrally positioned on Australia's northern coastline, the Marine Industry Park is the only significant vessel servicing point between Cairns and Perth. Promoting the use of the ship lift and Marine Industry Park as a key regional asset enhances Australia's reputation as a reliable defence partner.

#### 3.2. Energy and Resources Sector Collaboration

The Northern Territory is a leading player in Australia's energy and resources sector, boasting vast reserves of natural gas, critical minerals, and renewable energy potential. These resources can:

- ☐ Support Indonesia's growing energy needs.
- ☐ Provide a sustainable foundation for defence operations.
- ☐ Facilitate the joint development of clean energy solutions, aligning with shared commitments to energy security and climate resilience.

The Northern Territory Government and the Government of the Republic of Indonesia have formalised their collaboration through a landmark Memorandum of Understanding on critical mineral and strategic material supply chains. Signed at the Australian Indonesian Business Council in Sydney in November 2024, this agreement is the first of its kind between an Australian jurisdiction and Indonesia.

The 5-year agreement establishes a collaborative framework aimed at promoting sustainable development and economic growth, delivering mutual benefits for both the Northern Territory and Indonesia.

The Northern Territory has a robust pipeline of emerging mining projects in non-ferrous metals, critical minerals, and precious metals essential for the advanced manufacturing of batteries, semiconductors and renewable energy technologies.

Indonesia, as one of the Northern Territory's closest neighbours, is an important economic and strategic partner. The agreement leverages the Northern Territory's position as an emerging critical minerals powerhouse and aligns with Indonesia's ambition to become a Southeast Asian hub for electric vehicle manufacturing. Key highlights of the agreement include:

- ☐ Promoting opportunities for critical mineral investment.
- ☐ Encouraging joint studies, exploration, and the development of processing and refinery projects.
- ☐ Collaborating on sustainable and responsible mining practices.
- ☐ Facilitating skills development programs through education and training initiatives.

The agreement underscores a mutual commitment to strengthening energy supply chains, enhancing trade and investment links, and supporting critical minerals processing objectives in both nations.

This collaboration reinforces the Northern Territory's strategic importance and unlocks significant economic opportunities for the region and Indonesia.

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### 3.3. Local Business and Workforce Development

Increased Indonesian defence engagement has the potential to stimulate local industries, creating opportunities in:

- ☐ Accommodation, catering, and transport.
- ☐ Defence technology and innovation.
- ☐ Workforce development through training programs and skill-sharing initiatives.

The Northern Territory Government is committed to ensuring these opportunities benefit local businesses and Aboriginal communities, aligning with the broader goals of economic inclusion and social cohesion.

## 4. Recommendations

#### **Facilitate Enhanced Defence Engagement:**

- ☐ Ensure the Northern Territory remains a key location for joint defence exercises under the treaty.
- ☐ Promote greater participation by Indonesian forces in multilateral exercises hosted in the Northern Territory.

#### **Maximise Utilisation of Strategic Infrastructure:**

- ☐ Advocate for the use of Darwin's ship lift to support Indonesian maritime defence operations.
- ☐ Highlight the Northern Territory's energy and resources sector as a foundation for bilateral defence support and sustainability.

#### **Strengthen Defence Literacy and Skills Development:**

- ☐ Collaborate with Indonesian counterparts to develop training programs for Northern Territory defence industry stakeholders.
- ☐ Enhance defence literacy in Northern Territory businesses to increase participation in regional defence supply chains.

#### **Support Local Economic Growth:**

- ☐ Prioritise Northern Territory businesses in procurement related to hosting Indonesian defence activities.
- ☐ Promote Aboriginal participation in defence-related industries.

#### **Foster Bilateral Cultural Exchange:**

- ☐ Develop programs to enhance people-to-people ties, contributing to stronger bilateral relations and community engagement.

## 5. Conclusion

The Northern Territory Government strongly supports the Agreement Between the Government of Australia and the Government of the Republic of Indonesia on Cooperation in the Field of Defence.

This treaty presents a unique opportunity to strengthen defence collaboration, enhance regional security, and unlock significant economic benefits for both nations. The Northern Territory Government is committed to working with the Australian and Indonesian Governments to maximise the strategic and economic potential of this partnership.

The Northern Territory's strategic location, advanced infrastructure, and alignment with national policies position it as an essential hub for fostering deeper defence and defence industry cooperation.

The Northern Territory Government welcomes the opportunity to play a role in implementing this agreement and ensuring its success.

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