



Submission No 124

Inquiry into Australia's Relations with Indonesia

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Question:

"In the first instance, there have been reports in the media that Australia is considering contributing more money to Indonesian schools to combat terrorism. The Sub-Committee requests relevant information relating to these developments."

Proposed response:

- Australia is an important source of development aid to Indonesia, particularly in the field of education.
 - Over 40 per cent of Australia's aid is provided in the form of scholarships, training and basic education assistance.
- Australia's aid to Indonesia grew by 25 per cent in the 2003-04 budget, to \$152 million, and a substantial share of this additional assistance will be invested, over time, in education initiatives.
 - Direct expenditure on assistance to Indonesia's basic and vocational education systems is planned to rise from about \$12 million last financial year to up to \$17 million this year, and some \$47 million will be spent on specialised training and scholarships for study in Australia.
- Australia's objective in this area is to help the Government of Indonesia improve the quality and accessibility of primary and early secondary schooling, in the secular system but also in moderate Islamic schools, which complement the state education system and teach a predominantly secular curriculum.
 - Australia is playing a prominent role in reviewing needs and possible responses in consultation with the Government of Indonesia and other donors, including the multilateral development banks and the United States.
 - The level and nature of future Australian assistance will depend on the outcome of this process of review.

