

## Promoting regional prosperity and stability through development assistance

- 5.1 Despite progress towards reducing the incidence of poverty over the last three decades, poverty is still a major issue for Indonesia, affecting 'at least half of the entire population of Indonesia'.<sup>1</sup> According to the World Bank, 110 million people in Indonesia live on under \$2 per day and 'remain vulnerable to falling back to severe poverty'.<sup>2</sup> Poverty, according to the AusAID's *Indonesia Country Program Strategy*, is likely to be major problem for some time to come.
- 5.2 Poverty is not only an outcome of economic malaise. It is self-perpetuating. Poverty leads to inadequate education and health services provision, inadequate rural and agricultural development, and environmental degradation. These in turn entrench poverty further.
- 5.3 Poverty can contribute to social unrest and ethnic division. In the case of Indonesia, it has the potential to exacerbate internal dissension and the clamour for succession in provinces such as Aceh and Papua. Poverty can breed disenchantment and feed terrorism. Poverty, in short, threatens Indonesia's internal stability and, in turn, the stability and security of the region.

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1 AusAID, 'Indonesia Country Program Strategy From 2003', AusAID, Canberra, 2003 pp 15-16

2 World Bank, *Indonesia Country Assistance Strategy*, The World Bank Group, 2003, p 1

- 5.4 Australia's overall aid program is focused on poverty reduction and achieving sustainable development.<sup>3</sup> In Indonesia, as mentioned in Chapter 2, there are four inter-related objectives within this broad focus. Two of these objectives, namely improving economic management and enhancing security and stability, have been discussed in earlier chapters. This chapter explores issues that have been raised in this inquiry around the remaining two objectives, strengthening the institutions and practices of democracy, and increasing the accessibility and quality of basic social services provision. In regard to the latter, the Committee has focussed on education.

### Improving the provision of education

- 5.5 An improvement in the quality of basic education services in Indonesia is critical for alleviating poverty in the long term, for achieving economic and social stability, and for security within Indonesia and in the region.
- 5.6 Poor education services potentially undermine any efforts to alleviate poverty in the long term, achieve sustainable economic development and promote security. In the Committee's view, Australia's efforts in improving education services should be the linchpin of its assistance efforts.
- 5.7 AusAID's Indonesia Country Program Strategy describes in some detail an education system that is severely under-funded and that is facing major problems. Although progress has been made in recent years, including the achievement of almost universal access to primary education, there remain many serious issues which include the quality of teaching, lack of resources, the state of the curriculum, and low retention rates in secondary school. There are also serious development needs in terms of education management, needs which have been heightened by the devolution of responsibility for education to the regions.
- 5.8 The problems are shared by both the General Secular system and the Islamic System. Most students attend General Secular School (87%), although the proportion of students attending madrasahs rises significantly in the Junior Secondary System (21%).

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3 AusAID, 'Indonesia Country Program Strategy From 2003', AusAID, Canberra, 2003, p 27

- 5.9 The education system also includes approximately 14,000 pesantren, rural Muslim boarding schools. Students in pesantren attend either madrasahs, (sometimes run by the same organisation as the pesantren) or secular schools. There is growing concern in the international community about a handful of these schools thought to have a role in propagating jihadist teachings. According to a report from the International Crisis Group, 'there is a network of pesantrens that at once serves to propagate JI (Jemaah Islamiyah) teachings, provide religious and occasionally military training to recruits, and shelter members and fellow-travellers who are in transit or are seeking refuge from the law'.<sup>4</sup> As pointed out by ICG, 'most students in the schools that do have ties to JI emerge as pious, law-abiding citizens. To have gone to a JI pesantren does not make one a terrorist.'<sup>5</sup>
- 5.10 Education is a key component of Australia's developmental assistance to Indonesia. Education and training programs accounted for 57 percent of funding for the Indonesia Country Strategy in 2002-03.<sup>6</sup> The Government has committed to a 25 percent increase in aid to Indonesia in the 2003-04 budget (totalling \$152 million). A substantial share of this increase will be invested in education initiatives.
- 5.11 AusAID has advised that '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,<sup>7</sup> and should reach \$25 million by 2006/07.<sup>8</sup> Some \$47 million will be spent on specialised training and scholarships for study in Australia.'<sup>9</sup>
- 5.12 AusAID's *Indonesia Country Program Strategy* identified the areas that Australia will target as follows:

Emphasis will be placed on interventions that improve the quality of instruction and reduce dropout rates in these provinces, and on improvement in district and school

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4 ICG Asia Report No 63, 26 August 2003, 'Jemaah Islamiyah in South East Asia: Damaged but Still Dangerous', Jakarta/Brussels, 26 August 2003, p 26

5 ICG Asia Report No 63, 'Jemaah Islamiyah in South East Asia: Damaged but Still Dangerous', Jakarta/Brussels, 26 August 2003, p 26

6 Submission No 116, Attachment A-1

7 Committee correspondence, 12 November 2003

8 Committee correspondence. 13 November 2003

9 Submission No 124, p 1

administration, including for example, community based school management and measures to streamline complex budgetary processes that undermine the ability of local schools to plan and manage their resources effectively.<sup>10</sup>

- 5.13 The programs, AusAID advised, will be aimed at helping the Government of Indonesia improve primary and early secondary schooling in the secular system and also in moderate Islamic schools.<sup>11</sup>
- 5.14 Australia is also involved in reviewing further the '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.'<sup>12</sup> In December 2003, AusAID advised the Committee that the World Bank Education Sector Review was nearing completion with 'an extensive consultation process between national and district governments now underway'. It expected the report to be publicly available in 2004. The Madrasah Education Sub-Sector Assessment managed by the ADB, AusAID advised, was also nearing completion.<sup>13</sup> The Committee requests to be kept informed of developments concerning these reviews and of any implication for Australia's assistance in the area.
- 5.15 The importance of improving basic education in Indonesia cannot be underestimated. The investment bears rich and wide ranging dividends many of which are immeasurable. Education should retain the central importance that it has in Australia's aid to Indonesia.
- 5.16 In the Committee's view, the increases in education funding should not be at the expense of other aspects of AusAID's program in Indonesia or at the expense of aid to other countries. In a similar vein, the Committee considers that increases to one part of the education program must not be at the expense of other aspects of the education program. In this light, the Committee is concerned that while funding to basic education is to increase from \$12 million in 2002-03 to \$17 million in 2003-04 and to \$25 million by 2006-07, the number of Australian Development Scholarships (ADS) to be awarded to students in Indonesia is to be reduced in 2004 to 300. According to

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10 AusAID, 'Indonesia Country Program Strategy From 2003', AusAID, Canberra, 2003, p 33

11 Committee correspondence, 12 November 2003

12 Submission No 124, p 1

13 Submission No 116, p 7

AusAID this follows the completion of the package of 60 Economic Scholarships that were offered after the Asian financial crisis.<sup>14</sup>

## Recommendation 12

The Committee recommends that:

- **education should continue to retain the central importance that is has in Australia's aid to Indonesia;**
- **that increases in education funding should not be at the expense of other aspects of AusAID's program to Indonesia or at the expense of aid to other countries; and**
- **that increases to one part of the education program should not be at the expense of other aspects of the education program.**

5.17 AusAID informed the Committee that the number of ADS awards to be offered to Indonesia in 2005, 2006 and 2007 is not yet clear and that 'it will depend on the extent to which there may need to be further adjustments in the numbers of ADS awards, in order to allow the flexibility necessary to accommodate new priority areas of cooperation, for example, increased support for basic education and decentralisation'.<sup>15</sup> The Committee reiterates its view that funding should not be siphoned off highly effective schemes such as the ADS to support increases in assistance to other areas of education. The funding increases to education should be additional funding.

5.18 The ADS, a direct descendent of the Colombo Plan, can boast a proud record of assistance. In the last ten years alone it (or its predecessor schemes for overseas scholarships) has brought 5 300 Indonesian students to study in Australia. The program has evolved over time in response to various changes in the countries that it assists. Currently, all of the students from Indonesia are studying at post graduate level. Scholarships are awarded in areas considered to be priority areas. These areas, identified through consultation with the Indonesian Government, have included (although by no means exclusively) agriculture and environment, technology, governance, and health. Current priority sectors for training for Indonesia under ADS, as

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14 Submission No 116, p 9

15 Submission No 116, p 9

“framed within the four ‘pillars’ underlying the global aid program’s strategies to reduce poverty”, are as follows:<sup>16</sup>

Table 5.1 Current priority sectors for training under Indonesia ADS

Areas of Development Priority	Example Fields of Study
<b>Growth</b> Increasing economic growth by improving economic management and accelerating structural reform	Economics and economic management; tax reform; public sector reform; public administration; human resource development; governance; financial systems; audit; labour policy; industrial relations; international relations; international trade
<b>Accountability</b> Improving accountability by strengthening democratic institutions and practices	Legal and judicial systems; human rights; civil society; decentralisation; gender equity; women in development; political science; media studies
<b>Productivity</b> Improving productivity by increasing the human capital of the poor and near poor	Education and training; teacher training; education management; health services; health management; agriculture; agribusiness; aquaculture and fisheries; English language teaching; computer science and information technology
<b>Vulnerability</b> Reducing vulnerability by mitigating the impact of conflict, natural and other disasters on vulnerable communities	Environmental resource management; regional and community development; development studies; peace studies; conflict resolution

Source Submission 116, p 11

- 5.19 Of the ADS scholarships and predecessor scheme in the last ten years, 290 (approximately five percent) have been in the field of education, teacher training and education management. As pointed out by AusAID, in addition to these scholarships, ‘many other awards would have been for students studying in different fields but eventually going on to teach at Indonesian secondary and tertiary education institutions’.<sup>17</sup>
- 5.20 With decentralisation, the responsibility for education has devolved to the regions. Australia’s experience in providing education in a decentralised environment equips it well to offer assistance to Indonesia in developing the skills necessary to deliver high quality services in this area.
- 5.21 Given the importance of education, the Committee considers that a higher proportion of ADS should be awarded to students undertaking teacher training or education management or closely related areas. Just as it appears that a package of 60 Economic Scholarships were offered after the Asian financial crisis, the Committee considers that a

16 Submission No 116, p 11

17 Submission No 116, p 11

substantial package of scholarships for studies in education should be offered at this point in time. The funding for these scholarships should be additional funding and should not be siphoned.

### **Recommendation 13**

**The Committee recommends that the Australian Government provide for an enhanced Australian Development Scholarships program to enable the provision of a substantial package of scholarships specifically for Indonesian students for studies in education.**

- 5.22 The current ADS program is targeted at full time students. The Committee considers that consideration should also be given to offer further professional development training to Indonesian teachers that do not require full time study. Most teachers are not in a position to consider further degrees, yet may benefit substantially from vacation length professional development courses conducted in Australia. Such an experience would enrich not only their teaching but provide them with the opportunity to develop greater understanding of Australia. Given the role teachers have in society, and the breadth of reach and the impact they can have on young people, and through them their families, teachers who are given this opportunity could potentially play a very great role in building positive links between the two countries.

### **Recommendation 14**

**The Committee recommends that the Australian Government should establish a program of scholarships to Indonesian teachers to undertake professional development training Australia during vacations.**

- 5.23 The Committee also sees value in a work experience component being added to the scholarship scheme. In the field of education management, for instance, a period working in one of the State or Territory education offices would provide invaluable experience. It would, moreover, allow for the establishment of working relationships which could be called on in future years if and when needed. Additional funding should be provided to the Government Sector Linkages Program to enable it to be used for this purpose.

**Recommendation 15**

**The Committee considers that there is value in adding a work experience component to the Australian Development Scholarship Program and recommends that the Australian Government provide substantial ongoing funding to the Government Sector Linkages Program to enable it to be used in conjunction with the Australian Development Scholarship Program by providing for a work component to be added to the Scholarship Scheme.**

**Strengthening the institutions and practices of democracy**

- 5.24 Indonesia's successful transition to democracy is vital to its future prosperity and stability. Since the fall of Soeharto in 1998, Indonesia has made progress towards both democratisation and decentralisation. Major constitutional reforms have been passed, parliament has begun to assume a more 'meaningful role', numerous new institutions and civil society organisations have been established or grown, a free and robust press has grown and the role of the military in politics has been reduced. Regions have more control over their resources and the provision of resources.
- 5.25 Although progress has been made, the pace is slower than many would wish. Internal pressures continue to inhibit the rate and extent of much needed reform. AusAID's *Indonesia's Country Program Strategy* states that 'significant progress on democratic reform and improved governance will only be possible after the elections and will depend on these elections'.<sup>18</sup> Consolidation of democracy in Indonesia, if it is achieved, will take a long time. Moreover, democracy in Indonesia will evolve with its own distinctive character.
- 5.26 While acknowledging that Indonesia faces immense challenges as it pursues political, constitutional, legal and judicial reform; as it builds the institutions that are necessary for accountability, transparency, and justice; as it develops the processes that permit participation; and as it deals with the internal attempts to undermine what it is trying to achieve, the Committee is acutely aware that stable, secure and strong

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18 AusAID, 'Indonesia Country Program Strategy From 2003', AusAID, Canberra, 2003, p 13



democracies are not built overnight. Democratisation is a process that throughout history has taken time and demanded patience and perseverance. Australia, as one of the oldest successful democracies can, does and should support its neighbour Indonesia, the world's third largest democracy, though this period of transition.

- 5.27 Australia's efforts in this area, as outlined in the *Indonesia Country Program Strategy* will focus on 'assistance aimed at strengthening legal and judicial institutions, improving the promotion and protection of human rights, strengthening civil society, strengthening electoral processes and institutions, supporting more decentralised and participatory decision-making and improving gender equality'.<sup>19</sup>
- 5.28 The Committee received submissions from a number of government agencies involved in providing this assistance.

### Strengthening electoral processes and institutions

- 5.29 One of the functions of the Australian Electoral Commission (AEC) is to provide assistance relating to elections and referendums to foreign countries or foreign organisations. With funding from Australia's overseas aid program, the AEC provided technical support for the Indonesian elections in 1999, elections described by AusAID as having 'paved the way for the first time in more than a generation to be governed by a democratically elected government'.<sup>20</sup>
- 5.30 In its submission to the inquiry, the AEC described its role in the 1999 elections as evolving over time to one that concentrated on 'the compilation of "unofficial" results for the election with the cooperation of the KPU [National Election Commission], through the KPU's Joint Operations and Media Centre (JOMC)'.<sup>21</sup> The unofficial results produced by the JOMC gave, according to the AEC, 'a remarkably accurate picture of the final outcome within a comparatively short time'. The indication of the results provided by the JOMC figures 'probably served to dispel concerns about the slowness of the official count, in that while the latter caused great frustration there was no real doubt about the actual outcome of the election. According to the AEC, the 'success of the JOMC operation

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19 AusAID, 'Indonesia Country Program Strategy From 2003', AusAID, Canberra, 2003, p 30

20 AusAID, 'Good Governance: Guiding Principles for Implementation' AusAID, Canberra, 2000, p 8

21 Submission No 19, p 3

was, and still is, seen by important players in the KPU in 1999 as having been critical to the overall success of the election.<sup>22</sup>

- 5.31 Since the 1999 elections, the AEC has been involved in a number of activities which include:
- election management training (a project developed in collaboration with the UN and the International Institute for Democracy and Electoral Assistance);
  - report on the KPU's information technology strategy, identifying a number of challenges which have since been addressed; and
  - assist in the development of the KPU's training needs, strategic planning of KPU training and in the establishment of a KPU training unit.<sup>23</sup>
- 5.32 Provision will also exist, the AEC advised, for certain ad hoc assistance should the need arise. The project will continue until the end of October 2004.<sup>24</sup>
- 5.33 In giving evidence to the Committee, the AEC pointed out that the task of providing training is such a large one that Australia's assistance can only go so far towards effecting change and that ultimately the dominant contribution must come from Indonesia.
- 5.34 Australia committed \$15 million to support the Indonesian Government run the 2004 elections. This includes 'almost \$3 million in assistance through the Australian Electoral Commission to train Indonesian Electoral Commission staff' and '\$8 million to the UNDP Electoral Support Program, which is providing training on elections management and voter education'.<sup>25</sup>
- 5.35 The Australian Parliament sent a delegation to observe the elections in March 2004 and will be sending other observers to the direct election of the President in July. Reports of these delegations will be tabled in the Parliament. In discussing the value of electoral observation, the Director of the International Division at the AEC suggested that observers do not really have the opportunity in a country the size of Indonesia to make a fully informed judgement as to the validity of the election process. Such visits, however,

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22 Submission No 19, p 5

23 Transcript of evidence, Tuesday 5 August 2003, p 380 (AEC)

24 Transcript of evidence, Tuesday 5 August 2003, p 381(AEC)

25 A Downer (Minister for Foreign Affairs), Australians to observe Indonesian elections, media release, Parliament house, Canberra, 30 March 2004

demonstrate 'Australia's interest in the process and support for ongoing democratisation in Indonesia.'<sup>26</sup>

5.36 In describing developments concerning elections in Indonesia, the AEC pointed out the massive scale of the undertaking (with around 142 million people voting and 400 000 polling stations). It referred to the elections as 'the largest logistical undertaking in South-East Asia in peacetime'.<sup>27</sup> The electoral system, the AEC noted, is still evolving. Indonesia will for the first time vote directly for the presidency. Significant changes include a shift in the structure and nature of the KPU from being a body that consisted of representatives of all registered political parties to a truly independent electoral commission.

5.37 The Committee commends the work of the AEC in Indonesia. It notes that much of its work is done in collaboration with other international donor agencies and supports this as a very appropriate approach.

## Centre for Democratic Institutions

5.38 Further work to assist the process of democratisation in Indonesia is also undertaken by the Centre for Democratic Institutions. Established in 1988 to assist regional countries strengthen their governance processes, CDI receives core budget funding through AusAID of approximately \$1 million per annum. Since its establishment, it has expended \$733,194 (approximately 18.3% of its core budget) on assistance to Indonesia.<sup>28</sup>

5.39 Projects cover four main sector areas: parliaments, the judiciary, civil society and the media as well as two cross-cutting themes: accountability and human rights. In its submission to this inquiry, CDI identified parliaments and the judiciaries as being its major focus. Projects relating to Indonesia include English language training for officials, the arrangements of a visit of senior Indonesian parliamentary officers from the Australian Parliament to Jakarta in 2002 and a return visit from senior DPR officials to Canberra in 2003, the participation of six Indonesians in the CDI-ANU inaugural Parliamentary Officials course in 2002 and the creation of an AVI

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26 Transcript of evidence, Tuesday 5 August 2003, p 389 (AEC)

27 Transcript of evidence, Tuesday 5 August 2003, p 381 (AEC)

28 Submission No 45, p 5

placement at the DPR. A full list of specific projects relating to Indonesia is found in Appendix E.

- 5.40 In its submission to this inquiry, CDI stressed the importance of retaining flexibility and ensuring that the process is driven by the recipients. Expounding on this point in evidence to the Committee, the Director of CDI, Mr Roland Rich, explained that ‘one of the driving concepts we have to have is that democracy promotion cannot be supply driven. It is not just what we have to offer. It really has to be a process driven by the recipients. What is it that Indonesia needs and what can it absorb?’<sup>29</sup>
- 5.41 CDI also stressed the importance of making a long term commitment. In response to the reality that the environment in which governance strengthening takes place is characterised by short-term electoral and political cycles, CDI has focussed on creating the linkages ‘between the officials of the two parliaments, in that officials can provide a level of continuity that often parliamentarians are unable to.’<sup>30</sup> Mr Roland Rich made an appeal to Australian Parliamentarians to stay engaged and to ‘look beyond the occasional delegation visit and try to forge individual links’.<sup>31</sup>
- 5.42 The Committee concurs with CDI about the importance of parliamentarians staying engaged. In considering how to make the most effective contribution in this area, the Committee was aided by the work of Stephen Sherlock, commissioned by CDI to report on the structure and operation of the DPR.<sup>32</sup> Sherlock’s detailed description of the working of the DPR and his analysis of some of the problems the new democratic parliament faces is derived from two months in the field interviewing ‘MPs and staff of the DPR Secretariat, political commentators and observers of parliamentary affairs, activists in NGOs and political organisations, together with consultations with representatives of international government and non-government agencies’.<sup>33</sup>
- 5.43 The report concludes that:
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29 Transcript of evidence, 5 August 2003, p 364 (CDI)

30 Transcript of evidence, 5 August 2003, p 364 (CDI)

31 Transcript of evidence, 5 August 2003, p 363 (CDI)

32 S Sherlock, *Struggling to Change: The Indonesian Parliament in an Era of Reformasi*: A report on the structure and operation of the Dewan Perwakilan Rakyat (DPR). CDI, Canberra, 2003

33 S Sherlock, *Struggling to Change: The Indonesian Parliament in an Era of Reformasi*: A report on the structure and operation of the Dewan Perwakilan Rakyat (DPR), CDI, Canberra, 2003, summary p 1

The DPR is part of the solution and part of the problem [for Indonesian democracy]: it is a key instrument for bringing about political change and a place where government can be held accountable and where its policy decisions can be deliberated upon. But it retains much of the legacy of a past authoritarian order and has, in many ways, become a conduit for old-style politics of patronage amongst the same exclusive circles, rather than a means to increase popular participation. The changes of the last few years have given shape to the formal institutions of democracy, with free elections, a separation of powers between executive and legislature and a free media and civil society. But real accountability of government to the legislature and the people is still in its infancy, with democratic institutions providing few checks on personalised power relations amongst a privileged elite intent on defending its special position.<sup>34</sup>

- 5.44 Sherlock notes that opportunities to influence the political character of the DPR and its members are limited and largely in the hands of the Indonesian people themselves. He suggests that the most productive assistance 'would be to boost the administrative and intellectual support capabilities within the DPR. Key areas include the information and research capacity, legislative drafting and records of DPR proceedings.'<sup>35</sup>
- 5.45 The Australian Parliament is already supporting parliamentary development in Indonesia, particularly through its very substantial input to the development and delivery of programs arranged by CDI. The visits organised by CDI between the senior officials of the two parliaments have been useful in establishing the relationship. Specific training in targeted areas such as those identified by Sherlock, designed to reflect the reality of the human and technical resources realities of the DPR, should be the next step. These are areas in which the Australian Parliament has much to offer. The Committee suggests that consideration be given to the Australian Parliament having carriage of such programs rather than just supporting them.

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34 S Sherlock, *Struggling to Change: The Indonesian Parliament in an Era of Reformasi*: A report on the structure and operation of the Dewan Perwakilan Rakyat (DPR), CDI, Canberra, 2003, summary p 3

35 S Sherlock, *Struggling to Change: The Indonesian Parliament in an Era of Reformasi*: A report on the structure and operation of the Dewan Perwakilan Rakyat (DPR), CDI, Canberra, 2003, summary p 3

## Proposal for a Parliamentary Development Program

- 5.46 Australia's record as a successful parliamentary democracy is one of which it can be justifiably proud. The Australian Parliament and its supporting Departments have something to offer to countries that are in relatively early stages of democratisation.
- 5.47 The Australian Parliament and its departments are already very involved, individually or in association with international parliamentary or democratic organisations, in assisting other parliaments develop. It does this through a very broad range of activities involving the provision of advice, education and training for members and staff of a number of parliaments in the Asia Pacific region as well as in other developing areas including Africa and Kosovo. Details of the initiatives involved are outlined in the submission from the Speaker of the House of Representatives to the inquiry of the JSCFADT into *human rights and good governance education in the Asia Pacific region*, a copy of which is attached as Appendix F. Involvement includes the conduct of study tours for visiting parliamentarians and staff, participation in workshops, conferences and seminars, secondment of parliamentary officers into other parliaments and the development and delivery of training packages to other parliaments and staff in their home countries.
- 5.48 Assisting developing parliaments is an area in which the demand will continue growing for the foreseeable future.
- 5.49 The Committee considers that Australia could significantly increase its contribution in this area by building and refining the programs already in place. Moreover, Australia's potential to offer assistance in the strengthening of parliamentary processes could be significantly multiplied if the eight State and Territory parliaments were also more involved.
- 5.50 The Committee considers that there would be much to be gained by drawing together the disparate elements of work in this area. It suggests the establishment of a Parliamentary Development Program (PDP). The PDP would coordinate, administer and deliver the various activities already being undertaken in this area. In the Committee's view, the administration and management for this program should be the responsibility of the Australian Parliament as it is best placed to coordinate the expertise of the parliament and departmental officers and bring together these elements in a way that maximises the contribution that can be made to developing parliaments. Having it located within the Australian Parliament would also enable it to be

developed alongside the bilateral visits program with a view to maximising any opportunities for linkages.

- 5.51 The Australian Parliament already houses a Parliamentary Relations Office and a Parliamentary Education Office. The Parliamentary Education Office has developed a well deserved reputation for the program it offers Australian schools in teaching and learning about the Australian Parliament. The Parliamentary Relations Office has as its primary focus the fostering of direct relationships between the Australian Parliament and parliaments of other countries. It is already involved in the work of strengthening parliaments though through its involvement in CPA and IPU.
- 5.52 The PDP should be the responsibility of the PRO with designated officers appointed to it. It should be funded by an additional appropriation in the budget. Part of its task should be to provide the secretariat for a Working Group comprising representatives from each of the Departments administering the parliaments within Australia.

#### **Recommendation 16**

**That the Australian Government establish a Parliamentary Development Program to provide assistance to developing parliaments.**

### **Development cooperation and internal stability issues**

- 5.53 The Indonesian Government is absolutely committed to maintaining the national and territorial integrity of the country, a position to which Australia has given unequivocal support.
- 5.54 Senator Stott Despoja's view is that there are unresolved issues from the past that need to be revisited if there is to be any hope of long term peace and security within these provinces. This includes Australia's role in the 1969 Act of Free Choice.
- 5.55 Notwithstanding this support, developments in the two areas in which separatist sentiments have been strongest, Aceh and Papua, are of some concern to Australia.
- 5.56 In its submission to the Committee, the Indonesian Embassy described the conflicts in Aceh and Papua as having 'different roots and basically stemming out from the injustices and exploitative

policies of the previous administrations.’<sup>36</sup> Both provinces have been offered Special Autonomy arrangements, aimed at addressing the grievances of the people in these provinces without undermining the government constitutional duty to maintain the national and territorial integrity of the country.’<sup>37</sup>

- 5.57 Most of the evidence received from the Committee relating to Indonesia’s response to the separatist movement concerned Papua. Hence the focus on Papua in the discussion below.

## Papua

- 5.58 Retained by the Dutch as a colony after Indonesia won its independence in 1949, Papua became part of Indonesia in 1969 after a vote on independence or integration. The legitimacy/validity of the vote has been questioned since that time with the continuing controversy maintaining an undercurrent of unrest in the province. According to ICG, the struggle between the Indonesian state and the independence movement, supported by most of the indigenous population, is thought to have cost many thousands of lives.
- 5.59 Within Papua itself, there is considerable disagreement about its current situation and about preferred pathways for the future. This is not surprising. Papua is a complex province within a complex nation. As a result of migration from other parts of Indonesia, approximately fifty percent of the population is indigenous with the other fifty percent made up of transmigrants and ‘spontaneous migrants’.<sup>38</sup> According to Caritas, of more impact on the indigenous population have been the spontaneous migrants, people ‘attracted by the prospect of a better life, particularly traders and shopkeepers able to buy and sell goods, and civil servants.’<sup>39</sup> The disproportionate access they have to the opportunities and resources of the resource rich province fuel resentment and hostility between this group and the indigenous population.
- 5.60 Since the fall of Soeharto, the Indonesian Government’s tolerance of the continuing rebellion and desire for independence has varied as its Presidents have changed.

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36 Submission No 90, p 15

37 Submission No 90, p 15

38 Submission No 38, p 8

39 Submission No 38, p 9



## Special Autonomy

- 5.61 In response to the separatist sentiment, under President Wahid Abdurrahman, Papua (and Aceh also) was offered Special Autonomy.
- 5.62 The Special Autonomy Package, enacted by law in November 2001, offers, 'some powers of self government, a larger share of the income from natural resources extracted in Papua a stronger recognition of customary law, and the creation of institutions to voice Papuan aspirations'.<sup>40</sup> While the Autonomy Package passed into law weakened some significant provisions in the draft including some regarding cultural and security issues, it dramatically improved access to the revenue with '80 percent of the government's revenues collected from forestry and fishery and 70 percent of revenue from oil and gas and mining, returning to the province.'<sup>41</sup>
- 5.63 According to ICG, 'Theys Eluay and the members of the Presidium Dewan Papua, the leadership council chosen at the time of the Papuan Congress in June 2002, rejected it, as they had rejected autonomy from the outset.'<sup>42</sup> ICG notes also that 'significant elements within the Papuan elite were prepared to give autonomy a chance.'<sup>43</sup> The Special Autonomy Package has been generally supported by the international community with the New York based Council on Foreign Relations describing it as a 'win win' and the EU having made a commitment to give financial assistance to make its implementation successful.<sup>44</sup>
- 5.64 An important element to the Special Autonomy Package, and one which ICG suggests is a key determinant of the wise implementation of the Special Autonomy Package,<sup>45</sup> is the creation of the Papuan People's Council (MPR). The delays in establishing the MPR are of concern.
- 5.65 Such delays raise questions about the level of commitment to providing for Special Autonomy and have created considerable uncertainty about the future in the province.

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40 ICG Asia Briefing, 'Dividing Papua: How not to do it', Jakarta/Brussels, 9 April 2003, p 7

41 Submission No 90, p 18

42 ICG Asia Briefing, 'Dividing Papua: How not to do it', Jakarta/Brussels, 9 April 2003, p 6

43 ICG Asia Briefing, 'Dividing Papua: How not to do it', Jakarta/Brussels, 9 April 2003, p 6

44 The Jakarta Post, 16 June 2003, *There must be wiser ways to deal with Papua*

45 ICG Asia Briefing, 'Dividing Papua: How not to do it', Jakarta/Brussels, 9 April 2003, p 6

## Proposal to divide into three provinces

- 5.66 Exacerbating the uncertainty created by the delays in implementing the Special Autonomy Package, the Indonesian Government announced in January 2003 its intention to implement a 1999 law which had divided Papua into three provinces, Irian Jaya, West Irian Jaya and Central Irian Jaya. The division had never taken place. There is considerable debate about the legality of the move. Article 76 of the Special Autonomy Law 'provided that the division of Papua required the approval of the MPR and the provincial parliament'.<sup>46</sup> As indicated above, the MPR has not yet been established.
- 5.67 The move to divide Papua into three provinces has met with a mixed reaction with some welcoming the opportunities it presents and others claiming it is a move to undermine the independence movement.
- 5.68 Western Irian Jaya was established January 2003. In August 2003, following clashes between supporters of the plan, mostly migrants, and Papuans, in Timika to mark the inauguration of the new province of Central Papua, Coordinating Minister for Political and Security Affairs Susilo Bambang Yudhoyono announced further division was to be postponed.
- 5.69 In December 2003, the Constitutional Court sat to conduct a judicial review of the law governing the sub-division of Papua. The Papuan DPRD (Provincial People's Representative Council) had petitioned for the review — believing the sub-division law contradicts the special autonomy law. No findings have as yet been released.

## Reaction of Papuans to these developments

- 5.70 The announcement of the Government's intention to implement the 1999 law has increased the confusion and uncertainty created by the delays in the implementation of the Special Autonomy Package. The resulting tension has been fuelled by other signs of the government taking an increasingly hardline stance on separatist sentiment. Reports of the military bringing in reinforcements are in particular raising concerns.
- 5.71 The Committee received numerous submissions describing the situation in Papua and expressing concern. Observations clustered around two themes in particular: the desire of most Papuans for a

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46 ICG Asia Briefing, 'Dividing Papua: How not to do it', Jakarta/Brussels, 9 April 2003, p 6

peaceful resolution of the problems they face, and secondly, concerns about continued human rights abuses and the role of the military in fuelling tensions in the province.

### Desire for peaceful resolution

5.72 In its submission to the inquiry Caritas put Papuans' desire for independence in an interesting and illuminating perspective.

Indigenous Papuans have not experienced the role of the Indonesian government, in particularly the military, positively. Ever since the Dutch promise of independence in the 1950s Papuans have talked about pursuing the same path that other Melanesian countries have taken with the understanding that this alone will solve their problems. The desire for independence is an expression of the desire to live free of discrimination and fear. The practicalities – economic, political, security, language – are ignored and subsumed by the intense and understandable desire to live free of repression.<sup>47</sup>

5.73 Although there are some indications that elements of the Free Papua Movement (OPM) are interested in pursuing an armed struggle to achieve independence, they are reported to be poorly armed and organised<sup>48</sup> and, according to Caritas, there has been 'almost no activity from the OPM since the decision by Papuan leaders to restrict their campaign for independence to a non-violent one (June 2000).<sup>49</sup>

5.74 The picture most strongly presented in the evidence that the Committee received during this inquiry is of a long suffering people strongly desirous of a peaceful resolution to the current conflict and problems confronting the province.

5.75 The Committee completely supports the view that resolution must be reached through peaceful negotiation and endorses any calls for meaningful talks between the Indonesian government and Papuan leaders. Given Australia's unequivocal support for Indonesia's territorial integrity, the Committee considers that the focus of these talks should be on implementing special autonomy.

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47 Submission No 38, p 3

48 'There must be wiser ways to deal with Papua'. The Jakarta Post, 16 June 2003

49 Submission No 38, p 5

- 5.76 A number of submissions called for the Australian Government to play a role in negotiations. Although the Committee strongly supports in principle any measures to progress peaceful negotiation, it does not consider it appropriate for the Australian Government to have a formal role in this.
- 5.77 The Committee is disappointed that the full implementation of the Special Autonomy Package, arguably the most sustainable means of resolving conflict within the province, has been delayed. The Committee urges the Australian Government to use its good offices to encourage all parties to tirelessly pursue the path of negotiation towards a peaceful resolution to the problems in Papua. Furthermore, it recommends that the Australian Government encourages Indonesia to implement the Special Autonomy Package without further delays and to offer any assistance to Indonesia that it can to facilitate this. It urges the Australian Government to examine ways that it can provide substantial assistance in this area.

### **Discussions in Indonesia about Papua**

- 5.78 Issues around Papua were raised on a number of occasions during the Committee's recent visit to Indonesia. The Committee took every opportunity that it could to reiterate Australia's unequivocal support for Indonesia's territorial integrity. The Committee sensed as mentioned earlier in this report, a deep mistrust of Australia's intentions with regard to Papua, a mistrust arising out of Australia's involvement in developments around East Timor's independence. Committee members stressed during meetings in Jakarta in February 2004 that an independent Papua was not in any way in Australia's national interest. The Members acknowledged concerns expressed in some discussions that this was a viewpoint that could change under public pressure. In the Committee's view, this possibility only highlights the need for the situation regarding human rights abuses and the presence of the military in Papua to be properly addressed.

### **Continued human rights abuses and concern about the role of the military in fuelling tensions**

- 5.79 Having had a key role in securing Indonesia's independence, the strongly nationalistic military is largely intolerant of any separatist sentiment. There are few signs that this is abating as suggested by a recent article in the Jakarta Post which reports the Indonesian defence white paper as placing terrorism behind separatism as the main

security threat to the country.<sup>50</sup> This perception was confirmed on various occasions in the Committee's discussions in Indonesia.

- 5.80 The Committee is deeply concerned by the accounts presented in evidence during the course of this inquiry as well as in more recent reports of mounting tensions in Papua related to the presence and activities of the military. Various submissions provided lists of human rights abuses. Others expressed concerns over a wide range of issues including; the role of the military in the murder of Theys Eluay and the lack of independence of the bodies investigating his murder, the leniency of the sentences handed out to seven Kopassus special forces members convicted for their part in the murder; implication of military involvement in the Freeport incident in August 2002 and the intimidation of members of ELSHAM and Indonesian police involved in the killings; TNI raids across the border into PNG targeting OPM; the links between the military and anti-independence militia; and the role of the military in illegal logging, extortion, and prostitution; and its involvement in providing security for foreign mining interests such as the Freeport copper and gold mine.
- 5.81 The Committee welcomes the announcement reported in November 2003 by the Indonesian Armed Forces (TNI) of its intention to cease its involvement in protecting high profile foreign mining and energy interests. The Committee hopes the decision leads to an amelioration of what has been described by ICG as 'difficult relations between the company its guards and an ethnically diverse community.'<sup>51</sup>
- 5.82 In its report, 'Indonesia: Resources and Conflict in Papua',<sup>52</sup> the ICG called on foreign governments to make clear its concern about the lack of independence of the bodies investigating the murder of Theys Eluay.
- 5.83 As in most situations within Indonesia, a complex mix of factors are at play in determining the behaviour of the military. To some extent at least, the involvement of the military in illegal logging or protection schemes is a product of a system in which the military receives only 30 percent of its funding from the Government and 'must raise the

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50 'Defence white paper puts terrorism behind separatism as main threat', The Jakarta Post , 8 December 2003

51 ICG Asia Report No 39, 'Indonesia: Resources and Conflict in Papua', Jakarta/Brussels, September 2002, ii

52 ICG Asia Report No 39, 'Indonesia: Resources and Conflict in Papua', Jakarta/Brussels, September 2002

other 70 percent themselves.<sup>53</sup> Addressing this in any significant way would require not only political will, but a considerably enlarged tax base. Australia is already involved in providing some assistance to Indonesia relating to revenue enhancement, referred to in Chapter 4. The Committee urges the Australian Government to consider expanding its efforts in this area and to use its good offices to encourage Indonesia to work towards reforming the funding arrangements for the military as a matter of high priority.

- 5.84 The Committee notes that the ability of Australia to sustain a good relationship with Indonesia in a way that builds trust, and for the Australian Government to uphold its position in Australian political debate in respect to its strong support for Indonesia's territorial integrity, would be helped by the maintenance of a tolerant, fair and stable administration of Papua.
- 5.85 Other developments in the course of this inquiry concerning the military have intensified concerns about the situation in Papua. These include developments concerning Laskar Jihad; a build up in the numbers of military within Papua; and reports of military involvement in inciting communal violence.

### **Laskar Jihad**

- 5.86 Laskar Jihad is described by the ICG as 'a radical Islamic paramilitary organisation whose members have fought against Christians in Maluku and Central Sulawesi' with an 'agenda of religious sectarianism flavoured with Indonesian nationalism' which 'usually defines its role in conflict areas as protecting Muslims against "Christian separatists"'.<sup>54</sup>
- 5.87 The Committee's comments in relation to the importance of Indonesia being fair and just in Papua, and the impact of that in Australia in terms of allaying public concerns and domestic political debate, are also pertinent in relation to the situation in Maluku and Central Sulawesi.
- 5.88 In its submission to the Senate inquiry into Australia's relations with Papua New Guinea and the island states of the south-west Pacific, 2002-03, and attached to its submission to this inquiry into Australia's relationship with Indonesia, AWPA refers to large numbers of Laskar

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53 Submission No 16, p 4

54 ICG Asia Report No 39, 'Indonesia: Resources and Conflict in Papua', Jakarta/Brussels, September 2002, p 10

Jihad moving into West Papua (with some reports indicating that there were at least 3 000 Jihad members in Papua). AWWPA expressed its concern regarding these developments as follows:

This is of great concern as the Laskar Jihad is blamed for the conflict between the Muslim and Christian communities in the eastern islands of Maluku, where large numbers from both sides have been killed. The presence of Laskar Jihad in Papua has raised fears amongst West Papuans that the group may try to incite religious conflict in the province where previously all communities have lived in religious harmony. The Laskar Jihad could not operate in West Papua without the knowledge and approval of the Indonesian Government and military. We believe the military are using the Laskar Jihad in West Papua to counter the West Papuan people in their peaceful struggle for self determination.<sup>55</sup>

- 5.89 In its report on resources and conflict in Papua in September 2002, ICG also suggest that communal tensions could be exacerbated by the arrival of Laskar Jihad. They added, however, that ‘as of September 2002, fears that Laskar Jihad would rapidly expand their presence in Papua appeared to be easing.’<sup>56</sup>
- 5.90 Although officially disbanded following the Bali bombing in October 2002, various reports continue to indicate concern about the presence of Laskar Jihad in Papua and its links with the military.<sup>57</sup> Caritas Australia notes that ELSHAM and the University of Queensland academic Dr Greg Poulgain have suggested that there is TNI support for Laskar Jihad. It adds, however, that ‘while there may be some TNI involvement in Laskar Jihad this does not necessarily indicate a strategic choice has been made, or that the linkage is centrally controlled.’<sup>58</sup> In a similar vein the ICG noted that ‘it is hard to imagine Laskar Jihad could operate freely in Papua without the tolerance of senior officers’ adding that ‘this does not necessarily mean the military as an institution supports it’.<sup>59</sup>

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55 Submission No 16, Attachment A, p 6

56 ICG Asia Report No 39, ‘Indonesia: Resources and Conflict in Papua’, Jakarta/Brussels, September 2002, p 10

57 Submission No 16, pp 5-6

58 Submission No 38, p 11

59 ICG Asia Report No 39, ‘Indonesia: Resources and Conflict in Papua’, Jakarta/Brussels, September 2002, p 10

- 5.91 In its supplementary submission to the inquiry, AWPAs suggests that the links between Laskar Jihad and other terrorist organisations operating in Indonesia such as Jemaah Islamiah and Al Qaeda need to be investigated. They suggest that the planning of 'terrorist attacks both within and beyond Papua can only be uncovered and prevented with intervention from a committed task force working on the ground.' AWPAs believes that the 'Australian Government should urge the Indonesian Government to allow an Australian Federal Police presence in Papua to work in cooperation with the Indonesian Police in monitoring the movement and activity of the Laskar Jihad.'<sup>60</sup>
- 5.92 In evidence before the Committee, DFAT explained that it had made clear to the Indonesian Government at an earlier stage in 2002, that it thought 'that any illegal action by Laskar Jihad should be addressed by them.'<sup>61</sup> DFAT also said that it would be difficult to get a clear picture of what is happening in relation to the disbanded Laskar Jihad activity.<sup>62</sup>

### **Increase in presence of the military**

- 5.93 The Committee is concerned by reports of a build up in the presence of the military in Papua. Sidney Jones, from the ICG, speculated that we may be seeing a stepping up of operations to go after OPM – moving in the direction of a crackdown but a less visible one that in <sup>63</sup>Aceh.
- 5.94 The presence of the military in Papua is of concern to the Committee. Many submissions document the unhappy experience of Papuans at the hands of the military. Caritas cite ELSHAM reports of 136 people having been killed and 838 incarcerated or tortured over the last four years. They describe local resentment against the military, especially Kopassus, as intense. According to Caritas, 'if people are to become free of fear and discrimination the military presence must be reduced.'<sup>64</sup>
- 5.95 Caritas Australia urged the Committee to encourage Indonesia to withdraw the Kopassus troops from Papua and to reduce military numbers substantially.

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60 Submission No 16.01, p 5

61 Transcript of evidence, Thursday, 1 May 2003, p 195, (DFAT)

62 Transcript of evidence, Thursday, 1 May 2003, p 195, (DFAT)

63 T Johnston, 'Fears of Crackdown on Papua Rebels', *The Weekend Australian*, 8 November 2003

64 Submission No 38, p 2



## Human Rights Abuses/concerns

- 5.96 Australia's unequivocal support for Indonesia's territorial integrity does not diminish its grave concerns regarding human rights abuses, the involvement of the military in illegal activities, its alleged links with Laskar Jihad and its reputed involvement in inciting communal violence in conflict areas. The accounts given to the Committee suggest that the pro-independence movement in Papua does not realistically threaten the territorial integrity of Indonesia. Responding to separatist sentiment with further acts of violence and abuse of human rights can only fuel a desire for independence.
- 5.97 Australia must make clear its concerns to Indonesia about the situation in Papua, matching its unequivocal support for Indonesia's territorial integrity with an equally uncompromising rejection of human rights abuses.
- 5.98 The Committee considers that Australia must use its good offices to convey strongly to Indonesia the message that Indonesia's standing in the international community is critically affected by any involvement of its military in human rights abuses, in illegal activities and in inciting violence in conflict areas.
- 5.99 Australia should encourage Indonesia in the opening up of conflict areas to journalists and other international observers.
- 5.100 Whether taking a strong stand on human rights abuses by the military requires Australia to refrain from re-engaging with the military is clearly of relevance to this discussion. The Committee's considerations on this matter have been outlined in Chapter 3.

## Civil society organisations

- 5.101 Caritas Australia stressed the crucial nature of the role that civil society plays in observing and monitoring the human rights situation and other developments in Papua.

Ultimately it will be civil society organisations which will monitor and publicise human rights issues. It will be through having their own effective organisations that Papuans will feel strong enough to engage in their self-determination without necessarily demanding succession.<sup>65</sup>

- 5.102 The Committee acknowledges the important role played by NGOs and by churches also in Papua as in other parts of Indonesia. It concurs with Caritas that it is essential that they can continue to play their crucial role. Caritas recommended that Australia 'should encourage a strong and independent civil society in Papua' <sup>66</sup>
- 5.103 In this context, it is interesting to acknowledge also the concern that Indonesia has on many occasions expressed in relation to some aspects of the involvement of NGOs in Papua and other conflict areas. This included discussion with a number of parliamentarians and senior officials during the Committee's recent visit to Indonesia.
- 5.104 In giving evidence to the Committee, Indonesia made clear its concerns regarding the role of at least two Australian NGOs in advocating independence for Papua. One of four policy recommendations submitted by Mr Imron Cotan, now Indonesia's Ambassador to Australia, was to 'urge the government of Australia to continuously support Indonesia's national and territorial integrity and to take the necessary measures to prevent Australia being abused by elements that support the separatist movement in Indonesia.'<sup>67</sup>
- 5.105 As explained in other fora where Indonesia has expressed such concerns, the freedom to express opinions is a right that is prized by Australians and a fundamental principle of a democracy that serves us well. Australia and Indonesia have different histories and democracy will evolve differently in the two countries. From an Australian perspective, disallowing the expression of differing viewpoints does not make them go away. The Committee respectfully suggests that there is no greater threat to internal stability in the long term than measures calculated to repress peaceful expression of dissenting views.
- 5.106 Australia is nevertheless very sensitive to Indonesia's concerns in this regard. As explained by AusAID:
- The Australian Government support for Indonesia's territorial integrity is unambiguous. AusAID oversees a rigorous NGO accreditation process and requires Australian NGOs to observe the laws of the countries in which they work.

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66 Submission No 38, p 4

67 Transcript of evidence, Monday 16 June 2003, p 278 (Embassy of the Republic of Indonesia)

With input from the NGO community, AusAID has revised NGO funding guidelines to more effectively meet the government's already robust accountability and security requirements. We now require that all AusAID funded NGO activities in conflict affected areas of Indonesia—specifically Aceh, Maluku and Papua—have the endorsement of relevant Indonesian authorities. We have no evidence that Australian aid funds have been used in ways contrary to the policies or laws of Australia or Indonesia. The Australian government has discussed this issue with the Indonesian government and invited it to provide evidence to the contrary.<sup>68</sup>

### **Australian assistance to Papua**

- 5.107 The Committee believes that the most constructive and direct contribution that Australia can make to restoring stability in Papua is to assist in efforts to address issues underlying the separatist sentiment, in particular the disadvantage experienced by many indigenous Papuans, as well as to assist in equipping the province adjust to decentralisation and special autonomy once implemented.
- 5.108 Before discussing Australia's assistance to Papua, the Committee notes its sense that while there is clearly strong concern in Australia about the situation in Papua, there is less awareness of the contribution that Australia is actually making in Papua. This is not surprising. Little program specific information about the various programs and the level of financial support is available in AusAID's annual report or in the Indonesia Country Program Strategy. Nor does there seem any way to easily access information about the programs in different provinces. While AusAID was invariably very helpful when asked for information by the Committee, it would assist future monitoring by the Committee and also understanding by interested organisations and individuals if detailed information about Australia's involvement was more readily available.
- 5.109 Australia is already contributing to Papua through its aid program. As mentioned earlier, Australia's aid to Indonesia is concentrated on eight geographical areas. One of these is Papua.

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68 Transcript of evidence, Tuesday 5 August 2003, p 393, (AusAID)

5.110 AusAID's *Indonesia Country Program Strategy* provides a table identifying characteristics of the eight target provinces, reproduced below.

Table 5.2 Characteristics of Populations in Target Provinces, 1999 (millions)

Province	Population	Absolute Poor	Life Expectancy	Illiteracy	Illiterate	Lack Safe Water	Lack Health Facilities	Suffer Health Problems
	(mill)	(mill)	(years)	(%)	(mill)	(mill)	(mill)	(mill)
East Java	34.	10.3	65.5	81.3	6.5	14.8	5.9	8.9
South Sulawesi	7.8	1.5	68.3	83.2	1.3	3.8	2.0	1.9
East Nusa Tenggara	3.9	1.8	63.6	81.2	0.8	1.6	1.5	1.4
West Nusa Tenggara	3.8	1.3	57.8	72.8	1.0	2.4	0.7	1.3
Papua	2.1	1.1	64.5	71.2	0.6	1.2	0.8	0.5
Maluku / North Maluku	2.0	1.0	67.4	95.8	0.1	1.0	0.5	0.3
Southeast Sulawesi	1.8	0.5	65.0	87.1	0.2	0.8	0.4	0.3
TOTAL/AVERAGE	55.9	17.5	65.2	81.3	10.5	25.6	11.8	14.6
% of Indonesia total	27.5	36.5	98.4	92.0	45.2	24.2	26.8	29.5

\* at the time of collection of this data, Nth Maluku and Maluku were the one Province. Data disaggregated for the new province is not currently available.

Source Exhibit No 17. *AusAID Indonesia Country Program Strategy From 2003*. P.35 (From: *Indonesia Human Development Report 2001*)

5.111 As also mentioned earlier, in addition to focusing its efforts on eight provinces in Indonesia, the current strategy introduces a new approach to providing aid, described in the strategy as 'area focussed approach'.<sup>69</sup>

5.112 Four of the eight target provinces have been identified for this approach. Papua is not one of them. (They are East Java, South Sulawesi, NTT and NTB.)

69 In Submission No 121, AusAID described this approach as one encompassing a stronger emphasis on strategic, long-term relationships with selected districts; a concomitant concentration of resources in those districts; and even greater attention to opportunities for coordination and reinforcement between geographically overlapping Australian-supported programs., p 2

- 5.113 The Committee is concerned that Papua is not one of the areas selected. In additional material provided to the Committee, AusAID described Papua as having one of the highest incidences of poverty in Indonesia, scoring worse than the national average and worse than almost all other provinces against almost all key socio-economic indicators (life expectancy, literacy, etc).<sup>70</sup> In the same material it notes that ‘over time, it is likely that provinces in which Australia is taking an area-focused approach will receive a higher proportion of Australia’s aid resources, on average, than other provinces’. The Committee is concerned about the implications of this for Australian aid to Papua.
- 5.114 Aid provided to Papua as described by AusAID in its supplementary submission includes:
- consideration being given to a two year continuation of a Safe Motherhood Program (A\$5.6 million over two years);
  - assistance to the districts of Jayapura and Sorong as part of UNICEF/UNESCO Creating Learning in Communities for Children (CLCC) program to which Australia has recently announced a \$4.9 million contribution;
  - assistance, albeit limited by logistical and other factors, through the Indonesia-Australia Specialised Training Project and Australian Development Scholarships program.

## HIV/AIDS

- 5.115 A number of submissions present an alarming picture of the potential devastation to be wrecked by HIV/AIDS in Papua, believed according to AusAID to have about one third of Indonesia’s HIV/AIDS cases.<sup>71</sup> AWPA points to reports that an African style AIDS epidemic in Papua is not outside the bounds of probability. Caritas Australia describes HIV/AIDS as ‘perhaps the single greatest direct threat to Papuan livelihood’. Yet, it claims, ‘there is very little action from the Indonesian Government.’<sup>72</sup>
- 5.116 According to AusAID, Australian assistance related to HIV/AIDS prevention and treatment in Indonesia is likely to total more than

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70 Submission No 121, p 1

71 Submission No 121, p 1

72 Submission No 38, p 3

\$60 million over the period 1995-2007. Funding for Papua under the Phase II of Australia's HIV/AIDS Prevention and Care Project, is approximately \$A900,000. The assistance, as described by AusAID, will 'strengthen the capacity of the Provincial HIV/AIDS Commission; help develop strategies for reducing sexual transmission which reflect the specific patterns of sexual transmission in the province; and provide improved access to care, support and treatment.'<sup>73</sup>

- 5.117 AWPA believe that the Australian Government should 'offer aid not only to combat the AIDS epidemic but also to train local West Papuan health workers and nurses in the field of general health and support infrastructure for these health workers to reach the more remote areas of the province'.<sup>74</sup> In response to a request from the Committee for information relating to this suggestion, AusAID advised that it was 'actively pursuing efforts to expand its health sector assistance to Papua including those along the lines set out in the AWPA submission' and that in its view, 'it is in the health sector that Australia is most likely to be able to make a decisive contribution'.<sup>75</sup>

## **Concerns about Australian aid assistance to Papua**

- 5.118 As mentioned above, in describing its aid efforts relating to Papua, AusAID noted limitations resulting from logistical and other factors in relation to some of its training programs. It also noted that 'access to Papua for aid personnel is somewhat constrained, limiting AusAID's ability to design, appraise, implement and monitor programs'.<sup>76</sup> The Committee is concerned that Australia's efforts to assist Papua are being hindered by such constraints.

### **Situation of Papuan refugees in PNG**

- 5.119 According to AWPA, there are approximately 11 600 Papuan refugees living in PNG along the border who, not being officially recognised as refugees, are not given residence (with the exception of some in East Anwin) nor provided with education or medical aid. PNG and the UNHCR are encouraging voluntary repatriation. AWPA describes the refugees as being reluctant to return and urged the Committee to

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73 Submission No 121, p 1

74 Submission No 16, p 6

75 Submission No 121, p 3

76 Submission No 121, p 3

recommend that the Australian Government offer aid to those organisations trying to assist the border crossers.<sup>77</sup>

## Aceh

- 5.120 In its submission to the Inquiry, the Indonesian Embassy outlined the Government's commitment to 'finding a peaceful solution to the conflict through dialogues with the armed rebels; to accelerate the region's economic development, social rehabilitation, law enforcement and protection of human rights, restoration of peace, and to build channels of information and communication between the two conflicting parties.' It described 'all these comprehensive and integrated approaches as [being] encapsulated in the special autonomy package offered to the Province of Nanggroe Aceh Darassalum (NAD).
- 5.121 Australia welcomed the Aceh Cessation of Hostilities Agreement signed in December 2002 following talks between conflicting parties conducted by the Henry Dunant Centre and contributed \$2 million for ceasefire monitors.<sup>78</sup>
- 5.122 In January 25 2003, a zone of peace in which soldiers and GAM members were prohibited from carrying weapons was established in order 'to improve security and allow foreign donors to deliver humanitarian and economic assistance'.<sup>79</sup>
- 5.123 Appearing before the Committee in June 2003, Mr Imron Cotan, now Indonesia's Ambassador to Australia, explained the reasons behind the Government's decision to declare on 19 May 2003 a State of Emergency and Martial Law for six months and commence an integrated operation in Aceh in May 2003.

On the subject of Aceh, the subcommittee may also be aware that the Government of Indonesia has recently conducted an integrated operation in Aceh, combining humanitarian, law and order, and security operations after the failure of the joint council meeting between Indonesia and these parties held in Tokyo last May, not only due to the latter's recalcitrant attitudes of negating the sovereignty of Indonesia over the province of Aceh, but also their refusal to disarm in actual

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77 Submission No 16, Attachment A, p 3

78 Submission No 89, p 8

79 Submission No 90, p 16

breach of the Cessations of Hostilities Agreement duly signed by the two conflicting parties.<sup>80</sup>

- 5.124 With access to foreign journalists, human rights observers and overseas aids workers strictly controlled,<sup>81</sup> it has been difficult to get an accurate picture of what the integrated operation has involved or the level of casualties. Media reports describe the offensive involving between 35 000 and 40 000 troops and police. GAM at the time was estimated to number 5 000. Estimates of casualties include 900 guerrillas, 67 police or soldiers and 300 civilians.<sup>82</sup>
- 5.125 In November 2003, the Indonesian Government announced its intention to extend martial law by a further six months. The media have reported international donors including the United States, Japan and the European Union as being concerned by the decision, and as having offered 'to organise a forum for dialogue for the Indonesian government and GAM to evaluate the application of an agreement to stop the violence in Aceh.'<sup>83</sup>
- 5.126 The Committee is gravely concerned about the developments in Aceh and the potential for an enduring cycle of violence. The Committee encourages the Australian Government to use its good offices to urge both parties to return to finding a resolution through negotiation, to take every opportunity to stress the importance of the observation of human rights by all parties involved, and to urge the Indonesian government to ease press restrictions in Aceh and facilitate impartial international humanitarian agencies access to Aceh. The Australian Government should also urge the Indonesian government to redouble its efforts regarding military reform. Australia should stand ready to recommit its support for ceasefire monitoring.

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80 Transcript of evidence, Monday 16 June 2003, p 275, (Embassy of the Republic of Indonesia)

81 S Sherlock, 'Conflict in Aceh: A Military Solution?', *Current Issues Brief*, no 32, Department of the Parliamentary Library, 2002-03, p 14

82 Jakarta Media Indonesia, 7 November 2003

83 Jakarta Media Indonesia, 7 November 2003