



DEPARTMENT OF EDUCATION,
SCIENCE AND TRAINING

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Submission No 22

Mr Cliff Lawson
Secretary
Foreign Affairs Sub-Committee
Joint Standing Committee on Foreign Affairs, Defence and Trade
Parliament House
CANBERRA ACT 2600

Dear Mr Lawson

REVIEW OF AUSTRALIA'S RELATIONS WITH INDONESIA

The Joint Standing Committee on Foreign Affairs, Defence and Trade has invited the Department to provide input into its review of Australia's relations with Indonesia.

Australia's education and training relationship with Indonesia is relevant to the review's terms of reference. Each year, over 18,000 Indonesian students study in Australian education institutions, generating export income of around \$400 million per annum to the Australian economy. Clearly this is not only an important source of income for Australia but also means an increasing number of young Indonesians who gain a better understanding and awareness of Australia and its culture. It also provides an opportunity for Australian students to appreciate Indonesian society and culture through the students they meet.

Attached is a submission prepared by the Department highlighting the important role education and training plays in the broader Australia-Indonesia relationship.

Yours sincerely

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International

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Centenary of Federation

Review of Australia's Relations with Indonesia

Australia's Education relationship with Indonesia

Introduction

Australia's education relationship with Indonesia dates back 50 years to the early days of the Colombo Plan when Indonesian students were supported to undertake degrees in Australia during the 1950s and 1960s. Today, Indonesia is one of our most important bilateral partners in education, with over 300 formal links between Australian and Indonesian universities, colleges and schools. There is a well established tradition of academic, teacher and student exchange. The long tradition of Indonesians studying in Australia has produced a strong and active alumni network. These links help build educational and cultural ties and are important in facilitating business and trade opportunities.

The relationship is formalised under a Memorandum of Understanding (MOU) on Cooperation in Education and Training. The major activity under the MOU is the Joint Working Group (JWG), which reports to the Australia-Indonesia Ministerial Forum. While the JWG provides a structured opportunity for the Department of Education, Science and Training (DEST) and the Department of National Education (DNE) to discuss and agree on future directions for cooperation, the overwhelming importance of the JWG is to further strengthen the bilateral ties between the two countries in the field of education.

The Education Relationship

Australia values its education relationship with Indonesia highly. A large number of people to people links have been developed through education, which have sustained the relationship during periods of tension in the broader bilateral relationship. These people to people contacts will continue to play a vital role in underpinning so much of the relationship between the two countries in the future. The role education can play in increasing knowledge and understanding between the peoples of the two countries will become more crucial in working with Indonesia to achieve security in the region.

Education and training plays a key role in the development of industry, research, human resource capacity and technological development. Australia is well placed to play a significant role in supporting Indonesia in its education reforms, which will be so important as the country emerges from the crises of the recent past and positions itself as a competitive democracy in a globalised world.

Indonesia is one of Australia's most important education export markets with over 18,000 students studying at Australian institutions each year, generating services trade in the order of \$400m per annum to the Australian economy. This places education services in the top three export earning sectors from Indonesia, along with cotton and wheat. DEST activities are designed to support the development of this market. The government to government relationship assists commercial educational linkages and the activities of Australian providers of education services.

DEST seeks to influence the design and development of Indonesia's education system so as to build awareness of and comparability with Australia's system. The Department has undertaken a number of joint activities with DNE to influence their education reforms. We enter into mutually beneficial projects that showcase Australia's education system and expertise. In providing strategic advice and assistance, DEST contributes to the development of a receptive environment for the marketing of our education services because it builds familiarity with and

acceptance of Australia's education quality. The DEST Education and Training Counsellor in Jakarta plays an important role in this strategy by building key linkages with Indonesian counterparts in government, bureaucracy and education.

What Indonesia seeks from the education relationship

In order to reform its education system, Indonesia looks to Australia (as well as other developed nations) as an important source of expertise and technical assistance. The country's education sector is under-resourced and under-developed. It is seriously concerned about falling education standards, even against other comparable nations. Indonesia holds Australia's education system, standards, models and practices in high regard.

Indonesia is keen to strengthen its academic standards within its universities and improve its research capacity. Australia is currently a significant provider of research and postgraduate education to Indonesia.

Along with raising science and technology capability, Indonesia views mastery of English as critical to its ability to compete in a globalised world. As the nearest English speaking developed country, Australia is regarded as a logical source of assistance to improve Indonesia's English language capability.

Australia is seen as an important potential education partner and investor. Indonesia views the development of in-country international education services as crucial to improving student choice and enhancing education standards in Indonesia. Universities and other institutions are seeking capital and intellectual investment in activities such as twinning and dual degree programs, campus development and dual school curricula.

Recent activities with Indonesia to assist with its education reforms

Over the past few years, DEST, using Australian education experts, has been working with Indonesia on reforms in school education, English language teaching, distance education, higher education and academic research as well as education management.

In school education, DEST has been working with DNE to assist in developing and implementing a national curriculum and assessment policy framework, to be used in the newly decentralised environment. The curriculum reforms use a competency based model and aim to ensure that student learning is relevant and modern.

DEST and the Indonesian education department are developing and piloting a teacher exchange program for language teachers. This is in response to requests from Indonesia for DEST assistance in increasing English language training in schools and increasing the teaching competency of English teachers.

With a large student population but with limited education infrastructure and personnel, Indonesia faces a daunting task of providing quality education to all Indonesian students. To assist Indonesia face this challenge, DEST has been providing assistance in the distance education field. As English Language proficiency is an important priority for Indonesia, one current cooperative activity involves the piloting of multimedia English Language resources in the open junior secondary schools system.

In higher education, we are seeking to improve student and research linkages between Indonesia and Australia. We are working to encourage greater student exchanges between the two countries. Australia is also working with Indonesia on university research management and to encourage greater research collaboration between Australian and Indonesian universities.

Recently, Australia provided technical assistance to Indonesia to help it create a more decentralised education management system. Indonesian provincial and district authorities will require significant assistance in order to make the transition to managing the provision and financing of education at the regional level.

As one of its most important and wide sweeping education reforms, DEST is continuing to assist Indonesia with the process of decentralising education management. DEST will shortly be assisting the Department of National Education with developing policy frameworks that describe quality standards and outcomes for primary schools together with guidelines for an outcomes based audit system.

Future Opportunities for the Education Relationship

Potential Opportunities

Indonesia's program of education reforms and the issues faced by its education system, provide opportunities for the Australian education sector, such as working with DNE on curriculum reform or helping the country meet its ever-increasing need for education through onshore and online delivery. Opportunities may stem from:

- Domestic education reforms – Indonesia's wide-sweeping reform agenda creates opportunities for Australia such as the provision of technical expertise to support national school reform; provision of training to improve the English Language skills of teachers; and development of greater linkages and partnerships in higher education, including joint/twinning arrangements.
- Demographics – Indonesia has a population of approximately 220 million, half of which are under the age of 25, with a growth rate of 1.8%. Consequently, Indonesia will face increasing pressures on its capacity to provide quality education for all its people.
- Distance Education – The opening up of restrictions on distance education delivery should offer Australian institutions greater opportunities to promote distance education courses in their own right, as well as encourage partnerships for the delivery of distance programs supported by Indonesian counterparts.
- Deregulation – Government deregulation of education since 1998 has allowed foreign education providers to establish courses in partnership with local institutions. There has been significant growth in the number of Australian programs, including dual and twinning arrangements. The demand for Australian courses is growing.
- Decentralisation – As the major reform in education, opportunities exist for Australia to assist Indonesia with its program of education management decentralisation. The major issue is that regional administrators lack the necessary experience and training to manage effectively in a decentralised environment. Australia is currently providing technical assistance to Indonesia to assist in the development of models and policies for decentralisation.

Potential Obstacles

Just as the major issues confronting Indonesia and its education system can provide opportunities for Australia, they can also act as impediments and barriers. These potential obstacles include:

- Economic problems – Indonesia's future economic prosperity will shape its capacity to fund its major education reform programs. The Indonesian student market is vulnerable to economic downturn.
- Resources – Inadequate funding remains one of the single greatest barriers to successful implementation of reforms for Indonesia's education system. Indonesia's

reform program and the escalating demands on the education system will require large levels of funding.

- Restrictive policies – Despite relaxation of policies relating to foreign providers operating in Indonesia, there remain two significant restrictions: a lack of transparency in the regulatory framework; and the lack of framework for the recognition of overseas professional qualifications. DEST has identified these as priority issues to be addressed in 2002-03.
- Maturity of the bilateral education relationship – An impediment to greater maturity in the bilateral education relationship is Indonesia's inability to reciprocate financially in joint activities. Indonesia is Australia's second largest recipient of aid. As a consequence, the challenge for DEST is to manage the education relationship in a way that it is not viewed as an extension of the aid program.
- Digital Divide – Like many countries in the Southeast Asia region, Indonesia lacks sufficient infrastructure and teacher expertise to effectively use Information and Communications Technologies in its education system. On-line delivery of education is severely hampered by these constraints. There may be opportunities here for Australia under the Virtual Colombo Plan.