



## **Submission No 97**

### **Inquiry into Australia's Relations with Indonesia**

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*fac*s making a difference



**THE DEPARTMENT OF FAMILY AND COMMUNITY  
SERVICES' ENGAGEMENT WITH  
THE REPUBLIC OF INDONESIA**

**SUPPLEMENTARY SUBMISSION TO THE FOREIGN AFFAIRS  
SUB-COMMITTEE,  
JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS AND  
TRADE,  
PARLIAMENT OF AUSTRALIA**

**June 2003**

## **Update on FaCS' engagement with Indonesia**

In its initial submission to the Foreign Affairs Sub-Committee of November 2002, FaCS identified a number of actions that were likely to take place in the near future and would affect its relationship with counterpart ministries in Indonesia. Those actions are now largely complete and the purpose of this supplementary statement is to report on the current status of FaCS relationship with Indonesia in the light of those developments.

Minister Vanstone visited Jakarta in March 2003 to participate in the Australia-Indonesia Ministerial Forum. During her visit she met with:

- HE Mr Jacob Nuwa Wea, Minister of Manpower and Transmigration;
- HE Mr Bachtiar Chamsyah, Minister of Social Welfare;
- HE Mr Bambang Kesowo, Secretary of State; and
- Prof Dr Prijono Tjiptoherjanto, Secretary to the Office of the Vice President.

The purpose of those meetings was to confirm Indonesian support for the establishment of a Joint Working Group on Social Security, which Minister Vanstone would propose to the Australia-Indonesia Ministerial Forum, and to carry forward cooperative activities between the FaCS portfolio and its Indonesian counterparts that had been developing to that point.

### **Joint Working Group on Social Security**

The Australia-Indonesia Ministerial Forum approved the establishment of a special **Joint Working Group on Social Security** under the aegis of the Forum. The purpose of the Joint Working Group (JWG) will be to coordinate cooperative activities between Australia and Indonesia in the area of social security and social welfare. The Indonesian Ministries of Manpower and Transmigration, Social Welfare, the Presidential Team for National Social Security, will be represented on the JWG under the coordination of the Office of the Vice President.

Representatives on the Australian side besides FaCS could include, the Treasury, the Department of Employment and Workplace Relations, AusAID and relevant State Governments (such as the Queensland Government, which is currently negotiating a MoU with the Ministry of Manpower and Transmigration and will work with FaCS in its first cooperative venture with that Ministry) and representatives from the Australian superannuation and funds investment industries. Contributions on the Australian side will be coordinated by FaCS.

The JWG will operate under a composite Memorandum of Understanding that will regulate cooperative activities between the above parties. The first meeting of the JWG will occur later this year and its first task will be to establish this operating structure and draw up a plan of action to coordinate all joint social security activities for the coming year.

### **Other cooperative activities**

A Memorandum of Understanding between the FaCS portfolio and the **Ministry of Manpower and Transmigration** was signed by Ministers Vanstone and Nuwa Wea in November 2002. In June 2003, FaCS and Ministry of Manpower and Transmigration agreed to undertake a program of cooperative activities covering a

**community development pilot program, extending social security coverage to the informal sector, and essential IT infrastructure** to accompany those reforms.

FaCS has held follow up discussions with the **Office of the Vice President** (Office of Women Empowerment and Employment) about developing a program for **strengthening leadership of local non-government organisations** through training and reskilling. The program will focus on enabling non-government organisations to respond in a coherent, coordinated way to policy driven initiatives in Indonesian society as it evolves. It is expected that these cooperative activities will be coordinated under the Joint Working Group Memorandum of Understanding and plan of action.

Following Minister Vanstone's discussions with Minister Bachtiar Chamsyah in March, FaCS will develop a program of cooperative activities with the **Ministry of Social Welfare** which, again, are likely to be coordinated under the JWG Memorandum of Understanding and plan of action. Cooperative activities are likely to focus on efforts to strengthen the social safety net so that it can respond to developments in social security reform.

### **Conclusion**

In doing the above, FaCS has concentrated primarily on building strong, enduring relationships with its counterpart ministries but has also sought to ensure that the above cooperative activities will be coordinated under the JWG Memorandum of Understanding. The work of the JWG will have as its primary focus some of the major reform imperatives of the Indonesian Government. FaCS considers that this concentration on strategically important relationships and activities is congruent with Australia's foreign policy objectives concerning Indonesia, both from a Foreign Affairs perspective and from that of Australia's aid agency AusAID and its principal aid program, the Australia-Indonesia Government Sector Linkages Program.

In the introduction to its first submission to the Sub-Committee, FaCS laid out its approach to the Asian Region, in which it seeks to target counterpart ministries in countries that are either influential in the Region or aspire to a greater measure of influence in the near future. To that effect it sought and obtained close relations with China, which is fast becoming the strongest political and economic player in Asia. FaCS has used its relationship with Singapore to extend further Australia's influence within ASEAN. FaCS also entered into a productive partnership with Vietnam, which aspires to be a driving force in ASEAN in the near future. Recently, FaCS was given the status as the first non-ASEAN observer organisation to the ASEAN Social Security Association. FaCS takes the view that, as Indonesia achieves its strategic political and economic reforms, of which its social security reforms are a critical component, it will also realise its potential as a powerful player in the Asian Region. It is in Australia's best interests to facilitate Indonesia's growth to prominence through this aspect of political and economic reform.