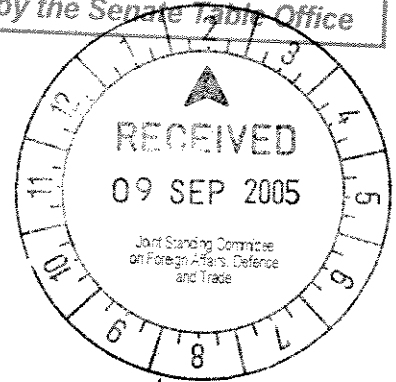




**Australian Government**  
**Department of Foreign Affairs and Trade**

Supplied with Compliments  
by the Senate Table Office



**Response of the Australian Government  
to the report of the**

**Joint Standing Committee on  
Foreign Affairs, Defence and Trade**

***‘Near Neighbours – Good Neighbours  
An Inquiry into Australia’s Relationship  
with Indonesia’***

**September 2005**

### **Recommendation 1 DFAT**

The Committee recommends that the Minister for Foreign Affairs establish a program of exchange visits between the Foreign Affairs, Defence and Trade Committees of the Australian Parliament and the equivalent committees of the Indonesian Parliament. Incorporated in the program should be a formal, structured one day conference with agenda items prepared by both sides covering all aspects of the relationship that may be of concern. The program should be additional to the current bilateral visits program and be separately funded.

*The Government welcomes the development of a closer relationship between the Australian and Indonesian Parliaments. We note that the Australian Parliament already has a well developed parliamentary exchange program with Indonesia and that the Joint Standing Committee on Foreign Affairs, Defence and Trade undertook a visit to Indonesia in December 2003. The Government believes that it would be for Parliament to decide how best to spend its exchange program budget.*

### **Recommendation 2 DFAT**

The Committee recommends that the Federal Government acknowledges the Northern Territory's role as interested neighbour and as observer of BIMP-EAGA (a sub-regional grouping of ASEAN) and consider providing special assistance to the Northern Territory to enable it to enhance its role.

*The Government acknowledges the Northern Territory's role as an interested neighbour and as an observer of BIMP-EAGA. The Northern Territory is commended for pursuing its observer status as 'Development Partner' at BIMP-EAGA officials meetings in the BIMP-EAGA Plus One arrangement. BIMP-EAGA is given a high priority in the Northern Territory's current Asian Engagement Plan. The Government welcomes the Northern Territory's growing international engagement and its most active and constructive participation in discussions with the Australian Government and the States on trade policy matters. The Government would be willing to consider any cost-neutral proposals from the Northern Territory Government relating to this issue.*

### **Recommendation 3 DEST**

The Committee recommends that the Federal Government jointly invite the States to examine ways in which the educational relationship with Indonesia can be more cohesively managed.

*The Government seeks to work collaboratively with all State and Territory Governments on a wide range of education and training matters. The relationships between the Australian Government and State Governments are positive.*

*The Department of Education, Science and Training works closely with State and Territory Governments to jointly host industry events, extends speaking invitations for seminars, and generally take into account the perspectives of the States and Territories when planning work programs.*

#### **Recommendation 4 AusAID**

The Committee recommends that the Minister for Foreign Affairs arrange that the activities of the Government Sector Linkages Program be extended to facilitate the establishment and maintenance of better linkages between State governments and regional counterparts in Indonesia. The arrangements should be funded jointly by Federal and State and Territory Governments.

*A new Public Sector Linkages Program, which commenced in November 2004, allows for funding of activities identified by Federal, State and Territory governments and universities.*

*Under this mechanism there is normally scope to meet up to 75 per cent of salary and other costs of participating Australian partners, but particular consideration is given during the selection process to those partners making a contribution in cash or in kind.*

#### **Recommendation 5 DFAT**

The Committee recommends that the Minister for Foreign Affairs confer with the Local Government and Planning Ministers' Council about strengthening the bilateral relationship through encouraging the establishment of links between local regions in Australia and Indonesia.

*The Government welcomes the development of closer links between Australia and Indonesia at all levels, including local government. I (Mr Downer) will write to the Minister for Local Government, Territories and Roads, Mr Lloyd, to commend the proposal to the Local Government and Planning Minister's Council (LGPMC).*

#### **Recommendation 6 AusAID**

The Committee recommends that over the next five years Australia seeks to increase our aid to Indonesia to a level whereby Australia would become Indonesia's third largest bilateral source of funding.

*Development cooperation funding for Indonesia has increased substantially. Prior to the tsunami, the 2004-05 estimate was for total Australian aid flows to Indonesia of \$160.8 million, representing an increase of 32 per cent over the previous two financial years.*

*Following the Indian Ocean disaster, Australia provided significant immediate emergency assistance. On 5 January the Prime Minister announced Australia's commitment of \$1 billion over five years to the Australia-Indonesia Partnership for Reconstruction and Development (AIPRD). The AIPRD represents the largest single aid package in Australia's history.*

*According to figures from the Consultative Group for Indonesia (CGI) Australia is now the third ranked bilateral donor to Indonesia, behind Japan and Germany.*

#### **Recommendation 7 Defence**

The Committee notes that the pace for rebuilding the defence relationship will be determined by both countries. On the Australian side, it strongly endorses measures that can accelerate the process of re-establishing mutual confidence in the defence relationship.

*The Government agrees with the recommendation and is working actively with the Indonesian Government to build further on the renewed levels of confidence that have been established since the 1999 events in East Timor. Since the Department of Defence's March 2003 written submission to the Committee's inquiry, Indonesia has endured the tragedy of the 2004 Boxing Day tsunami off Northern Sumatra and the following earthquake on 29 March 2005. The ADF has been heavily involved in providing assistance to Indonesia's disaster relief effort.*

*The excellent cooperation between our two countries' armed forces during the ADF deployments to Sumatra has highlighted further the growing strength of the defence relationship. Since December 2004, the Minister for Defence, Senator Hill, has visited Indonesia four times and has called on both Indonesian President Yudhoyono and his Indonesian counterpart, Dr Sudarsono. In February 2005 General Cosgrove met with ADF and Indonesian Armed Forces personnel in Aceh as well as the Indonesian Minister for Defence in Jakarta.*

*More broadly, the Government is engaging the Indonesian Armed Forces across a range of activities that seek to re-establish mutual confidence in the relationship. Strategic dialogue has been the foundation for progressing the relationship. Following the Chief of Army's visit to Indonesia in July 2003, the Indonesian Chief of Army Staff, General Ryamizard, reciprocated with a counterpart visit to Australia in December 2003. Since General Ryamizard's visit, the other two Service Chiefs have met with their Indonesian counterparts either in Australia or in Indonesia, including during Service Chief visits to Aceh following the tsunami. Army to Army service level talks were conducted in Bali in February 2004, Navy to Navy service level talks in Jakarta in March 2004, and Air Force to Air Force service level talks in Bali in July 2004. Air Force to Air Force Service talks for 2005 were held in Australia in March. Service level talks have not been conducted with Indonesia since 1999 and provide an important continuing framework to produce tangible outcomes in the defence relationship. In August 2004 Indonesia hosted the inaugural Defence Strategic Dialogue, which discussed policy for future engagement activities and endorsed progress made through single Service Staff Talks. The Indonesian Chief of Naval Staff visited Australia with President Yudhoyono in April 2005 and met with a number of senior officials from the Department of Defence.*

*Senior level visits to promote common understanding of each country's defence systems have continued to feature in the re-establishment of a mutually beneficial defence relationship with Indonesia. Indonesian delegation visits to Australia since the beginning of 2004 have focused on senior defence officers with command responsibilities and discussions have covered topics such as Australian Army training practices, Australian Air Defence systems, and Australian experiences in developing forces for peacekeeping operations. Since April 2004, Commander Northern Command has met with his Indonesian Army, Air Force and Navy counterpart commanders and has continued to build very strong relationships with these officers who have command responsibility over the northern approaches to Australia. Such relationships have led to enhancements in our defence cooperation with Indonesia in areas of mutual security concern such as terrorism, piracy, people smuggling and transnational crime. In July 2004 the Department of Defence's Deputy Secretary Strategy called on his Indonesian departmental counterparts and the Head of the Indonesian Armed Forces. The visit of the Secretary of Indonesia's Department of Defence in October 2004 has enhanced Defence links at the strategic policy level.*

*The Government continues to examine options for defence cooperation with Indonesia in combating terrorism. Defence counter-terrorism cooperation with Indonesia aims to complement whole-of-government efforts under the Memorandum of Understanding on counter-terrorism*

between Australia and Indonesia, which was renewed for a further 12 months on 7 February 2004. Since December 2003 the Department of Defence has sent two training teams to Indonesia to provide Indonesian defence members with information analysis training. Two officers from the Indonesian Armed Forces attended the June 2004 Regional Special Forces Conference in Bowral. In December 2004 the Indonesian Armed Forces sent a delegation to Australia to observe ADF counter-terrorism exercises.

Our provision of defence training and exchanges is an important element of our cooperation with the Indonesian Armed Forces, and provides the Indonesian Armed Forces with skills and abilities that are of mutual benefit to both defence forces. For the financial year 2003-04 the Government spent over \$5 million on cooperative activities with the Indonesian Armed Forces. Up to 170 Indonesian Armed Forces personnel were given training, both in Australia and in Indonesia. Training included English language training, peacekeeping and peace operations seminars, maritime and air power studies, Staff College exchanges, single service training and flight instruction training. Defence dialogue with Indonesia continues to emphasise training and engagement opportunities that meet our mutual needs.

Five Indonesian Navy vessels visited Australian ports (two ships visited Darwin, and three visited Perth) in October 2004 - the first such ship visits since 1999, and a sign of the increasing importance placed by both our countries on maritime cooperation. In April 2005 our two Air Forces conducted Exercise Albatross and AUSINDO, a joint air maritime surveillance exercise in the Timor Sea. TNI Navy is planning to send two corvette class patrol boats to Australia in July-August 2005 to participate in Exercise Kakadu.

The Government will continue to capitalise on recent progress made in the defence relationship with Indonesia. The focus will remain on capacity and confidence building, with an emphasis on fostering senior level relationships, providing training opportunities that assist the Indonesian military develop its force professionalism, and pursuing initiatives in areas of mutual security concern such as maritime surveillance cooperation and counter terrorism engagement.

### **Recommendation 8 DFAT**

The Committee recommends that as Australia participates more broadly in the activities associated with the war against terror, and as it pursues more generally its security interests, the Australian Government should sustain a regular and rigorous dialogue to ensure that in a country where Islamic sensitivities are high, there is a complete understanding of Australia's intentions and that those intentions in no way incorporate a hostile view of the Islamic world or Indonesia's part in it.

As outlined in its recent White Paper, "Transnational Terrorism: The Threat to Australia", the Government believes as a matter of principle that the war on terror in no way constitutes an attack on the Islamic faith. We will continue to make this point at every available opportunity. The Government has stated publicly its appreciation of the positive role mainstream Islam has played in Indonesia's transition to democracy.

The Australian Government is deepening its engagement with mainstream Islamic organisations in the region. For example, in 2003 the Government hosted the leaders of Indonesia's largest Islamic groups: Hasyim Muzadi from Nahdlatul Ulama and Syafi'i Ma'arif from Muhammadiyah, as well as Nurcholish Madjid, an Islamic scholar and leader from the Paramadina Mulya University. Indonesian Foreign Minister Dr Hassan Wirajuda and I hosted a

*regional inter-faith dialogue in Yogyakarta, Indonesia, in December 2004 that advanced understanding between key faith leaders in the region. The Government also funded a workshop in Australia in 2004 on Islamic perceptions on state, society and governance in South-East Asia. The Government will continue to emphasise the shared interests of Australia and Indonesia in the war against terrorism.*

#### **Recommendation 9 DFAT**

The Committee recommends that the Minister for Trade proposes at the next Australian Indonesian Ministerial Forum meeting that a scoping study be undertaken on the implications of a free trade agreement on both economies.

*The Australian Government has made significant progress on its policy of competitive liberalisation, including through negotiating and implementing bilateral free trade agreements. The Government has recently completed negotiation of FTAs with Singapore, Thailand and the United States, commenced negotiations on a Australia-New Zealand- ASEAN Free Trade Agreement and has agreed to commence negotiations with Malaysia and China.*

*The Australian Government continues to develop bilateral trade and investment linkages with Indonesia, including through the Australia-Indonesia Ministerial Forum and the Annual Australia-Indonesia Trade Ministers Meeting. At the most recent Trade Ministers Meeting in Bali in April 2005, Mr Vaile and his Indonesian counterpart Dr Mari Elka Pangestu agreed to develop an overarching trade and investment framework to further expand commercial links between Australia and Indonesia.*

#### **Recommendation 10 DFAT**

The Committee recommends that:

- . travel advisories should note that they are not a prohibition on travel unless otherwise the case;
- . travel advisories should incorporate information on current practices, for example, the number of people travelling;
- . where a travel advisory impacts upon a State Government relationship or business activity, that there be capacity for this to be discussed with DFAT in a way that ensures that if at all possible the advice can be given in a way that satisfies insurers of low risk activities; and
- . that Australian Government agencies and institutions affected by travel advisories respond creatively during such periods and find ways to ensure that the interactions with their counterparts in Indonesia take place.

*The Government notes the Committee's acknowledgement that travel advisories are not prohibitions on travel but rather aim to provide practical information so travellers are as informed and prepared as possible. This point is also clearly explained in the Government's public information on travel advisories, particularly through the smartraveller website. Independent market research shows that 85 per cent of general community respondents understand that travel advisories are not prohibitions on travel.*

*Travel advice already incorporates information on current practices from a range of sources including diplomatic missions, the travelling public, consular partners and intelligence agencies.*

*It contains practical, up-to-date information on visa requirements, health and medical issues and cultural or religious differences. Market research confirms that information in travel advisories already reflects community demands about the most relevant information that should be included in travel advice.*

*DFAT takes account of feedback from a wide range of sources in managing the travel advice functions. DFAT State offices in all state capital cities liaise with State Governments. Feedback mechanisms also exist for direct contact with DFAT Consular Branch in Canberra and State Governments are regularly in contact with overseas missions, through which any such concerns could be raised. In consultations with the Government, insurers have advised that it is the events themselves occurring in a country and the steps taken by the traveller to minimise their loss, rather than the Government's travel advice, that affects the level of insurance coverage and processing of claims.*

*Australian Government agencies continue to accord a high priority to maintaining close and productive relations with their counterparts in Indonesia.*

### **Recommendation 11 DIMIA**

The Committee recommends that the possible introduction of a telemedicine system be examined further, with the aim of improving the consideration time for Medical Treatment Visa applications.

*The Government agrees with this recommendation and notes that the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) has been progressively implementing a new electronic health processing service.*

*DIMIA has successfully piloted an electronic health assessment process (known as EHealth II) in Singapore. EHealth II has been in place since November 2003.*

*EHealth II links with an eVisa application (ie. a visa application lodged over the Internet), so that the applicant is photographed and x-rayed at the radiologist's premises. Digital images are produced and relayed to the medical practitioner (Panel Doctor) who examines the applicant, reviews the x-ray and radiologist's report, and records the findings on-line.*

*This electronic information can link with a visa application to result in an immediate visa grant, or if necessary, to be viewed nearly instantaneously, with diagnostic quality x-ray images, in Australia by the Medical Officer of the Commonwealth. From that point, the speed at which a visa decision is finalised depends on the diagnosis and assessment made by the Medical Officer of the Commonwealth. Further specialist reports may be required in some cases, but as extra reports would be presented as hard copies progress will be reduced to manual speeds.*

*Expansion plans for EHealth II are underway. The system is now operating in Japan and will shortly be introduced in Hong Kong and South Korea. Roll-out to other countries is projected over the next 12 to 18 months and a targeted approach will aim at areas using eVisas (ie. those visas that can already be lodged over the Internet), as well as those offering medical, particularly radiological, practitioners with the equipment and other suitable attributes.*

*Application of EHealth II to the Medical Treatment Visa stream may also require some specialist IT programming. The department is also exploring other visa options that would support the*

*development of a health tourism industry but which would have around it the appropriate sponsorship and safeguards mechanisms that would ensure integrity in the visa outcomes, ensure it is not open to abuse, protect the Australian community in relation to access to health services and minimise risks of unintended health and welfare costs to the Australian community. Discussions with the Department of Health and Ageing are proceeding on this option.*

### **Recommendation 12 AusAID**

The Committee recommends that:

- . education should continue to retain the central importance that it 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.

*Funding for education and training assistance to Indonesia has increased from \$57 million in 2002-03 to approximately \$62.5 million in 2004-2005, or over 38 per cent of the total budget allocation for Indonesia. Education and training assistance will continue to retain this central place in Australia's aid to Indonesia.*

*Within this figure funding for basic education and technical and vocational education is estimated to total about \$20 million. Approximately 20 per cent of this funding will be directed to basic Islamic education, which is roughly proportional to the enrolment rate in Islamic schools in Indonesia.*

*While funding for basic education has increased in recent years, this has not been at the expense of funding for postgraduate scholarships, which will continue with expenditure estimated at \$32.7 million in 2004-05.*

*The increase in education and training expenditure in the Indonesia program has been accommodated through the 32 per cent overall increase in funding for the program from 2002-03 to 2004-05. In 2004-05, the total Australian aid program is increased by 9.9 per cent in real terms. The increase under the Australia-Indonesia Partnership for Reconstruction and Development (AIPRD) program is additional.*

### **Recommendation 13 AusAID**

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.

*The Indonesia Australian Development Scholarships program currently allows awardees to undertake studies in the field of education. In 2004, 35 students were selected for studies in this field.*



*This outcome is partly the result of the introduction of a new targeted category of Australian Development Scholarships, under which awards can be directed to key Indonesian counterpart institutions that are engaged in the bilateral development cooperation program.*

*A large number of awards are also made each year to university teaching and research staff for study across a range of disciplines.*

*In addition, AusAID is currently funding the Australia Indonesia Institute to upgrade the qualifications of five selected teaching staff per year from Islamic educational institutions (IAINs) outside Java through supervised programs at selected Australian universities.*

*I (Mr Downer) have asked AusAID to take account of this recommendation as part of a review of the strategy for Australian Development Scholarships to Indonesia that is planned for later in 2005.*

#### **Recommendation 14 AusAID**

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

*Substantial professional development training for teachers is being provided through AusAID's existing \$20 million (2004-05) program of basic and technical/vocational education activities in Indonesia. This program includes, for example, a \$27.2 million, six-year Primary Education Partnership project in Nusa Tenggara Timur (NTT) province that will improve the quality of teaching and learning in the first three years of primary school in three very poor districts.*

*The program will be enhanced by a new package of assistance for mainstream Islamic schools. This package is expected to have a particular focus on in-service training of teachers.*

*As part of this package, AusAID's placement of up to 20 Australian volunteer English language teacher trainers in Islamic junior secondary schools in East Java province will have an immediate and sustained impact on the language acquisition skills and teaching methodologies of a large number of Indonesian teachers. Intensive professional development workshops and seminars on various aspects of language teaching methodology (such as collaborative syllabus development, lesson planning and team-teaching) will provide Indonesian teachers with contemporary theory and ideas on best-practice language teaching techniques.*

*This activity will also help build in Indonesia a better understanding of Australia.*

*While short-term training in Australia would have advantages for both countries, it is relatively expensive and would require English language proficiency beyond the reach of the vast majority of Indonesian teachers.*

#### **Recommendation 15 AusAID**

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.

*The Australian Development Scholarships Program does not preclude work placements as part of postgraduate programs. However, the initiative for such placements currently rests with the host Australian university.*

*I (Mr Downer) have asked AusAID to take account of this recommendation as part of a review of the strategy for Australian Development Scholarships to Indonesia planned for later in 2005.*

*I note that placements in Australian Government departments and agencies are constrained by national security considerations.*

*The Government Sector Linkages Program (now Public Sector Linkages Program) has significantly facilitated development of strong linkages and working relationships between counterpart agencies in the Australian and Indonesian government systems, for example, between the Federal Court of Australia and Indonesia's Supreme Court. Amongst other things, the Program supports visits to Australia, and in-Australia work secondments and training, for Indonesian officials.*

#### **Recommendation 16 AusAID**

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

*Although this recommendation goes beyond Indonesia, assistance of this kind is consistent with one of the key objectives of the Australian Development Cooperation Program with Indonesia viz., to strengthen the institutions and practices of democracy.*

*Australia is funding a program to develop and support the operation of the new Regional Representative Council (Dewan Perwakilan Daerah or DPD). This support is provided through the International Institution for Democracy and Electoral Assistance (IIDEA) and includes skills training and a series of proposed visits to the Australian Senate.*

*I (Mr Downer) have asked AusAID to explore further options for parliamentary assistance with relevant Australian Government agencies and other organisations such as the Centre for Democratic Institutions and to report to me on the feasibility of implementing this recommendation.*

#### **Recommendation 17 DFAT**

The Committee recommends that the Australian Government increase funding to the Australia Indonesia Institute to enable it to maintain both the breadth of the range of programs it supports, to provide for continuity of successful core programs and to enable it to significantly extend its reach.

*The Government is committed to providing the Australia-Indonesia Institute (AII) with an appropriate budget to undertake its important work in deepening the people-to-people links between Australia and Indonesia. The Government has encouraged the AII to expand its funding base through collaborative links with partner organisations. It has received \$246,000 of*

*additional funding from AusAID to implement a new Islamic teacher's training program in cooperation with the Indonesian Ministry of Religious Affairs. The Australia Council for the Arts has also agreed to provide the AII with \$40,000 for a new cultural program to commence in 2004-05. The Government believes that the level of funding currently available to the AII is sufficient to allow it to play its important role of deepening Australian-Indonesian relations.*

### **Recommendation 18 DEST**

The Committee recommends that Indonesian Studies be designated a strategic national priority and that the Australian Research Council and the Department of Education, Science and Training be requested to recognise this in prioritising funding for both research and teaching.

*The National Research Priorities (NRP) were first announced in late 2002, and enhanced in late 2003 to take greater account of the contributions of social sciences and humanities research. The framework was developed following extensive consultation with the research community.*

*The goals that fall under the priorities framework represent important issues for our future and areas in which the contributions of research will play an important role. The Government recognises, however, that the framework does not provide a comprehensive list of all areas of research that are important to Australia. The Government would regard the proposal to add an additional goal on 'Indonesian studies' in this light.*

*It is envisaged that the NRP framework will be reviewed in around 2006-07 when the Government will consider whether the existing priorities and goals should be amended or enhanced. This will provide a degree of certainty to enable research agencies and funding bodies to implement the strategies that will make a real difference in delivering on the research priorities.*

*More information (including a full list of priorities and their associated goals, and agencies' NRP-implementation reports) can be found on: <http://www.dest.gov.au/priorities/>*

### **Recommendation 19 DEST**

The Committee recommends that NALSAS (the National Asian Languages and Studies in Australian Schools program) be restored, or a program with similar aims and an equivalent level of funding be established.

*The Government contributed over \$200 million through the National Asian Languages and Studies in Australian Schools (NALSAS) Strategy from 1994 to 2002. As well as redressing an imbalance between European and Asian languages in schools, the Strategy contributed to a significant increase in the study of the priority NALSAS languages, (including Indonesian) at primary and secondary school levels. It also contributed to deeper knowledge and understanding about Asia.*

*The decision to cease Government funding for NALSAS was long standing. In 1999, when the Government extended its NALSAS funding of \$30 million a year for three years, it was on the understanding that the Strategy should have become self-sustaining in schools by the end of 2002. Education authorities were aware of this provision from 1999 and should have factored it into their planning for Asian languages and studies post 2002.*

The Australian Government currently supports Indonesian language learning through its School Languages Programme. The Programme assists schools and communities to improve the learning of Asian, European and Indigenous languages. In the 2004-05 Budget the Australian Government committed \$110 million for the School Languages Programme over the next four years.

In addition, the Australian Government is providing:

- \$1.3 million annual core grant to the Asia Education Foundation (AEF) to work with schools to support studies of Asia across all curriculum areas, with a further \$500,000 for 2004 to provide additional professional support;
- \$3 million towards the development of online curriculum resources for the teaching of Chinese, Indonesian and Japanese, through The Le@rning Federation: Schools Online Curriculum Content Initiative (2001-06), a joint initiative of the Australian, New Zealand and State and Territory Governments;
- \$1.2 million over three years (2003-05) to improve the quality of Asian language teaching through a national professional development programme for teachers; and
- Seed funding of \$4.6 million over two years to establish a National Language Centre which will help Australian exporters and other business professionals, teachers, and the tourist industry to acquire specialist language (including Bahasa Indonesia) and culture training, and to improve Australia's relations with its major trading partners.

While the Government takes a leadership role in encouraging the learning of languages in schools, it is the responsibility of State and Territory governments to ensure languages and studies of Asia programmes in their schools are adequately funded.

#### **Recommendation 20 DEST**

The Committee recommends that additional funding be provided to the Department of Education, Science and Training to enable it to provide an annual grant to the Australian Consortium for 'In-Country' Indonesian Studies, for running and salary costs.

*In the 2003-04 Federal Budget, the Government announced several initiatives to encourage more Australian students to undertake study overseas. Indonesia is one of Australia's most important bilateral partners in education, with a well established tradition of academic, teacher and student exchanges. Education links have been important in the political relationship as well as facilitating business and trade opportunities. The people to people links developed through education have served to sustain ties between the two countries and will continue to underpin so much of the relationship between the two countries in the future.*

The Government has recently agreed to provide funding to the value of \$75,000 per annum for 2 years to the Australian Consortium for 'In-Country' Indonesian Studies program (ACICIS). The Department will also work with ACICIS to develop a strategy for the ongoing viability of the program in the long term.

#### **Recommendation 21 DEST**

The Committee recommends that the Ministerial Council on Education, Employment, Training and Youth Affairs, develop a strategy for promoting understanding of Islam in Australian

schools, and of creating ways of and encouraging Australian schools to establish sister school links with schools in Indonesia including Muslim schools.

*The Government is currently looking at ways to address the perceptions in some areas of the community that Australia is not racially or religiously tolerant. The Department of Education, Science and Training will work with other government bodies to address this issue.*

#### **Recommendation 22 DFAT**

The Committee recommends that on October 12 in this and future years, Australians not only remember those lost and injured in the Bali bombings, but commit ourselves to making substantial and sustained efforts to deepen our understanding and appreciation of Indonesian society.

*The Government has a proud record on the commemoration of those killed and injured in the Bali bombings. For example, the Government arranged the first anniversary commemoration ceremonies in Bali and Canberra in October 2003 and ensured that those most affected by the bombings were able to attend. The Government organised a second anniversary memorial service in Bali in October 2004. The Government is working with Balinese authorities to ensure that any development of the bombing sites and memorials and their maintenance is undertaken in a manner that respects the memory of those Australians killed. Through its \$10.5 million assistance package for Bali the Government established a living memorial to the Bali bombing. The Government is committed to deepening Australia's understanding of Indonesia through a range of initiatives, including the Australia-Indonesia Institute and AusAID's scholarship program for Indonesians to study in Australia.*

#### **Recommendation 23 DCITA**

The Committee recommends that the Department of Communications, Information Technology and the Arts actively promotes in the agencies within its portfolio a commitment to building a relationship with Indonesia.

*The Department of Communications, Information Technology and the Arts (DCITA) supports the development of strong relationships with Indonesia in both the cultural and sporting areas. It has an overarching role of supporting cultural and sporting agencies within its portfolio to enable them to meet their diverse objectives and program outcomes. However, cultural and sporting agencies operate at "arms length" from the Government. Agencies set their own strategic direction and priorities in relation to cultural and sporting initiatives. The Department facilitates consultative fora to enable agencies to share information on important emerging issues. These fora provide an opportunity to discuss the agencies' roles in international activities and to share information on target markets.*

*DCITA also facilitates information sharing on the many activities currently being undertaken within the portfolio. For example, the National Library of Australia (NLA) maintains a regional office in Jakarta from which the NLA's Indonesian Acquisitions Program is managed. The staff of the library also undertake a variety of liaison and representational activities in Indonesia and the region.*

*There have also been many of the recent exhibitions organised by the National Collecting Institutions which feature Indonesian arts and culture. These exhibitions include:*

- . *Sari to Sarong: 500 years of Indian and Indonesian Textile Exchange at the National Gallery of Australia in 2003;*
- . *Gold and Civilisation at the National Museum of Australia in 2001;*
- . *Treasures from the World's Great Libraries at the National Library of Australia in 2001-02; and*
- . *Lamalera—Whale Hunters of Indonesia at the Australian National Maritime Museum in 1998-99.*

*The Australia Council also maintains strong cultural links with Indonesia by funding cultural liaison activities. Highlights of these activities include:*

- . *Funding the Asialink residencies program—Over the past 15 years Australia Council funding has supported some two dozen residencies for Australian artists in Indonesia.*
- . *The Community Cultural Development Board has funded Asialink for a series of cross-cultural projects that bring together artists and communities from Australia and Indonesia. Since 2000, five projects have been supported and have involved artists and communities in locations as diverse as Fremantle, Torquay, Padang, Sydney, Yogyakarta, Lombok, Jakarta, Melville Island, Komodo Island, Makassar, Bali, Christmas Island and Bathurst Island.*
- . *The Literature Board has provided a \$5,000 grant to the Ubud (Bali) Writers and Readers Festival in October 2004, for the fares, fees and expenses of participating Australian writers.*

*Recent cultural projects aimed at further developing the bilateral relationship between Australia and Indonesia include a project of the Arts Development Division of the Australia Council. The Council, in collaboration with the Australia-Indonesia Institute (AII), has developed a new program of assistance for arts and cultural programs between Australia and Indonesia. The "Saraswati Arts Program", announced in August 2004, provides assistance to projects that build on currently existing cultural relationships between Australia and Indonesia. Under this program the AII makes five to ten grants per year to assist Australian and Indonesian arts organisations and individuals to develop existing links and experiences to produce new cultural programs and events. The program aims to encourage Indonesian organisations to include Australian product in their programs, and for Australians to seek Indonesian partners for longer-term projects. An example of a project funded is a theatre performance called, SAWUNG GALING kembalinya Legenda (BLACK ROOSTER, the legend returns). This collaboration between the Sydney-based Sidetrack Performance Group and Indonesian troupe with Wot Cross-cultural Synergy toured Nitiprayan, Solo, Surabaya, Bandung and Jakarta in late 2004 and reached an audience of over 7,600 people.*

*From time to time DCITA programs also support activities that benefit the Australia-Indonesia cultural exchange relationship. In 2004, Visions of Australia—a program that provides funding for the development and touring of cultural exhibitions within Australia—provided a grant of \$18,500 to develop an exhibition called Green Turtle Dreaming. This exhibition documents the complex traditional relationships and mythology of the turtle in Indigenous communities of Australia and neighbouring islands in the Indonesian archipelago.*

*In 2005 Visions of Australia provided a further grant of \$41,999 to tour this exhibition to eight Australian venues, including some of the most remote in the country.*

### **Recommendation 24 DFAT**

The Committee recommends that the Australia Indonesia Ministerial Forum establish a Working Group on Arts, Heritage and Culture.

*The Australia Indonesia Ministerial Forum was established to promote trade and investment cooperation. The Australian Government has no plans to propose the establishment of a Ministerial Forum Working Group on Arts, Heritage and Culture. Cooperation on arts, heritage and culture is best promoted through other bilateral mechanisms, including the Australia-Indonesia Institute.*

### **Recommendation 25 DFAT**

The Committee recommends that the Australia Indonesia Institute receive additional funding to expand its efforts in promoting culture and arts.

*The Australia-Indonesia Institute already devotes considerable resources towards promoting culture and the arts. It has expanded its efforts where possible by forging collaborative links with other funding organisations and by requiring grant applicants to seek funding from a range of sources. A new cultural program, the Saraswati Arts Program, was established in July 2004. The Institute has committed \$100,000 to it for three years, and the Australia Council for the Arts has contributed \$40,000 for the first year.*

### **Recommendation 26 DFAT**

That a portion of the increased funding recommended earlier for the Australia Indonesia Institute be dedicated to the furthering of the sports relationship between Australia and Indonesia.

*The Government does not believe that extra funding for the Australia-Indonesia Institute is required to cover sporting projects. The Institute remains open to applications for projects that seek to expand and improve sports links between Australia and Indonesia. Two sports projects received funding in the current year: to improve swimming coaching skills in Jakarta; and to develop school cricket sports programs and coaching skills in Bali and Lombok.*

### **Recommendation 27 AusAID**

The Committee recommends that AusAID examine and report on the value and budgetary implications of adding cultural heritage as a third crosscutting issue in its program.

*I (Mr Downer) have asked AusAID to consider this recommendation and report to me.*

*I note that support for arts and culture falls within the mandate of the Australia-Indonesia Institute, however, current guidelines for the new Public Sector Linkages Program funded through AusAID do not preclude applications relating to cultural heritage if they have a clear development dimension.*

### **Recommendation 28 DCITA**

The Committee recommends :

- . that the Federal Government continue providing additional funding for transmission for Radio Australia; and
- . that the Australian Broadcasting Authority examine and reports on the cost and feasibility and implications of Radio Australia taking advantage of spare short wave capacity directed at Indonesia and broadcasting on multiple frequencies.

*The Government renewed additional funding of \$3 million per year to the ABC to strengthen Radio Australia's broadcasts to the Asia-Pacific in the 2003-04 Budget for three years. Within this funding, the ABC has the flexibility to contract for the transmission services that it believes will best strengthen Radio Australia's role in the region. Radio Australia uses transmission facilities in Australia, including facilities at Cox Peninsula, and offshore facilities in the Northern Marianas, Singapore and Taiwan for its shortwave services. Radio Australia also uses an extensive network of local relays across the Pacific and Southeast Asia. Accordingly, Radio Australia services are now obtainable throughout our region through a variety of media, including shortwave radio, direct-to-home satellite reception, local AM and FM relays, and the Internet.*

*In addition to this enhancement of Radio Australia services, since 2001 the Government has provided funding to the ABC to establish and operate a television service to the Asia-Pacific region. The Government is providing some \$90 million over five years for the operation of ABC Asia-Pacific.*