



Department of the Environment and Heritage

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

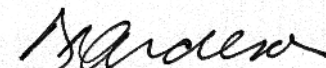
Dear Mr Lawson

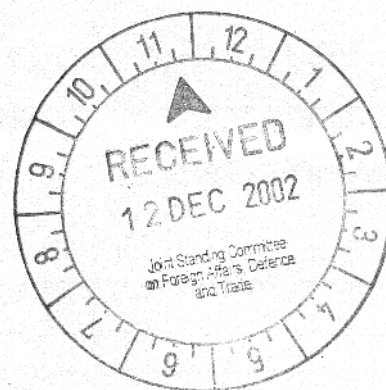
Review of Australia's Relations with Indonesia

Thank you for your letter of 29 August 2002 inviting a submission to the inquiry into Australia's relations with Indonesia.

Attached is the submission from Environment Australia. The contact officer for any queries regarding the submission is Mr Stephen Bates, International Regional Unit (Ph. 6274 1007, email stephen.bates@ea.gov.au).

Yours sincerely


David Anderson
First Assistant Secretary
Strategic Development Division



10 December 2002



SUBMISSION FROM

ENVIRONMENT AUSTRALIA

TO

FOREIGN AFFAIRS SUB-COMMITTEE

**JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND
TRADE**

INQUIRY INTO AUSTRALIA'S RELATIONS WITH INDONESIA

December 2002

1. This submission covers:
 - The current nature of Environment Australia's bilateral relationship with Indonesia; and
 - The future direction of the Indonesian relationship.
2. The submission includes information provided by the National Oceans Office, an executive agency of the Environment and Heritage portfolio.
3. International activities are undertaken in Environment Australia (EA) as an adjunct to domestic environment policies and programs, which constitute its core business. Actions by other countries, particularly our neighbours, affect environmental outcomes in Australia. Further, EA seeks to influence global and regional environmental outcomes through participation in international conventions and organisations. Participation often gives rise to obligations to assist other members. EA also pursues broader national interests, including foreign relations and commercial interests. Positive bilateral relationships reinforce these approaches and provide direct opportunities for achievement of better environmental outcomes.
4. EA can afford to develop and service only a small number of long term relationships with key sister agencies in the region. These relationships complement and deepen those developed through contact in multilateral forums. EA identifies priority countries based on actual levels of EA engagement or interest and on policy considerations.
5. Environment Australia has identified Indonesia as a Tier 1 (highest) priority for development of bilateral relations. Indonesia is an immediate neighbour, with which we share ecosystems and species. It is also the home of traditional fishermen of the waters surrounding Australia's Ashmore and Cartier Reefs, a potential market of substantial proportions for Australian environmental goods and services, and a significant player in global negotiations on environment issues.
6. The National Oceans Office undertakes international activities relating to the implementation of *Australia's Oceans Policy* through supporting the National Oceans Ministerial Board to promote the development and representation of Australia's positions in international marine and oceans forums. The development of Regional Marine Plans in Australia's marine jurisdictions also necessitates interaction with neighbouring countries regarding the management of shared resources.

The current nature of Environment Australia's bilateral relationship with Indonesia

7. Indonesia has an abundance of natural resources and is one of the 12 'megadiverse' countries in the world that between them contain 60-70% of the world's known species. Indonesia's marine, vertebrate, forest and plant life rank high in biodiversity significance. As an archipelago, Indonesia also has the greatest length of coastline of any nation, with more than 17,000 islands spread across 5,200 kilometres, and has probably the highest marine diversity in the world with 35% of the world's fish species. The archipelago spans two major biogeographic regions — the Indo-Malaysian and the Australasian realms — with plants and animals derived from both.

8. Environment Australia has a considerable range of engagements with Indonesia reflecting our interests, some funded under AusAID's Government Sector Linkages Program. The large majority of these engagements are with the Ministry for Marine Affairs and Fisheries. Our other principal counterpart agencies are the State Ministry of the Environment, and the Directorate General of Forest Protection and Nature Conservation within the Ministry of Forestry.

9. The Australian National Oceans Office's engagement with Indonesia has primarily been through the Ministry of Marine Affairs and Fisheries, centring on developing a relationship that allows for the exchange of scientific and technical data and information on marine management and the potential development of collaborative research agendas.

10. The Indonesian State Ministry of Environment is designed to play a coordinating role in relation to the two line ministries – the Ministry of Marine Affairs and Fisheries and the Ministry of Forestry, which have primary responsibility for the management of environment issues within their relevant technical field. Within the State Ministry of the Environment, the Environmental Impact Management Agency (BAPEDAL) is responsible for the implementation of environment protection activities, including enforcement of environmental legislation, supervision, monitoring, measuring, and analysis of environmental pollution. The State Minister for Environment and Head of the Environmental Impact Management Agency (BAPEDAL) is Mr Nabel Makarim.

11. The Ministry of Marine Affairs and Fisheries was established in October 1999. Its responsibilities include: fisheries management; coasts, coastal waters and small islands; marine protection and surveillance; capacity and institutional development; and research into sustainable development of marine resources. Given that Australia and Indonesia have adjoining exclusive economic zones, the two countries share many marine resource management issues affording considerable scope for future cooperation activities with this new Indonesian ministry. The Minister for Oceans and Fisheries is Dr Rokhmin Dahuri.

12. The Ministry of Forestry is responsible for management of all forests in Indonesia, including production forests, protected forests and nature conservation areas. The Ministry is charged under the Constitution to control, regulate, manage and administer forest lands throughout Indonesia. The State Minister for Forestry Affairs is Dr Mohamad Prakosa.

13. Other agencies whose responsibilities coincide with elements of our portfolio are: LIPI (National Institute of Science); and the Ministry for Culture and Tourism (responsible for cultural heritage matters).

14. The portfolio's bilateral cooperation with its Indonesian counterparts is consistent with, and in part delivered under the following medium-term cooperation agreements:

- Ministerial Statement of Intent between Australia and the Republic of Indonesia on Cooperation in the Field of Environmentally Sound and Sustainable Development (1990). The Statement noted existing cooperation and set out a framework for future cooperation.
- Memorandum of Understanding between the Directorate General of Forest Protection and Nature Conservation (PHPA), the Ministry of Forestry of the Republic of Indonesia and the Australian Nature Conservation Agency relating to the

Enhancement, Cooperation and Capacity Building in the areas of Nature Conservation and Sustainable Use of Wildlife (1995).

- Statement of Intent between the Government of Australia and the Government of the Republic of Indonesia on Activities Implemented Jointly for the Mitigation of Greenhouse Gases (1996).
- Memorandum of Understanding between the Government of the Republic of Indonesia and the Commonwealth Government of Australia Concerning Co-operation in the Fields of Conservation and Management of Cultural Heritage (1999).
- Memorandum of Understanding between the Department of Environment and Heritage (Parks Australia), the Directorate General of Nature Protection and Conservation (PKA) of Indonesia's State Ministry of Forest Affairs and the Office of Environment and Conservation of Papua New Guinea, Relating to Cooperation and Capacity Building for the Enhanced Management of the Tri-National Wetlands Programme of Wasur National Park in Indonesia, Kakadu National Park in Australia and Tonda Wildlife Management Area in Papua New Guinea (2002).

15. The portfolio is involved in two Australia-Indonesia Ministerial Forum (AIMF) working groups:

- The AIMF *Joint Working Group on the Environment* was established by the then Minister for the Environment and Heritage, Senator Hill, and the then Indonesian Environment Minister, Mr Sarwono Kusumaatmadja, in 1996 to facilitate environment protection collaboration between Australia and Indonesia in the environment industries sector, and (from the Australian perspective) to provide commercial opportunities for Australian companies. The working group has concentrated on environmental management and technology in mining; eco-efficiency, cleaner production and air pollution control; water supply and wastewater management; and solid waste management and recycling. It met in Jakarta in September 2001 and in Melbourne in April 2002.
- The AIMF *Joint Working Group on Marine Affairs and Fisheries* was established by Ministers Dahuri, Hill and Tuckey on 26 June 2001. The Working Group involves the Indonesian Ministry of Marine Affairs and Fisheries and its Australian counterpart agencies, Agriculture Fisheries and Forestry Australia and Environment Australia. At its first meeting in Jakarta on 10 April 2002 officials identified the following as areas on which it will concentrate:
 - Consideration of the Jakarta Bay project proposal;
 - Cooperation to combat illegal, unreported and unregulated (IUU) fishing;
 - Cooperation on aquaculture development;
 - Investigating possibilities for Indonesian participation in the Commission for the Conservation of Southern Bluefin Tuna;
 - Cooperation on turtle management and conservation;
 - Cooperation on fisheries management issues;
 - Investigating possibilities for a Mutual Trade Recognition Arrangement on seafood.

16. The National Oceans Office and Environment Australia have supported the establishment of an Arafura Timor Seas Expert Forum. The Forum provides opportunities to improve information-sharing arrangements between the littoral states of the Arafura and Timor Seas – Australia, Indonesia, East Timor and Papua New Guinea. It also provides an

opportunity to identify cooperative research agendas and arrangements to enhance the capacity to sustainably manage the Arafura – Timor Seas. The Forum has met three times and a range of possible research priorities has emerged, including IUU fishing, marine debris, stock assessment, sustainability of resource use and sustainable livelihoods for coastal communities.

17. A recently-signed Memorandum of Understanding between Australia and UNESCO on Cooperation concerning the Protection and Promotion of World Cultural and Natural Heritage in the Asia-Pacific Region is also relevant to the portfolio's bilateral cooperation with its Indonesian counterparts. The AusAID-funded Government Sector Linkages Program project for Enhancement of Local Government Planning and Management Capacity at Lorentz National Park World Heritage Property, Papua (formerly Irian Jaya), developed through the Asia-Pacific Focal Point for World Heritage, falls within the ambit of the MoU.

18. A primary mechanism for building the bilateral relationship with Indonesia is through the sharing of skills, knowledge and networks by staff in EA and its Indonesian counterpart agencies and, as appropriate, by drawing on environmental expertise and experience of other institutions (eg Australian state and Indonesian regional and district environment agencies, universities, the private sector).

19. Environment Australia's core business is the delivery of environmental policy and programs within Australia. It does not dedicate substantial funds to assist international activities and line areas general choose to develop relationships with their equivalents in Indonesian counterpart agencies that do not require substantial project resources. Examples of preferred activities are provision of advice, responding to questions, briefing visiting delegations, secondments to EA, cooperation on management of shared resources, development of reciprocal or harmonised systems (eg for CITES), and overseas visits in the course of normal EA business. When necessary and if funding is available, Environment Australia also undertakes more substantial cooperative activities with its Indonesian counterparts. A list of Environment Australia's past and current activities with Indonesia is to be found in Annex 1.

20. In some areas (such as alternative livelihood for traditional Indonesian fishers dependant on declining fisheries in Australian waters; Antarctica; phasing out of ozone depleting substances; endangered species management, marine pollution and debris, and management of World Heritage sites) we engage with Indonesia because of domestic obligations and responsibilities or as part of our wider international obligations. In other areas (such as sustainable mining; integrated coastal area management; sustainable tourism; community water quality monitoring; sustainable oceans management; wetlands management, and invasive species), although cooperation is clearly of mutual benefit, our domestic focus has meant that engagement has only been possible because of the availability of external funding.

21. AusAID's Australia Indonesia Government Sector Linkages Program (GSLP) has enabled Environment Australia to build a much more multi-stranded relationship with its Indonesian counterpart agencies than has been possible with other priority countries, where no similar program exists (eg Papua New Guinea, the Philippines, Vietnam, and the Pacific island countries). Established in 1994, the GSLP provides a mechanism for Commonwealth agencies to undertake joint development-oriented activities with their Indonesian counterparts. The GSLP aims to promote sustainable development in Indonesia; complement

existing relationships and activities where there is a strong development focus; and support the processes of the Australia-Indonesia Ministerial Forum and/or its Working Groups.

The Future Direction of the Indonesian Relationship

22. Indonesia has recently embarked on an ambitious fiscal and administrative decentralisation program. This presents major challenges and risks, particularly for sustainable management of the environment, but also new opportunities for cooperative activities. The new arrangements devolve implementation of all environmental management and control functions to district offices, with macro-planning and conservation retained at the national level. Implementation of environmental programs and activities through local government will require skills at the local level.

23. Environment Australia has considerable experience in working in a federal system, where environmental management and control are primarily the responsibility of State governments and the establishment of national environmental standards requires consultation with and the consent of the State governments. This experience could be of benefit to both central and district environment agencies of Indonesia as they adjust to their new roles and responsibilities. This area would be fertile ground for future cooperation and capacity-building activities.

24. The National Oceans Office is pursuing a scientific work program in support of large-scale regional marine planning. One of the priorities of this work is international collaboration, including cooperating with our maritime neighbours on joint projects of mutual interest. One such example is a proposed joint survey for Australia, Indonesia and East Timor to fulfil a critical gap in our knowledge of the fish species in the deep sea. This can provide opportunities for the National Oceans Office to work with Indonesia to improve knowledge of our shared marine environment, thereby enhancing our capacity to cooperate in managing it more sustainably.

Conclusion

25. There are continuing reasons to engage with Indonesia on issues of interest to the Portfolio.

26. New areas of potential cooperation are opening up, where EA's and Australia's experience may offer the basis for closer cooperation, especially in the context of the federal system.

27. The Australia - Indonesia Government Sector Linkages Program has been of critical importance to the successful development of a multi-stranded relationship between EA and its counterpart agencies in Indonesia and is likely to continue to be so in the foreseeable future.

Annex 1

Environment Australia's past and current activities with Indonesia

Current

Activity/Project Title
AIMF Joint Working Group on the Environment
AIMF Joint Working Group on Marine Affairs and Fisheries
Activities to phase out ozone depleting substances in accordance with the Montreal Protocol on Substances that Deplete the Ozone Layer
Small Cetaceans in the Timor Sea
Timor-Arafura Seas Experts Forum
Community Water Quality Monitoring
Development of a Strategy to Improve Indonesia's Environmental Management in Mining Capabilities
Development of Aquaculture as an Alternative Income Generating Livelihood for Traditional Indonesian Fishers Dependant on Declining Fisheries in Australian Waters
Enhancement of Local Government Planning and Management Capacity at Lorentz National Park World Heritage Property, Irian Jaya
Migratory Shorebird Conservation Workshop (implementing the Shorebird Action Plan)

Completed

Activity/Project Title
Integrated Coastal Area Management Training Manual for Indonesia.
Best Practice Environmental Management Training course
Cleaner Production for Small Business in Indonesia.
Indonesian participation in Australia's 2001-02 Antarctic expedition
Sustainable Tourism in Marine and Coastal Environments Study Tour and Workshop
Wasur and Kakadu Site Twinning Project
Training of Marine Protected Area Managers from Eastern Indonesia
General Policy Officer Exchanges/ Secondment Program.
Scoping Mission for Training and Technology Transfer of Australian Biodiversity Assessment and Land-Use Planning Methods for Application in the Indonesian Forests Sector
Species Management - Provision of Population Assessment Advice
Woody Weed Removal Strategy Stage 1
Workshops on waste water treatment, cleaner production, environmental impact assessment, and site remediation
Workshops and trade displays to promote Australian expertise in industrial wastewater treatment and integrated coastal zone management
Feasibility study proposal for total catchment management master plan of Brantas river system
Ciliwung River quality improvement scoping
Sumatran Tiger Rescue and Relocation Kit
River Quality Monitoring Workshops
Management Upgrade - Bantar Gebang Landfill, Jakarta
Promoting renewable energy technology and waste water disposal technology
Environmental Audit for Indonesian Hotel
Business Plan for the Aust EMI and the Indonesian Food Processing Industry
Air Pollution Control Equipment Manufacturers Association Dust and Fume Control Technologies Seminar
Mining and the Environment Workshop