



Indonesia

Country overview

- 3.1 The Republic of Indonesia is an archipelago located in South-East Asia, straddling the equator and comprising 17,508 islands (6,000 of which are inhabited), which cover 1.9 million square kilometres and three time zones. Indonesia occupies a strategic location astride or along major sea lanes from the Indian Ocean to the Pacific Ocean. A map of Indonesia is at Appendix B.
- 3.2 Indonesia is the world's fourth most populous country with 242 million people, and is the largest Muslim-majority nation (over 86 per cent of the population are adherents of Islam).

Political overview

- 3.3 Indonesia is a unitary state, headed by a President and Vice President who are directly elected for a five-year term by popular vote. The President and Vice President govern with the assistance of an appointed Cabinet.¹
- 3.4 Indonesia's 692-member People's Consultative Assembly (*Majelis Permusyawaratan Rakyat* or MPR) is the primary national representative body and is comprised of two houses:
- a 560-member House of Representatives (*Dewan Perwakilan Rakyat* or DPR), elected by proportional representation for five-year terms, with

¹ DFAT, *Indonesia country brief*, viewed 28 May 2013, <http://dfat.gov.au/geo/indonesia/indonesia_brief.html>.

the authority to make legislation, determine the budget and oversee the implementation of legislation by the Cabinet; and

- a 132-member Regional Representative Council (*Dewan Perwakilan Daerah* or DPD), with four representatives from each of Indonesia's 33 provinces, and responsibility for the oversight of regional matters.

- 3.5 Indonesia is the third most populous democracy in the world, after India and the United States. A robust media and civil society, combined with direct and fair elections, are at the heart of Indonesia's maturing political institutions. Since Indonesia's transition to democracy began in 1998, more than 600 direct popular elections have been held in 450 provincial and local governments. Direct elections are now held at all levels of government – sub-district, district, provincial and national levels. Indonesia has also undergone a process of decentralisation since 1999, which has seen control of large amounts of public expenditure and service delivery transferred from the central government to provincial and local governments.
- 3.6 The President, His Excellency Dr Susilo Bambang Yudhoyono, was elected to a second and final five-year term in presidential elections held in July 2009. Receiving around 61 per cent of the national vote and winning ballots in 28 of 33 provinces, President Yudhoyono was the first Indonesian president to be re-elected to office in free and fair elections.
- 3.7 Indonesia held parliamentary elections on 9 April 2009 for the DPR, DPD, provincial legislatures and district councils. President Yudhoyono's Democrat Party received the largest share of the vote, with approximately 21 per cent of the national vote, and secured 26 per cent (148) of DPR seats. The Golkar Party and the Democratic Party of Struggle (PDI-P) each won around 15 per cent of the popular vote – 107 and 94 seats respectively. Islamic-oriented parties, though their overall share of the national vote continued to decline, took the next four places, with the Prosperous Justice Party (PKS) winning around eight per cent (57 seats). New parties, Gerindra and Hanura, led respectively by former generals Prabowo Subianto and Wiranto, won approximately 5 per cent (26 seats) and 4 per cent (17 seats) each.²
- 3.8 Voting in Indonesia is non-compulsory but voter participation is among the highest in the world. Democratic elections would seem to be ushering in generational change, with 63 per cent of Indonesian parliamentarians

2 Secretariat General of the House of Representatives of the Republic of Indonesia, *A Point of View: The House of Representatives Work's Mechanism*, Jakarta, 2010, p. 29.

now under the age of 50, and some 18 per cent of parliamentarians are women, up from 10 per cent in 2004.

- 3.9 The 2009 elections took place on a vast scale. There were 171,068,667 registered voters from 33 provinces, 489 districts and 77 electoral districts. The elections were widely judged to be free and fair, and were largely free of violence. The elections are said to have marked another important milestone in Indonesia's successful transition to a vibrant, open democracy. The next round of national and presidential elections will be held in 2014.

Economic overview

- 3.10 In 2012 Indonesia's Gross Domestic Product (GDP) was estimated to be US\$878 billion. Indonesia's GDP per capita rose from \$922 in 2002 to \$3,563 in 2012. Indonesia grew by more than six per cent annually over 2010-13 and is forecast by the World Bank to grow by 6.5 per cent in 2014. The inflation rate in 2012 was 4.3 per cent.³
- 3.11 The Indonesian Government plays a significant role in the economy. There are some 139 state-owned enterprises and the Government administers prices for several basic goods, including rice, fuel and electricity.
- 3.12 Indonesia's main industries include petroleum and natural gas, textiles, automotive, electrical appliances, apparel, footwear, mining, cement, medical instruments and appliances, handicrafts, chemical fertilizers, plywood, rubber, processed food, jewellery and tourism.
- 3.13 Indonesia's main exports include oil and gas, electrical appliances, plywood, textiles and rubber. Imports include machinery and equipment, chemicals, fuels and foodstuffs.
- 3.14 Indonesia's principal export destinations in 2011 were Japan, China, Singapore, the US, South Korea, India and Malaysia. The principal import sources were China, Singapore, Japan, South Korea, the US, Thailand and Malaysia.⁴ In 2012, Indonesia experienced a current account deficit of 2.7 per cent of GDP or US\$24.2 billion. This compared with a 0.2 per cent surplus in 2011.

3 The World Bank, *Indonesia Economic Quarterly: Pressures mounting*, Washington DC, March 2013, <www.worldbank.org/content/dam/Worldbank/document/EAP/Indonesia/IEQ-MARCH-2013-English.pdf>, viewed 28 May 2013.

4 Central Intelligence Agency, *World Fact Book: Indonesia*, viewed 29 May 2013, <www.cia.gov/library/publications/the-world-factbook/geos/id.html>.

- 3.15 The 2013 Budget, which was passed by the Parliament in October 2012, committed to expenditure of US\$181 billion, an increase of 13.5 per cent on 2012. A budget deficit of 1.7 per cent of GDP was forecast and Government debt was predicted to be 25 per cent of GDP. The Budget featured a significant increase in infrastructure spending, to US\$23.2 billion. However, fuel subsidies (petrol, diesel, and LPG) accounted for \$20.8 billion, or 11.5 per cent, of the Budget.⁵
- 3.16 President Yudhoyono's Administration has managed to achieve many of its fiscal targets. These include a significant drop in debt-to-GDP from 61 per cent in 2003 to 24 per cent in 2012, a budget deficit below three per cent of GDP, and historically low rates of inflation.
- 3.17 During the global financial crisis Indonesia outperformed other regional countries and, in 2009, was the third fastest growing economy in the G20. Fitch and Moody's upgraded Indonesia's credit rating to investment grade in December 2011.
- 3.18 The Government has developed a *Master Plan for the Acceleration and Expansion of Indonesia's Economic Development 2011-2025*, which aims for levels of growth that will allow Indonesia to become one of the ten largest global economies by 2025. The Master Plan, which envisions the creation of a 'self-sufficient, advanced, just, and prosperous Indonesia', targets investments of \$468 billion over the period to 2025, of which 45 per cent is intended to be in infrastructure. One-fifth of the total investment is expected to come from Government, with the rest funded through private investment or by foreign direct investment through public private partnerships.⁶
- 3.19 The Master Plan consists of three principle strategies, listed below, and requires sustained annual growth rates of between seven and nine per cent in order to achieve the overarching objective:
- developing the regional economic potential in six Indonesia Economic Corridors: Sumatra Economic Corridor, Java Economic Corridor, Kalimantan Economic Corridor, Sulawesi Economic Corridor, Bali –

5 The World Bank, *Indonesia Economic Quarterly: Pressures mounting*, Washington DC, March 2013, p. 19, viewed 28 May 2013, <www.worldbank.org/content/dam/Worldbank/document/EAP/Indonesia/IEQ-MARCH-2013-English.pdf>.

6 Coordinating Ministry For Economic Affairs, Republic of Indonesia, *Master Plan for the Acceleration and Expansion of Indonesia's Economic Development 2011-2025*, Jakarta, 2011, <[www.depkeu.go.id/ind/others/bakohumas/bakohumaskemenko/PDFCompleteToPrint\(24 Mei\).pdf](http://www.depkeu.go.id/ind/others/bakohumas/bakohumaskemenko/PDFCompleteToPrint(24%20Mei).pdf)>, viewed 29 May 2013.

Nusa Tenggara Economic Corridor, and Papua – Kepulauan Maluku Economic Corridor;

- strengthening national connectivity locally and internationally; and
 - strengthening human resource capacity and national science and technology to support the development of main programs in every economic corridor.
- 3.20 The Plan will seek to encourage large scale investments in 22 main economic activities, which include transportation equipment, shipping, ICT, tourism, fisheries, steel, coal, defence equipment and timber.
- 3.21 Impediments to the Plan's achievement that have been identified include the following: there are currently only a limited number of domestic industries which focus on products with added value; significant regional inequalities; the provision of adequate infrastructure across the archipelago; and the challenges presented by rapid urbanisation.
- 3.22 In addition to imbalances in the economic performance of the regions and the need for improved infrastructure, two other significant economic challenges include:
- continuing Government spending on fuel subsidies, which as noted above consume some 12 per cent of the Budget; and
 - poor standards of governance and continuing corruption which inhibit the climate for domestic and foreign investment and thus limit growth.

Australia–Indonesia trade relationship

- 3.23 Two-way trade in goods and services between Australia and Indonesia was valued at \$14.8 billion in 2011, making Indonesia the 12th largest trading partner for Australia and 11th largest export market. Australian investment in Indonesia was worth an estimated \$5.4 billion in 2011. Austrade estimates that there are more than 400 Australian companies operating in Indonesia, in sectors including mining, agriculture, construction, infrastructure, finance, health care, food and beverage and transport.
- 3.24 Australia's major exports to Indonesia include wheat (\$1.1 billion in 2010-11), live animals (\$291 million) and aluminium (\$288 million). Major imports from Indonesia include crude petroleum (\$2.9 billion), gold (\$433 million) and wood (\$149 million). Australia's major services export is education-related travel (\$604 million in 2010) and the major services import is personal travel (\$1.5 billion in 2010).

- 3.25 In November 2010 the Australian and Indonesia Governments announced that negotiations would commence on an Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA). This followed the release of a Joint Feasibility Study on an Indonesia-Australia Free Trade Agreement in April 2009 and the entry into force of the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA). It is expected that the IA-CEPA, which is still under negotiation, will build on the outcomes of the AANZFTA.
- 3.26 The IA-CEPA is intended to address impediments to bilateral trade, impediments to increasing Australian investment in Indonesia and Indonesian investment in Australia, and ways to enhance economic cooperation in specific sectors identified as key drivers of economic growth. The first round of negotiations took place in September 2012.⁷

Development context

- 3.27 Notwithstanding its significant economic growth and progress in reducing poverty, Indonesia has a range of significant development challenges. These include inadequate infrastructure, corruption, a complex regulatory environment and disparities in human development across the regions.
- 3.28 Indonesia ranked 121 out of 186 countries in the United Nations 2013 Human Development Index.⁸ Twenty-nine million people (12 per cent of the population) live below the national poverty line, which was 249,000 rupiahs (A\$27) per month in 2012, and some 120 million Indonesians live on less than \$2 per day.⁹ Indonesia aims to bring the poverty rate down to 7.6 per cent by 2015, in line with the UN Millennium Development Goals.
- 3.29 Various indices illustrate the development challenges in Indonesia. More than 61 per cent of the total population experiences undernourishment. The maternal mortality rate is 228 deaths per 100,000 live births, which is some 30 times the equivalent rate in Australia. One in three children in Indonesia under the age of five suffers from stunting, caused by malnutrition. About 120 million Indonesians do not have access to safe

7 DFAT, *About the IA-CEPA negotiations*, viewed 30 May 2013, <<http://www.dfat.gov.au/fta/iacepa/>>.

8 United Nations Development Program (UNDP), *Human Development Report 2013*, UNDP, New York, 2011, p. 15, viewed 27 May 2013, <http://hdr.undp.org/en/media/HDR2013_EN_Summary.pdf>.

9 The World Bank, *Indonesia Economic Quarterly: Pressures mounting*, Washington DC, March 2013, p. 49, viewed 28 May 2013, <www.worldbank.org/content/dam/Worldbank/document/EAP/Indonesia/IEQ-MARCH-2013-English.pdf>.

drinking water while about 110 million do not have adequate sanitation. About half of all workers in Indonesia only have a primary school education.¹⁰

- 3.30 Although classified as a middle-income developing country, many of Indonesia's provinces and districts are on par with low-income developing countries. Economic and human development disparities remain across the archipelago between provinces, between districts within provinces, and between rural and urban areas. For example, per capita incomes are three to four times higher in resource-rich regions such as Kalimantan, Sumatra and Papua compared to resource-poor areas like Nusa Tenggara and Maluku.

Australian development assistance

- 3.31 Australia's development assistance to Indonesia is the largest bilateral program for the Australian Government and Australia is Indonesia's largest grant-based donor.
- 3.32 Australia will provide \$2.5 billion in development assistance to Indonesia over the period 2008 to 2013, including an estimated \$541.6 million in 2012–13. Estimated funding for 2013–14 will be \$646.8 million. Most of Australia's Official Development Assistance is provided by AusAID (\$508 million in 2012–13), with the remainder (\$32 million) provided by a range of other Government Departments and agencies including Immigration and Citizenship, Foreign Affairs and Trade, the Australian Centre for International Agricultural Research, Infrastructure and Transport, Customs and Border Protection and the Australian Federal Police.
- 3.33 Australia's aid program in Indonesia has been guided by an *Australia Indonesia Partnership Country Strategy 2008–13*.¹¹ The Australian and Indonesian governments have agreed to extend the country strategy until the end of 2014. This will allow the next strategy to align with Indonesia's *Medium Term Development Plan*. The Strategy's outcomes are consistent with the targets set under the Millennium Development Goals.

10 AusAID, *Why we give aid to Indonesia*, viewed 27 May 2013, <www.ausaid.gov.au/countries/eastasia/indonesia/Pages/why-aid.aspx>; AusAID, *Demographic and development statistics for Indonesia*, viewed 27 May 2013, <www.ausaid.gov.au/countries/eastasia/indonesia/Pages/statistics-indonesia.aspx>.

11 AusAID, *Australia Indonesia Partnership Country Strategy 2008-13*, viewed 27 May 2013, <www.ausaid.gov.au/Publications/Documents/aip_strat_2008-13_english.pdf>.

3.34 Some highlights of the program include:

- a \$500 million *Education Partnership with Indonesia* program, which is detailed further below;
- some 300 scholarships a year (rising to 500 per year by 2014) for Indonesians to study in Australia;
- a \$328 million project to improve the national road network and bridges in eastern Indonesia;
- the provision of \$215 million to support the Indonesian Government's *National Program for Community Empowerment*, which is aimed at reducing poverty by providing grants to communities for high priority local projects;
- \$180 million over the next four years towards improving water and sanitation, which is detailed further below; and
- initiatives to foster people-to-people links and technical support to the Indonesian Government.

3.35 Among the achievements of the development assistance that has been provided to date, AusAID lists the following:

- approximately 510,000 people have been provided with increased access to safe water, and around 110,000 additional people have been provided with access to basic sanitation or a public toilet;
- more than 330,000 new school places have been created by building or extending 2,000 junior secondary schools; and
- access to agricultural technologies has been provided to over 46,000 poor women and men.

Jakarta — Meetings and issues discussed

3.36 The delegation's program commenced with a comprehensive briefing provided by the Ambassador, His Excellency Mr Greg Moriarty, the Deputy Head of Mission, Mr Paul Robilliard, Minister Counsellor (Political Economic), Mr Michael Bliss, and Minister Counsellor (Development), Ms Jacqui De Lacy.

3.37 Issues discussed included Indonesia's impressive record of economic growth, the country's development challenges, Australia's aid program, climate change, the Indonesian Government's attitude towards various

foreign and domestic policy issues, negotiations for the Comprehensive Economic Partnership Agreement and a possible prisoner exchange agreement, and the irritants which currently exist in the relationship. Current challenges in the bilateral relationship were said to include certain consular matters, people smuggling and the number of Indonesian minors detained in Australia.

- 3.38 It was emphasised that Australia and Indonesia now enjoy a historically strong and productive relationship. Comment was made on the highly constructive role played by President Yudhoyono and Foreign Affairs Minister Natalegawa in particular.
- 3.39 It was noted that Australia has a very substantial diplomatic presence in Indonesia, with some 150 Australian and 450 locally engaged staff. Some 15 Australian Government departments and agencies are represented in the country. It was pointed out that Australia makes a conscious effort to be a genuine partner with Indonesia rather than to give 'lectures'.

Committee for Inter-Parliamentary Cooperation

- 3.40 The delegation's engagement with Indonesian parliamentarians commenced with a discussion with the Committee for Inter-Parliamentary Cooperation (BKSAP) of the DPR, which was chaired by Dr Muhammad Hidayat Nur Wahid. Dr H. Atte Sugandi, a member of the BKSAP, also participated.
- 3.41 The functions of the BKSAP are to promote and develop friendly relations between the DPR and parliaments of other countries, and the DPRs engagement with multilateral institutions.
- 3.42 Dr Wahid commented that, while located in Asia, Australia can bring valuable Western perspectives on issues and help show how the West and East can work together. He complimented the Australian Parliament on its legislative productivity.
- 3.43 Dr Wahid noted that consular matters were the issue in the foreign affairs portfolio that most concerned Members of the DPR at present. It was explained that this issue had traditionally been associated with Indonesian unskilled workers overseas and Indonesians under sentence of death, particularly in Saudi Arabia and Malaysia. The delegation was advised that, more recently, Indonesian minors in detention in Australia had become a sensitive issue among Indonesian parliamentarians.

- 3.44 The delegation expressed the view that the bilateral trade relationship should be expanded and welcomed the views of Indonesian interlocutors on the matter of Indonesians in detention in Australia.
- 3.45 The delegation noted that some improvements had been made to expedite the processing of minors in detention, but that the Australian Government was in discussions with the Indonesian Government to improve the process further. It was suggested that Indonesia could assist by improving processes for sourcing detainees' identity documents.
- 3.46 The delegation offered to assist Indonesia by lobbying countries in which Indonesians were on death row, to impose a moratorium on the death penalty. It was argued that this could be in both countries interests. Dr Wahid suggested that the delegation's proposal be put through the Speaker and the Inter-Parliamentary Friendship Group.

Figure 3.1 The delegation and Australia's Ambassador, His Excellency Mr Greg Moriarty, with the Chairman and members of the Committee for Inter-Parliamentary Cooperation



Commission VI

- 3.47 The delegation held discussions with the Chairman and members of Commission VI, the Indonesian Parliament's Committee on Trade, Investment and Industry.

- 3.48 The members of Commission VI present for the discussion with the delegation were:
- Mr Airlangga Hartarto, Chairman of Commission VI (Golkar)
 - Mr Ferrari Roemawi (Democrat)
 - Mr Emil Abeng (Golkar)
 - Dr Ir. H. Atte Sugandi (Democrat)
- 3.49 Commission VI is one of 11 such commissions in the DPR and, as with the others, its responsibilities include preparing the draft Budget in its portfolio area in conjunction with the Government, determining the allocation of the Budget for programs and activities for relevant departments and institutions, and conducting inquiries and hearings.
- 3.50 Chairman Hartarto commenced his remarks by noting that Australia and Indonesia were complementary economies and were not in direct competition. He noted that Indonesia is resource rich and that economic growth is driven primarily by domestic consumption. The Chairman noted that the pattern of spending in Indonesia is quite different to other countries in that domestic consumption doesn't change markedly depending on the level of employment. It was also noted that some 90 per cent of economic activity in Indonesia is classed as non-formal.
- 3.51 The Chairman observed that the Indonesian economy had major infrastructure challenges, required foreign investment and was facing competition from Chinese products that had flooded the Indonesian market after the signing of the China-ASEAN Free Trade Agreement (CAFTA). He remarked that Indonesia had benefitted from economic instability in the United States and Europe because investors were looking for opportunities in other markets, including in Indonesia.
- 3.52 Mr Emil Abeng noted that several major Australian companies were investing in Indonesia, particularly in the resources and finance sectors, but small and medium sized enterprises (SMEs) less so. He noted that SMEs were the backbone of the Indonesian economy, with almost 54 million non-formal businesses in operation in Indonesia.
- 3.53 Mr Abeng explained that a focus for Commission VI was to enhance the productivity of SMEs in order to fight poverty through entrepreneurship. He hoped more Australian SMEs would look to invest in Indonesia, noting that Indonesia is a large market for consumer goods, but acknowledged that legal certainty and investment protection were essential for attracting investment.

Figure 3.2 The delegation with the Chairman and members of Commission VI



Figure 3.3 Mrs Joanna Gash MP with a member of Commission VI, Dr H Atte Sugandi



- 3.54 The delegation agreed with the sentiment expressed by Commission members, noting that the bilateral trade relationship appears to be significantly underdone. Chairman Hartarto responded that once the AANZFTA was complete, negotiation could commence on the Comprehensive Economic Partnership Agreement with Australia which he hoped would facilitate knowledge and technical transfers.
- 3.55 Mr Abeng noted that state-owned enterprises (SOEs) comprised 28 per cent of GDP but need further reform to compete with the private sector. The delegation was advised that Indonesia was focussed on 'profitising' its SOEs through restructuring ahead of possible further privatisations.
- 3.56 Responding to the delegation's question as to whether corruption and legal uncertainty was deterring investment, Chairman Hartarto said perception-based indices that rate Indonesia poorly on corruption and ease-of-doing-business were misleading and do not reflect reality. He acknowledged that corruption was an important issue for Indonesia to overcome, but was not of such magnitude as to deter investors. The Chairman said the proof of this was that many Australian companies that had invested in Indonesia were doing well. He encouraged the delegation to speak to Australian businesses operating in Indonesia, such as Newcrest Mining, Rio Tinto, Elders and the ANZ Bank, on the realities of doing business in Indonesia. Chairman Hartarto stated that Indonesia was committed to establishing a one-stop service for investors to shorten investment lead times and to assist with overcoming government red tape. He encouraged the delegation to promote investment in Indonesia among the Australian public.
- 3.57 Delegation members indicated that while there is bipartisan support in Australia for the live cattle trade to Indonesia, there is also a significant level of public opposition to the trade and widely held concerns about animal welfare. Members expressed the view that it was in both countries' interests to improve practices and standards at Indonesian abattoirs so as to ensure the trade could continue. The Chairman remarked that he was glad that both governments had cooperated to ensure the live cattle trade resumed quickly. The delegation also noted that there clearly needs to be better communication and dialogue by Australia with Indonesia in the future on such vital and sensitive matters.
- 3.58 Chairman Hartarto said that Indonesia has a policy of attaining food self-sufficiency, with sugar and rice being priorities, but noted that this was not realistic for all products. The Chairman remarked that Indonesia understands that food security and food self-sufficiency are two separate issues. He noted that the Government is working to prevent agricultural

land from being built-out by factories and townships and was also seeking to establish locations outside of Java for food production.

- 3.59 The Chairman noted that limited domestic salt production had become a difficult issue for Indonesia. While there are many local suppliers, production levels were low and they could not compete with large industrial producers mainly in Australia. This was said to have negatively affected poor coastal communities in East Nusa Tenggara (NTT) and East Java provinces. Staff from Australian Embassy advised that a major Australian company was close to finalising a salt mine in the NTT which, once established, would provide opportunities for technology transfer and would increase domestic production of salt.
- 3.60 It was noted that Australia and Indonesia would have an opportunity to use capacity building efforts under the IA-CEPA to pursue the type of assistance requested by Indonesia, particularly in the agriculture sector.

Commission I

- 3.61 The delegation held discussions with the Chairman and members of Commission I, the Indonesian Parliament's Committee on Foreign Affairs, Defence and Information.
- 3.62 The members of Commission I present for the discussion with the delegation were:
- Dr H Mahfudz Siddiq, Chairman (PKS)
 - Mr H Hayono Isman, Vice Chairman (Democrat)
 - Mr Muhammad Najib (PAN)
- 3.63 Chairman Siddiq stated that while Indonesia's democratic transition was ongoing, the country was proud of its 'journey of democracy'. He indicated that although the elections in 2014, in which President Yudhoyono could not stand again, may be more of a test for Indonesia's nascent democracy than other recent elections, there was 'no road back' to the authoritarian past. The Chairman remarked that Indonesia's democratic transition was still a work in progress, noting that the country is still searching for the right balance on the extent of freedom of expression, arguing that this issue has implications for the integrity of the Indonesian state.
- 3.64 Chairman Siddiq observed that the recently passed State Intelligence Law would support democratisation in Indonesia and help confront radicalisation. The Law had been designed to make Indonesia's

intelligence agencies more accountable and professional. Under the Law, Commission I would play a critical oversight role of agencies' activities and budgets. The Commission will establish a select committee of 13 members to monitor and evaluate the performance of the agencies. The select committee will have the power to summons any person to account for their activities.

- 3.65 Comment was made on terrorist groups operating within Indonesia and across the region that were radicalising followers, including in Indonesian gaols. The Chairman stated that the Intelligence Law will enhance Indonesia's ability to counter terrorism, particularly through de-radicalisation. Chairman Siddiq stated that mitigating the spread of terrorist ideology was a key component of any sensible counter-terrorism strategy.

Figure 3.4 The delegation with the Chairman and members of Commission I



- 3.66 The delegation enquired about Indonesia's position on Myanmar and its leadership in ASEAN. Chairman Siddiq responded that Myanmar had indeed been a significant foreign policy challenge for Indonesia, particularly in its year as ASEAN Chair.

Figure 3.5 Mr Michael Danby MP with a member of Commission I, Mr Muhammad Najib



Figure 3.6 The Hon Laurie Ferguson MP with the Chairman of Commission I, Dr H Mahfudz Siddiq



- 3.67 Indonesia believes there has been significant and genuine change in Myanmar. Foreign Affairs Minister Dr Marty Natalegawa visited Myanmar recently and had provided Commission I with a positive assessment of developments in the country. Indonesia hoped that Myanmar's turn to host ASEAN in 2014 could be an opportunity to consolidate reforms. Chairman Siddiq noted that Myanmar's transition was not for ASEAN alone to manage. In particular, China had a critical role to play. Other regional countries, including Australia, could also play an important role in encouraging further progress and this would be welcomed by Indonesia.
- 3.68 Mr Najib stated that Indonesia aspired to play a positive role in developments in the Middle East by providing an example of a successful political transition to democracy. He noted that Indonesia's links with Middle-Eastern countries were reasonably strong, particularly with Egypt, where many Indonesians had studied over the years. The delegation was informed that the Indonesian Parliament has established a caucus of members interested in the 'Arab Spring'. Indonesia was aware that its involvement in the political transition in that region was less sensitive than that of Western countries, which are often distrusted.

Australia-Indonesia Facility for Disaster Reduction

- 3.69 The delegation visited the Australia-Indonesia Facility for Disaster Reduction (AIFDR), which was announced by former Prime Minister Rudd and President Yudhoyono in 2008. The AIFDR is a \$67 million five-year initiative and represents Australia's largest bilateral investment in disaster mitigation and preparedness, and compliments Australia's humanitarian response commitments.
- 3.70 The AIFDR is co-managed with the Indonesian Disaster Management Agency and focuses on enhancing Indonesia's capacity to identify, mitigate and respond to natural disasters.
- 3.71 As one of the most hazard-prone and densely populated countries in the world, and with high levels of poverty, Indonesia faces a significant risk of loss of life and economic impact from natural disasters. For these reasons disaster risk reduction has been recognised by the Indonesian Government as one of its top 11 priorities in the country's Medium-Term Development Plan (2010-14).

- 3.72 The delegation was informed that the AIFDR has four work streams:
- Training and outreach – developing and delivering training materials to build the capacity of national and sub-national governments to manage disaster risks;
 - Risk and vulnerability – facilitating partnerships between Australian and Indonesian scientists to develop and demonstrate risk assessment methods, tools and information for a range of natural hazards;
 - Partnerships – supporting key risk reduction partners of Indonesia and the Southeast Asian region; and
 - AIFDR grants – promoting a culture of disaster risk reduction research and innovation in Indonesia and the region.

Figure 3.7 The delegation and Australia's Ambassador, His Excellency Mr Greg Moriarty, with staff of the Australia-Indonesia Facility for Disaster Reduction



Muhammadiyah

- 3.73 The delegation met Professor Din Syamsuddin, the President of Muhammadiyah, which was established in 1912 in Yogyakarta as a reformist religious movement and has grown to become Indonesia's

second largest Muslim mass-based organisation, now claiming 35 million members.

- 3.74 Professor Syamsuddin highlighted Muhammadiyah's historic role as an important part of the fabric of Indonesian society. He explained that Muhammadiyah remains a key voice for moderate Islam and is a regional leader in interfaith dialogue. Muhammadiyah has branches in 18 countries, including Australia, and sister organisations in five countries. Professor Syamsuddin said that Muhammadiyah has been granted official observer status by the United Nation's Economic and Social Council.
- 3.75 It was explained that Muhammadiyah is active in providing social services in education, health and disaster relief. The organisation operates 14,000 schools, 8,000 kindergartens, 132 tertiary education institutions, 180 hospitals and 60 midwifery clinics across Indonesia. Funding is provided predominantly by members through almsgiving. The Government donates some funds but this was said to be irregular.
- 3.76 The President explained to the delegation that although Muhammadiyah does not have structural links to political parties, more than 100 Members of Parliament claimed Muhammadiyah heritage and, in the previous Parliament, 161 Members across all parties belonged to Muhammadiyah.
- 3.77 The delegation explored with Professor Syamsuddin the differences between Islam as it is practised in Indonesia and Middle Eastern countries. It was explained that while there is 'one Islam', there are many cultural manifestations and interpretations of the faith, and that Islam in Indonesia tends to be quite liberal.
- 3.78 Professor Syamsuddin commented that Indonesia is an example to countries of the Middle East. He stated his belief that modern and moderate Islam will continue to dominate in Indonesia while Muhammadiyah and Nahdlatul Ulama (NU) continue their work. He noted that Muhammadiyah and the United States Embassy will jointly fund a conference to be held in December on the lessons learned from the Arab Spring. Muhammadiyah will fund Muslims from Middle Eastern countries to attend.
- 3.79 The delegation raised the attacks on Ahmadiyah adherents and Christians in recent years. Professor Syamsuddin responded that the recent attacks were a law enforcement issue more than a social issue. He stated his belief that Indonesia remained at heart a moderate society and that Muhammadiyah would continue to be at the forefront of advocating tolerance and inter-religious dialogue in Indonesia and the region. He noted, for example, that Muhammadiyah works with World Vision,

Catholic Relief Services and the Catholic Bishops Conference in Indonesia, and that it participates in an annual inter-faith dialogue conference involving representatives from Indonesia, New Zealand, Australia and the Philippines. Professor Syamsuddin noted that he is the Moderator of the Asian Conference of Religions for Peace.

- 3.80 On the issue of corruption, Professor Syamsuddin said that corruption was tantamount to a crime against humanity and that it had proliferated in the post-Soeharto era. He made some critical observations on the Anti-Corruption Commission but also noted that Muhammadiyah and NU had established an anti-corruption movement among their memberships, which had now extended to other faith leaders.
- 3.81 Professor Syamsuddin said Muhammadiyah was proud of the Memorandum of Understanding (MOU) entered into with Australia in 2008, which is a unique agreement between a key civil society organisation and a government.

Figure 3.8 The delegation with the President of Muhammadiyah, Professor Din Syamsuddin



- 3.82 The MOU was signed by then Prime Minister Rudd and Professor Syamsuddin and covers cooperation on disaster management, education, strengthening democracy and cultural activities. The President noted that some work had taken place, particularly in disaster management, but

hoped more could be done. Professor Syamsuddin indicated that one area for possible further cooperation is education. He noted that Muhammadiyah is a major education provider, operating as it does some 14,000 schools across Indonesia, and poorer Indonesians tend to enrol at Islamic schools.

- 3.83 Noting the existence of academic centres in Australia such as the Centre for Arab and Islamic Studies at the ANU, the President indicated that additional scholarships for Indonesians to study in Australia would be welcome.

Economic, political and human rights commentators

- 3.84 The delegation had the pleasure of holding discussions with a group of esteemed Indonesian economic and political commentators. The experts who attended a lunch event with the delegation included:

- Mr Meidyatama Suryodiningrat, Chief Editor, Jakarta Post
- Professor Juwono Sudarsono, Former Defence Minister
- Ms Retno Ruwyastuti, General Manager News, MetroTV
- Dr Jamhari Makruf, Vice Rector (Academic), State Islamic University
- Dr Clara Juwono, Centre for Strategic and International Studies
- Ms Retno Shanti Ruwyastuti, Assistant to the President Director, MetroTV
- Dr Siti Zuhoro, Senior Researcher, Indonesian Institute of Sciences
- Ms Ima Abdurahim, Executive Director, Habibie Centre
- Mr Goenawan Mohammed, Founder of Tempo

Figure 3.9 Mr Nick Champion MP with Dr Jamhari Makruf of the State Islamic University at an event with Indonesian economic and political commentators



Figure 3.10 The Hon Philip Ruddock MP with the Chief Editor of the Jakarta Post, Mr Meidyatama Suryodiningrat



Figure 3.11 Delegation members with (L to R) Ms Rahimah Abdulrahim (Executive Director, Habibie Centre), Dr Clara Juwono (Centre for Strategic and International Studies) and Professor Juwono Sudarsono (former Indonesian Minister for Defence)



3.85 The delegation completed its engagements in Jakarta with a roundtable meeting with commentators on human rights and religious tolerance issues, listed below. The candour and dynamism of the commentators impressed the delegation:

- Ms Poengky Indarti, Executive Director, Imparsial
- Ms Indria Fernida, Deputy Coordinator, KontraS
- Ms Erna Ratnaningsih, Chairperson, Indonesian Legal Aid Foundation
- Mr Fajar Riza Ul Haq, Executive Director, Ma'arif Institute for Culture and Humanity

Surabaya — Briefings and site visits

- 3.86 In East Java, the delegation had the pleasure of having dinner with leading Surabaya-based Alumni of Australian universities and other educational institutions.
- 3.87 The delegation also observed Australian development projects on Madura Island, including clean water supplies to villages provided under a \$25 million Water and Sanitation Hibah scheme that has benefited more than 77,000 households across Indonesia, and an Islamic school funded under the \$395 million Basic Education Program.
- 3.88 These inspections were followed by a visit to attend the launch of the Deteksi 2011 Convention, which is Indonesia's largest youth convention, and a lunch hosted by Mr Azrul Ananda, the President Director of Jawa Pos, the largest newspaper group by circulation in Indonesia and hosts of the annual Deteksi convention.

Indonesian-based Alumni

- 3.89 The Surabaya-based Alumni who attended the dinner with the delegation included:
- Mr Doddy Kosasih, Advocate, H K Kosasih and Associates;
 - Mr Peter Sheehan, Business Development Director, PT Padma Graha Eksotika;
 - Ms Nany Wijaya, Director, Jawa Pos;
 - Ms Herlina Yoka Roida, Lecturer, Universitas Katolik Widya Mandala; and
 - Ms Inge Christanti, Researcher, Human Rights Study Centre, University of Surabaya.
- 3.90 The delegation was grateful for the attendance by the Alumni and impressed by their abilities and achievements. The delegation was pleased to note the evident good will they displayed towards Australia.
- 3.91 The delegation was informed that, since 2000, 509 people from East Java have received scholarships for postgraduate study in Australia. The delegation noted how important it is for Australia to maintain and foster the links with Alumni on their return to Indonesia. It was a concern for the delegation to learn that there may be some inadequacies in the

coordination of Alumni in East Java, which members were informed is primarily an Austrade responsibility.

- 3.92 Some Alumni pointed out to the delegation that Australia does not have a consular presence in Surabaya and that for a number of reasons, not least that the city is the second largest in Indonesia, establishing such a presence might be justified. The Committee subsequently recommended that a diplomatic post be established in Surabaya in the report of its Inquiry into Australia's Overseas Representation.¹²

Australian-funded aid projects

- 3.93 The delegation received a briefing from Embassy and AusAID officials on Australian development projects in East Java. This was followed by a visit to development projects on Madura Island, which is linked to Java by the recently opened Suramadu Bridge and is a short distance from Surabaya. The briefing covered education, water and sanitation, disaster risk reduction, poverty reduction and health initiatives.

Support for water and sanitation

- 3.94 The delegation was advised that access to improved water and sanitation in Indonesia is low compared to other South-East Asian countries:
- less than one third of Indonesia's urban households have a water connection;
 - only 11 cities have piped sewerage systems, representing just over one per cent of the urban population; and
 - only 12 per cent of rural households have piped water.
- 3.95 The proportion of households with piped water systems in cities and towns has also declined since 1998 due to reduced investment and rapid urbanisation. Currently, most households provide their own sanitation facilities. In urban areas, households and commercial and institutional buildings often use septic tanks.
- 3.96 At the current rate of investment, Indonesia cannot achieve the Millennium Development Goal of halving the number of people who do not have safe water and basic sanitation.

12 JSCFADT, *Australia's Overseas Representation – Punching below our weight?*, Report of the Inquiry into Australia's Overseas Representation, 2012, p. 45.

- 3.97 The delegation was advised that, at the time of its visit, Australia had invested \$86.5 million towards improving water and sanitation in Indonesia. It is estimated that this support will give nearly two million Indonesians better access to clean water and sanitation.
- 3.98 Since the 1980s, Australia has assisted to improve Indonesia's water and sanitation sector through a number of bilateral and multilateral programs, as follows.
- The three principle bilateral programs have been:
 - ⇒ *Indonesia Infrastructure Initiative* (\$153 million, 2008–15) supports a range of infrastructure investments, including some \$50 million devoted to water and sanitation projects;
 - ⇒ *Australia-Indonesia Infrastructure Grants Program* (\$190 million, 2012–15) will provide support to local government to undertake improved water and sanitation management and infrastructure; and
 - ⇒ *Water and Sanitation Hibah Program* (\$25 million, 2008–11) which used an innovative output-based approach to increase the number of poor households with access to water and sanitation connections boosting local government investment in these utilities (a grant is provided to local governments after independent verification that each new connection made by the water and sanitation utility has functioned for at least three months). Thirty-seven local governments have participated in the program to date. By the end of its first phase, the Hibah scheme had provided 77,000 water and 5,000 sewerage connections in mainly poor households, benefiting approximately 410,000 people.
 - In multilateral initiatives, Australia has worked with the World Bank to improve access and policy for water supply and improved sanitation (\$42.5 million over four years). This support has benefitted 400 villages and approximately 220,000 people with improved water and 200,000 people with improved sanitation across Indonesia.
- 3.99 The delegation had the opportunity to see Australia's assistance to improve Indonesia's water and sanitation sector in East Java during an inspection of the Water and Sanitation Hibah (which translates as 'grant' in Bahasa Indonesia) Program in Dekok Kluangan Village of Bangkalan district on Madura Island.
- 3.100 Bangkalan is one of four districts in East Java province that has participated in the Hibah program. The other districts are Malang, Sidoarjo and Jombang. In Bangkalan district, Australia has supported 1,100 household piped water connections for local residents. Across the

four districts in East Java, the program has connected approximately 11,300 households to piped water, which equates to some 56,000 people.

- 3.101 The delegation was pleased to see first-hand how access to piped water is easing the daily burdens on residents, saving time for villagers in accessing and treating water, and improving the cost and quality of the water. It was also pleasing to see how delighted the residents were with their piped water access and with Australia's assistance. The deputy leader of the delegation, Mrs Joanna Gash MP, spoke to the assembled community leaders and government officials at a ceremony to welcome the delegation.

Figure 3.12 Mrs Joanna Gash MP addressing community leaders at an Australian-funded water project in Dekok Kluangan Village of the Bangkalan district, Madura



- 3.102 The delegation was informed that Australia will continue to build on the successes achieved in the water and sanitation sectors over the coming years.
- 3.103 AusAID plans to increase its support for water and sanitation improvements by at least \$180 million over the next four years, through a range of bilateral grants in urban and rural water and sanitation and a

Figure 3.13 A resident showing delegation members the piped water for households



Figure 3.14 Mrs Joanna Gash MP and the Hon Dr Sharman Stone MP meeting local residents



continuing co-financing of rural water and sanitation projects with the World Bank and the Asian Development Bank:

- up to \$95 million to the water and sanitation sectors using the Hibah mechanism;
- up to \$40 million in grants to encourage district governments to invest in community sanitation infrastructure and services; and
- up to \$46 million in project preparation assistance for the Indonesian Government to access bank loans, include preparing detailed engineering designs and undertaking social safeguard and environmental impact assessments for major infrastructure projects (such as wastewater systems, treatment plants and solid waste transfer stations).

Support for education

3.104 The delegation was informed that Australia's engagement with Indonesia's education sector has extended from improving access to and the quality of basic education to improving tertiary-level qualifications and providing scholarships. The principle initiatives are as follows.

- *Australia Indonesia Basic Education Program* (\$395 million, 2006–11) was intended to improve access to and the quality of junior secondary education services in the poorest and most remote areas of Indonesia. The Program operated in 20 of Indonesia's 33 provinces. Schools were financed by Australia and constructed by local communities using locally-procured materials and equipment, under the direction of the Indonesian Ministry of National Education (for general schools) and the Indonesian Ministry of Religious Affairs (for Islamic junior secondary schools). The Program helped build or extend 2,074 schools (including 504 madrasahs or Islamic schools), creating around 330,000 new school places.
- *Australia's Education Partnership* (\$500 million, 2011–16) builds on the Basic Education Program and includes:
 - ⇒ the building or expansion of up to 2,000 junior secondary schools, creating around 300,000 new school places in disadvantaged districts;
 - ⇒ developing and rolling out a national system for strengthening the capacity of all 293,000 school principals, school supervisors and district government officials; and

- ⇒ assisting some 1,500 Islamic schools to reach accreditation and to meet national minimum service standards.
- Awards and scholarships, such as the *Australia Awards Program* and the *Australian Leadership Awards*. The Australia Awards are the largest and longest running international scholarship program in Indonesia and 636 were provided in 2011. Under the Program, the Australian Development Scholarships offered over 400 postgraduate awards to Indonesian students for masters or doctoral study in Australia in 2012. These will be increased to around 500 scholarships per year by 2014. The delegation was informed that many scholarship alumni have gone on to hold positions of influence in Indonesia, strengthening the people-to-people links between Indonesia and Australia. High-profile Alumni include Vice President Boediono and the Minister for Foreign Affairs, Dr Marty Natalegawa.
 - *Learning Assistance Program for Islamic Schools* (\$35.3 million, 2004–11) supported the 91 per cent of Islamic schools that are private and the various non-government organisations that support and operate them. The program trained junior secondary teachers in English language skills and strengthened their English teaching capacity, provided text books, built school libraries and promoted equal learning outcomes for girls and boys. Around 161,000 students and 15,200 teachers benefitted from activities run in 983 Islamic schools.
 - *Building Relations through Intercultural Dialogue and Growing Engagement* project (\$3.6 million, 2011–16) builds networks between Australian and Indonesian teachers and students. Around 90,000 students in Australia and Indonesia have participated in the project.
- 3.105 The delegation had the pleasure of visiting the Madrasah Tsanawiyah Darul Munir, a private Islamic junior secondary school located in Separah Village, Bangkalan and built in 2010 with Australian funding under the Basic Education Program. As noted, Madrasah Tsanawiyah is one of 504 Islamic schools that were built under the Program and one of 144 built across East Java, creating an estimated 21,800 school places and significantly increasing access to education.
- 3.106 The construction of Madrasah Tsanawiyah was financed through a block grant equivalent to \$77,449. In addition, Australian funding provided engineering support, school furniture and some supplementary reading materials, and training in school management to the principal and school committee. The Madrasah is equipped with three classrooms, a resource room, a science laboratory, a library and toilet block.

Figure 3.15 Students at an Australian-funded school, Madrasah Tsanawiyah Darul Munir, greeting delegation members on their arrival



- 3.107 There are currently 169 students enrolled at the school, consisting of 104 boys and 65 girls, but demand has exceeded capacity at the school.
- 3.108 The delegation was informed that construction of the Madrasah has made junior secondary education more accessible for the local community. Sixty per cent of the Madrasah's students come from the local community, where families are typically farmers, agricultural or construction workers who cannot afford the cost of transport to send their children to the nearest school, which is around 15 kilometres away from the village.

Many of the Madrasah's third grade students had previously stopped schooling for two or three years after graduating from elementary schools. Before the construction of the Madrasah, it was common that after graduating from elementary school, children were put to work or married.

- 3.109 The delegation was pleased to note that despite being relatively poor, the local community has demonstrated a strong engagement with the Madrasah, providing funding and in-kind contributions so that additional facilities could be built, such as a mosque and a dormitory for the students.
- 3.110 As with the visit to Dekok Kluangan Village, the delegation received a warm welcome from the school community, which was clearly deeply appreciative of Australia's financial support for the construction of Madrasah Tsanawiyah Darul Munir.

Figure 3.16 The Hon Laurie Ferguson MP meeting students at the Madrasah Tsanawiyah Darul Munir



- 3.111 Delegation members were presented with scarves and treated to a display of traditional dancing by the students on their arrival. The delegation then had the opportunity to meet and speak to students in their classrooms and to speak with the School principal, Mr Fandy Wijaya, the Head of the Darul Munir Foundation, Mr Nurus Sholeh, parents, teachers and

Figure 3.17 The delegation visiting a classroom at the Madrasah Tsanawiyah Darul Munir



Figure 3.18 Delegation members presenting students with soccer balls and books



representatives of local authorities. Students presented delegation members with handicrafts which they had made.

Education links — Deteksi Convention

- 3.112 The delegation completed its visit to East Java and to Indonesia by attending a lunch hosted by Mr Azrul Ananda, President Director of the Jawa Pos media group. Jawa Pos is Indonesia's largest newspaper group by circulation and revenue. Mr Ananda's father, Mr Dahlan Iksan, the founder of Jawa Pos, was recently appointed to Cabinet as the Minister for State-owned enterprises.
- 3.113 Following the lunch, the delegation attended the launch of the Deteksi 2011 Convention, including the opening speech by Ambassador Moriarty, the 'Oz Deteksi Challenge' and the Ambassador's Awards. The deputy leader of the delegation, Mrs Gash, also spoke at the launch.

Figure 3.19 The delegation, Ambassador Moriarty and representatives of the ANZ Bank and Commonwealth Bank at the Deteksi Convention with the President Director of the Jawa Pos Group, Mr Azrul Ananda



Figure 3.20 The Hon Dr Sharman Stone MP and Mrs Joanna Gash MP with students at the Deteksi Convention



Figure 3.21 Mr Nick Champion MP with students at the Deteksi Convention



- 3.114 Deteksi is the largest youth convention in Indonesia, and is hosted annually by the Jawa Pos Group and supported by the Australian Embassy. The 2011 convention was sponsored by the ANZ and Commonwealth banks. The delegation was pleased to meet the banks' representatives, Mr Ian Phillip Whitehead, Director of Retail and Business Banking, Commonwealth Bank Indonesia, and Ms Leonie Lethbridge, Chief Operating Officer, PT Bank ANZ Indonesia.
- 3.115 The delegation had the pleasure of meeting groups of high school students competing for the opportunity to participate in homestay programs in Australia, supported by Queensland University of Technology (QUT), UNSW and other educational institutions.
- 3.116 Since the delegation's visit, Australia's Embassy in Jakarta has continued to support the Deteksi Convention by facilitating homestay programs for competition winners. The Embassy, however, no longer offers financial support as a sponsor of the Deteksi Convention because of funding constraints and other priorities. Regrettably, the ANZ and Commonwealth banks no longer sponsor the event either. The QUT has been involved in funding homestay prizes and providing awards to several competition winners. However, QUT are currently assessing their ongoing support for the Deteksi Convention.

Concluding comments

- 3.117 The delegation was pleased to see that the bilateral relationship with Indonesia appears to be sufficiently robust and amicable as to withstand what are at times quite serious challenges to the relationship. Irritants such as the sudden suspension of the live cattle trade, the detention of minors from Indonesian boat crews and various consular issues are handled without the relationship being derailed. Nevertheless, the delegation is of the view that Australian governments should at all times adopt a respectful mode of communication and dialogue with Indonesia. An element of this should be, wherever possible, a 'no surprises' approach towards our most important neighbour.
- 3.118 Of the themes which emerged in discussions in Indonesia it became clear to the delegation that the bilateral trade relationship is widely considered to be underdeveloped, and certainly doesn't reflect the significance or maturity of the broader relationship between our countries. It is hoped that negotiations for the Indonesia-Australia Comprehensive Economic

Partnership Agreement can be expedited and additional steps taken to promote Australian investment in Indonesia and vice versa.

- 3.119 As recommended in the Committee's report for its inquiry into Australia's overseas representation, the delegation sees value in the establishment of a consular presence in East Java, not least because Surabaya is Indonesia's second largest city and a significant economic and education centre for Indonesia.
- 3.120 Surabaya is also the home of several hundred Alumni of Australian educational institutions. The good will of the Alumni towards Australia was pleasing to see. The delegation hopes that more can be done to coordinate the Indonesian-based Alumni as a means of fostering the people-to-people links between Australia and Indonesia.
- 3.121 While the principal purpose for the delegation's visit was to hold discussions with its counterpart committees in the DPR, the delegation was grateful for the opportunity to visit Australian-funded aid projects in disaster reduction, education and water and sanitation. These projects are manifestly assisting Indonesia's development and improving the lives of the Indonesian people.
- 3.122 The delegation was very impressed by the Deteksi youth convention and Australia's involvement with the event. Members note the profile it gives to Australia and the good will it evidently creates among large numbers of students and their schools. The delegation urges that the Embassy and the Australian Government to continue to sponsor the convention.
- 3.123 In addition to its meetings with parliamentarians and visits to Australian-funded aid projects, the delegation appreciated the candour of other interlocutors, particularly the human rights commentators, that members had the opportunity to meet. These encounters underscored for the delegation the truly vibrant democracy which is now emerging in Indonesia.

The Hon Michael Danby MP

Delegation Leader

