

## **AUSTRALIA'S RELATIONS WITH INDONESIA : JCFADT REPORT**

### **Ministerial Statement by Senator the Hon Gareth Evans, Minister for Foreign Affairs, Senate, 2 June 1994**

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On 18 November 1993 the Foreign Affairs Sub-Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade tabled the Report of its Inquiry into Australia's Relations with Indonesia. Following earlier reports on the South Pacific and Papua New Guinea, this is the third and final in a series of reports by the Committee on Australia's relations with its closest neighbours.

This Report is a comprehensive study of our relations with our most important neighbour. It is the result of more than two years of extensive research and enquiry. It reflects a determination by my parliamentary colleagues to grapple with a complex relationship and identify areas for improvement. I was pleased to receive it, and to be able now to table the Government's detailed response to its specific recommendations.

Through its work the Committee has highlighted the enormous interest in Indonesia by the Australian community. It has generated public discussion on the many strands in Australia-Indonesia relations and drawn these together in a complete picture of our ties. The Government acknowledges, and appreciates, this contribution to public awareness of Australia-Indonesia relations.

As the Report demonstrates, Indonesia and Australia enjoy a unique relationship in which each country is profoundly different, but understands the strength of its shared interests with the other. The Report acknowledges the importance of this relationship for both countries, strategically and economically. It is an important relationship in its own right and because we are partners in one of the world's most dynamic regions. This partnership is vital to Australia's engagement with, and credibility in, the Asia Pacific.

I fully concur with the Committee's finding that our relationship with

Indonesia is open and positive, and in better condition than it has been for some years, but that more can be done to improve it: Australians and Indonesians can and should work together to develop a relationship which goes even further in meeting the needs of both countries.

Indonesia under President Soeharto has experienced political stability, rapid economic growth, new prosperity for Indonesians, and leadership in international affairs. Recent changes in Australia are no less remarkable. We have had to make our economy more competitive, efficient, and skilled. We are realising the full significance of our geography and giving unprecedented attention to the region in which we live. We are discovering the comparative advantage of multiculturalism in our dealings with Asia. We are debating a new sense of national identity and direction. In all these areas, this Government has been a driving force for change.

As Indonesia and Australia redefine their places in the world, particularly in the region, prospects for greater dealings between us become more and more evident. We have a heightened sense of shared interests. Economic reform in both countries has thrown up complementarities stimulating greater commercial dealings. A perception of shared interests beyond the bilateral level is prompting our work together on regional security and prosperity. In short, we are poised to take on new opportunities with Indonesia. The environment is right, and the time is right.

### **Progress so far**

My Government knows this and has been working towards the challenge. In a few years we have turned perceptions of shared interests into concrete programs for co-operation. We have developed a close rapport at the highest levels of the Indonesian Government, in a range of fields. Australian and Indonesian Ministers are beating an increasingly well worn path to each others' doors.

The two Governments are developing a solid institutional framework in which to explore ways of delivering long term benefits. Agreements have been signed on matters as diverse as investment, taxation, copyright, education, customs, development assistance, and fisheries cooperation. We are

negotiating an agreement on science and technology cooperation. Our officials have regular exchanges in the fields of education, science and technology, health, customs and primary industry, to name just a few examples.

The Australia Indonesia Ministerial Forum, which is particularly directed at giving government impetus to economic ties, is our most significant bilateral arrangement. Since the establishment of this Forum by the Prime Minister and President Soeharto in 1992, government and business representatives have regularly met to identify areas for commercial collaboration and to address impediments to trade and investment. Business missions under the aegis of the Forum have already resulted in tangible commercial outcomes. We take careful note of the Committee's recommendation to exploit fully the potential of this Forum, and will be doing our best to take the process forward at the next Forum meeting in Canberra in August

The development of these institutional links is not haphazard. We have worked consciously to put them in place, and see them as the foundation stones of a stable and enduring relationship. I welcome the Committee's recognition of their value and its recommendation that they be strengthened.

The web of ties is being woven beyond government as well. Australia's business community is becoming engaged in Indonesia at a rate we welcome, but would like to see further improved. In five years our exports to Indonesia have trebled to reach \$1.8 billion: within that, manufactures exports have more than trebled to reach \$766 million. We are Indonesia's tenth largest source of investment, with over 180 Australian companies now operating there.

In people to people links, there is also a quiet revolution underway, again supported by government. The Australia Indonesia Institute spent over \$1 million in 1993/94 on cross-cultural studies and exchanges in the professional, cultural, youth and sports fields. We would welcome closer involvement by the Indonesian Government in stimulating ties at this level, and I wholeheartedly support the Committee's recommendation that we encourage Indonesia to establish a counterpart to the Australia Indonesia Institute. We have been doing just that.

We firmly believe in the value of grassroots cooperation and understanding. We have also demonstrated by our commitment in this respect by allocating \$48 million over the next four years to the study of Asian languages, including Indonesian, in primary and secondary schools through our "National Asian Languages Studies" initiative.

The activities I have outlined bring tangible benefits for Australians. They also help cement a bedrock of understanding between the two countries - an understanding which can be drawn on when dealing with the problems which are bound to arise from time to time. As the Committee notes, Australia and Indonesia do not always see eye to eye. Our relationship is not always comfortable, and the Committee has reported frankly on areas where we have differed.

The most sensitive area of our relationship is in the field of human rights, where we often register our concerns at the highest levels of the Indonesian Government. We do not apologise for doing so. As a democratic government we wish, and indeed are obliged, to represent community concerns, including in our foreign policy. But importantly, we believe that the concerns and issues we raise reflect not just our own values, but those of the entire international community as evidenced in the Universal Declaration of Human Rights and related instruments and as recently reaffirmed at last year's Vienna Conference on Human Rights.

We are mindful of the need to ensure that these representations are effective, and we believe they are most likely to be so if Australia is seen as a constructive interlocutor on human rights issues, in the context of a strong and broadly-based relationship. We share the Committee's conclusion that human rights issues should neither be submerged in the relationship nor be allowed to dominate it.

In that context, we shall continue, as we have done for some years, to argue for a commitment by the Indonesian Government to reconciliation with the people of East Timor - through achieving a major reduction and refocusing of the role of the military, giving the fullest possible recognition to East Timor's distinctive cultural identity, engaging in sensitive economic development, and also, hopefully, enabling a significant degree of local autonomy.

Australia and Indonesia have often found ways creatively to work through difficulties together. The Timor Gap Treaty is an outstanding example of an innovative approach to what seemed an insoluble problem, addressing as it does the issue of undefined boundaries by creating a framework in which we could jointly explore for, and develop resources, for the benefit of both our countries.

We must be similarly creative in those areas of our relationship which need more attention. We still have some way to go, for example, in addressing the problem of illegal fishing. The Government appreciates the Committee's detailed consideration of fisheries matters and acknowledge their concerns. We support the recommendation to keep the issue of illegal fishing under review. The Fisheries Cooperation Agreement allows us to consult effectively on this and other fisheries matters of common concern.

### **The way ahead**

The Committee has seen for itself the growing knowledge of, and interest in, Indonesia by Australians, and that we are poised to enter a new phase in our relations. We can build on our gains so far, and we must take advantage of the momentum for taking forward the relationship which now exists.

The imperative to strengthen and diversify our commercial ties is foremost. For this reason we are taking Government cooperation with business to new levels. Later this month Senator McMullan will lead a mission of up to 250 Australian companies to a Business Forum in Jakarta, to be opened by the Prime Minister. Participants will discuss Indonesia's trade and investment prospects with an array of Indonesia's most influential business representatives. This is the largest business mission to have travelled overseas from Australia at any one time, and its outcome will substantially affect deliberations in Canberra this August on how best to use the Australia Indonesia Ministerial Forum to advance our commercial agenda.

These commercial objectives will be enhanced by our work with Indonesia on regional economic and trade liberalisation. We will continue to work closely together to ensure the success of the Asia Pacific Economic Cooperation (APEC) process, and do all we can to support Indonesia's Chairmanship of

APEC this year.

The security of our regional environment remains a priority, and we will be enhancing our engagement with Indonesia on political and security issues in this region. We continue to share a commitment to Cambodia. We need to, and will, talk further about developments in Burma/Myanmar and ways of achieving its more responsible involvement in regional and international affairs. Indonesia is a key player in the regional security dialogue that is now emerging, in particular through the new ASEAN Regional Forum which we will be attending together when it meets for the first time in Bangkok in July.

A positive defence relationship with Indonesia is crucial to our strategic partnership with the region. We will strengthen our dialogue on defence and security, increase practical cooperation such as exercises, training, and study visits, and explore opportunities for defence industry collaboration. We will continue to place particular importance on professional and personal relationships between members of our defence forces.

Our development assistance program, worth for Indonesia around \$140 million in 1994/95, further underscores our commitment to this country. We remain strongly interested in the humanitarian and development aspirations of its people. In line with the Indonesian Government's priorities, Eastern Indonesia will remain a focus of our development cooperation. Such cooperation should stimulate Australian commercial activity, entrenching Australia's stake in Indonesia while assisting local economic development.

To this agenda we have added a further task, that of encouraging Indonesians towards a more complete understanding of Australia. In the next few days a major Australian promotion will commence in Indonesia, *Australia Today: Indonesia 94*. The Prime Minister inaugurated this promotion at the Australian end from Sydney in March this year. On 14 June I will formally open the promotion in Jakarta: joined by Indonesia's Coordinating Minister for Industry and Trade, Mr Hartarto - himself a graduate of the University of NSW - who has agreed to act as patron.

Apart from the Prime Minister, Senator McMullan and me, several ministerial colleagues will attend the promotion: the Deputy Prime Minister and Minister

for Housing and Regional Development, Mr Howe; the Minister for Industry, Science and Technology, Senator Cook; the Minister for Employment, Education and Training, Mr Crean; the Minister for Human Services and Health, Dr Lawrence; and the Minister for Defence Science and Personnel, Mr Punch.

The promotion will showcase Australia's achievements in business, science, culture, sports and other fields. It will demonstrate our achievements as a modern, sophisticated and technologically advanced nation, and it will promote our lifestyle. Around 500 Australian organisations and over 1500 individuals will participate. The Business Forum that will be opened by the Prime Minister is a highlight of the promotion. And the Australia Indonesia relationship will receive particular focus in a Conference in early July examining all aspects of our dealings with each other, in which I will participate.

*Australia Today: Indonesia 94* is the largest promotion of its kind undertaken by Australia. It is a combined effort between government, business and Australians from all the fields of activity we are seeking to promote. As the initiative demonstrates, a relationship between two countries must move beyond the dealings of governments in order to have substance. Governments can be frontrunners, but communities and individuals must join the running before we can claim to be real partners.

Australians and Indonesians in all walks of life must strengthen their efforts to improve their understanding of each other's aspirations. We will then be on our way towards real partnership. We have begun this journey, and the Committee's report helps indicate the direction we should take. This is no small achievement. I thank the members of the Committee, and those who assisted them, for the role they have played in enhancing Australia Indonesia relations.

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