



An Australian Government Initiative



AUSTRALIA-INDONESIA INSTITUTE

Annual Report 2004-2005





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7 February 2006

The Honourable Alexander Downer MP
Minister for Foreign Affairs
Parliament House
CANBERRA ACT 2600

Dear Minister

On behalf of the board of the Australia-Indonesia Institute, I am pleased to submit the Institute's annual report for the period 1 July 2004 to 30 June 2005.

Yours sincerely

Allan Taylor
Chairman

PO Box 5369
Kingston ACT 2604
Australia

Telephone

61 2 6261 3827

61 2 6261 3821

Facsimile

61 2 6261 1743

Email

ausindonesia.institute@dfat.gov.au

www.dfat.gov.au/aii/

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Cover Image: Performance of *"The Saga of Sawung Galing"*.

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CHAIRMAN'S MESSAGE



In 2004-2005 the Institute concentrated on further developing its significant programs established in recent years to build people-to-people links between Australia and Indonesia as a medium to promote greater mutual understanding and tolerance.

Our activities were undertaken against the backdrop of a bilateral relationship in very good shape. The visit of President Yudhoyono to Australia in April 2005, during which he and Prime Minister Howard signed a Joint Declaration on a Comprehensive Partnership, was a landmark event in deepening and extending bilateral cooperation. Australia and Indonesia have worked closely together to meet significant challenges, including terrorism and the shocking attack on Australia's Embassy in Jakarta, and in responding to the devastating tsunami in Indonesia and elsewhere in the region.

The Institute continued to place an emphasis on programs designed to promote greater understanding in Australia of the moderate nature of Islam in Indonesia and to engender greater awareness in Indonesia of Islamic communities and contemporary society in Australia. Under the Muslim Exchange Program, fifteen young Muslim leaders visited Australia and four Australian Muslim community representatives visited Indonesia to gain first hand knowledge of each others' community and place in society. In recognition of the value of this program, the Board of the Institute has agreed to make this program part of its regular interfaith activities.

The Institute was pleased to extend its cooperation with the Indonesian Ministry of Religious Affairs to support a visit by some of its officials to investigate models for the delivery of information and study programs at community education centres. In time, this cooperation may lead to the development of improved teaching and study programs at the more than 170,000 community centres throughout Indonesia for which the Ministry is responsible.

Another project run in collaboration with the Ministry of Religious Affairs - to upgrade the qualifications of lecturers at Islamic tertiary education institutions through the provision of post-graduate study programs at the Australian National University and the University of Melbourne - was successful in attracting funding from AusAID for a second year. In recognition of the success of this program, and of the special need for support in the tsunami-affected regions, AusAID also provided funding to the Institute under the Learning Assistance Program for Islamic Schools (LAPIS) for an additional program specifically for educators from institutions in Aceh.

The Institute's arts and culture program was again active and varied with an emphasis on seeking to promote on-going connections between Australian and Indonesian artists, writers and performers. The initial response to the new Saraswati Arts Program was encouraging. Other major projects supported included a further range of the Asialink Arts Residencies in Indonesia and the Crescent Moon Islamic Art of Southeast Asia exhibition at the Art Gallery of South Australia and the National Gallery of Australia.

As in the last few years, a number of the Institute's sponsored activities continue to be affected by security concerns. The Institute again focused more on activities which brought Indonesians to Australia, although we still sponsored a range of Australian participation in a number of arts and writers festivals in Indonesia.

The Institute is grateful for the continued support and advice it receives from other Government agencies. We maintain a very productive relationship with AusAID and the Department of Education, Science and Training and value our collaboration with organisations such as Asialink and the Australia Council for the Arts.

During this period, the Board benefited from the constructive and strong support provided by Ambassador David Ritchie AO and the valuable advice and administrative assistance from both the Secretariat in Canberra and the Cultural Counsellor in Jakarta. Without their work the Institute's programs would not succeed.

I began my term as Chairman on 16 December 2004 and wish to pay tribute to the outstanding contribution to the Institute of my predecessor Mr Philip Flood AO. During the year it was a pleasure to welcome Ms Gillian Bird and Mr Ezekiel Solomon as new Board members. I thank Mr Robert Champion de Crespigny AC, Mr Justin Breheny and Mr Doug Chester for their important contributions.

Allan Taylor
Chairman

BOARD MEMBERSHIP

The Order-in-Council establishing the Australia-Indonesia Institute in 1989, as amended, provides that the Board of the Institute shall consist of a Chairperson, the Secretary of the Department of Foreign Affairs and Trade or their representative as an Ex-officio member; and not fewer than four and not more than 12 other Members. The Chairperson is appointed by the Governor-General on the recommendation of the Minister for Foreign Affairs. Members, other than the Chairperson and the Ex-officio member, are appointed by the Minister for Foreign Affairs. Board members serve on a part-time basis and receive sitting fees and travelling allowance in accordance with Remuneration Tribunal Determinations.

Board Members are from different parts of Australia and bring a variety of professional expertise in and experience of Indonesia to the Institute.

CHAIRMAN



Mr Allan Taylor AM
Retired, former Ambassador
to the Republic of Indonesia
(16 December 2004 to
15 December 2007)

BOARD MEMBERS 2004–2005



Ms Gillian Bird (Ex-officio)
Deputy Secretary,
Department of Foreign
Affairs and Trade
(from 10 March 2005)



Mr Rowan Callick
Asia Pacific Editor,
Australian Financial Review
(31 May 2001 to
12 June 2006)



Ms Alison Carroll
Director of Arts Program,
The Asialink Centre,
University of Melbourne
(30 October 2002 to
29 October 2005; 2 November
2005 to 1 November 2007)

BOARD MEMBERS 2004–2005 continued



Mr Harold Clough AO OBE
Clough Engineering Group, Perth
(12 November 1999
to 9 November 2004;
16 December 2004 to
15 December 2006)



Ms Elizabeth Hallett
Partner, Deacons, Sydney
(12 November 1999 to
9 November 2004;
16 December 2004 to
15 December 2006)



Professor Virginia Hooker
Professor of Indonesian and
Malay, Faculty of Asian Studies
Australian National University,
Canberra (11 April 2002 to
10 April 2005; 9 May 2005 to
8 May 2007)



Professor Timothy Lindsey
Professor of Asian Law,
Director of the Asian Law
Centre, Deputy Director,
Centre for the Study of
Contemporary Islam,
The University of Melbourne
(17 March 1997 to 12 July 2006)



Ms Susan Mann
CEO,
Curriculum Corporation
(10 March 2004 to
9 March 2007)



Mr Ezekiel Solomon
Partner,
Allens Arthur Robinson
(19 June 2005 to 18 June 2008)

RETIREMENTS BETWEEN 1 JULY 2004 AND 30 JUNE 2005



Mr Philip Flood AO
International Consultant,
former Secretary,
Department of Foreign
Affairs and Trade and former
Ambassador to the Republic
of Indonesia (1 September
2000 to 24 November 2004)



**Mr Robert Champion
de Crespigny AC**
Chancellor, The University
of Adelaide (26 June 2002
to 16 July 2004)



Mr Doug Chester
Deputy Secretary,
Department of Foreign
Affairs and Trade, Canberra
(24 September 2003 to
3 December 2004)



Mr Justin Breheny
Executive Director,
PT Panin Bank
(24 September 2003
to 29 March 2005)

MISSION STATEMENT AND GOALS

To develop relations between Australia and Indonesia by promoting greater mutual understanding and by contributing to the enlargement over the longer term of the areas of contact and exchange between the people of Australia and Indonesia.

GOALS

- To promote in each country increased exposure to the other through media, educational, cultural, sporting and professional activities.
- To create in Indonesia a nucleus of people with expertise in Australian affairs, especially current and future opinion leaders.
- To create within Australia a wider range of people with knowledge about Indonesia, especially current and future opinion makers.
- To portray Australia as culturally diverse, educationally, scientifically and technologically advanced and economically enterprising.
- To increase understanding of and to improve access for Australians to the cultural diversity of Indonesian society.

PROGRAMS

The Australia-Indonesia Institute (the “Institute”) supports and initiates activities consistent with its goals and on the basis of a strategic program set by the Board.

The policy of the Institute is to target groups and individuals in Australia and Indonesia who have an interest in a future relationship of substance with the other country, including through the enhancement of institutional links. Wherever possible, the Institute seeks to expand institutional linkages by involving multiple organisations to ensure the carriage of approved activities. This may take the form of seed funding of projects, or collaboration with like-minded organisations and individuals in both countries.

The Institute receives its program funding from the Australian Government in the form of an annual grant-in-trust administered by the Department of Foreign Affairs and Trade. The Institute received new program funding of \$740,000 in 2004-2005.

This year the Institute also was successful in attracting further funding from outside agencies to support follow-on stages of programs. The Australian Agency for International Development provided \$248,000 for stage two of our project to upgrade the research and lecturing skills of staff from Islamic tertiary institutions outside Java to be run in 2005-2006. It has also provided an additional \$240,125 under the Learning Assistance Program for Islamic Schools for an additional program to be run in 2005-2006 devoted to educators from tsunami-affected institutions in Aceh.

The Board considered 86 applications for funding in 2004-2005 and provided funding for 47 projects.

The total value of activities which received Institute funding was far greater than the amount of Institute funding, as most of the activities involved substantial joint funding and in-kind support from other organisations and individuals in both countries.

In the course of the year, Board members consulted with a broad range of other Australian organisations and individuals about political, economic and cultural developments between Australia and Indonesia.

FUNDING APPLICATION PROCESS

The Institute's competitive funding application process is set out on the Institute's website.

The Institute particularly welcomes innovative projects that continue to advance the aims and objectives of the Institute beyond the term of Institute funding, and therefore provide significant continuing benefits from what is often a modest initial outlay.

All applications are made using standard documents and are assessed by a standard appraisal procedure, helping to ensure consistency and equity in Institute funding decisions.

GUIDELINES

The Board attaches a number of conditions to its funding, including that all applications are assessed against the following guidelines:

- a) The project should be an initiative of relevance to the Institute's aim of promoting a growing and deepening relationship between Australia and Indonesia. Such initiatives may promote new areas of contact between Australia and Indonesia or may serve to build on or develop existing contacts. Priority is given to projects involving young people.
- b) The project should have a clearly defined benefit in terms of the Institute's goals and objectives.
- c) Provision should be made in the application for publicity or promotion of the project.
- d) Projects that involve Indonesian experience of Australia and the relation of that experience to a wide audience in Indonesia are particularly desirable.
- e) When projects supported by the Institute involve an organisation in Indonesia, applicants must demonstrate that sufficient matching funds from the Indonesian counterpart organisation are available to allow for the successful completion of the project. Matching funds may include accommodation and other services provided without charge by host institutions.

- f) Wherever possible, Institute support should constitute seeding funds intended to encourage financial support from others, including corporate sponsors. The Institute may decide to award grants conditional on funding being raised from other sources.
- g) The project should wherever possible establish prospects for independently funded activity as a result of initial Institute funding.
- h) The applicant should preferably have an established record of achievement.

The Board meets regularly to consider applications for funding. Applications may be submitted at any time, and will usually be held for consideration at the next Board meeting.

A summary of some of the Institute-funded activities follows in respect of each funding program.

ARTS AND CULTURE PROGRAM

The Institute aims to cultivate in Indonesia and Australia an appreciation of the quality, diversity and sophistication of the visual and performing arts in the two countries, and to help develop a market in Indonesia for Australian visual and performing arts and Australian expertise. It also aims to encourage relations between Australian and Indonesian sports people and organisations.

The Institute supported a range of cultural activities designed to extend appreciation of each country's artistic traditions and contemporary directions.

SPEAKING WITH CLOTH: CERITA DALAM KAIN EXHIBITION AND CATALOGUE

The Institute supported the production of a ninety-six page, bilingual catalogue by the Museum and Art Gallery of the Northern Territory (MAGNT) to accompany the exhibition *Speaking with Cloth: Cerita Dalam Kain*. The exhibition and catalogue features textiles from the Abbott Collection 2000, which was generously donated to the Museum to complement its extensive Indonesian textile collection. The textiles featured in the exhibition are from the Indonesian islands of West Timor, Savu, Roti, Lembata, Bali, Nusa Penida, Lombok, Java and Sumatra.

The catalogue presents the thirty-six textiles featured in this exhibition which is currently touring Australia, with the support of Visions of Australia.

This initiative of producing a bilingual catalogue, due to the assistance of the Institute, has enabled the MAGNT to make its Southeast Asian Art and Material Culture collections accessible to neighbouring Indonesian speaking communities. It also highlights and strengthens the interactive nature of its relationships with Indonesian cultural organisations, artists and cultural workers in Indonesia which have been established through cultural and training exchanges, exhibitions and collections development and research over numerous years.



Speaking with Cloth, Cerita Dalam Kain – Gallery shot. (Photo by Gilbert Herrada; Image courtesy of the Museum and Art Gallery of the Northern Territory.)

AUSTRALIAN MUSEUM RISING DAMP INSPECTION AND WORKSHOP

The Institute sponsored a successful visit to the historic National Archives Building in Jakarta by Bruce Pettman, Principal Heritage Architect, NSW Government Architect's Office, on behalf of AusHeritage. Mr Pettman installed environmental monitoring equipment and conducted an extensive survey of the UNESCO Heritage-listed site, which was constructed in 1760 as the country residence and plantation complex of the Governor of the Dutch East Indies, and recommended practical measures to address serious preservation issues.

As a result of high levels of interest in preservation and conservation issues among heritage professionals from other parts of Indonesia, Mr Pettman also conducted a workshop on practical approaches to protecting heritage sites from rising damp.

TRIO DINGO INDONESIAN TOUR

The Institute supported a successful five-week tour by percussionist group Trio Dingo (Kim Sanders, Blair Greenberg and Ron Reeves). The trio's performances at ten venues in seven cities across Java included collaborations with high-profile Indonesian artists ranging from contemporary musicians and pop artists to traditional gamelan and dance groups.

ART SUMMIT INDONESIA IV

The Institute funded the participation of two Australian visual artists, Eliza Hutchison and Darren Siwes, at Art Summit Indonesia 2004.

The summit is an international festival of performing and visual arts, which takes place triennially in Jakarta. It is organised by the Government of the Republic of Indonesia through its Directorate for the Arts and the Indonesia Culture and Tourism Board, in association with representatives of participating countries, and government and private institutions.

The festival included a 2 day seminar, four weeks of performances encompassing dance, music and theatre, and a visual arts exhibition. This presented an opportunity for Eliza and Darren to present Australian art in Jakarta and to establish links with Indonesian artists, curators and art organisations.

Saraswati Arts Program

This year the Institute, in partnership with the Australia Council for the Arts, developed a new program of assistance for arts and cultural programs. Named the Saraswati Arts Program after Saraswati, the Goddess of Knowledge, Learning and the Arts, it assisted projects designed to develop existing cultural relationships between Australia and Indonesia. The program aimed to encourage Indonesian organisations to include Australian product in their programs, and for Australians to similarly seek Indonesian partners for longer-term, collaborative projects.

Under the Saraswati Arts Program, the Institute made seven grants to a broad range of successful arts ventures, including:

NORTHERN TERRITORY WRITERS' FESTIVAL - WORDSTORM 2005

The Institute sponsored the visit of three acclaimed Indonesian authors and poets: Linda Christanty, Sitok Srengenge and Triyanto Triwikromo to the Northern Territory Writers' Festival *WordStorm* this year. The three writers participated in popular workshops, readings and panels with Australian, indigenous and international writers during the festival.

The attendance of the Indonesian writers at *WordStorm* resulted in opportunities for ongoing literary collaboration and networks between Indonesian and Australian literary circles more broadly, as well as enhancing awareness in Australia of the richness and complexity of talent and subject matter in contemporary Indonesian literature.

SAGA – THE SAGA OF SAWUNG GALING

The Institute supported the staging of a contemporary musical play, *SAGA*, in Indonesia involving noted Indonesian musician/composer Sawung Jabo and Australian artistic director Don Mamouney (Sidetrack Theatre). *SAGA* encompassed contemporary and traditional Indonesian and Australian theatrical styles and was drawn from a traditional Javanese myth (the Saga of Sawung Galing). The work was performed to popular acclaim in Yogyakarta, Surabaya, Bandung, Surakarta and Jakarta. There are plans to stage *SAGA* in Australia in the future.



*“SAGA Sawung Galing”
theatrical performer.*

UBUD WRITERS AND READERS FESTIVAL 2004

The Institute provided funding to the inaugural Ubud Writers and Readers Festival, a week-long program of arts and literary performances, discussions and workshops in central Bali. The international festival brought together established and emerging Asian and Australian writers and writers on Asia.



Children receiving prizes during the Ubud Festival in Bali.

ASIALINK ARTS RESIDENCIES

The Institute has continued its support for the program of residencies for Australian artists in Indonesia organised by Asialink. The success and enduring nature of this program reflects the strong interest held by both Australian and Indonesia art practitioners in the contemporary art culture of each others countries. This year, the Institute was pleased to support residencies in Indonesia for musician Rendra Freestone, writer Gabrielle Lord, dancer Tony Yap, artist Kim Portlock and arts administrator Lindy Bartholomew.

Rendra Freestone, the artistic director of Australian percussion ensemble 'The Rhythm Hunters', was based in Sumatra during his two-month residency. While lecturing in percussion at a local university, he recorded a compilation of Sumatran music including Acehnese body percussionists, singing medicine men from remote Siberut Island, women's percussionist groups and traditional Islamic singers. Mr Freestone hopes to release the recording as a CD and bring Sumatran musicians on tour to Australia.

Gabrielle Lord, the well-known Australian crime novelist, spent two months travelling to five universities in Java and Sumatra during her Asialink residency. During her visits, she had engaging and spirited discussions with young students about the influence of Islam and oral cultural traditions on contemporary literature in Indonesia, and gained many valuable contacts.

Lindy Bartholomew completed her two-month Asialink residency in arts management in November 2004. Focusing her program on bilateral cultural and artistic exchange, she had informative sessions with the Kelola Foundation, a well-known arts management non-government organisation (NGO), and Yogyakarta-based Cemeti Arts Foundation. In visiting small community-based performing arts groups in Bandung, Yogyakarta and Bali, Ms Bartholomew gained insights into the high level of community involvement in artistic projects in Indonesia.

Tony Yap, a dancer, director, choreographer and visual artist, completed his residency with dance/theatre companies Teater Garasi and Bimo Dance in Yogyakarta. Yap conducted two workshops to introduce his training method informed by Grotowski and Butoh methods - one for actors of Teater Garasi and one for selected dancers from Yogyakarta and Solo. The workshops culminated in a performance entitled 'Pulse' which was presented to packed houses at Kedai Kebun Forum. Since his residency, Yap has invited Indonesian dance artist Agung Gunawan to Australia to conduct workshops on classical Javanese dance and to take part in the performance season as part of BB05-Beyond Butoh Mini Festival at Dancehouse, Melbourne in 2006.

OTHER PROJECTS

The Institute also provided funding to a range of other projects this year. These include "Katakan Padaku" (a bilingual, Indonesian-Australian play) and the catalogue for the Crescent Moon Exhibition (an exhibition showcasing Islamic art of Southeast Asia). These projects are ongoing and will feature in the Institute's future annual reports.

AUSTRALIAN STUDIES PROGRAM

The Institute aims to develop a network of Indonesians who can interpret Australian society and policies for the Indonesian people and government.

THE AUSTRALIAN STUDIES DEVELOPMENT IN INDONESIA PROGRAM

The Institute supported the further integration and expansion of Australian Studies programs at Indonesian educational institutions through the Australian Studies Development in Indonesia program being undertaken by the Australia Centre at the University of Melbourne. The aim of this ongoing project is to forge and enhance relations between specialists in Australian Studies in both countries, to identify programs to extend the potential of existing and new Australian Studies programs, and to identify leaders committed to nurturing teaching and research on Australia as well as fostering a network of scholars and postgraduate students interested in Australian Studies within Indonesia.

The Institute supported the visit to Australia by Australian Studies lecturer, Sophia Ulaen-Hoetagaol from Sam Ratulangi University in Manado under the Visiting Scholars program for teachers of Australian studies in Indonesia. During her stay in Australia Ms Ulaen-Hoetagaol was able to meet with Australian academics and collect resources beneficial to the development of Australian Studies at her university.

To promote excellence in the teaching of Australian Studies at regional Indonesian tertiary institutions, the Institute supported the Second National Workshop on Australian Studies in West Sumatra. Twenty-three academics from universities throughout Indonesia developed curriculum and materials on Australian literature and culture and discussed program delivery and syllabus issues with guest lecturers from The Australia Centre at the University of Melbourne.



CIVIL SOCIETY PROGRAM

The Institute aims to assist Indonesia to strengthen its civil society by providing non-government groups with training and specialist advice and through support for institution building.

THIRD AUSTRALIA-INDONESIA YOUNG LEADERS' DIALOGUE

The Institute once again provided funding from this year's budget for the 3rd Young Leaders' Dialogue to be held in Indonesia in July 2005. This dialogue will feature in the Institute's next annual report.

INDONESIA NEXT 2005 CONFERENCE

The Institute was a major sponsor of the 2nd Indonesia Next Conference held in Canberra in May 2005. The well-attended conference was themed, 'Building a Blue Print for the Indonesian State' with a focus on governance and politics, the development and influence of Islam and national security. Participants and speakers were high-profile Indonesian and Australian scholars and public figures. People's Consultative Assembly (MPR) Chair Dr. Hidayat Nur Wahid delivered the keynote address on managing the democratic transition in Indonesia.

CLEAN UP INDONESIA

The Institute helped to raise public awareness of environmental issues, especially among youth groups and students in local areas, through its support of the Clean-up activities in Indonesia in August and September 2005 as part of the "Clean up the World" campaign. Undertaken by three groups: Yayasan Indonesia Bersih (Clean Indonesia Foundation); Indonesia Australia Action Committee (IACT); and the alumni of the Australia-Indonesia Youth Exchange Program, activities included a train-the-trainer session for organisers; clean-up activities at Senayan Stadium in Jakarta, along Ancol waterfront, and around Pondok Indah hospital in Jakarta, where a tree planting was also held. Youth groups, university and school students, scouts and government representatives, particularly from the Department of National Education and the Indonesian Science Academy (LIPI) supported and assisted in the activities. The Australian Ambassador, H.E. Mr David Ritchie, attended the Senayan clean-up. These activities received widespread media coverage in Indonesia.



Some of the many young people who participated in the Clean Up The World campaign in Senayan on 8 August 2004 undertaken by Clean Indonesia Foundation.

EDUCATION AND YOUTH PROGRAM

The Institute aims to build groups of young and potentially influential people in both Australia and Indonesia, who have an understanding and knowledge of the two countries.

The Institute supported a range of activities focussed on young people and the development of education links.

AUSTRALIA-INDONESIA YOUTH EXCHANGE PROGRAM

The Australia-Indonesia Youth Exchange Program (AIYEP) is based around groups of young Australians and Indonesians living with host families in towns in one another's countries for two months to undertake a program of cultural activities and work placements. Established in 1982, it is the longest running exchange program supported by the Institute.

In October-December 2004, 18 Indonesian university students participated in an eight-week visit consisting of home stays with local families and professional work placements in Adelaide and the regional centre of Port Lincoln, in South Australia. The participants, aged 19 to 25, also gave very entertaining cultural performances at schools and public venues, including Rundle Mall, Adelaide's key retail precinct, to the delight of Saturday shoppers. The visit provided the Indonesians with an excellent insight into the Australian way of life and created close relationships with host families and work providers. The bonds of affection were evident when, following the group's return to Indonesia, there was a heartfelt exchange of sympathy over the Tsunami disaster facing Indonesia and, soon after, the ravaging of the Port Lincoln district by bushfires.

At its March 2005 meeting, the Board of the Institute agreed that the component of the program for Australian participants should resume in 2005-06, subject to local conditions. The visit to Indonesia had not proceeded since 2002.



Minister for Foreign Affairs, the Honourable Alexander Downer, had a lively discussion of cultural experiences and bilateral matters with Indonesian participants in the Australia-Indonesia Youth Exchange Program during their visit to South Australia.

MINISTRY OF RELIGIOUS AFFAIRS STUDY TOUR ON COMMUNITY EDUCATION IN AUSTRALIA

The Institute sponsored a visit to Australia by officials from the Indonesian Ministry of Religious Affairs (MORA) to study excellence in community education in Sydney, Melbourne and Canberra. The Ministry has oversight of over 170,000 Islamic community centres throughout Indonesia, so the delegation's calls focused on practical approaches to curriculum development, financial management and accountability, and teacher recruitment and training.

In meetings with peak oversight bodies for the community education sector, the delegation gained an understanding of the structure for regulating the sector in Australia and how similar models could be applied in the Indonesian context. MORA officials were also interested in the role of volunteers in community education in Australia, in particular regulations and guidelines for accreditation and standardisation of training for volunteers.

PRINCE AND PRINCESS OF THE ENVIRONMENT AWARD

The Institute contributed to raising awareness of environmental issues among young people in Surabaya through its ongoing support for the Prince and Princess of the Environment Award 2005. Through this competition, children between the ages of 10 to 15 years are encouraged to respect the environment and to create their own ongoing environmental projects.

The winners of the 2005 award were Marisa Tania (13) - Princess of the Environment; I Dewa Putu Happy Adhika (13) Prince of the Environment; Christina Sandi Tjandra (13) 1st runner-up Princess; Muhammad Vardian Mahardika (12) 1st runner-up Prince; Nadya Noor Azalia (10) 2nd runner up Princess; Yuda Eka Prasetya (11) 2nd runner up Prince. They would also be taking part in an exchange with Millennium Kids Australia in July 2005 and attending the Children's World Summit on the Environment in Japan in August 2005. This year's group of successful applicants also produced and released a CD of conservation-themed songs.



His Excellency President Dr Susilo Bambang Yudhoyono signs posters for the Prince and Princess of the Environment.

INTERFAITH PROGRAM

The Institute aims to promote greater understanding of the roles of religion in each other's country.

AUSTRALIA-INDONESIA MUSLIM EXCHANGE PROGRAM

The Institute supported a series of visits to Australia by leading young Indonesian Islamic community leaders and visits to Indonesia by their Australian counterparts under the Muslim Exchange Program. The aim of these visits is to develop greater understanding and recognition within Australia of the moderate nature of mainstream Islam in Indonesia and better understanding within Indonesia of Australia's multicultural society.

During 2004-05, fifteen participants drawn from a broad range of Indonesian educational, political and non-governmental organisations visited Australia in four groups under this program, while four young Australian Muslim professionals visited Indonesia.

In Australia, the groups from Indonesia held useful and lively exchanges with counterparts from local Islamic organisations and educational institutions, journalists, multicultural police officers in Victoria, Radio Australia, and ABC Radio and TV in Sydney. Meetings were also organised with other religious leaders, members of local government, AusAID, and Members of Parliament.



Australian participants in the Muslim Exchange Program (MEP), Nedal El Ghattis, Seyfettin Mehcur, Monique Toohey and Afshan Mantoo, visit the Masjid Istiqlal in Jakarta, guided by former MEP visitor to Australia, Ala'i Najib.

PARTNERSHIP IN EDUCATION AND TRAINING OF REGIONAL ISLAMIC INSTITUTIONS

In 2004, the Institute established the Partnership in Education and Training of Regional Islamic Institutions with AusAID. The partnership aims to strengthen the Islamic education sector in Indonesia through the provision of training and professional development to teaching staff, while also establishing and nurturing academic and community links.

Under the partnership, academics from Islamic tertiary institutions in regional Indonesia are provided with financial and academic support to undertake two year postgraduate research programs.

The first year of the program is undertaken at the University of Melbourne or the Australian National University and the second year is completed at their home institution. The results of their research will be published in Indonesia by the Indonesian Ministry of Religious Affairs.

The first group of young Indonesian academics has returned to Indonesia and a second group is now working with their Australian supervisors. Feedback from the first group indicates major gains not only in research skills but also appreciation of Australian tertiary teaching practices.

MEDIA PROGRAM

The Institute aims to encourage improved mutual understanding by helping to foster high-quality, insightful media coverage of Indonesia in Australia and of Australia in Indonesia.

The media in Australia and Indonesia play a significant role in informing and shaping both official and public perceptions of the other country.

JOURNALIST FELLOWSHIP PROGRAM

The Institute continued to support the successful Journalist Fellowship Program this year. The program aims to encourage working journalists from Australia and Indonesia to expand their knowledge and to increase their reporting on the other country. In addition to increasing the range of reporting on each country in the other, it is envisaged that journalist visits will expand journalistic linkages and contacts and improve the familiarity and knowledge of current issues in each country.

The Institute was pleased to receive positive feedback during 2004 visits by Indonesian journalists, including Sigit Purnomo from *Radio Elshinta* and Sean Murphy from ABC Television's *Landline*.

Mr Purnomo was in Australia during the 2004 federal elections and gained valuable, firsthand insights into the Australian political system which he used in articles and reports he prepared during his visit for the Indonesian media.

As a result of his trip to Lombok and Bali, Mr Murphy produced a segment for ABC Television on projects being undertaken by the Australian Centre for International Agricultural Research (ACIAR) focussing on fisheries development and research, and cattle rearing in Indonesia.

ADMINISTRATIVE OVERVIEW

ESTABLISHMENT

The Australia-Indonesia Institute (AII) was established on 27 April 1989 under an Order-in-Council. It reports to the Minister for Foreign Affairs.

ANNUAL REPORT

The Institute reports to the Minister for Foreign Affairs. The Institute submits an annual report on its activities to the Minister.

MEMBERSHIP

Article 2(1) of the Order-in-Council establishing the Institute provides for the membership of a Chairperson, the Secretary of the Department of Foreign Affairs and Trade or their representative, and not less than four and not more than 12 other members. On 30 June 2005, the Institute consisted of a Chairperson and nine other Members. The Chairman is appointed by the Governor-General on the recommendation of the Minister for Foreign Affairs. Members other than the Chairman and Ex-officio member are appointed by the Minister for Foreign Affairs.

MEETINGS

The Board of the Australia-Indonesia Institute met on three occasions during 2004-2005:

50th meeting: Melbourne, 8 July 2004

51st meeting: Canberra, 9 November 2004

52nd meeting: Canberra, 17 March 2005

Remuneration

Members receive a sitting fee in line with the rate set by the *Remuneration Tribunal Act 1973*, as amended, for the part-time members of non-statutory bodies. Members are also entitled to reimbursement for travel and accommodation expenses incurred while on business as a member of the Institute.

AUDITOR'S REPORT

The Australian National Audit Office, as part of its examination of the accounts of the Department of Foreign Affairs and Trade, examines the financial affairs of the Institute.

STAFFING

The Institute's secretariat is located in the Maritime South-East Asia Branch of the Department of Foreign Affairs and Trade.

The principal functions of the Australia-Indonesia Institute secretariat are to make recommendations to the Institute's board on program expenditure and other matters, to implement board decisions and to provide administrative support. This support includes project development, implementation and assessment.

Staff who served with the secretariat during the reporting period are listed below:

Mr Bill Richardson, Director (June 2002 – September 2005)

Mr John Read, Project Officer (July 2003 – 28 January 2005)

The secretariat liaises with the Counsellor (Cultural) at the Australian Embassy in Jakarta. During the year this position was filled by Ms Beverly Mercer (January 2003 - present). Institute activities in Indonesia receive assistance from the Australian Embassy in Jakarta.

TRUST FUND

The Institute operates a trust fund under s.62A of the *Audit Act 1901*. The trust account allocation for 2004-2005 was \$740,000.

INDUSTRIAL DEMOCRACY AND WORKPLACE DIVERSITY

Secretariat staff are covered under the industrial democracy and workplace diversity provisions of the Department of Foreign Affairs and Trade as well as the Department's Certified Agreement.

FREEDOM OF INFORMATION

In the reporting period the Institute did not receive any applications under the *Freedom of Information Act 1982*.

CONTACT DETAILS

AUSTRALIA

Australia-Indonesia Institute
5th Floor, S5-705
RG Casey Building
BARTON ACT 0221

(Postal Address)
PO Box 5369
KINGSTON ACT 2604

Telephone No. (02) 6261 3827
Telephone No. (02) 6261 3821
Facsimile No. (02) 6261 1743

Email: ausindonesia.institute@dfat.gov.au
Internet: <http://www.dfat.gov.au/aii>

INDONESIA

The Cultural Office
Australian Embassy
Jalan H R Rasuna Said Kav C 15-16
Jakarta Selatan 12940
JAKARTA INDONESIA

(Postal Address)
Cultural Office
Jakarta Bag
Locked Bag 40
KINGSTON ACT 2604

Telephone No. (62-21) 2550 5265
Facsimile No. (62-21) 522-7104

Appendix A

FINANCIAL STATEMENTS 2004–05

AII TRUST ACCOUNT: FINANCIAL STATEMENT 2004–2005

ARTS AND CULTURE PROGRAM

Asialink Arts Residencies in Indonesia	30,000.00
SAGA, the Saga of Sawung Galing	20,000.00
Ubud Writers and Readers Festival	9,000.00
Art Summit Indonesia 2004	7,500.00
Jakarta International Film Festival	1,870.00
Crescent Moon: Islamic Art of SE Asia	30,000.00
Sydney Film Festival, Indonesian participation	5,000.00
Speaking with Cloth: Exhibition Catalogue	20,500.00
Yogyakarta 250th anniversary visit	4,880.00
Ms ASEAN Pageant: Australian guest participation	6,282.90
Swara Bendhe magazine	1,000.00
Inspirasi Indonesian Arts Festival	4,800.00
Trio Dingo	8,055.00
Forms from Western Edges	15,000.00
Gang	19,980.00
Katakan Padaku	17,000.00
Wordstorm 2005	11,150.00
Wounded Longing book launch and literary discussions	1,355.00
Brisbane International Film Festival	3,300.00

Sub-total 216,672.90

AUSTRALIAN STUDIES PROGRAM

Australian Studies Network, Stage 2	55,116.73
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Sub-total 55,116.73

CIVIL SOCIETY PROGRAM

Clean Up Indonesia	4,980.00
Australia-Indonesia Young Leaders' Dialogue	45,000.00
Bali Kuna Heritage Assistance Program	4,000.00
Indonesia Next 2005	15,000.00
AUSTCARE Aceh project management workshop	475.00
Sub-total	69,455.00

EDUCATION AND YOUTH PROGRAM

Australia Indonesia Youth Exchange Program (AIYEP)	132,268.76
Translation of Living Through Histories	2,775.00
Schools Exchange Small Grants Program	3,000.00
Community Education Centres benchmarking visit	17,557.64
3rd Prince and Princess of the Environment	10,000.00
OlymPPIA Sport and Cultural Event	1,000.00
Islamic Business Study Option, ACICIS	13,700.00
Educators Cross-Cultural Exchange	41,593.00
Sub-total	221,894.40

INTERFAITH

Muslim Exchanges Program	91,662.71
Islamic Partnership education training project	238,961.07
Interfaith relations, dialogue and activities	3,000.00
Islamic Partnership education training project, Stage 2	10,466.86
Sub-total	344,090.64

MEDIA PROGRAM

Visual Perspectives and History	4,000.00
ABC Sunday Profile: Indonesian interviews	4,924.18
Indonesian Journalist visit	9,368.95
Reprint of Indonesian independence book	5,687.98
Media incidentals	298.19
Sub-total	24,279.30

AII BOARD: ADMINISTRATIVE EXPENSES

Fiftieth board meeting, Melbourne (8 July 2004)	5,447.06
Fifty-first board meeting, Canberra (9 November 2004)	5,795.48
Fifty-second board meeting, Canberra (17 March 2005)	6,996.97
Fifty-third board meeting, Yogyakarta (15 July 2005)	42,609.12
Ministerial Chairman's dinner	3,507.07
Chairman's expenses (other than board meetings)	812.35
Board sitting fees	10,251.20
Publicity, advertising and incidental costs	695.87
Annual report	6,214.89
Sub-total	82,330.01

CULTURAL OFFICE: JAKARTA

Program grants and activities	9,999.99
Overhead and incidental costs	9,978.97
Sub-total	19,978.96
Total expenditure	1,033,817.94

SUMMARY OF TRUST ACCOUNT

RECEIPTS AND EXPENDITURE IN 2004-2005

RECEIPTS

2004-2005 trust account allocation	740,000.00
Carryover funds from 2003-04 (*1)	279,424.67
Revenue from sponsor agencies (*2)	488,125.00
Receipts and Re-allocated Funds	4,040.89
Total receipts	1,511,590.56

(*1) Comprises funding provided by AusAID from the previous financial year of \$239,424.67, and co-funding of \$40,000 from the Australia Council for the Arts for the *Saraswati Arts Program*.

(*2) Comprises funding of \$248,000.00 provided by AusAID for stage 2 of the teaching standards at Islamic universities project, and \$240,125.00 provided by the Learning Assistance Program for Islamic Schools (AusAID) for a scholarship program for educators from Aceh.

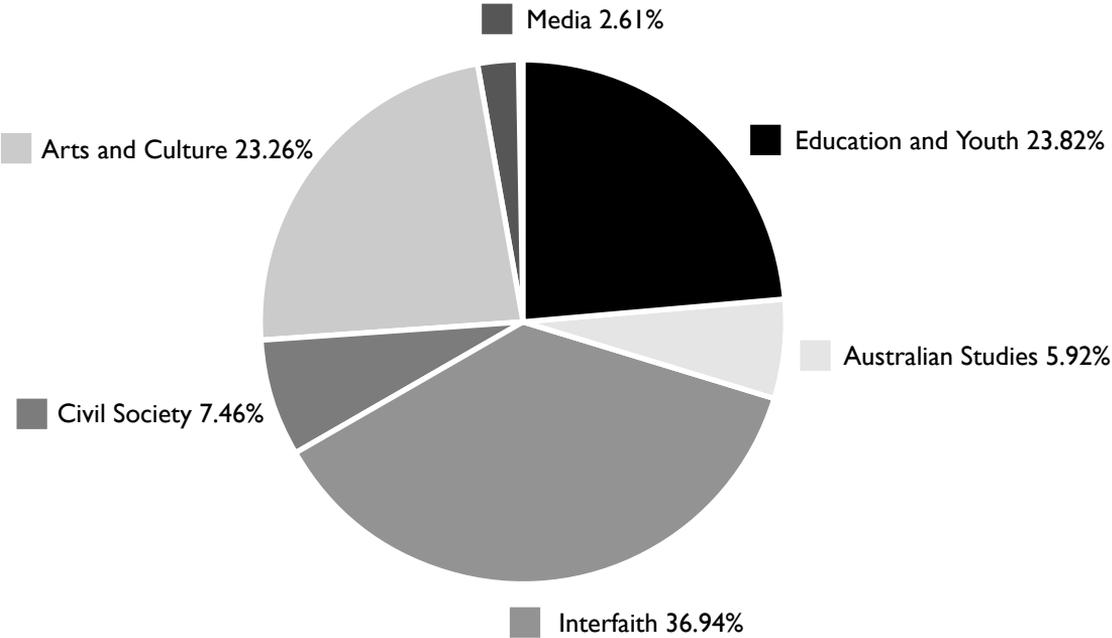
EXPENDITURE:

Expenditure on Grants and Projects 2004-2005	941,508.96
Board and administrative costs 2003-2004	82,330.01
Administrative costs, Cultural Office, Jakarta	9,978.97
Total expenditure	1,033,817.94

Balance in Trust Account as at 1 July 2005 477,772.62

- Refunds returned as part of the acquittal process have not been specifically recorded against individual advances.
- Funding from the Institute to individual grant recipients represents consideration for supply and GST applies in most circumstances.

PROGRAM ALLOCATIONS 2004–2005



Appendix B

ORDER-IN-COUNCIL

ORDER CONSTITUTING THE AUSTRALIA-INDONESIA INSTITUTE

WHEREAS the Australian Government is desirous of further developing relations between Australia and Indonesia.

AND WHEREAS it is desirable that such relations should be developed by the promotion in Australia of a greater understanding of Indonesia, and by the promotion in Indonesia of a greater understanding of Australia and the enlargement over the longer term of the areas of contact and exchange between Australia and Indonesia and their respective people:

AND WHEREAS it is desirable that there be established a body for the purpose of providing a focus for the collection, exchange and dissemination of information, and a source of advice, in relation to the ways in which such relations may be encouraged, strengthened and developed:

NOW THEREFORE: I, William George Hayden, Governor-General of the Commonwealth of Australia, acting with the advice of the Federal Executive Council,

HEREBY ORDER AS FOLLOWS:

1. There is hereby established an institute to be known as the 'Australia-Indonesia Institute'.
2. (1) The Institute shall consist of
 - (a) a Board comprising
 - (i) a Chairperson;
 - (ii) the Secretary of the Department of Foreign Affairs and Trade (DFAT) or their representative appointed as an ex-officio member;
 - (iii) not less than four and not more than 12 other members; and
 - (b) a Secretariat provided and staffed by DFAT.
- (2) The Chairperson shall be appointed by the Governor-General on the nomination of the Minister of State for Foreign Affairs. The Chairperson shall be appointed for a period not exceeding five years, and on a part-time basis.
- (3) A member of the Institute, other than the Chairperson and the ex-officio DFAT member, shall be appointed by the Minister of State for Foreign Affairs. Members shall be appointed for a period not exceeding three years and on a part-time basis.
- (4) A person may be appointed to be a member of the Institute subject to the condition that no remuneration, allowances or other payments are to be payable to him/her as a member of the Institute apart from payments of amounts to reimburse him/her for travel and accommodation expenses actually incurred by him/her in the performance of his/her duties as a member of the Institute.
- (5) The Chairperson and other members may be re-appointed.

3. (1) The Chairperson may resign his/her office by writing under his/her hand delivered to the Governor-General.
- (2) A member (other than the Chairperson and the ex-officio DFAT member) may resign his/her office by writing under his/her hand delivered to the Minister of State for Foreign Affairs.
4. (1) Subject to subclause (2), meetings of the Institute shall be held at such times and at such places as the Institute determines.
- (2) The Chairperson shall, upon receipt of a written request signed by four other members of the Institute, summon a meeting of the Institute to deal with such matters as are specified in that written request.
5. At a meeting of the Institute, a quorum shall be constituted by any four members or not less than half the members for the time being holding office, whichever is the larger.
6. The procedures for the conduct of meetings of the Institute, including procedures for the appointment by the members from amongst their number of an Acting Chairperson in the event of the absence from any meeting of the Chairperson, shall be as determined from time to time by the Institute.
7. The functions of the Institute are:
 - (a) to make recommendations to the Minister of State for Foreign Affairs for the broadening of the Australian experience of Indonesia in relation to:
 - (i) the encouragement of the study of the Indonesian language and culture in Australia and the English language and Australian culture in Indonesia;
 - (ii) the enhancement of commercial linkages between Australia and Indonesia;
 - (iii) the identification of possibilities for cooperation in science and technology;
 - (iv) the facilitation of media exchanges;
 - (v) the sponsorship of cultural and sporting exchanges and training;
 - (vi) the support of Australian studies in Indonesia and of Indonesian studies in Australia;
 - (vii) the strengthening of institutional links between universities, museums, libraries, technical colleges, research institutes, professional organisations and appropriate non-government organisations;
 - (viii) the facilitation of the translation of Australian and Indonesian texts;
 - (ix) the organisation of visits and exchanges between prominent people and groups;
 - (b) subject to the direction of the Minister of State for Foreign Affairs, to provide advice and information to individuals and organisations and to the Australian media in relation to any matters referred to in subparagraphs (a) (i) to (ix) inclusive;
 - (c) for the purposes of formulating recommendations referred to in paragraph (a) or providing advice and information referred to in paragraph (b), to consult individuals, organisations and government departments and agencies associated or concerned with the development of relations between Australia and Indonesia.

8. Moneys required for the purposes of enabling the Institute to discharge its functions and the implementation of the Institute's recommendations shall be obtained from:
 - (a) moneys standing to the credit of any Trust Account established under section 62A of the Audit Act 1901 for those purposes; or
 - (b) any other moneys lawfully available for those purposes.

9. Without limiting the generality of clause 7, the Institute may, in relation to any matter connected with the functions of the Institute, make recommendations to the Minister of State for Foreign Affairs with respect to:
 - (a) the entering into of contracts;
 - (b) the use and disposition of gifts, devises and bequests;
 - (c) the making of grants and loans;
 - (d) the provision of scholarships and benefits; and

10. As soon as practicable after 30 June in each year, the Institute shall provide to the Minister of State for Foreign Affairs an Annual Report on Institute activities during the period of twelve months ending 30 June.

Given under the Hand of the
Governor-General and the
Great Seal on 27 April 1989

As amended by Order dated 9 May 1989 and by Order dated 10 March 2005.