

CHAPTER II

AUSTRALIAN DEVELOPMENT ASSISTANCE AND ITS IMPLEMENTATION TO INDONESIA

In this chapter, I will explain the history of Australia's development assistance which is the beginning of Australia's foreign aid that focuses on development assistance to other countries and several agencies that manage Australian development assistance of each period such as ADAA, ADAB, and AIDAB which must be renamed as AusAID. Besides that, I will explain about the implementation of Australia's development assistance to other countries, which in this thesis is focus on Indonesia. The development assistance is implemented in the 20th and 21st century to Indonesia, moreover, there are some programs of Australia's development assistance to Indonesia.

A. Background of Australian Development Assistance

The first emergence of development assistance in Australia was in the 1950s where financial assistance was provided to Papua New Guinea and the priority of the assistance was development. Development assistance to PNG continued to be provided by Australia until the 1970s where it accounted for 50% of Australia's total aid program. Australia assumes that the economic and political needs are important at that time for a newly independent country, therefore Australia's focus is on the countries in the Asia Pacific region (Sherlock, 1991). In this case, Australia believes that financial assistance can help Australia to counter the influence of anti-Western political forces that have at least spread to the region around Australia. As Papua New Guinea become aid recipient from Australian, however in 1950 which Colombo Plan created, Australia made a new policy of bilateral aid to countries outside PNG, such as educational aid. It opens an opportunity for students mostly in Asian countries to obtain a higher education in Western countries, including Australia. This commitment began as the World Bank focus on

development issues in developing and underdeveloped countries after the reconstruction in Europe. Related to this situation, in 1974 there are some of UN and Commonwealth agencies were emerge which manage the issue of development.

Australia's official development assistance has evolved over a long period of time to change into the new management system namely the Australian International Development Assistance Bureau (AIDAB) or has changed to AusAID. It began at 1974 that the Australian Development Assistance Agency (ADAA) was established under the government of Whitlam. Before ADAA is emerged, thereabout in 1950s that Australian aid program especially development aid was administered by a government department which aid program to PNG is controlled by the Department of External Territories meanwhile foreign aid to other countries outside PNG is managed by the Department of Foreign Affairs. During the implementation of ADAA, ADAA began to improve delivery system of aid, integrate policy and conduct regular research and evaluation. However, ADAA was abolished in 1976 during the Fraser government.

Australian Development Assistance Bureau (ADAB) was formed within the Department of Foreign Affairs in 1976. After the establishments of ADAB, there are some internal problems such as the system of staffing was reduced in 1981 until 1982, and the tendency towards loss of autonomy in aid management was also can be seen in 1984 until 1985. ADAB is considered unable to show its actual function as a professional organization. Related to that issue, in 1987 finally the Australian International Development Assistance Bureau (AIDAB) was established as an autonomous body in the Department of Foreign Affairs during the Hawke government. AIDAB is expected to manage its resources and staffing, and this leads to the Director of the Bureau should report directly to ministers. However, related to the change of government, in 1995 AIDAB has renamed to AusAID during Keating government.

As explained before, AusAID is the continuation of AIDAB which still as the same agency that manage Australian development assistance. AusAID had contributed to several humanitarian activities such as provide aid to countries in conflict zones and natural disaster. Like the principle of foreign aid, Australian government was using AusAID to provide development assistance to developing countries. There are some aspects that become the priority of AusAID in providing development assistance such as health, education, infrastructure, gender equality, law and order, rural development and environment.

Developing country is the target of AusAID which faced by the biggest challenge in development issue that is poverty. In this case, AusAID prioritize poverty reduction, as we know that it is also become one of goals of Millennium Development Goals (MDGs) 2000². Actually, the issue of poverty reduction is in line with Australia's national interest, hence if Australia success to solve the development issues such as poverty it will leaving a good reputation in international community and fulfill the goal of its national interest. Moreover, to be more effective in providing aid, AusAID chooses international companies and non-government organizations (NGOs) as the place to deliver its aid. Both of two agencies use an approach such as cooperates with local people to implement projects and help to transfer skills. (Department of Foreign Affairs and Trade, 2016). Unfortunately, AusAID only lasts 8 years which in 2003 it must be cancelled. As AusAID is issued within Department of Foreign Affairs and Trade portfolio, hence started in 2013 Department of Foreign Affairs and Trade is responsible for all Australian Aid programs include development assistance.

² Millennium Development Goals (MDGs) is goal of 191 United Nations member states that have agreed to achieve its target in 2015. The United Nations Millenium Declaration was sign in September 2000 which commits to reduce poverty, hunger, disease and discrimination against women.

B. Implementation of Australian Development Assistance to Indonesia

Indonesia is one of developing countries in Asia-Pacific that receive Australian development assistance. As Australia already concern on choose development aspect in providing foreign aid since 1950s, the implementation of development assistance in Indonesia was begin in 1960s until now. Hence, it will be explained below which the first implementation in 20th century and continue until 21st century.

1. Australian Development Assistance to Indonesia in the 20th Century

Implementation of Overseas Development Assistance (ODA) to Indonesia began in 1946 which the amount was 0.7% of the total Australian aid (Eldridge, 1979, p. 32). It also makes Indonesia become the second largest recipient country after Papua New Guinea. However, in providing aid steadily it can be seen in 1966 which at this time Indonesian Planning Commission (BAPPENAS) was able to request Australian aid in the certain amount. It depends to the types of development issues in Indonesia and it will explain in the table below.

Table 2.1 Australian Development Assistance to Indonesia (1946-1978)

	1946-1970	1971	1972	1973	1974	1975	1976	1977	1978
Public utilities	25	15	24	35	32	43	45	41	41
Agriculture, forestry and fishing	4	4	7	2	3	10	28	31	29
Industry, mining, construction	-	-	-	4	-	-	-	-	-
Food and commodity	50	72	61	54	59	40	21	20	21
Education, health and social welfare	16	6	7	6	6	7	6	8	8

Source: (Eldridge, 1979, p. 38)

Table above shows that Australian development assistance to Indonesia from 1946-1978 which the data collected until the end of 30 June and the amount is in the percent of. We can see from table 2.1, the biggest allocations are in development of public utilities, food and commodity. However, there is decline in food and commodity which in 1970-1971 was 72% and in 1975-1976 was 21%. The tendency of development assistance was in a public utility which from 15% has increased to 41%. Meanwhile, the allocation of aid in industry, mining and construction are the lowest. Only provide aid in 1972 which 4%. The other development aspect such as education, health and social welfare is also low. In agriculture, forestry and fishing which from year to year always showed the allocation of Australian development assistance increased which until the end of June in 1978 the amount from total of Australian aid was 29%.

Public utilities assistance that provided by Australia to Indonesia was begin in 1972 until 1977 which focus on water supply, communications, transport and navigation. Water supply has established in some regions of Indonesia such as Bogor, Denpasar, Cilacap and Lampung. Communications assistance is divided within two programs there are the Aeronautical Fixed Telecommunications Network (AFTN) and the Australian Telecommunications Mission (ATM). In transport and navigation assistance, Australia facilitates the improvement of Indonesian railways and port in Cilacap which the program implemented in the Sukarno era. Moreover, in West Kalimantan, Australia is aimed to build road construction, irrigation and port (Eldridge, 1979, p. 41). Agriculture assistance programs provided by which focus on higher education and research that specifically about animal husbandry. It is related that Australia was concern on animal health where in the

Eastern Indonesia there is an animal export activity. Moreover, in West Java has provided assistance programs such as irrigation and hydro-electric in Cimanuk River Survey (Eldridge, 1979, p. 43). In industry and mining, Australia was not paying attention much in this field, hence development assistance in this field only supporting employment and rural development. In health, education and social welfare, the form of assistance that Australia gave to Indonesia such as contributes at the Bio Farma Institute in Bandung that creates vaccines and serums. Besides that, Australia has a role in the establishment of intensive-care at Dokter Cipto Hospital in Jakarta (Eldridge, 1979, p. 42).

Australian development assistance in food and commodity has ever applied a system of the Bonus Export/*Devisa Kredit* (BE/DK)³ in the New Order period, which was, unfortunately, abolished in 1974-1975. Through this system, Australia exported some commodities to Indonesia such as aluminum, steel, tin and zinc products, machinery, transport equipment, spare parts and chemicals were can be purchased by using BE/DK funds. Besides that, the most item that often to be purchased by Indonesia such as fertilizers, motor vehicles, carbon black, steel products, rice and cotton (Eldridge, 1979, p. 37). Meanwhile an assistance of food adjusting the condition of Indonesia which the main consumption is rice, hence Australia

³ The *Devisa Kredit* (DK) is to increase the commodity exports from Australia to Indonesia, however the purpose of assist Indonesia while creates DK system is expected to can increase an effective import goods to develop material which Indonesia will not faced by additional foreign exchange burden. It should be ceased because Indonesia should decrease its needs for balance of payment. Related to DK also criticized because impressed "promoting Australian exports and facilitated middle-class consumer spending" (McLean, 1972).

was supply rice to Indonesia. But, the tendency of Australian food aid to Indonesia is also in the form of wheat. Australia has tried to give a food aid is in flour milling but the result is not what to be expected (Eldridge, 1979, p. 40).

Australian development assistance to Indonesia in 20th century has continued until the government of Soeharto which in 1967 until 1998. Related to Indonesia's major economic reforms in 1990, Australia provides assistance to Indonesia in the amount of less than \$US100 million. Its Australian development assistance to Indonesia is in the form of grants. As assistance is focuses on development hence Australia's aid is aimed to contribute in education, agriculture and public infrastructure. Different from before, this period of provide development assistance is targeted Eastern Indonesia which become the poorest region. The assistance that already gave to Indonesia in Eastern region such as (Sherlock, 1991, p. 18):

- a. **Education and training** assistance to universities in Eastern Indonesia and training of central and regional government administrations. Open the opportunity for college students to studying in Australia which 200 students already can study in Australia through the Equity and Merit Scholarship Scheme
- b. **Agriculture and rural development** assistance programs are focused on field-based activities to rural incomes can be increased. Moreover, Australia was supporting agriculture research and extension
- c. **Public infrastructure** assistance is focused on supporting national bridge replacement program in few years. Other projects that provided by Australia such as communications, water supply and sanitation and urban infrastructure.

Additional, Australia has country program which is bilateral aid. Country program to Indonesia is started in 1987-1988 which the amount was \$46.1m, in 1988-1989 was \$48.6m, 1989-1990 was \$56.0m and the estimate for 1991-1992 was \$57.4m (Sherlock, 1991, p. 15). However, as the government of Soeharto in 1998 was fall, Australia has decided to give financial assistance in quadrupled than previous assistance.

2. Australian Development Assistance to Indonesia in the 21st Century

Development assistance that provided by Australia in the 21st it can be seen where Australia gave assistance through AusAID where tsunami damaged Aceh in December 26, 2004. At that time development assistance still managed under AusAID. During allocating assistance to Aceh, the Australian-Indonesia Partnership for Reconstruction and Development (AIPRD) was established in 5 January 2005. The partnership is aimed for long-term reconstruction and development program in five years and managed by the Joint Commission overseen by the Prime Minister of Australia and the President of Indonesia (Joint Ministerial Statement, 2005). One of assistance programs is give financial assistance to Aceh in the amount of A\$1 billion. Actually, the purpose of this partnership does not only support the development and reconstruction in Aceh, but region outside Aceh.

Continuation of Indonesia and Australia's partnership is steadier which marked in 2006; Australian bilateral aid to Indonesia is implemented with the program's name is Australia and Indonesia's Partnership (AIP). The overall aid program of Australian Government is around A\$2 billion for period of five-year. This program is included Australia-Indonesia's Partnership for Reconstruction

and Development (AIPRD). These overseas development assistance programs are the commitment of Australian government to interweave the bilateral partnership with Indonesian government. Related to this issue, table below is showed the budget details since 2006 until 2009 of Australia’s development cooperation program in Indonesia:

Table 2.2 Australian Official Development Assistance (ODA) to Indonesia (2006-2008)

	2006-2007 (A\$ m)	2007-2008 (A\$ m)	2008-2009 (A\$ m)
Program Estimation	125.0	179.1	182.7
AIPRD	178.4	232.5	230.9
Other ODA Estimation	20.9	47.2	48.4
Total of ODA Estimation	344.3	458.8	462.0

Source: (BAPPENAS, pp. 2-3)

Table above we can see the official development assistance in 2008-2009 has increased which the amount of ODA budget total was A\$46.2 million from A\$458.8 million. However, there was decline in the budget estimation for AIPRD from A\$232.5 million to A\$230.9 million. The ODA budget for program and other ODA estimation always increased from 2006-2007 until 2008-2009. It is marked that the commitment of Australia provides development assistance to Indonesia is considered high. This condition related to Indonesia becomes the country that received the greatest ODA from Australia since 2006 through AIP.

Australian development assistance program is aimed to reduce poverty and achieve a social and economic development, therefore through AIP; Australian government has four priorities such as (BAPPENAS, p. 4):

a. Recover the economic growth and management

This priority had some development assistance programs, and one of them is program for five-year period. It is called as Government Partnership Fund (GPF) which the amount was A\$50 million that help to strengthen the capacity of Indonesian government institutions in implementing policy effectively and build the network of Indonesian institutional with Australian partner institutions such as the institutions of the Treasury, the Tax Office and Australian National Audit Office (ANAO).

b. Support the transition to the era of democracy

This priority is aimed for help Indonesia able to build strong democratic institutions and support the participation as widely in every democracy process. Therefore, one of development assistance programs such as Australia Legal Development Facility (IALDF) which provide fund in the amount of A\$22 million. IALDF cooperate with Indonesian government institutions, legal institutions and court, community organization in the field of law and human rights to supporting the agenda of law reformation.

c. Increase people's security and stability

Through this priority, Australia wants to help Indonesia in the establishment of law enforcement agencies and competent emergency relief agencies and strengthening the ability of Indonesia to respond effectively against the danger of infectious diseases such as influenza and HIV/AIDS. The program example of people's security is an anti-terrorism program worth A\$ 10 million and annual program of prevention HIV / AIDS worth A\$34 million.

d. Improve the access and quality of public services

This priority is aimed for Eastern Indonesia which still faced by poor condition. The assistance program that has provided by Australia such as A\$11 million to provide clean water supply and sanitation services that safe, adequate, cheap and accessible for people that have low income.

As the explanation of AIP development assistance programs, AIPRD has provided the development assistance in 2006 to Indonesia in the form of A\$500 million in grant funds and A\$500 million in highly concessional loan program (Australian Government, 2005). The fund is allocated to some programs such as A\$328 million for road public construction; A\$300 million for development of 2000 primary schools; A\$181 million for rehabilitation and reconstruction in Aceh and Nias; A\$78 million for Master Scholarship program; A\$50 million for Government Partnership in the field of economy and public sector reform; A\$38 for development in rural region and agriculture; A\$10 million for disaster preparedness and response; and A\$5 million disaster aid outside Aceh (BAPPENAS, p. 8).

AIP and AIPRD is part of AusAID, however as AIP and AIPRD focuses on some fields, development assistance within AusAID also allocated to Indonesia in several sector between 2006 until 2007. The distribution in each sector is begin with governance get 28% of development assistance total, health was 11%, infrastructure was 13%, multi-sector was 3%, humanitarian, emergency and refugee were 10%, rural development was 4% and education was 31% (BAPPENAS, p. 8). In particular, the biggest allocation of Australian development assistance to Indonesia in 2006-2007 was for education sector. It

can be said that at that time the issues of education in Indonesia become the main attention of Australian government.

Australian development assistance is reported remain continues until 2012. The system was taken from bilateral program expenditure to Indonesia in two-year period. Beginning from the year 2012-2013 until 2013-2014 there were several development priorities sectors to Indonesia. Table below is shown the approximate estimation of Australian development assistance in each development sectors:

Table 2.3 Estimation of Bilateral Program Expenditure (2012-2013)

Development Sector Focuses	A\$ million	% of bilateral program
Social protection and Community Driven Development	113.191.964	24.0
Bureaucratic reform	2.662.059	0.6
Climate change	14.308.995	3.0
Decentralization	26.014.921	5.5
Disaster risk management	16.386.887	3.5
Economic governance	23.770.269	5.0
Elections	6.319.960	1.3
Law and justice	12.104.229	2.6
Rural livelihoods and agribusiness	3.683.384	0.8
Scholarships	40.689.660	8.6
Whole of government	34.878.000	7.4
Education and knowledge sector	70.134.746	14.8
Health	46.310.217	9.8
Transport and connectivity	31.894.642	6.8
Water and sanitation	30.005.050	6.4
Total	472 354 982	100

Source: (Department of Foreign Affairs and Trade, 2013)

Table 2.4 Estimation of Bilateral Program Expenditure (2013-2014)

Development Sector Focuses	A\$ million	% of bilateral program
Social protection and National Program for Community Empowerment	88.878.020	17.03
Bureaucratic reform	4.214.323	0.81
Environment	7.330.988	1.40
Decentralization	27.656.330	5.30
Disaster risk management	11.526.652	2.21
Economic governance	16.796.823	3.22
Elections	5.484.788	1.05
Law and justice	15.651.117	3.00
Rural livelihoods and agribusiness	11.637.208	2.23
Scholarships	48.949.258	9.38
Whole of government	22.706.235	4.35
Education and knowledge sector	112.869.375	21.63
Health	40.787.635	7.82
Transport and connectivity	84.382.831	16.17
Water and sanitation	23.003.233	4.41
Corporate and Program Management costs	10,600,000	
Total	532,474,823	100

Source: (Department of Foreign Affairs and Trade, 2014)

Table 2.3 and 2.4 are the details of development assistance to Indonesia that comes from bilateral program expenditure. In the period of 2012-2013 the sector that got the biggest assistance from Australia is social protection and community-driven development which the amount is A\$ 113.191.964. In the period of 2013-2014 education knowledge sector

is got the biggest expenditure which reached until A\$ 112.869.375. Either education or social protection sector, both periods become the sector that receive big expenditure than other sectors. Estimated expenditure in 2012-2013 and 2013-2014 there were incline and decline of its assistance budget. The sector that its assistance was incline such as transport and connectivity, bureaucratic reform, decentralization, law and justice, scholarships, education and knowledge sector, rural live hoods and agribusiness. The rest of the sectors are the assistance was declined. However, total the expenditure is increased from 472.354.982 to 532.474.823 because in the period of 2013-2014 there was a budget estimation for corporate and program management costs which the amount was A\$ 10.600.000.

Continuation of Australian development assistance in the period of 2014 applies the similar system in providing in two-year period. However, during this period the budget is taken from the Official Development Assistance (ODA) expenditure. Started in this period, Australia adjusts the RPJMN 2015-2019⁴ of Indonesia which is written within Aid Investment Plan for Indonesia 2015/16-18/19. Therefore, there are several objectives that become guide to Australia in providing ODA to Indonesia. This program continues until 2017. Tables below show the ODA to Indonesia since 2014 until 2018 in some development sectors focuses.

⁴ The RPJMN 2015-2019 or National Medium-Term Development is the third phase of the implementation of the 2005-2025 National Long-Term Development Plan (RPJPN) which was established through Presidential Regulation No. 2 of 2015 which was signed on January 8, 2015.

**Table 2. 5 Official Development Assistance Expenditure
(2014-2015)**

Objective	A\$ million	% of total ODA
Objective 1: Effective Economic Institutions and Infrastructure Infrastructure EINRIP loan Economic Governance Rural Development	176.9	28.2
	102.8	16.4
	28.1	4.5
	27.2	4.3
	18.8	3
Objective 2: Human Development for a Productive and Health Society Education and Scholarships Health	200.1	31.9
	149.7	23.8
	50.3	8
Objective 3: An Inclusive Society through Effective Governance Governance and Social Development Democratic Governance Disaster Risk Mitigation	160.1	25.5
	122.7	19.5
	24.2	3.9
	13.2	2.1
Program support	14.8	2.4
Sub-Total Bilateral	551.9	88
Regional and Global	53.4	8.5
Other Government Departments	22.4	3.6
Total ODA Expenditure	627.7	100

Source: (Department of Foreign Affairs and Trade, 2015)

**Table 2. 6 Official Development Assistance Expenditure
(2015-2016)**

Objective	A\$ million	% of total ODA
Objective 1: Effective Economic Institutions and Infrastructure	93.7	25
	154.5	41
Objective 2: Human Development for a	65.7	17

Productive and Health Society Objective 3: An Inclusive Society through Effective Governance		
Sub-Total Bilateral	313.9	83
Regional and Global	60.0	16
Other Governments Departments	5.3	1
Total ODA Expenditure	379.2	100

Source: (Department of Foreign Affairs and Trade, 2016)

**Table 2. 7 Official Development Assistance Expenditure
(2016-2017)**

Objective	A\$ million	% of total ODA
Objective 1: Effective Economic Institutions and Infrastructure	110.5	31
	121.1	34
Objective 2: Human Development for a Productive and Health Society	62.6	18
Objective 3: An Inclusive Society through Effective Governance		
Sub-Total Bilateral	294.2	82
Regional and Global	55.5	16
Other Governments Departments	7.3	2
Total ODA Expenditure	357.0	100

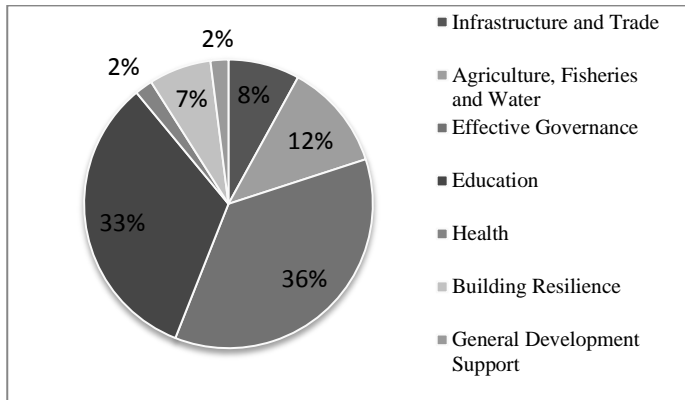
Source: (Department of Foreign Affairs and Trade, 2017)

Human development for a productive and healthy society becomes the objective that gets big expenditure than other objectives. It can be seen in table 2.5, 2.6 and 2.7 which showed the details of total ODA expenditure, in period of 2014-2015 its expenditure for human development for a productive and healthy society was A\$200.1 million or 31% of the total ODA which it is divided to education sector and the amount was A\$149.7 million and health sector was A\$50.3 million. During 2015-2016 the amount

was A\$154.5 million of 40% of the total ODA and 2016-2017 was A\$121.1 million or 34% of the total. It can be said that development issues in Indonesia that become main concern of Australian government is in health and education which it is important for success of human development program.

Inclusive society through effective governance and effective economic institutions and infrastructure remain stable even though from period to period there was decline in its ODA expenditure, and occurred to human development also. The amount that has declined was from A\$ 627.7 million in 2014-2015 decline to A\$ 379.2 million in 2015-2016 and until 2016-2017 the total ODA expenditure continues to decline which the amount was A\$ 357.0 million. In other words, if the assistance is beginning to decrease it can be the sign of development issues in Indonesia is slowly overcome. However, development assistance does not stop to be provided until this period, it continues until period between 2017 and 2018. ODA that given to Indonesia consist of budget for country programs is \$296.0 million, regional and global is \$39.9 and \$13.7 million, and other government departments is \$7.3 million and the total of Australian ODA is 9.1% from the overall Australian development assistance program. Figure below showed some investment priorities that Australia gives ODA to Indonesia.

Figure 2. 1 Australian ODA to Indonesia by Investment Priorities (2017-2018)



Source: (Department of Foreign Affairs and Trade, 2017)

Investment priorities within Australian ODA to Indonesia in the period of 2017 until 2018 are in the part of Australian Investment Plan to Indonesia 2015/16-18/2019. Australia creates investment priorities to facilitate the allocation of ODA to various development sectors. In this period, effective governance becomes the main concern that get big portion of ODA which is 36% of the ODA total. It is different with the previous period where education was always become the sector that get biggest assistance. However, education also become the second sector that get another big portion of ODA with the amount is 33%. Unfortunately, health sector that in the previous period become the parts of human development objective that get big portion of ODA, during this period only gets 2% of the ODA total. It marked that health issue in Indonesia become less-concern or it can be a positive way that health issue in Indonesia might meet the goal. Hence, necessary that must be provided assistance should be

an issue that still becomes the biggest challenge of Indonesia. Therefore, ODA to Indonesia is expected to overcome various development issues in Indonesia especially in this 21st century which already in 2019.

C. Australia and Indonesian Development Partnership Programs

Australia's development assistance that has been given to Indonesia since the 20th century until now has shaped the stability of bilateral relations between Indonesia and Australia in development. Therefore, to enhance further bilateral relations with Indonesia and to support Indonesia's the National Long-Term Development Plan (RPJPN) 2005-2025, Australian government establish development partnership with Indonesia in several development sectors such as (Australian Embassy):

a. Economic Governance

Economic governance is an Australian development assistance to improve Indonesia's policy-making related to economic growth through cooperates with Indonesian Government agencies and provides Australian expertise and adviser. Australia-Indonesia Partnership for Economic Governance (AIPEG) is the example of development assistance program that focuses on addressing development issue of economic governance. The purpose of AIPEG is to support Indonesia in increasing growth and development through strengthen economic institutions, public finances and effective markets (AIPEG, 2016).

b. Infrastructure

Development partnership with Indonesia in this sector is called as KIAT which is Australia Indonesia Infrastructure Partnership. KIAT is adjusting the main purpose of Indonesian government to increase the connectivity between island and port development, increase the road

infrastructure, improve the provision of water and sanitation services, overcome energy production deficit and reduce urban congestion. KIAT also give technical support in sector of policy and regulatory reform, project preparation, financing and delivery of results, to encourage greater investment in infrastructure to Indonesia (KIAT, 2018)

c. Water, Sanitation and Hygiene

Australian government in assist Indonesia to improve the infrastructure water and sanitation gave assistance in the form of the Water and Sanitation Grants. Through this sector Australia support Indonesia's PAMSIMAS program which established in 2014. PAMSIMAS is Community-Based Sanitation and Water Supply Program by Indonesian government and local government to provide access for rural people to drinking water facilities and proper sanitation with a community-based approach (PAMSIMAS, 2016).

d. Agriculture

Australia-Indonesia Partnership for Rural Economic Development (AIP-Rural) is the example of development partnership that focuses in agriculture sector. AIP-Rural is the program series of market development that aimed for improving the competitiveness of smallholder farmer and access for new markets, incomes, knowledge and better technology. AIP-Rural believes that Indonesia's economic source comes from agriculture sector which can reduce poverty and important for sustainable economic growth. Therefore, AIP-Rural has some programs such as PRISMA (value chains); ARISA (research), TIRTA (irrigation) and SAFIRA (finance) (AIP-Rural, 2017).

e. Education

Australian government to support education in Indonesia is assisting student to have an opportunity to have scholarship in tertiary education. The Australian Awards in Indonesia (AAI) is the education program that provide international scholarship for Indonesian student that funded by Australian government. This program is implemented since 1953 which offering two types of scholarships such as post-graduate courses (Long Term Awards) and intensive tailored short courses (Short Term Awards) (AAI, 2018).

f. Health

In partnership with Indonesia, Australia aimed to reduce infectious diseases and malnutrition in pregnant women and children. HIV/AIDS also become the attention for Australian government in health sectors. Therefore, there are three partnership programs between Indonesia and Australia:

1) Australia-Indonesia Partnership for Emerging Infectious Diseases (AIP-EID)

This partnership is focus on increasing animal health emergency management which first implementation in 2005 and works with Indonesian Ministry of Agriculture. The purpose of partnership is support Indonesia's veterinary services in technical and policy areas (AIP-EID, 2015).

2) HIV Treatment and Research: HIV Awal (Early) Test and Treatment Indonesia (HATI)

Partnership program between Indonesian Ministry of Health and the Kirby Institute Sydney is to increase HIV testing and treatment in Indonesia. This purpose is to increase the awareness of people to prevent HIV since early stage by testing and treatment (Legere, 2014).

3) Strengthening Provision of Micronutrients in Indonesia

The purpose of this partnership is to help Indonesia in investment of micronutrients to increase the supplements consumption for pregnant women and for diarrhea of childhood (Australian Embassy).

g. Social Protection and Inclusion

Social protection and inclusion partnership aim to help Indonesian development project which called as National Team for the Acceleration of Poverty Reduction (TNP2K). In addition, there are programs such as MAHKOTA (towards a strong and prosperous Indonesian society) and *Peduli* Program that becomes partnership program between Indonesia and Australia to help the poorest region in Indonesia (Australian Embassy).

h. Local Services

Local services sector also has a purpose to overcome poverty in Indonesia which the program called as KOMPAK which for period of 2015-2018. The process of KOMPAK to overcome poverty in Indonesia is through improved governance, basic services and job creation for 40% of the poorest people. The partnership is worked with five ministries/institutions namely BAPPENAS, Ministry of Finance, Ministry of Home Affairs, Ministry of Villages, Development of Disadvantaged Areas and Transmigration and the Coordinating Ministry of Human Development and Culture (KOMPAK, 2015).

i. Law, Justice and Security

Australia-Indonesia Partnership for Justice (AIPJ) is the example of Indonesia and Australia partnership in this sector to strengthen Indonesia's judicial and security institutions and contribute to the stability and prosperity of Indonesian. The first

establishment of AIPJ is in June 2011 which the program for five-year period which in 2018 AIPJ has already entering the second stage. AIPJ itself is the continuation of AusAID that has contributed in Indonesia's law and justice sector (Dinsdale, 2012).

j. Disaster Risk Management

AIP-DRM is Australia-Indonesia Partnership for Disaster Risk Management (2015-2018) that aimed to support Indonesia to have better disaster preparedness such as right policies and awareness. AIP-DRM has three main priorities in this partnership (Department of Foreign Affairs and Trade, 2015):

- a. Australian readiness that managed by the Embassy directly which the purpose to provide humanitarian assistance effectively.
- b. DM-Create (Disaster Management Capacity Development and Community Resilience) program to support Indonesian Government in DRM technical and institutional to improve its preparedness of disaster risk.
- c. DM-Innovation (Disaster Management Innovation) program to support Indonesian Government in improving danger information (earthquake, tsunami, flood and volcano) and disaster impact analysis using innovative tools and technology.