

AUSAID comments

I have lived in Indonesia for over 21 years (50% in Indonesia and 50% in Australia on a year by year basis) prior to this, I have had 25 plus years overseas experience in the Oil & Gas Industry.

Not once in my time in Indonesia, have I ever seen AusAid in action, not once. I have sometimes read in the papers about something they are supposed to be doing, called the embassy but of course never ever received a response or any information. Apparently AusAid information is not for mere mortals.

I think first people should be clear, AusAid is not aid per-se as in a “charitable” basis but call it what you want. It is plain and simple political aid. It is not a noble calling but one driven by sheer political need or what those in the know believe is needed.

Its aim is not to assist people but to assist government to government relations. It can have a soft veneer of “building schools”, “saving forests” but it’s only real aim is to obtain some specific political agreement.

Much if not the majority of AusAid is not transparent and deliberately not so, Australians at home are in the main happy to see their tax dollars go to worthy causes but to fund Indonesian death squads such as Detachment 88, or Kopassus / Brimob military and police special forces with well-deserved unsavoury reputations perhaps less so.

But fund them; our political masters believe they need to do.

But how can you persuade Joe Blog in Albany, Australia needs to give people money to buy matches so they can set fire to pieces of wood, so they can burn people in their genitals to obtain military essential information, perhaps a more difficult sell!

AusAid smooths the path for important economic projects; palms liberally greased become much more willing to see the benefits of a particular vendor or project team. It is called bribery in the real world and benefits those who are already obscenely wealthy but in polite government circles it is merely facilitation. It need not be so crass as a fund transfer to an overseas bank but what about a shining new school, hospital or factory assistance just in time for gubernational or important political elections?

The World Bank is described as “the mafia with diplomatic immunity” and AusAid performs a not so different function.

Jakarta Post Monday 03rd:-

“Prosecutors are investigating officials at the capital market watch dog (Stock Exchange regulators)... A source at Bapepam said the Attorney General’s office

was focussing on cases handled by the agency's former chairman, Herwidayatmo, who was recently appointed an Executive director at the World Bank for South-East Asia" (As a WB Director he has Diplomatic Immunity so cannot be touched.

Both can give very significant funds, without strings, be totally unconcerned on how these funds are really used, and how they are presented to the public at large, knowing that the public at large, no matter what, are the ones that will in the end have to pay for it. (A quaint reversal of the Robin Hood principle).

When Denis de-Trey was head of the World Bank in Jakarta he noted in his valedictory speech that he was sorry that he had never been able to reduce "leakage" to less than 40%, and I suspect if he was in the same position today he would say the same.

When did Australia and important supplier of funds and management to the World Bank ever have a problem with any of its operations? Ask the same question as to when was the last time AusAid or its personnel were sanctioned for misuse of funds?

Some specifics may help; there is much current comment in regards the current governments pledge of \$500MM to assist building new schools but at the same time:-

Comment: 'Luxury cars in council budget for 2011'

|Sat, 01/15/2011 11:21 AM | readers forum

Jan. 7, Online

Critics have slammed a decision by the Jakarta regional legislative council to include luxury cars in its budget (APBD). City legislators announced plans to purchase, among others, a Bentley Continental GT and a Ferrari F430. A councilor from the Indonesian Democratic Party of Struggle (PDI-P), Boy Benardi Sadikin, said the purchase was proposed by the council's board of chairmen.

"The council desperately needs the cars because currently it is forced to rent cars to escort VIP guests," he said as quoted Thursday by news portal kompas.com. Prys Ramadhan, a councilor from the Golkar Party and chairman of the council's household affairs committee, also said the purchase was proposed by the council and its secretary.

The Indonesian Government has been unable to spend its budget at the state and provincial level for many years; it runs a significant annual surplus, with over \$100 Billion in reserves. The Government will spend \$100MM on a new jet for

the President, \$250MM on a new parliament building, \$400MM new house for regulators, \$300MM car for government members etc. etc. Why do they need Australian funds??

The money Australia provides will provide no net benefit to those in need, in fact the opposite. The Indonesian government has historically reduced education construction costs by at least the amount of external aid and furthermore, where will the sub-regional units find the money to maintain and run these new schools?

I live in central Java, to get to my village school, requires a two hour walk across a lengthy Rotan bridge suspended over 100 meters in the air. Of six classrooms, accommodating over 200 children, two are effectively rubble and the others full of holes. The school has few books, cupboards or indeed any facilities. Why? Well one reason was the local education authority budgeted funds, brought them to the village, found the local village leader did not support their political party and took the funds back. The chances of AusAid helping this school is zero, nil, nacho. This is reality.

Much AusAid is dispensed via the Red Cross (PMI), again a warm glow. But what is the Indonesian Red Cross? It is in fact the personal fiefdom of powerful political entities. Many years it was the personal power base of Sutowo (famous as when head of Pertamina the state oil company he bankrupted the entire country). It never produced any accounts.

PMI was then passed to President Suharto's eldest daughter Tutut and then to the wife of the Jakarta Governor Sutisyo (it was jokingly noted in one article she spent more on her PMI clothes than on actual aid). Currently it is held by the former Vice President Jusuf Kalla.

Jakarta Post Thursday 06th:-

"Aid organizations working for humanitarian relief programs... complained on Wednesday that instead of providing them with assistance, the government had hampered effective efforts to mitigate the effects of the calamity.

Aid workers have to go through complicated procedures imposed by the central and local government before embarking...on humanitarian missions".

The biggest hurdles for the relief program were encountered at the Office of the Vice President (Jusuf Kalla), which also serves as the National Disaster Mitigation Agency.

Six helicopter sitting idle in Jakarta because VP refuse to provide barrels to store fuel for them.

"Officials selling food aid to survivors. The NGO ... who were working inside Aceh that officials at Banda Aceh's Sultan Iskandar Muda airport sold instant noodles for Rp500 (more than supermarket price) per pack"

The USA, Europe and of course Australia have provided prodigious amounts of “aid” through the Red Cross, it is easily absorbed, looks and sounds good and is not traceable.

Again from a personal point of view during the 2009 earthquake that decimated villages from Tasikmalaya to Bandung, PMI was only in site during evening news reels. They did nothing. The majority of assistance came of course from local people and the military. PMI do not want to get their shiny coveralls dirty. To this day, I know of only one person who received financial assistance to repair his demolished house despite immense amounts of domestic and overseas reconstruction funds being committed. Fact.

Blood supply is controlled by PMI, surely a charitable and humanitarian service reflecting the International Red Cross charter, think again. Should an Indonesian need blood for a dying family member, the answer is clear, pay me cash now, around Rp500K (maybe half a month’s wages or more for many people) **or your mother, son, daughter dies**. Straightforward business with not a hint of humanity BUT all their costs are paid by external agencies (mainly foreign) and they do not pay for blood or its products upon collection.

Recently, personally, a village school teachers son, asked for urgent assistance. His son had contracted Guilleume Barre Disease (GBS) and required “blood cleaning” Only PMI provides this service at hospital. Again in this case Rp5MM per treatment, minimum six treatments and cash for each treatment at least 24 hours in advance.

So where are AusAid funds to PMI legally and accountably utilised?

Finally the larges charitable relief undertaking in this region was without doubt the Aceh tsunami. Nearly \$8 Billion of relief found its way to Aceh and yet now Aceh is poorer than it was before the tsunami, in fact it is the fourth poorest province in all of Indonesia.

Aid accounting helps spell out why, the big charity agencies laud there small administrative costs, 5% to 10%, they are good guardian of the Australian taxpayers monies but are they?

The 10% is the base but does not cover services provided, so now we have the disaster scramble to see how many people an agency can get on ground as soon as possible and begin earning money for the aid organization. Salaries to be paid, per-diems, the essential white Toyota land cruiser and of course the VIP management visits. It is reckoned something greater than 85 cents in the dollar was spent on foreign aid organizations, but furthermore they drove local food, accommodation prices etc. so high that those left alive suffered to be saved.

Their appears to be hundreds of new houses in Aceh, but we are told that many are built in the wrong place and empty.the CD-plated aid cars stood outside the hotels all day and as someone put it, projects had 80% overheads while money had been squandered. Hotels were flourishing but the man in the street had no work. It looks good but it is not.

Malcolm Llewellyn – Chair – BritCham Jakarta - February 2010

It is clear there are problems, some of the solutions

Be honest what is the aid really for? Currently it is government approved pigs-in-the-trough who may help us today, tomorrow or whenever program. Be transparent how is it being spent, who is getting the money and what is the result (we cannot do that domestically in regards Aboriginal affairs but should we not at least try?)

Hold AusAid and others subject to Australian law, and be expeditious in applying it. The money is tax payers money we should reasonably expect accountability and sanctions on those who misuse it, **directly or indirectly**.

Provide aid of value, not aid that meets a localised political or economic objective but something that, heavens above actuals aids as in assists people. Also where aid is being offset by a national government as the norm in Jakarta stop giving it, until it is remedied.

Nothing hard, nothing different but nothing less than what should be expected.