



Submission No 62

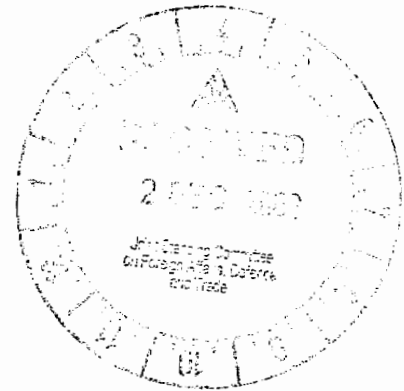
Inquiry into Australia's Relations with Indonesia

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Inquiry into Australia's relations with Indonesia

**Parliament of Australia
Joint Standing Committee on Foreign Affairs, Defence and Trade**

**Australian Federal Police Submission
November 2002**

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Inquiry into Australia's relations with Indonesia Australian Federal Police Submission

1. INTRODUCTION

The Australian Federal Police welcomes the inquiry by the Joint Standing Committee on Foreign Affairs, Defence and Trade into Australia's relations with Indonesia.

The inquiry shall review the full range of Australia's relations with Indonesia, focussing in particular on building a relationship that is positive and mutually beneficial. The Committee shall review a range of aspects impacting the bilateral relationship, considering both the current nature of the relationship and opportunities for it to develop.

2. AIMS OF THIS SUBMISSION

The AFP submission focuses on the relationship between the AFP and the Indonesian National Police (INP) in Australia and Indonesia's joint efforts to combat transnational crime and terrorism. The submission outlines the AFP's cooperative activities with the INP, including the formal framework for cooperation, joint operational activities, and training and capacity building support through LECP. The submission refers to the Joint Australia-Indonesia Police Investigative Team investigating the Bali bombings, highlighting that it adds an additional element to the already robust cooperative relationship.

3. THE AUSTRALIAN FEDERAL POLICE

The AFP is the major instrument of Commonwealth law enforcement and the chief source of advice to the Commonwealth Government on policing issues. Its role is to enforce Commonwealth criminal law and protect Commonwealth and national interests from crime in Australia and overseas. The AFP is also Australia's international law enforcement and policing representative.

The AFP's functions are set out in section 8 of the *Australian Federal Police Act 1979*. Within the Act, under section 37(2), the AFP receives a Ministerial Direction that outlines the Government's priorities and expectations for the AFP for a given period.

The current Direction states that the AFP will pursue the following outcomes:

- that criminal activity is deterred in areas impacting on the Commonwealth Government's interests;
- that those individuals and interests identified by the Commonwealth Government or the AFP as being at risk are kept safe and secure as a result of AFP protective services;
- that policing activity creates a safer and more secure environment in the ACT, Jervis Bay and Australia's external territories;
- that the Commonwealth Government contributes effectively to international law enforcement interests; and

- that community confidence in the honesty, effectiveness and accountability of the AFP is high.

Given this breadth of function, the AFP occupies a unique position in the Australian criminal justice environment as an agency with both a national and community-policing role. A performance outcome framework structures this unique role in the Australian law enforcement environment with two distinct outcomes in service provision.

- Outcome 1: The investigation and prevention of crime against the Commonwealth and protection of Commonwealth interests in Australia and overseas; and
- Outcome 2: Policing creates a safe and secure environment in the A.C.T. (the A.C.T. Government provides funding for this Outcome).

The AFP maintains a very strong focus on fighting transnational crime. The Committee would be aware that the AFP has no criminal jurisdiction (police powers) beyond Australia's borders. As such, it does not have an operational role in other countries. The AFP makes up for this limitation by collaborating with, and seeking the assistance of, overseas law enforcement agencies.

4. THE INDONESIAN NATIONAL POLICE

The INP or Polri (Polisi Republik Indonesia) has been Indonesia's national police force since the 1950s and has the distinction of being the world's largest, with approximately 250 000 staff¹. Throughout its history the INP has served as both a law enforcement and quasi-military agency; roles that have at times caused internal friction and meant the INP has been subject to the differing political pressures these roles entail.

From the 1960s to 1999 the INP was part of the military - the TNI (Indonesian National Armed Forces-Tenara Nasional Indonesia)² - and the responsibility of the Minister for Defence and Security. The INP was separated from the military in 1999, but remained accountable to the Ministry of Defence until July 2000 when then President Abdurrahman Wahid announced it would regain its independence and become the responsibility of the President³.

The separation of the INP from the military is widely acknowledged as a necessary but not sufficient prerequisite for reforming the police. Following the separation, the INP has expanded internal security responsibilities, as well as the continuing responsibility for maintaining law and order across a large and - in places - volatile country. The INP is also inextricably linked to the broader law and order reform pressures in democratising Indonesia, following the 1998 Asian financial crisis and associated demise of the New Order era under President Suharto.

¹ *Indonesia: National Police Reform* ICG Asia Report No. 13 Jakarta/ Brussels International Crisis Group 20 February 2001.

² Formerly ABRI - Angkatan Bersenjata Republik Indonesia/Armed Forces of the Republic of Indonesia, which included Indonesia's four armed services, the three military services-the army, navy and air force-and the police.

³ *ibid.*

5. OVERVIEW OF THE POLICING RELATIONSHIP

The Australian and Indonesian relationship

Indonesia has particular significance for Australia as a close geographic neighbour and leader in the Asian region. As noted in *In the National Interest*⁴ Australia's relations with Indonesia,

“...will always be fundamentally important. This reflects Indonesia's strategic location astride Australia's northern approaches through which 60 per cent of Australia's exports pass and its size – Indonesia is by far the largest and most populous country in Australia's immediate vicinity. Its relative size and position guarantee it a long-term leadership role in South East Asia. Indonesia is also acquiring a broader influence in the East Asian region including by playing a role in Asia Pacific institutions...”

As noted in the Committee's Background Paper, Indonesia's political, economic and social landscape has changed enormously in recent years. During this time, relations between Australia and Indonesia have weathered some strain, particularly in relation to East Timorese independence and Australia's subsequent lead role in the international peacekeeping force, INTERFET. Despite these strains, however, the importance of the relationship for both countries has ensured that ties remain strong.

Law enforcement is an important factor in the Australia - Indonesia relationship, with Indonesia's geographic proximity making it a transit country for the illegal trafficking of people and goods into Australia and a potential source country for some illicit goods. In a broader sense, confidence in the economic and social relationship between Australia and Indonesia is underpinned by each country's confidence in the safety and security of their people and assets located in the other. Clearly, Indonesia has been a field of operations for terrorist groups. Australia and Indonesia were both targets and victims in the Bali terrorist attack of 12 October 2002, which prompted an immediate joint investigative response between the two countries. Henceforth, closer cooperation to combat terrorism will be an inevitable feature of the Australia - Indonesia relationship.

The Australian and Indonesian law enforcement relationship

Ongoing cooperation between the Australian and Indonesian Governments is shaped through a range of bilateral agreements. For law enforcement, the two most significant of these agreements are the *Memorandum of Understanding on Combatting Transnational Crime and Developing Police Cooperation* signed in June 2002 and the *Memorandum of Understanding on Combating International Terrorism* signed in February 2002.

The law enforcement relationship is supported by other inter-governmental agreements, including the *Extradition Treaty* signed in 1992, as well by a range of multilateral and bilateral regional agreements, including the recent APEC statement on combatting

⁴ *In the National Interest: Australia's Foreign Policy and Trade White Paper, 1997*
<http://www.dfat.gov.au/ini/whitepaper.pdf>

international terrorism⁵ and agreements with Thailand and Malaysia to combat international terrorism.

Law enforcement cooperation with Indonesia is further strengthened through the work of other Australian government agencies, including the Department of Foreign Affairs and Trade, the Commonwealth Attorney-General's Department and Australia's international aid agency, AusAID. The AFP works with these other Australian agencies to ensure that assistance is most effectively targeted.

Participation by both Australia and Indonesia in a variety of multilateral fora, including APEC, Interpol and the United Nations Office for Drug Control and Crime Prevention (ODCCP), adds another dimension to the bilateral law enforcement relationship. In addition, the AFP takes into account Indonesia's bilateral relations with other countries providing law enforcement assistance to the INP, and consults with the relevant law enforcement agencies and the INP to ensure that assistance is harmonised.

The AFP's professional relationship with the INP is largely managed through its international liaison officer network and the Law Enforcement Cooperation Program (LECP), with capacity building support funded through AusAID's Government Sector Linkages Program (GSLP). Initiatives take a variety of forms, including training, exchange and capacity building, all directed toward achieving successful operational outcomes for both organisations and consequently for both countries. In addition, the daily working relationship between AFP and INP officers especially shapes the contours of the relationship and maintains the strong ties between the two organisations.

The Joint Australia-Indonesia Police Investigative Team established to investigate the Bali bombings adds an additional feature to cooperation between the AFP and the INP, and indeed between Australia and Indonesia. That this team could be established under the auspices of the MOU to combat international terrorism indicates both the value of the MOU and the strength of relations between the AFP and the INP.

6. THE CURRENT NATURE OF THE POLICING RELATIONSHIP

MOU on Combatting Transnational Crime and Developing Police Cooperation

A Memorandum of Understanding (MOU) between the *Government of the Republic of Indonesia and the Government of Australia on Combatting Transnational Crime and Developing Police Cooperation* provides the formal framework for cooperation between Australia and Indonesia in law enforcement. The AFP and the INP are the implementing agencies for this MOU, which was signed in Perth on 13 June 2002 and ratified by both governments on 21 September 2002. It builds on a previous police-to-police MOU⁶ and provides the framework for collaboration in the areas of intelligence sharing, joint operations and capacity building through cooperation.

⁵ APEC Economic Leaders' Declaration, Los Cabos, Mexico, 27 October 2002
<http://www.apec2002.org.mx/index.cfm?action=news&IdNews=81>

⁶ *Memorandum of Understanding between the Indonesian National Police and the Australian Federal Police regarding Cooperation in Law Enforcement* 5 August 1997

The MOU identifies eight crime types on which Australia and Indonesia will particularly cooperate. These are:

- terrorism
- firearms trafficking
- money laundering
- cyber crime
- trade in narcotics and other illicit drugs
- sea piracy
- people smuggling and trafficking in persons
- transnational economic crime

Bilateral Working Group

Under this updated MOU a Bilateral Working Group has been established that meets annually to review the relationship and to agree strategies for law enforcement cooperation. The Bilateral Working Group continues a working group formed under the 1997 MOU and met for the 5th time in Perth in June 2002. The Chief of the INP and six senior Generals participated in the Perth meeting, demonstrating the importance both agencies place on the relationship.

Bali Regional Ministerial Conference

The first *Bali Regional Ministerial Conference on People Smuggling, Trafficking in Persons and Related Transnational Crime* was held in Bali from 26 to 28 February 2002. The Foreign Ministers of Australia and Indonesia jointly chaired the Conference, which was attended by representatives of 38 countries, as well as observer countries and organisations. The Minister for Immigration and Multicultural and Indigenous Affairs and the Minister for Justice and Customs represented Australia.

At the conclusion of the Bali Conference, the Co-chairs issued a statement emphasising the importance of regional cooperation in the fight against transnational crime. The Conference agreed to form ad hoc expert groups to follow up on the Conference outcomes, which included:

- law enforcement cooperation, through the expansion of existing initiatives through consultation;
- provision of training and expertise in specialist areas such as document examination, border control and law enforcement technical capacity;
- the enhancement of the network of agreements between financial intelligence units which enable the region to better combat money laundering;
- developing more effective information and intelligence sharing arrangements within the region to obtain a more complete picture of smuggling and trafficking activities and other forms of illegal migration; and
- improving the cooperation of law enforcement agencies to enhance deterrence and to fight against illegal immigration networks.

To progress Australia's policing response, the AFP appointed a Project Manager to coordinate and facilitate the AFP's commitment to the outcomes of the Bali Conference. Initiatives are being progressed through the Law Enforcement Cooperation Program (LECP).

The second Bali Regional Ministerial Conference is scheduled for April 2003.

Cooperative activities between the AFP and the INP

Strong international partnerships and law enforcement cooperation play a critical role in the global policing effort. Such cooperation is based on understanding and trust, which can only be achieved through knowledge, respect and open communication between the AFP and its overseas law enforcement partners. Based on these principles, cooperative professional and operational activities between the AFP and INP aim to enable both organisations to effectively combat transnational crime and terrorism.

The AFP's International Liaison Officer Network

The focal point of the AFP's international cooperation is its international liaison officer network. Officers in the network form the link between countries; they facilitate the exchange of information, enhance communication and understanding, promote the LECP and build a rapport with law enforcement officers of their host country.

The AFP currently has 39 officers permanently attached to 23 posts in 22 countries. During 2002/3, the number of officers will expand to 56. In addition, there are five advisors posted throughout Asia and the South Pacific. During 2002/3 the AFP will conduct a further 10 feasibility studies, with a view to opening seven new posts during 2003.

There are two Federal Agents and four locally engaged staff at the Jakarta Post, working from the Australian Embassy. Two new Jakarta positions were recently approved under expanded LECP funding and are expected to be in place by June 2003. A feasibility study to explore a permanent post in Denpasar, Bali is likely to begin before the end of 2002. This feasibility study was planned prior to the Bali bombings.

The AFP's Jakarta Post seeks and facilitates INP assistance for investigations affecting Australia's interests, which primarily involve people smuggling, illicit drugs, paedophilia and fraud. The Post also manages enquiries on behalf of other Australian law enforcement agencies and assists in the management of LECP and GSLP activities in Indonesia. The daily working relationship between AFP and INP officers also fosters cultural understanding and appreciation, an important factor in effective and ongoing cooperation.

Law Enforcement Cooperation Program (LECP)

The LECP plays an integral role in the AFP's offshore efforts to combat transnational crime by improving cooperation and assisting in the capacity building of overseas law enforcement agencies. The LECP is the key mechanism by which the AFP can increase the awareness and understanding of transnational crime issues within the international law enforcement community.

Specifically the LECP aims to:

- strengthen the capability of foreign law enforcement agencies to gather information and evidence against organised crime groups through modest practitioner education and training programs and modest provision of equipment;

- develop a greater capacity to meet Australia's international priorities by being able to more effectively gather international law enforcement intelligence to support AFP operations;
- improve law enforcement infrastructure of specified countries;
- improve operational understanding dealing with international crime; and
- foster closer personal and institutional linkages.

Indonesia is central to LECP initiatives, either through direct involvement with LECP programmes or on the periphery with INP's participation in LECP sponsored activities in the region. Specific LECP initiatives are outlined later in this submission.

Government Sector Linkages Program (GSLP)

Since 1998, the AFP has had access to funds under the GSLP, an AusAID funded program that provides up to \$250,000 per year to complement existing relationships and activities with a strong development focus. The AFP has been able to make use of these funds to assist the INP in its reformation process to a conventional law enforcement agency following its separation from the military. GSLP initiatives and activities are separate, but complementary, to those of the LECP.

The activities supported under GSLP funding arrangements focus on strengthening the training capacities of the INP and include:

- curriculum development
- forensic exchanges
- training development officer exchanges
- purchase of contemporary law enforcement texts
- human resource development
- workplace trainer and assessor
- English language training
- instructor exchanges
- organisational change strategies seminars

LECP and GSLP initiatives with the INP

Training and capacity building

The AFP's training products are highly regarded internationally, particularly the Management of Serious Crime (MOSC) course and various law enforcement intelligence programs. The AFP has provided a range of training opportunities to the INP aimed at increasing its capacities in serious crime and law enforcement intelligence, including:

- providing a Clandestine Laboratory (CLANLAB) Training course to INP in Jakarta in January 2002. Consequently, the INP was able to uncover two major significant CLANLABS capable of producing large quantities of amphetamine-type stimulants (ATS);
- INP officers have attended MOSC courses in Australia over a number of years, including Inspector General Made M. Pastika, the INP head of the Bali investigation, who attended the course in 1993;
- two INP officers attended the inaugural International MOSC course in Singapore for SE Asian law enforcement agencies in March 2001;

- two INP officers attended a Strategic Intelligence Course conducted by the AFP in Singapore for SE Asian law enforcement agencies in May 2001;
- the INP attended the joint AFP/Singapore Central Narcotics Bureau (CNB) training program on the 'Total Approach to Illicit Drug Control' held in Singapore in November 2000. The program sought to expose law enforcement practitioners from ASEAN countries to Singapore's drug demand reduction strategies and Australia's drug supply reduction strategies (hence the "total approach"); and
- two INP officers attended an Introduction to Law Enforcement Intelligence Course in July 2000, conducted by the AFP in Kuala Lumpur for South East Asian law enforcement agencies.

In addition, the INP participated in a series of Asian ATS Workshops in 2001 that brought together regional law enforcement agencies in an effort to develop a strategic picture of ATS production and trafficking in the region.

Provision of equipment

Earlier this year, following the signing of the MOU between Australia and Indonesia to combat international terrorism, the Australian Prime Minister announced that Australia would donate five patrol boats to the INP. The patrol boats will provide greater mobility for small units within the INP to patrol extensive areas within the Indonesian archipelago.

While the boats are being donated principally to assist Indonesia to combat people smuggling, they will also assist the INP in their efforts to identify and dismantle transnational crime syndicates operating in Indonesia.

The INP approved the boat specifications in early October 2002 and the tender process will begin in late November 2002, with a contract to be awarded in February 2003. It is then hoped the boats will be delivered at a ceremony in Jakarta in June 2003.

Protective Security

The INP is in the process of assuming the responsibility for full Presidential security from the military, where previously its role was limited to motorcades and traffic direction. During March and April 2001 the AFP delivered some close personal protection (CPP) basic skills training to members of the INP. This was funded through the AFP's Protective Security budget and aimed to consolidate and strengthen the relationship between the AFP and the INP in the area of protective security.

Asian Region Heads of Criminal Intelligence Working Group

The proactive targeting of criminal and terrorist syndicates on the basis of intelligence is the foundation for effective cooperation in the fight against transnational crime. Accordingly, a major focus of the AFP's relationship with its key offshore law enforcement partners is to develop effective law enforcement intelligence relationships. This focus has resulted in a significant improvement in the level and exchange of law enforcement intelligence: particularly with Indonesia and other countries in the region.

To further strengthen intelligence cooperation in the region, an Asian Region Heads of Criminal Intelligence Working Group has been established through LECP funding. The Working Group, which includes Australia and Indonesia as well as a number of other South East Asia countries, meets annually to promote practical ways for improving intelligence and operational cooperation between regional law enforcement agencies. Workshops have been successfully held in Bangkok in August 2001 and Kuala Lumpur in August 2002. The latter meeting, in which the head of INP Intelligence played a significant role, resulted in a *Joint Declaration for Intelligence Collaboration to Combat Transnational Crime* to facilitate multilateral cooperation on intelligence and target identification between participating Asian countries. This declaration can be directly linked to the outcomes of the Bali Regional Ministerial Conference.

The success of these workshops has been underpinned by the Working Group's continuity of membership and the regional focus that brings together a core of law enforcement intelligence officers to share and exchange intelligence on targets of mutual interest. The INP Delegates have taken a leading role in the workshops conducted to date and largely due to this leadership, they have been asked to host the first ASEAN workshop on Combating Terrorism to be held in January 2003, and have invited the AFP to assist in organising the workshop.

Operational activities between the AFP and the INP

The robust cooperation between the AFP and the INP has led to many notable operational successes.

People smuggling

Cooperative investigations between the AFP and INP have resulted in one major people smuggler currently facing trial in Perth and two in a Thai gaol awaiting extradition decisions. The INP continues to investigate the activities of people smugglers in Indonesia. It is important to note that Indonesia does not currently have laws that expressly proscribe people smuggling as an offence. The INP is instead able to prosecute people smugglers through their involvement in other criminal activity necessary to facilitate people smuggling, such as the possession of fraudulent documents.

Since November 2002, no boats with unlawful immigrants aboard have reached Australia and a number of boats have been successfully returned to Indonesia. This has been achieved through a range of Australian whole of government activities. Cooperative activities between the AFP and the INP have played an important role in preventing and deterring people smuggling activity in Indonesia.

In September 2000, the AFP provided LECP funding to five INP Special Intelligence Units (SIU) responsible for intelligence gathering and the arrest and prosecution of Indonesian-based people smugglers and their networks, to the fullest extent possible under Indonesian law. The SIUs were responsible for interdicting some 3 000 potential unlawful immigrants before they departed Indonesia for Australia. This funding was made possible through a Protocol established under the 1997 MOU between the AFP and INP. The Protocol lapsed in September 2001 and is currently being re-negotiated under the terms of the updated MOU for combating transnational crime.

Illicit Drugs

The AFP and INP have undertaken extensive investigative enquiries and complex surveillance operations against major illicit drug importers in recent years. This cooperation has led directly to a number of successful outcomes for the AFP, including the arrest of five men in April 2002 for the importation of approximately 12 kilograms of cocaine into Australia⁷, and the arrest of four people in May 2001, alleged to be members of a South East Asian drug syndicate, carrying 2.3 kilograms of methylamphetamine, commonly referred to as "ice".⁸ AFP and INP cooperation has also contributed to two major outcomes for the NSW Crime Commission and the National Crime Authority.

Fraud

AFP and INP cooperation in combating fraud is excellent. However, Indonesian bank secrecy legislation means inquiry response times are often delayed. The 1997 Asian financial crisis and subsequent collapse of a number of financial institutions has meant that in some cases documentation is inadequate or non-existent.

Protective security

The AFP, through the Australia Protective Service (APS), has deployed resources to protect Indonesian interests in Australia following the Bali bombings, including Close Personal Protection (CPP) for senior Indonesian Embassy and Consular staff and protective security to official Indonesian buildings in Canberra and other major cities. The APS also provided CPP for the protection of the Minister for Foreign Affairs and the Minister for Justice and Customs during their visit to Indonesia following the Bali bombings.

Joint Australia-Indonesia Police Investigative Team

The AFP and INP signed an agreement on 18 October to establish a Joint Australia-Indonesia Police Investigative Team to investigate the Bali bombings. This formal agreement resulted from talks between the Australian Minister for Foreign Affairs and Minister for Justice and Customs and the Indonesian President immediately following the Bali bombings, and was established under the MOU on combatting international terrorism. Both Australia and Indonesia have appointed Joint Operational Commanders to head the team. The AFP Commander is also coordinating the contributions of other foreign law enforcement agencies assisting the team in the investigation.

⁷ Media Release – Nine arrested in International Drug Operation. AFP website
<http://www.afp.gov.au/page.asp?ref=/Media/2002/0418Arrest.xml>

⁸ Media Release – SE-Asian Drug Syndicate Busted. Minister for Justice and Customs website
<http://152.91.15.12/www/justiceministerHome.nsf/Web+Pages/949EBD47905A43EBCA256B5D007DEEE7?OpenDocument>

7. OPPORTUNITIES FOR THE POLICING RELATIONSHIP TO DEVELOP

Transnational crime and terrorism are global problems that require effective cooperation between individual countries within a multi-lateral framework. Indonesia plays an important role in cooperative efforts within the South East Asian region to increase regional resistance to crime and terrorism, and Australian law enforcement has a significant contribution to make to those efforts, both in Indonesia and the region as a whole.

Strengthening the working relationship between the AFP and INP will continue to be a priority for the AFP's international programs, especially the international liaison officer network and the LECP. The GSLP will complement these activities and specifically assist in the INP's reformation as it establishes itself as an independent law enforcement entity. INP staff will continue to be invited to participate in law enforcement training programs and seminars conducted throughout South East Asia under LECP and GSLP funding arrangements.

Both the AFP and INP are moving to establish transnational crime centres. The AFP's Transnational Crime Coordination Centre, located in Canberra, is expected to be fully operational by December 2002. The INP is currently developing a Transnational Crime Centre, to be located in Jakarta. The INP has consulted the AFP on the Centre and the project is expected to gain momentum early next year. The AFP and INP Centres will liaise on the crime types identified in the MOU to combat transnational crime and provide a focal point for intelligence sharing and joint operations.

The AFP is working to establish offshore Joint Transnational Crime Investigation Teams (JTCIT). Such teams comprise a number of local law enforcement officers working closely with an AFP officer. The AFP officer acts as mentor, trainer, advisor and intelligence collection manager for the team. The teams have the mandate to investigate, dismantle and prosecute all transnational crime within the specific country. JTCITs have been successfully established in Bangkok and Phnom Penh and a Jakarta team is currently being negotiated, to be located in the INP's planned Transnational Crime Centre. The JTCITs are a significant future initiative of the AFP's international work.

To support the establishment of the INP's Transnational Crime Centre, the AFP and INP are negotiating to implement a major transnational crime project in Indonesia that is closely linked to the outcomes of the Bali Regional Ministerial Conference. This three-year project, scheduled to start in January 2003, will focus on improving the investigative capacities of INP staff attached to their planned Transnational Crime Centre. The project will be subject to a formal Protocol under the terms of the MOU on combating transnational crime, and will describe the key performance and accountability measures to be applied during the course of the project.

On 25 October 2002, the Prime Minister met with Indonesian President Megawati Sukarnoputri at the APEC Leaders Summit in Mexico. They discussed how Australia and Indonesia can advance their joint efforts to bring the perpetrators of the Bali atrocities to justice and strengthen the fight against terrorist threats in the region. Following this

discussion, the Prime Minister announced that Australia would provide an additional \$10 million over four years to assist Indonesia build its counter-terrorism capacity⁹. This additional funding will contribute to strengthening a range of capabilities, including those of the INP to combat counter-terrorism and transnational crime. Precisely how this additional funding will be delivered is currently being discussed in consultation with AusAID and the INP.

Relations between the AFP and INP at the institutional, operational and personal levels are strong. The cooperation in the Joint Australia-Indonesia Police Investigative Team investigating the Bali bombings reinforces the relationship and represents a significant milestone for the AFP and Australia in its relationship with Indonesia. The efforts of the team will be invaluable in further strengthening the AFP's relationship with the INP and with ongoing joint efforts to combat transnational crime and terrorism.

As close neighbours, Australia and Indonesia are partners across a range of fields - few currently more important than law enforcement. The increasingly transnational nature of crime and terrorism is likely to mean the importance of law enforcement cooperation will remain high. It is also likely to mean that the interests of both countries in fighting crime and terrorism will become increasingly linked. The AFP's cooperative activities with the INP are based on a long term commitment to the operational relationship, to assisting the INP in its current reformation process, and to combating transnational crime and terrorism in the region. The opportunities to develop emerge from the strong foundations of the relationship and the framework put in place through formal agreements and daily cooperation.

⁹ http://www.pm.gov.au/news/media_releases/2002/media_release1949.htm