



THE EIGHTH INDONESIA–AUSTRALIA MINISTERIAL FORUM

BALI, INDONESIA, 29 JUNE 2006



INDONESIA-AUSTRALIA MINISTERIAL FORUM JOINT MINISTERIAL STATEMENT

1. The eighth meeting of the Indonesia-Australia Ministerial Forum was held in Bali on 29 June 2006. The Australian delegation was led by the Hon Alexander Downer MP, Minister for Foreign Affairs. The Indonesian delegation was led by HE Dr Boediono, Coordinating Minister for Economic Affairs. The Australian and Indonesian delegations are at Annex A.
2. Ministers reiterated the outcome of the recent meeting between President Yudhoyono and Prime Minister Howard and their shared commitment to enhancing stable bilateral relations based on mutual respect, trust and confidence, welcomed the progress made in implementing the Comprehensive Partnership, and reaffirmed Australia and Indonesia's strong commitment to and respect for each country's territorial integrity and unity. Ministers agreed the Ministerial Forum provided a further timely opportunity, in the context of the Comprehensive Partnership, to consolidate and advance cooperation in key areas, including security, counter-terrorism and other transnational threats, avian influenza, disaster management and reduction, interfaith dialogue, education, illegal fishing, infrastructure, energy and minerals and other development cooperation.
3. Ministers noted the progress of the working groups of the IAMF in advancing cooperation (reports at Annex B) and welcomed the signing of new agreements to enhance bilateral cooperation, including the subsidiary agreement governing Australia's new A\$10 million emergency avian influenza assistance program.

DEVELOPMENT PARTNERS

4. Ministers agreed that the "Australia-Indonesia Partnership" demonstrates a bilateral commitment to cooperate in advancing Indonesia's efforts to increase and sustain economic growth, build democratic institutions, enhance security and stability, and improve the quality and accessibility of basic services, particularly health and education. The Partnership would encompass all Australian bilateral official development assistance to Indonesia, which is expected to reach over A\$2 billion over five years. Ministers noted that all funds under the A\$1 billion assistance package agreed following the 26 December 2004 tsunami had now been allocated to high priority reconstruction and development activities, both within and beyond tsunami-affected areas. The Joint Commission of the Australia-Indonesia Partnership was held as part of the IAMF, announcing new development activities and outlining progress on implementation, including further allocations for tsunami-affected areas of Aceh and North Sumatra (see separate communiqué).
5. Ministers reiterated their condolences for those affected by the devastating earthquakes in Yogyakarta and Central Java and acknowledged the valuable and timely responses of the integrated disaster relief teams which provided an excellent model to respond to natural

disasters. Ministers noted the effective mobilisation of domestic resources by the Indonesian Government and applauded the commitment to disburse the remaining grant funding under the Australia-Indonesia Partnership for programs to reconstruct and rehabilitate devastated areas in Yogyakarta and Central Java.

6. Ministers recalled President Yudhoyono's implementation of policies to promote development and peaceful resolution of the situation in Papua. Ministers noted Prime Minister Howard's support for political, economic and social development in Papua as part of the Republic of Indonesia, and the support for full and effective implementation of Special Autonomy and respect for human rights. Ministers appreciated the statement of Prime Minister Howard that Australia's development assistance is not used to fund political activities in Papua, or separatist movements, and that Australia's code of conduct for NGOs in Indonesia prevents funding of organisations that operate contrary to the laws and policies of either country.

7. Ministers recognised HIV as a serious ongoing threat to the economic and social development of many developing countries, including Indonesia, and that alongside successes, much remains to be done in promoting cooperation for further prevention, care and treatment. Ministers acknowledged the long-standing partnership between Australia and Indonesia to address HIV/AIDS, noting the valuable support provided to Indonesia's AIDS Commissions through Australia's aid program.

8. Ministers noted the desirability of concluding negotiations on a Transfer of Sentenced Persons Agreement by the end of 2006.

SHARED RESPONSES TO TRANSNATIONAL THREATS

9. Ministers reaffirmed support for the conclusion of a bilateral agreement for security cooperation by the end of 2006 which would provide a framework for the existing and future development of the security relationship. Ministers agreed there would be value in the Framework Agreement for Security Cooperation providing a treaty-based expression of strong support for each country's sovereignty and territorial integrity, including Indonesia's sovereignty over Papua.

10. Ministers reiterated their shared goal of peace, security and prosperity in the region and noted the importance of regional bodies in advancing cooperation, including APEC, the ASEAN Regional Forum and East Asia Summit. Ministers agreed on the importance of continuing to cooperate closely to combat the threat of terrorism and other transnational threats in the region and underlined that the threats remained serious and were long-term challenges that would require sustained and coordinated actions. Australia commended Indonesia for its active role in promoting bilateral and regional cooperation in combating terrorism, including the significant progress in apprehending and prosecuting terrorists and their supporters in Indonesia. Ministers acknowledged the deep and broad bilateral cooperation in areas such as law enforcement, border control, intelligence, terrorist financing, transport security, legislative reform and defence. Ministers welcomed the practical and effective role played by the Jakarta Centre for Law Enforcement Cooperation in developing the expertise of law enforcement officials from countries of the region and encouraged further contribution by countries in the region and beyond to the Centre.

11. Ministers agreed that Indonesia and Australia would jointly convene a sub-regional ministerial-level meeting in the second half of 2006 to strengthen and expand the scope of counter-terrorism cooperation among those countries in the region most directly facing the terrorist threat.

12. Ministers acknowledged the threat posed by illicit access to and use of man-portable air defence systems (MANPADS) to civil aviation in the Asia-Pacific region, and agreed on the importance of cooperating closely including through capacity-building to promote more effective controls over MANPADS in the fight against terrorism and to ensure flight safety and security. They also noted with concern the interest of terrorists in acquiring chemical, biological and radiological weapons, and undertook to strengthen efforts, in cooperation with other countries, and consistent with international law, to prevent such weapons from falling into the hands of terrorists.

13. Ministers committed to intensify bilateral cooperation to strengthen respective abilities for effective counter-proliferation measures. Ministers supported adoption of UN Security Council Resolution 1540 in line with Article 25 of the UN Charter, and non-proliferation commitments in the Bangkok and Santiago APEC Leaders Declaration and undertook to work together to enhance measures for preventing the proliferation on WMD and missile-related materials and technologies, including export controls. They recalled the successful co-hosting of a second regional workshop on the Biological Weapons Convention in Bali in February 2006, with agreement to assist in implementation of enhanced biosecurity measures. Ministers agreed that the Nuclear Non-Proliferation Treaty (NPT) remained the cornerstone of the global nuclear non-proliferation regime and underlined the need for its universality and full compliance with all articles of the NPT by all States Parties. They called on all states that have not yet done so to conclude and implement relevant safeguards agreements and Additional Protocols without delay. Noting shared goals on nuclear non-proliferation, Ministers agreed to work to strengthen bilateral nuclear cooperation for peaceful purposes.

14. Ministers reaffirmed the importance of a cooperative approach to meeting shared maritime security challenges including smuggling and threats to safety of navigation and environment and the importance of adhering to relevant international instruments and standards. They recognised the primary responsibility of littoral states for maritime security, and the legitimate interests of user states, including in the major straits of the region. They noted Indonesia's participation in aerial and naval maritime surveillance initiatives with neighbouring countries, and Australia's readiness to contribute where possible in these and other areas.

15. Ministers welcomed steps taken in Australia to strengthen border protection measures including the contribution made by offshore processing of unauthorised boat arrivals. Ministers reiterated the importance of enhancing strong and cooperative ties between the two countries based on mutual respect, trust and confidence.

16. Ministers agreed that people smuggling and trafficking, being heinous crimes, remained threats to national security and prosperity and called for closer bilateral and regional cooperation. Ministers recognised that determined efforts have contributed to a significant reduction in maritime people smuggling activities. Ministers welcomed effective bilateral cooperation between law enforcement and immigration authorities. Ministers noted that the Bali Process on People Smuggling, Trafficking in Persons and related Transnational Crime, co-chaired by Australia and Indonesia, continued to provide an excellent framework for

strengthening the capacity of the region to cooperate in the common fight against people smuggling and trafficking. Ministers endorsed plans for a Bali Process regional workshop on trafficking to be hosted by Indonesia and co-chaired by Australia to share best practice and experience for victim identification, repatriation and reintegration.

17. Ministers agreed that avian and pandemic influenza continued to pose a significant potential threat to countries in the region and recognised the importance of bilateral and multilateral cooperation. Ministers welcomed the cooperation between Australia and Indonesia through the recent APEC exercise and Indonesia's leadership and coordination of the ASEAN Disease Surveillance Network. Ministers agreed that animal health surveillance is a high priority. They also agreed on the importance of transparency in the reporting of influenza cases in humans and animals, and to prompt sharing of epidemiological data with the World Health Organisation. Ministers affirmed the value of enhancing Australian assistance in the areas of capacity building to prevent and contain an emerging influenza pandemic, surveillance and early intervention in response to outbreaks.

18. Ministers welcomed the increased cooperation between Australia and Indonesia in the field of marine affairs and fisheries, covering fisheries management and conservation on shared stock, combating illegal unreported and unregulated (IUU) fishing, enhanced better understanding and management of the MoU Box, and partnership and coordination. Ministers noted the good progress being made on bilateral cooperation to formulate a fisheries management plan for red snapper stock supported by joint research. Ministers reiterated that the problem of illegal fishing in both countries posed significant risks and costs to their natural environments and economy that need to be solved collaboratively, including through information campaigns, improved information sharing, joint study on illegal fishing, expanding cooperation on coordinated fisheries surveillance activities and enhancing surveillance capacity. Ministers noted the effort by both countries to identify and register fishing vessels in East Nusa Tenggara and Moluccas that entered the MoU Box in order to enhance conservation outcomes in the area. Ministers noted work underway to expand alternative livelihood projects for Indonesian fishing communities. Ministers discussed provisions of the 1982 United Nations Convention on the Law of the Sea, including the obligation of both states under article 73, and in that context the Australian policy of rapid repatriation. Ministers reiterated the importance of the 1997 Perth Treaty entering into force as soon as practical, acknowledging some work needed to be undertaken. Ministers reconfirmed the importance of pursuing cooperative naval activity, where possible.

19. Ministers agreed that Australia and Indonesia would convene a regional Ministerial Meeting to discuss measures to address the shared problems of illegal fishing. The Ministerial Meeting will be preceded by a senior officials meeting in Jakarta.

20. Ministers noted the significant consequences of illegal logging globally and the efforts being made by Australia and Indonesia to address this problem. Ministers noted that there were a range of other forestry-related issues including re-forestation and efforts to deal with forest fire, that Australia and Indonesia could cooperate on. Ministers agreed that cooperation in this area should be progressed through the renamed Working Group on Agriculture, Food and Forestry Cooperation.

PROMOTING UNDERSTANDING AND PEOPLE-TO-PEOPLE LINKS

21. Ministers noted the importance of strong people-to-people ties between Australia and Indonesia and the role of education links in fostering these relationships, noting that over 16,000 Indonesian students were enrolled to study in Australia in 2005 and the strong support for scholarship programs being provided through the Australia-Indonesia Partnership. Ministers commended the work of the Australia-Indonesia Institute in promoting greater mutual understanding of each country and strengthening institutional links. Ministers welcomed recent efforts to enhance linkages between Indonesian and Australian parliamentary institutions and expressed their commitment to enhancing linkages in this area. Ministers welcomed the Australian parliamentary delegation visit to Indonesia later in the year and agreed on the importance of a reciprocal visit early in 2007.

22. Ministers reaffirmed their commitment to the protection of human rights and promoting tolerance and mutual understanding between different religions and cultures, and working together to counter radicalisation and the spread of extremism. Ministers welcomed the outcomes of the Second Regional Interfaith Dialogue held in March 2006 and noted the important role of religious leaders, in collaboration with government, to strengthening moderate voices within their respective communities. Ministers looked forward to continued efforts to promote greater regional interfaith cooperation in the lead up to the next Dialogue to be held in 2007.

TRAVEL ADVISORY

23. Indonesian Ministers requested that the Australian Government reconsider its travel advisory for Indonesia, and were concerned about its effect on the economy. Australian Ministers reemphasized that Australian travel advisory remain under constant review. Ministers noted ongoing cooperation on counter-terrorism, including information exchange and agreed to continue to strengthen this cooperation. Ministers agreed that officials would meet to discuss further such cooperation.

STRENGTHENING TRADE AND INVESTMENT OPPORTUNITIES

24. Ministers welcomed the signing of the Indonesia-Australia Trade and Investment Framework (TIF) by Deputy Prime Minister and Minister for Trade Mr Vaile and Trade Minister Dr Pangestu in September 2005, in Vientiane, Lao. The main objective of TIF is to enhance trade and investment between Indonesia and Australia on a balanced and comprehensive basis. Ministers recognised the value of the TIF to increase commercial opportunities for Australian and Indonesian business by providing a framework for trade and investment facilitation and promotion, improved policy dialogue, capacity building and strengthening commercial ties particularly among small and medium enterprises. Ministers acknowledged TIF progress so far and looked forward to the next Trade Ministers' Meeting to be held in the second half of 2006, to advance implementation of the TIF Action Agenda. Both sides have adopted an indicative work program in order to take forward work under TIF. Ministers noted ongoing cooperation in trade capacity building.

25. Ministers underlined their commitment to trade liberalisation and reaffirmed their commitment to lower tariffs and other barriers to trade so that Indonesian and Australian exporters and consumers continued to benefit. Ministers noted the continued increase in bilateral trade in 2005 and the potential for trade liberalisation to contribute to further growth.

Ministers recognised the contribution of cooperative activities and welcomed further cooperation in agriculture, minerals and energy, specific industrial sectors, and other sectors that enhanced bilateral trade and trade with other countries. Ministers welcomed and encouraged Indonesia's efforts to progress the necessary domestic economic reforms to increase its competitiveness and improve the investment climate, as well as to implement its commitments under bilateral, regional and multilateral agreements.

26. Ministers looked forward to the opportunity to meet with Australian and Indonesian business representatives during the Business Dialogue to identify opportunities to increase commercial linkages. They recognised the contribution of the two bilateral Business Councils and looked forward to their joint conference in Australia in November 2006. Ministers noted the low levels of two-way investment and supported efforts to expand business opportunities and direct investment flow.

27. Noting that Australian and Indonesian Trade Ministers were currently in Geneva, Ministers urged conclusion of the WTO Doha Round of trade negotiations this year, noting that while there had been some recent progress and positive indications of further movement by a number of key Members, time was now the critical factor. Failure to meet this deadline could delay conclusion of the Round. Political commitment and greater flexibility was required from all Members to achieve the high level of ambition set out in the Doha mandate and reaffirmed by Ministers in Hong Kong. Ministers stressed the crucial role of special and differential treatment for developing countries which will be an integral part of the agreement in the Doha Round. Ministers noted that the 20th Anniversary Cairns Group Ministerial Meeting would be held in Cairns in September, and agreed the meeting would be an important opportunity to contribute to the successful conclusion of the Round in 2006.

28. Ministers confirmed their shared interest in achieving a comprehensive, high-quality ASEAN-Australia-New Zealand Free Trade Agreement that would provide added impetus to the already strong trade and investment linkages between their two countries. Consistent with the Guiding Principles agreed by Leaders in November 2004, the negotiations are scheduled to be concluded in early 2007 with full implementation within ten years.

29. Ministers stressed the fundamental importance of stability and security to economic growth. Ministers reaffirmed their strong commitment to strengthening APEC's capacity to support and promote trade and investment in the region as core drivers of economic growth and stability, and looked forward to Australia's hosting of APEC in 2007. Ministers affirmed their commitment to taking concrete action to implement the Busan Roadmap towards the Bogor Goals. Ministers acknowledged the value of APEC's complementary human security agenda.

AUSTRALIA-INDONESIA DEVELOPMENT AREA

30. Ministers noted progress so far on the Australia-Indonesia Development Area (AIDA) Review and agreed to hold an officials-level inter-sessional meeting in the second half of 2006.

NINTH MINISTERIAL FORUM

31. Ministers agreed that the ninth meeting of the Australia-Indonesia Ministerial Forum is tentatively scheduled to be held in Australia in 2007.

HE Dr Boediono
Coordinating Minister for Economic Affairs
Republic of Indonesia

The Hon Alexander Downer MP
Minister for Foreign Affairs
Australia

BALI, 29 JUNE 2006

Indonesian Delegation

HE Dr Boediono, Coordinating Minister for Economic Affairs (Co-Chair)

HE Dr Hassan Wirajuda, Minister of Foreign Affairs

HE Dr Hamid Awaluddin, Minister of Law and Human Rights

HE Abdul Rachman Saleh, Attorney General

HE Dr Sri Mulyani Indrawati, Minister of Finance

HE Fahmi Idris, Minister for Industry

HE Dr Purnomo Yusgiantoro, Minister for Energy and Mineral Resources

HE MS Kaban, Minister for Forestry

HE Paskah Suzetta, Minister of National Development Planning/Chairman of BAPPENAS

HE Freddy Numberi, Minister for Marine and Fishery

HE Jero Wacik, Minister for Tourism and Culture

Australian Delegation

The Hon Alexander Downer MP, Minister for Foreign Affairs (Co-Chair)

The Hon Philip Ruddock MP, Attorney-General

Senator the Hon Amanda Vanstone, Minister for Immigration and Multicultural Affairs

The Hon Ian Macfarlane MP, Minister for Industry, Tourism and Resources

Senator the Hon Eric Abetz, Minister for Fisheries, Forestry and Conservation