

**SENATE FOREIGN AFFAIRS, DEFENCE AND TRADE REFERENCES
COMMITTEE**

INQUIRY INTO SECURITY THREATS TO AUSTRALIANS IN SOUTH-EAST ASIA

DIO Assessments

QUESTION 1

SENATOR: Hogg

HANSARD: Page 54

Provide a summary of DIO assessments made in relation to the security of Australians in South-East Asia, during periods referred to in the Committee's terms of reference.

RESPONSE

Please note that quotes from Defence Intelligence Organisation (DIO) product are shown in italics.

Defence received no specific intelligence warning prior to 12 October 2002 of a terrorist attack in Bali, and issued no specific threat assessment or warning for Bali. The scale of the Bali bombing was unprecedented in South-East Asia, and was not anticipated by DIO. The bombing represented a new benchmark, as the first mass-casualty terrorist attack in South-East Asia directly targeting Westerners or Western interests. Although the existence of Jemaah Islamiyah (JI) had been established, the available evidence suggested that its plans and activities were relatively small-scale and not directed against 'soft' civilian targets.

Between 11 September 2001 and 11 October 2002, on the subject of terrorism and extremism in South-East Asia with a bearing on Indonesia, DIO published eight defence intelligence reports, two current intelligence bulletins, and around fifty daily intelligence items. These products were intended to add to the appreciation of the capability and intent of terrorist groups in the region. Increasing indications of terrorist intent were observed in August and September 2002, and the tempo of DIO's reporting increased: 19 products were issued between 1 August and 11 October. A full description of the development of DIO's understanding of the terrorist threat in Indonesia is contained in the following pages, in response to specific terms of reference.

The assessment made by DFAT and other relevant agencies of the Commonwealth Government of the threat to Australians in South-East Asia from al Qa'eda (and associated terrorist organisations) prior to 11 September.

Prior to 11 September 2001, DIO assessed that the threat to Australians from terrorist attacks in South-East Asia was largely indirect or incidental. A number of extremist, secessionist, and criminal groups that used violence to achieve their domestic aims were known to be active in the region. Groups such as the Abu Sayyaf Group and the Moro Islamic Liberation Front were believed to have links with international terrorist organisations, and some received assistance from foreign mujahideen. But these groups had no history of anti-Western objectives or attacks, apart from the Abu Sayyaf Group which had kidnapped Western nationals for criminal gain. Terrorist incidents in the region had been aimed at achieving

domestic objectives, and the inclusion of any Australians as targets would have been largely incidental.

In a report published on 10 August 2000, DIO noted the extent of al Qa'eda's reach into the region: *...direct al Qa'eda terrorist action is currently limited to the Middle East and South Asia. But the organisation does have the potential to influence terrorist action elsewhere in the world through its support and encouragement of proxy terrorist organisations. Al Qa'eda also supports and encourages a brotherhood of Mujahideen who have received Al Qa'eda training and share some common operational experience.*

The rise of extremist groups in Indonesia was assessed to be as much about local conditions as the result of international stimuli. In a report published on 7 May 2001, DIO assessed that: *Indonesia's social and economic environment, combined with the lack of restraints on the paramilitary groups' activities, is providing fertile ground for the establishment of multifarious extremist groups with diverse motivations, including those with international connections...*

On 2 August 2001, DIO assessed that: *Unrest is unlikely to approach 1998 levels... Foreigners will probably not be the targets of political discontent, but could become accidentally caught in demonstrations or bomb attacks (the latter have recently increased in frequency).*

Any change in the assessment of the threat to Australians in South-East Asia from these terrorist organisations arising from the terrorist events of 11 September 2001 and the decision by Australia to participate in military actions with other coalition partners against al Qa'eda in Afghanistan in November 2001.

Post-11 September 2001, the terrorist threat in South East Asia continued to be assessed as primarily domestically focused. Australia's commitment to operations in Afghanistan was considered as a possible trigger for Australia's inclusion as a target for anti-coalition violent protest, or for small-scale attacks by extremists.

On 19 September 2001, DIO assessed that: *A number of extremist Islamic groups have existed in Indonesia for some time, although their focus has primarily been domestic. Most terrorist acts in Indonesia, such as the 2000 Jakarta Stock Exchange and Christmas Eve church bombings, are motivated by domestic politics, not religion. Laskar Jihad has operated extensively in the Malukus and some of its members have received training and fought alongside the Mujahideen in Afghanistan. Laskar Jihad will take an active role in any anti-US protests, but we have no indications that it is planning any coordinated violence against Western interests.*

A DIO publication on 20 September 2001 noted that: *In the event of a US-led coalition response to the 11 September terrorist attacks, there is a high probability of anti-US protests in Indonesia, Malaysia and the Philippines. Any form of anti-US demonstrations involving large crowds has the potential for violence to be directed at Westerners. This is especially the case in Indonesia. Groups such as the Islamic Defenders Front (FPI) and the Laskar Jihad have demonstrated their ability to organise large-scale demonstrations at short notice....The possibility of Australian nationals being targeted cannot be discounted.*

A Defence Security Authority (DSA) Security Threat Assessment covering Indonesia was issued on 26 September 2001, assessing the threat of terrorism and anti-Australian sentiment

as MEDIUM (*There is a reasonable expectation that a security threat exists from an organisation or individual having the capability and a probable intent to conduct activities that would cause harm*).

On 4 October 2001 DIO assessed that: *The highest threat arising out of anti-Western sentiment is to individuals. Opportunistic street attacks on foreign nationals is the most likely form of violence in the event of US-led attacks on Afghanistan.*

In relation to the potential impact in the region of forthcoming coalition operations in Afghanistan, DIO assessed on 5 October 2001: *The greatest potential for violence in South-East Asia after operations commence in Afghanistan will be in countries with the largest and most active radical Islamic populations, Indonesia and the Philippines.*

On 8 October 2001, DIO assessed: *Islam in South East Asia has traditionally been moderate and progressive. The objectives of radical Islam in the region tend to be local, rather than international, directed at insurgencies, rather than terrorism. But because of porous borders, [and] the presence of international travel hubs,...the region remains of concern for its ability to harbour international Islamic extremist groups....The Indonesian Government is increasingly concerned about links between Indonesian and international militant Islamic groups....The informal global network of links and contacts among Muslims will continue to grow, and regional groups or individuals, whether activists or extremists, will probably form a part of this network.*

Any further changes in the assessment of the threat to Australians in South-East Asia from these terrorist organisations arising from the arrest and interrogation of the so-called ‘Singapore bombers’ in the period December 2001 to February 2002.

The JI arrests in Singapore and Malaysia, and subsequent investigation and analysis, progressively revealed a regionally-based network present also in Indonesia and the southern Philippines, with links to al Qa’eda and with a demonstrated willingness to target Western interests, including Australian. But the evidence made public by Singapore indicated that external support would still have been required for terrorist attacks, which were planned against primarily ‘official’ targets, such as embassies, armed forces units, military personnel off-duty, or ships. The arrests in Singapore and Malaysia were assessed by DIO to have disrupted plans for attacks in those countries.

With key individuals still at large, JI retained the capability to plan and conduct small-scale attacks (rather than attacks against major defended targets, such as embassies), to provide logistic support for foreign ‘fly-in’ terrorists for major attacks, or indeed to conduct attacks themselves. With no evidence of specific intent to mount anti-Western terrorist attacks, however, Defence considered that a security threat assessment of MEDIUM should continue to apply in Indonesia at this time.

DIO noted on 21 February 2002 that, in Malaysia and Singapore: *the evidence from the Philippines, Singapore and Malaysia shows that while the JI cells probably received technical assistance from al Qa’eda, and were inspired by UBL, they were not in themselves al Qa’eda-controlled cells. However, there must be individual associations between JI members and al Qa’eda. Eight of the 13 detained in Singapore had travelled to Afghanistan for training in al Qa’eda camps, and even if it is not clear what level of training the majority of these cell members have undertaken, being at the camps implies individual associations of*

some degreeWith the arrest of many of its members, JI operations in Malaysia and Singapore have probably been thwarted for now. Remaining members are likely to be in hiding or to have fled - unable or unwilling to plan or conduct operations in the current security environment there. While the existence of other covert cells or groups cannot be dismissed, they are likely to have been warned off by the intensified scrutiny of Malaysian and Singaporean security agencies.

And in the rest of the region: There is little intelligence indicating al Qa'eda has active operations cells in the rest of South-East Asia. However, we cannot discount the possibility as detection of cells is likely to be difficult....Groups such as JI recruit and indoctrinate within a cell-based framework of prayer and discussion groups, with no need for active links to al Qa'eda. Because of their inherently covert nature, these groups present a difficult intelligence target (as the discovery of JI in Singapore indicates)....Weapons and explosives expertise is freely available in the region, and high-interest individuals can be difficult to track within high volumes of illegal people movements. However, covert groups throughout the region will be conscious of heightened surveillance since 11 September, and the arrests in Singapore, Malaysia and the Philippines. They will refrain from actions likely to attract the attention of security forces in the near term....All overt South-East Asian extremist groups continue to focus on domestic agendas.

Any further change in threat assessments to Australians in South-East Asia arising from the arrest and interrogation of Omar al-Faruq.

Umar Faruq was arrested in mid-2002. Reporting of threats to target Western embassies, obtained from his custodial interviews, reinforced a number of other streams of reporting around August-September 2002, of ongoing terrorist planning in the region, coinciding with global warnings connected to the anniversary of 11 September. This triggered DIO to publish a number of products warning of increasing evidence of capability and intent to mount terrorist attacks against Western interests in Indonesia.

On 5 August 2002, DIO assessed that: Reports over the past month indicate an increased threat of a terrorist attack against Western targets, possibly in August....Despite uncertainty over the credibility of sources, contradictory information and a general lack of detail, remnants of the regional extremist organisation, Jemaah Islamiyah (JI), continue to possess the capability and intent to undertake future attacks....Extremist organisations with an international or regional agenda, such as JI and Indonesian Mujahidin Council (MMI) - which shares an overlap in leadership and ideology with JI - pose a greater threat to foreigners in Indonesia than do domestic extremist groups. Although JI's planned attacks in Singapore and the Philippines were disrupted in December 2001, several JI members remain at large, probably in Indonesia....The threat of Indonesian extremists undertaking low-level attacks against soft targets such as government offices, churches or commercial interests has also increased for August. This follows an upsurge in the incidence of small-scale bombings in Indonesia during July.

ASIO renewed its threat warning for Indonesia and South-East Asia on 9 August 2002, and DSA promulgated a security threat warning for politically-motivated violence/terrorism in South-East Asia on 12 August 2002, in the following terms: *ASIO assesses the threat of terrorist attack against Australian interests in Indonesia remains HIGH. All defence members travelling to Indonesia and South East Asia should be briefed on the threat.*

On 10 September 2002, DIO assessed that: *Although al Qa'eda is unlikely to be planning an attack on or near 11 September, lower-capability attacks may be attempted by groups or individuals inspired by UBL. Preparations for such operations are less likely to be detected, but with heightened security awareness, they are less likely to result in mass-casualties.*

In an assessment prepared on 17 September 2002, taking account of information gained from the JI arrests, DIO assessed: *JI has not conducted any attacks on Western interests. Rather, previous attacks linked to JI have all focused on local South-East Asian targets. The plans against targets in Singapore were not well advanced....What is important, however, is that JI had connections with regional extremists and al Qa'eda, and intended targeting Western interests. JI had also established the conditions and set the ground-work for a foreign team to complete the operation....The JI organisation in Indonesia is only now becoming apparent but seems less structured than in Malaysia-Singapore. JI's structure in Indonesia has not been disrupted.*

...We assess that JI itself has only a low capability to conduct small-scale bombing attacks against poorly secured targets and was reliant upon external assistance to complete operational planning and to execute anti-Western attacks....While the arrests of [key JI members] have reduced JI's capability in the immediate term, the remnants of JI contain all the necessary ingredients to plan and conduct terrorist attacks in South-East Asia....JI's flexibility and the contact network of its key players at large will help them gain the support of other extremist groups in South-East Asia....the remaining JI members could draw on their regional connections and transnational associations to al Qa'eda to pursue anti-Western attacks in future.

Regarding unconfirmed reports of the possibility of a JI attack against Westerners, DIO reported on 26 September 2002 that: *We assess that local JI capability will restrict any attack to small arms or improvised explosive devices. Although this might obviate mass-casualties, if timing and location come together a large number of casualties could result.*

In a report prepared on 18 October 2002, DIO noted that: *The Bali bombings demonstrated an intent and capability to cause high civilian casualties not seen before in South-East Asia. Islamic extremists in South-East Asia - both individuals and groups - now have a new benchmark on which to plan attacks against domestic and Western interests. ... while small low-end capability 'nuisance' bombings, such as grenade or small improvised explosive device attacks will persist, the risk of more high-casualty attacks has increased.*

Faruq himself appears to have been a mujahideen facilitator for al Qa'eda, rather than a terrorist coordinator. In an assessment published on 27 September 2002 DIO assessed that: *Faruq's activities in South-East Asia facilitated the jihad against Christians in Indonesia. But his claims of planning multiple simultaneous attacks is beyond his capabilities.*

Any subregional variations on the assessment of the threat to Australians in South-East Asia in the period 11 September 2001 to 12 October 2002, in particular within Indonesia including Jakarta and Bali.

Prior to the Bali bombing, the most notable terrorist operations in South-East Asia had been relatively small events directed at domestic targets. While JI's planning had been disrupted in Singapore and Malaysia, JI was credited with the capability to plan attacks in other areas of South-East Asia, particularly in places where its own networks were still intact and where anti-terrorist capabilities were weak. The threat to Australians continued to be assessed as the

threat of incidental violence, most probably in areas already subject to sectarian, communal, ethnic or religious violence.

There were no specific warning indicators for Bali, although popular tourist destinations in general were identified. In product published on 6 January 2002, DIO assessed that: *South-East Asia does offer a range of soft and symbolic targets for anti-Western Islamic terrorists...The problem for terrorists is that many of these are well-embedded in the local community and an attack could occasion large local (including Muslim) casualties (although this did not deter the East African embassy bombings)...Most vulnerable and numerous of Western interests in the region are tourists and expatriate business people. A number of tourist nodes in the region are proximate to areas of past or present Islamic armed activism - the Kra Isthmus in Thailand, Lombok and Banda in Indonesia and the Sulu Sea area (including Sipadan and Ligitan) between Malaysia and the southern Philippines.*

Geographic variation in the threat to Australians from religious/sectarian violence in Indonesia, involving principally Laskar Jihad (LJ) and Laskar Jundullah (LJL), was covered in a DIO assessment of 3 July 2002: *Both LJ and LJL see themselves as legitimate religious organisations which are defending Indonesian Muslims from non-Islamic influences. They are at the forefront of groups advocating the imposition of Islamic law in Indonesia and - although both are primarily focused on domestic issues - have previously employed strong anti-Western rhetoric....Despite a readiness to use violence in pursuit of their objectives, LJ and LJL have generally not targeted Western individuals or interests. ... Anti-Western sweeping activities by members of the Solo, Central Java, branch of LJL in October 2000 and September 2001 were more likely to be designed to enhance their Islamic credentials than cause harm. No violence occurred during the search of several hotels for foreign citizens, and threats to expel US nationals were not carried out...LJ has devoted far more attention to conducting a jihad against Christians in Maluku and LJL to assisting Muslims in Poso, Central Sulawesi, than they have in targeting Westerners.*

Regarding an upsurge in low-level violence in Indonesia in mid-2002, DIO reported on 5 August 2002 that: *After a six month hiatus, Jakarta has experienced two home-made bomb attacks in the past two months. Another bomb made from a modified hand grenade, was defused on 23 July in the Mandiri Iman Bonjol Plaza in Jakarta. The South Sulawesi provincial capital of Makassar has experienced three bombing incidents since June. In the latest attempt on 26 July, a local bomb disposal team successfully defused two home-made bombs found in packages. Tensions have also increased in Ambon, the North Maluku city of Tobelo and Poso in Central Sulawesi following a series of sectarian-related bomb blasts in the past month. In Jakarta, dissatisfaction with judicial proceedings and government policy may provide additional motivation to individuals or fringe groups to act upon their anger.*

Any differences between the assessments of the threat made by DFAT and other Commonwealth Government agencies, and the assessments of the threat made by the United Kingdom, the United States, New Zealand, Singapore and Canada over the security of their nationals for the same period.

In the allied defence intelligence community, DIO has lead responsibility for assessments and analysis on South East Asia and the South Pacific. Defence intelligence agencies in the United Kingdom, United States, New Zealand, and Canada assessed the threat in broadly similar terms to DIO.

Definitions of threat assessments

QUESTION 2

SENATOR: Kirk

HANSARD: Page 56

Provide the definitions used in Defence's security threat assessments and military threat assessments.

RESPONSE

Assessments of threats to Defence personnel overseas on normal peacetime activities are promulgated in security threat assessments (STAs). For operational deployments, including in war or warlike conditions, DIO prepares military threat assessments (MTAs). These cover a heightened range of threat environments including full warlike operations, for a force deployed with appropriate offensive and defensive capabilities.

Defence Security Threat Assessment Definitions are:

CERTAIN	An organisation with both the capability and intent is known to have a current ability to carry out goals and/or defeat security measures. This level of threat is usually associated with current operational activity, and/or the existence of professional cadre and extensive resources being available to the organisation or individual.
VERY HIGH	There is a very high probability that an organisation or individual with both the capability and a confirmed intent will conduct activities which pose a direct threat to Defence security.
HIGH	There is a high probability that an organisation or individual with both the capability and an assessed intent will conduct activities which pose a direct threat to Defence security.
MEDIUM	There is a reasonable expectation that a security threat exists from an organisation or individual having the capability and a probable intent to conduct activities that would cause harm.
LOW	There is little basis to assess that a threat exists. The organisation or individual is assessed as having a low intent and/or capability of targeting Defence.
VERY LOW	While a potential threat to Defence security may arise, there is no information to show, or basis to believe, a current threat exists.
INSIGNIFICANT	There is no basis for assessing that a threat exists or will arise in the short term.

Defence Military Threat Assessment Definitions – Operational hazards and threat levels are:

VERY LOW	The threat is similar to that associated with normal peacetime Service training in Australia; i.e. the general risk of illness or injury as the result of accidents.
LOW	The military threat posed by the above factors is greater than that associated with normal peacetime Service training. While direct opposition is not expected, introduced dangers are prevalent. Additionally, local violence and civil disturbance or terrorist activity may pose a threat. The operational situation is stable and generally secure.
MEDIUM	The military threat to personnel may result in casualties. Such casualties could result from limited actions by opposing forces, not necessarily directed at Defence personnel. Additionally, there is a significant risk from introduced dangers and changes in the local circumstances such as local violence, civil disturbances or terrorist activity. The operational situation may be unstable or insecure.
HIGH	The military threat to personnel is short of open warfare, but casualties are likely. There may be both direct opposition to Defence personnel and open hostilities between opposing forces. Individual or group casualties are possible from both direct or indirect weapons. The operational situation is inherently unstable and may deteriorate with little warning.
VERY HIGH	The military threat to personnel is that normally associated with open warfare. Casualties are expected from both offensive action by opposing forces and introduced dangers.

Distribution of threat assessments

QUESTION 3

SENATOR: Brandis

HANSARD: Page 56

Provide information regarding distribution of Defence threat assessments.

RESPONSE

Beyond Defence, DIO's military threat assessments were distributed to DFAT, ONA and ASIO. Distribution also included PM&C, Attorney General's Department, Australian Customs Service, and Emergency Management Australia.

During this period, Defence security threat assessments prepared by the Defence Security Authority were distributed to defence addressees only. DIO's security threat assessments now receive a wide distribution, including to DFAT, ONA and ASIO.