

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

**INQUIRY INTO THREATS TO SECURITY OF AUSTRALIANS IN SOUTH-
EAST ASIA IN THE PERIOD 11 SEPTEMBER 2001 TO 12 OCTOBER 2002**

**QUESTIONS ON NOTICE ARISING FROM COMMITTEE SESSION 28
MAY 2004**

QUESTION 1.

SENATOR: Brandis

HANSARD: page 421

Prior to Bali was there ever a piece of information that came to your knowledge that JI or any other terrorist group known to operate in the region was targeting Australians as opposed to Westerners?

RESPONSE:

DIO can identify no reporting that specifically identified Australians, as opposed to Westerners, as targets in South-East Asia. The evidence provided by JI detainees – both pre- and post-Bali – and other reporting, noted that JI was targeting Western, particularly US, interests. DIO can find no evidence that JI ever explicitly targeted Australians or Australian interests, as opposed to broader Western interests, except in reference to the Australian High Commission (AHC) in Singapore, which was one of nine Western (US, British and Israeli) targets. DIO assessed that the US and Israeli targets were higher value, and that the AHC's selection was influenced by its location next to the US Embassy. No other South-East Asian terrorist or extremist groups have been noted specifically targeting Australians.

DIO is aware that Australia has been mentioned as a target by al Qa'eda, and there were a small number of uncorroborated reports, received between 11 September 2001 and 12 October 2002, of individuals in the region allegedly associated with al Qa'eda, discussing attacks on targets in Australia. None of these individuals was associated with known regional terrorist or extremist groups, nor did this reporting mention attacks on Australians outside Australia. A further stream of reporting, since assessed as unreliable, from al Qa'eda associate Umar Faruq claimed attacks were being planned against Western, UN and Australian interests in East Timor.

In the wider region, individuals illegally resident in PNG and engaged in criminal activities there have threatened violence against Australians and Australian property, although none of these threats has been acted upon. And Australia's role in restoring order in Bougainville and the Solomon Islands has prompted former militants in both conflicts to threaten to target Australians, although those threats have seldom been carried out.

QUESTION 2.

SENATOR: Brown

HANSARD: page 423

Can you then make [the difference in wording between the MTA and STA] more explicit – that there is no difference between the military and security threat assessments? I would like you to be explicit and to say that there was no

difference or, if there was a difference, to spell out exactly what the difference was. I would also flag that, if there were a difference that we ought to see explicitly, I would like to know the wording that made up the difference between the two, if you could take that on notice.

RESPONSE:

Military Threat Assessments (MTAs) are prepared to cover operations, and Security Threat Assessments (STAs) are prepared to cover normal peacetime activities. The MTA and STA for Indonesia cannot be directly compared; they were prepared for different purposes, using different methodologies and different definitions of threat.

No ADF operations were in prospect in Indonesia at the time of the Bali bombing. DIO's MTA for Indonesia was entitled 'INDONESIA: Evacuation of Australians' and was a contingency product first developed to support planning for possible defence assistance for the evacuation of Australian nationals during unrest in May/June 1998 (the possibility was well covered in media reporting at the time). Although distributed outside Defence, the MTA was intended to support operational contingency planning for evacuations, and not to inform consideration of the safety of Australians – even defence personnel – abroad. As the internal security situation in Indonesia improved post-1998, and the prospect for defence involvement in an evacuation receded, so the MTA attracted a lower priority for updating. It was reviewed routinely, about annually, and would of course have been updated if a deployment looked likely. The MTA covers a threat spectrum ranging from political unrest to open warfare. The MTA current at the time of the Bali bombing was last updated on 18 February 2002 and assessed the threat as follows:

- * Internal security situation – LOW (... *local violence and civil disturbance or terrorist activity may pose a threat*).
- * Radical Islamic Groups – LOW (... *local violence and civil disturbance or terrorist activity may pose a threat*). Could rise to MEDIUM (... *a significant risk from introduced dangers, such as local violence, civil disturbances or terrorist activity*) depending on developments.

The threat assessment covering Defence personnel in Indonesia was DSA's security warning. The threat assessment current at the time of the Bali bombing was contained in SYINTREP 36/02, issued on 12 August 2002, which contained no original threat material, and simply repeated the ASIO warning. It stated '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.'

QUESTION 3.

SENATOR: Brown

HANSARD: page 423.

You say that the May 2001 indication of extremist groups being active came from a number of different sources. Can you be explicit about that? ... I think it is important to the committee that we get the information upon which that assessment in May 2001 was based. It is too general for us to be able to make any judgement without that specific information.

RESPONSE:

The assessment 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...’ was based on judgements formed over more than 12 months of closely monitoring Indonesia’s security situation. The assessment drew on a range of historical information and data, including open source material, earlier DIO assessments, a number of intelligence sources, DFAT cables, and formal and informal analyst-to-analyst discussions with other agencies and academic subject-matter experts.

QUESTION 4.

SENATOR: Brown & Brandis

HANSARD: page 424, page 428.

I would ask that the committee be provided with that [material characterised by US Deputy Secretary of State Richard Armitage as stunningly explicit intelligence] information in camera, but I will ask you to come back to the committee on that. (Senator Brown, p. 424)

I want to deal with this question of whether or not, prior to the event, any Australian agency received an American assessment based on intelligence derived within the American agencies which reflected the characterisation that, subsequently, Mr Armitage placed on it ... Is the answer to my question: no, we did not [receive anything which talked about ‘stunningly explicit intelligence’] or words to that effect? (Senator Brandis, p. 428)

RESPONSE:

In subsequent evidence provided to the Committee on 28 May 2004 by Mr Ian Kemish, of DFAT (Hansard p. 465), he noted that the information Mr Armitage was referring to, which resulted in US embassy closures in South-East Asia, was also available to Australia. The same information also led to the closure of the Australian mission in East Timor. The characterisation, as “stunningly explicit intelligence”, was Mr Armitage’s, and was not used in the intelligence itself.

QUESTION 5.

SENATOR: Brown

HANSARD: page 425.

The [Jabarah] reports that arrived in early November, just after the Bali bombing, were reports coming from a reassessment of that questioning that occurred in May ... I would like you to be able to either corroborate or dismiss my information on that.

RESPONSE:

DIO did not receive copies of any of Jabarah's interrogation reports post-Bali. Defence notes that DG ASIO provided the Committee with detailed information on Jabarah reporting, and noted ‘those transcripts that referred to possible attacks on bars and nightclubs in South-East Asia – were not made available to Australian agencies before Bali’ (Hansard, p. 455). Questions concerning the basis of Jabarah’s interrogation reports should be referred to ASIO.

QUESTION 6.**SENATOR: Brown****HANSARD: page 425.**

[UN News and World Report] says that US intelligence services had referred to conversations amongst JI operatives picked up before the Bali bombing by Australian eavesdropping intercepts. They talk about hitting Australians in the region. It is not clear whether these intercepts have been found and translated before the Bali event or afterwards. Can you enlighten us about that? ... What about information that refers to conversations amongst JI operatives that may not have mentioned Bali explicitly.

RESPONSE:

The exhaustive examination of signals intelligence conducted during the course of the Inspector-General of Security and Intelligence inquiry showed that there was no material of the type described by *US News and World Report*.

The article in the *US News and World Report* may have been a misrepresentation of the intelligence report, referred to in paragraph 25 of the Inspector-General's December 2002 report, which was obtained from foreign liaison sources.

QUESTION 7.**SENATOR: Brown****HANSARD: page 427.**

At what stage did DIO become aware of [Imam Samudra] and what follow-up was there leading up to October 2002 as far as he was specifically concerned?

RESPONSE:

Imam Samudra was first noted by DIO in December 2001 under his alias Abu Umar. After the JI arrests in Singapore/Malaysia, it was reported that four tonnes of ammonium nitrate had been passed to Abu Umar (the ammonium nitrate was later recovered by Malaysian authorities). In February 2002, media reported a Polri statement that Hambali and Imam Samudra were involved in the Christmas 2000 bombings in Indonesia, but this did not identify him as Abu Umar. Later reporting from JI detainees between July and September 2002 identified that Imam Samudra used the Abu Umar alias, and noted his connection to JI.

It was known from February 2002 that Polri was concerned about Imam Samudra, and was actively pursuing him. DIO was also aware of cooperation between Indonesia and countries holding JI detainees that increased Indonesia's knowledge of Imam Samudra and its sense of his importance. Samudra was one of a number of other unlocated JI members at large (including Hambali, Dr Azahari, Dul Matin, Noordin Mohd Top).

QUESTION 8.**SENATOR: Brown****HANSARD: page 427.**

Would you also come back to the committee with what information you have about the availability of untraced explosives which had been taken from various places in Indonesia in that period from 2000 onwards?

RESPONSE:

Explosives were available from both legal and illegal sources in Indonesia and in neighbouring countries; such explosives had been used for the December 2000 bombings, among others, and were being accumulated by al Ghazi in Manila at the time of his capture. Fertiliser such as ammonium nitrate was also commonly available throughout the region; it is still commonly used for illegal explosive fishing in some countries bordering the Celebes Sea, for example. DIO has very limited specific information on which to make any estimates of the volume of explosives available.

QUESTION 9.**SENATOR: Kirk****HANSARD: page 429.**

In the Blick report the director-general refers to one agency still having untranslated records ... Can you tell me ... whether these records have now been translated and examined? ... Can you recall whether there was any intelligence linked to Bali in those records? ... Do you know what language the original reports were in?

RESPONSE:

The material has been examined in detail. It did not contain any information that could have provided forewarning of the Bali bombings, even with the benefit of hindsight and the knowledge that has since become available from the ongoing investigations. Details on which languages this material was in would divulge capabilities that are sensitive to Australia's national security. The outcome of the detailed examination was provided to the Inspector-General of Intelligence and Security on 18 December 2002.

SUPPLEMENTARY QUESTIONS.

Questions on notice from Senator Hutchins

QUESTION I

DIO's military threat assessments were distributed to DFAT, but Defence security threat assessments prepared by the Defence Security Authority were not distributed to DFAT. It seems that the latter are more relevant to DFAT than the military threat assessments. Why did DFAT receive the *military* but not the *security* threat assessments?

RESPONSE

As explained in Mr Lewincamp's evidence to the Committee on 28 May 2004 (Hansard p. 415), at the time of the Bali bombing, security threat assessments were developed by the Defence Security Authority (DSA), and were intended for defence customers only. The latest security threat warning for Indonesia at the time of the Bali bombing was contained in SYINTREP 36/02, issued on 12 August 2002, and contained no original threat material. It simply repeated the ASIO warning, stating '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.' The security threat assessment did not contain any material not known or available to DFAT.

QUESTION II

Mr Lewincamp, you told the Committee that DIO's formal product goes to DFAT. You also went to some lengths to explain DIO's active work on extremists and terrorists over the previous decade. You say, Mr Lewincamp, (28 November 2003):

... we did report extensively on the growth of radical and extremist Islam in the region consistently and well before September 2001. ... in May 2001 we indicated that Indonesia provided fertile ground for extremist groups with diverse motivations and international connections. ... there was clear agreement across the community about extremism and the capacity for terrorist attacks within South- East Asia. In August 2000, we reported explicitly on al-Qaeda's reach into the region and on the brotherhood of Mujaheddin ... I wanted to correct the impression you may have gained from some of your witnesses last week [that DIO allegedly lacked a handle on terrorism]

i. Did DFAT explicitly seek from any of your people at DIO any further briefing about the implications of these assessments of terrorism and extremism in SE Asia?

RESPONSE:

DIO has no record of DFAT officers seeking any further briefing on the implications of DIO's threat assessments. DFAT would normally approach ASIO or ONA for supplementary briefings on issues relating to the safety of Australians abroad.

Nevertheless, DIO analysts often meet with DFAT officers to discuss regional issues and developments, and may have covered these issues in informal meetings.

ii. Is there another forum – an IDC or other security forum – in which you can recall these things being discussed with DFAT officers present?

RESPONSE:

As explained in Mr Lewincamp's evidence to the Committee on 28 May 2004 (Hansard p. 416), such matters are discussed at meetings of the NSC and SCNS at which DFAT is represented, and also at the Strategic Policy Coordination Group, at which PM&C, DFAT and Defence are represented. At the time of the Bali bombing, there were no regular formal meetings between DIO and DFAT officers for exchanging views on terrorism.

QUESTION III.

Was DIO consulted about the terms of reference for the Blick inquiry?

i. If so, was the issue of the commensurability of threat assessments and travel advices ever discussed?

RESPONSE:

DIO was not consulted on the terms of reference for the Blick Inquiry.

ii. Do you know if it got discussed at National Security Committee meetings?

RESPONSE:

This question should be directed to the Department of Prime Minister and Cabinet.

QUESTION IV.

DIO's 5 August 2002 report spoke of extremists such as JI possessing the 'capability and intent to undertake future attacks' and that these extremists posed 'a greater threat to foreigners in Indonesia than do domestic extremist groups'. Mr Lewincamp, you said that this report definitely went to DFAT, along with ASIO and ONA

i. Did any of these three agencies get in touch with DIO about that 5 August report?

RESPONSE:

DIO has no record of officers from DFAT, ASIO or ONA consulting DIO analysts specifically on this particular assessment.

ii. Would this be a normal sort of thing to happen?

RESPONSE:

DIO, ASIO and ONA analysts communicate frequently. The underlying intelligence reports and developing assessments would certainly have been discussed informally.

QUESTION V.

Dr Carl Ungerer, a former ONA analyst said on *Lateline* recently (20 April, 2004) that: *There was just simply not the urgency within the Australian intelligence community to deal with the growing terrorist threat within South-East Asia. And on a recent Lateline program, interviews were conducted with some intelligence analysts and commentators:*

- **Dr Peter Chalk, a Rand Corporation report author, said there was “a strong reluctance, if you like, at the time to really consider the possibility of an established transnational Islamic network in the region, which prior to Bali tended to be the official line from the government in Australia.”**

i. Was the Australian Intelligence Community reluctant to consider the possibility, or was it that there was simply not enough information around to make a judgement?

RESPONSE:

The Australian Intelligence Community was fully aware of the threat of terrorism in the region. From DIO's perspective, the material presented so far to the Committee, both in direct evidence and in response to questions on notice, documents the extent of our analytical focus on the emerging threat posed by Islamic extremist groups with links to international terrorism. The Jemaah Islamiyah arrests beginning in December 2001, in particular, led to the AIC gaining considerable information on the emerging threat.

- **Dr Chalk claims that he sourced enough information in a non-classified environment “about the way Jemaah Islamiyah was acting, the possible cells that were in existence in the Philippines, in Malaysia, in Indonesia, the modus operandi of these types organisations, the fact that Australia had been singled out as a major target.”**

ii. Does DIO agree that there was a fair amount of information out there in the non-classified environment about JI activities?

RESPONSE:

DIO agrees that there was a ‘fair amount of information’ available in open sources, but also notes that not all of the information was reliable.

iii. Does DIO agree that it revealed "the fact that Australia had been singled out as a major target."

RESPONSE:

DIO does not agree that Australia had been ‘singled out’ as a major target. The evidence provided by JI detainees – both pre- and post-Bali – and other reporting, noted that JI was targeting Western, particularly US, interests. DIO can find no evidence that JI ever explicitly targeted Australians or Australian interests, as opposed to wider Western interests, except in reference to the Australian High Commission (AHC) in Singapore, which was one of nine Western (US, British and Israeli) targets.

QUESTION VI.

In earlier evidence responding to a question about why Bali wouldn't be considered at special risk, you said, Mr Lewincamp: "In retrospect, we might have put out a publication that said, 'This is where all the people are concentrated.' But at that stage we had no specific intelligence which isolated Australian interests compared to other Western interests. So we would have had to take into account US presence, UK presence and Israeli presence, for example. Once you put that patchwork across the Indonesian archipelago, it would be very difficult, I think, to isolate Bali as deserving particular attention".

- You will be aware that the UK's *Intelligence and Security Committee conducted an Inquiry into Intelligence, Assessments and Advice prior to the Bali Bombings*. At paragraph 18 of its report the Committee mentions various developments that had been reported by intelligence agencies between May and September 2002, including that 'there was an Al Quaida presence in Indonesia ... which was likely to develop a local, probably JI based, terrorist capability' and that 'attacks on US and UK interests, including tourists in nightclubs, were being discussed' by terrorists. The report continues:

(19) These developments need to be considered together with both the public reluctance of the Indonesian authorities to deal with terrorism and (– and here I emphasise –) the fact that the terrorist may be likely to attack a less well protected target in order to ensure success (target displacement effect) ... It goes on later to say, and again I emphasise: A threat existed to western tourist in Indonesia; the largest concentration of western tourists there is on Bali; and they gather in large numbers in a limited number of nightclubs These facts should have been recognised by the Security Service as pointing to a potential target.

- The UK report went on to call this "a serious misjudgement", although the UK Committee repeated that "on the available intelligence, we do not believe that the attack could have been prevented."
- i. Can DIO articulate the reasons why this Committee shouldn't write in similar terms with respect to the significance of the concentration of Australians in Bali and its import for the way intelligence agencies should have taken this concentration of people in Bali into account.

RESPONSE:

It is not clear from the question what precisely constituted the "serious misjudgement" referred to in the UK report.

Psychologist Baruch Fischhoff has shown empirically the existence of 'creeping determinism', where 'the occurrence of an event increases its reconstructed probability and makes it less surprising than it would have been had the original probability been remembered'. On the evidence available to DIO prior to the Bali bombing, it was clear that:

- a. JI's targeting priorities were:

- Western, particularly US, targets.
 - Official, or highly symbolic, targets (embassies, military assets or concentrations of US servicemen, branches of Western companies). Soft targets were not excluded, but were seen by JI as lower value. In addition, the references to JI's planned attacks on bars in Singapore concerned such bars frequented by US servicemen, not tourists.
- b. If JI was planning attacks on soft targets such as tourists in bars, it did not need the largest concentration of Westerners in Indonesia; it needed any concentration of Westerners.
- c. There was no evidence available on which to single out any potential target in Indonesia, soft or hard, over others.
- d. The extent of al Qa'eda's influence on JI's targeting priorities was not clear, nor was it clear that this influence was leading JI to mount attacks against Westerners in Indonesia, as opposed to the rest of the region. Despite the indicators of impending attacks in Indonesia, it was known that JI had also reconnoitred targets in the Philippines, Singapore and Thailand, and was presumed to have either an on-going presence there or the ability to return. In 2002 there were more than twice as many US visitors to the Philippines and Singapore and three times as many to Thailand, as there were to Indonesia.
- e. The assessed level of threat in Indonesia for terrorism or politically-motivated violence was HIGH.
- ii. **Would you expect that UK and Australian intelligence agencies would have had very similar information and assessments about the Indonesian threat situation in the post-Sept 11 to Bali period?**

RESPONSE:

DIO would expect that UK and Australian intelligence agencies would have had very similar information about the Indonesian threat situation, but UK agencies would have had less analytical resources devoted to South-East Asian issues.

QUESTION VII

Hugh White, from ASPI, made the following remarks in his evidence to the Committee:

- **I think there were, if you like, deficiencies in the way in which the information about the risk to Australians in Indonesia was assessed. I make the point that I do not think that was a failure that related solely, or even primarily, to intelligence assessment agencies. The fact is that in the weeks leading up to the Bali bombings it was known to everyone who took a professional interest, or even a passing interest, in these issues that there was a significant threat that JI or similar groups were active in Indonesia. There was a significant threat that they would be targeting Australians specifically; there was a specific likelihood they would have been looking**

for soft targets, and Ball was the biggest soft target around if you were after Australians.

i. How do you respond to those remarks?

RESPONSE:

Several of the remarks above in response to Question VI(i) also apply to an analysis of the ASPI comments. JI was not targeting Australians specifically, it had not abandoned official or symbolic targets, and it did not in any case need the 'biggest' soft target.

QUESTION VIII.

UK Prime Minister Blair, in a speech on 1 I November 2002 said with respect to the issuing of warnings: “If, on the basis of a general warning, we were to shut down all the places that Al Qaeda might be considering for attack, we would be doing their job for them. The dilemma is reconciling warning people with alarming them; taking preventive measures without destroying normal life.” How do you respond to that statement?

RESPONSE:

DIO accepts PM Blair's statement as a good expression of the challenge of responding to non-specific warnings of potential threats.

QUESTION IX.

Do you think that there is now an upward pressure on the way we set threat levels or assessments, especially if there is an absence of reliable specific intelligence?

RESPONSE:

Upward pressure on threat assessments is inevitable in the aftermath of Bali.

QUESTION X.

Can you describe the nature of your relationship with the National Security Division that's been established in PM&C.

i. How is the work of the Division and the other security and intelligence agencies coordinated.

...awaiting PM&C input

ii. What is the chain of command and where do the accountabilities lie?

...awaiting PM&C input

QUESTION XI.

Can we explore the tension between, on the one hand, the need to nuance or finesse threat assessments and travel advisories to fairly reflect the imperfect knowledge and ambiguities upon which they are based, and on the other, the risk of desensitising the consumers of these reports to the dangers that lurk within the ambiguities. And to the degree that analysts can't resolve ambiguities do they

risk being dismissed by annoyed consumers of their product who see the analysts as not doing their job properly?

RESPONSE:

The tension is clear, and well understood in all assessment agencies. DIO has responded to this challenge by taking great care over the subtlety and nuance of our assessments, ensuring that our assessments are based on the available intelligence, and identifying the limits of our information and its probable credibility. This may occasionally frustrate consumers who seek more definitive advice.

QUESTION XII.

In a famous article on “Why Intelligence Failures are Inevitable” Richard K Betts observes: “Fewer fiascos have occurred in the stages of acquisition and presentation of facts than in the stages of interpretation and response. Producers of intelligence have been the culprits less often than consumers. Policy perspectives tend to constrain objectivity, and authorities often fail to use intelligence properly.”

i. Are there any aspects of these remarks that are reflected in your experience around the Bali episode?

RESPONSE:

In this context, Professor Betts notes the ‘ultimate causes of error in most cases have been from wishful thinking, cavalier disregard of professional analysts, and, above all, the premises and preconceptions of policy makers’. None of these factors applied in the case of Bali, where the general threat in Indonesia had been considered and applied to the production of threat assessments, and subsequently to travel advisories. In the absence of any specific information which isolated Bali (or any other location) as the target, it was important to acknowledge that the threat applied across the entire archipelago.

QUESTION XIII.

In his article on “Why Intelligence Failures are Inevitable” Richard K Betts writes: “Mistakes should be expected because the paradoxes are not resolvable; minor improvements are possible by reorganising to correct pathologies; and despair is unwarranted because, seen in perspective, the record could be worse.”

i. Does that statement resonate with you?

RESPONSE:

Professor Betts rightly observes that intelligence is an imperfect science, where the future can never be precisely known. But this induces neither despair nor complacency. All assessment agencies, DIO included, are fully aware of the extreme consequences of failure, and work consistently to improve performance.

ii. Are minor improvements possible?

RESPONSE:

Minor improvements are certainly possible, and many have already been achieved since Bali. Notable examples include improved contact and cooperation between

agencies, and the improvement in intelligence fusion through the establishment of the National Threat Assessment Centre.

QUESTION XIV.

In his article on “Why Intelligence Failures are Inevitable” Richard K. Betts writes: “My survey of the intractability of the inadequacy of intelligence, and its inseparability from mistakes in decision, suggests one final conclusion that is perhaps most outrageously fatalistic of all: tolerance for disaster.”

i. Does that statement resonate with you?

RESPONSE:

While the concept of tolerance for disaster may apply in an academic sense, it has no place within the analytical community, where the aim remains disaster avoidance. This is consistent with the public's expectation of intelligence agencies.

ii. Do we need to educate the consumers of intelligence – and the public – about tolerance for disaster?

RESPONSE:

Most intelligence consumers are aware of the limitations of intelligence assessment; it forms part of their decision-making paradigm. The public should expect that its intelligence community is always working to improve the quality of predictive assessments, but that the future can never be infallibly known.

Questions on notice from Senator Brown.

QUESTION 1.

What is an Intelligence Estimate? How do you go about doing one?

RESPONSE:

According to ADF doctrine, an Intelligence Estimate is a product prepared in anticipation of combat operations, principally to support an ADF commander's appreciation of the possible courses of action of a potential or actual adversary. DIO also produces Strategic Intelligence Estimates (SIE) to support potential ADF operations other than war, detailing the likely roles and attitudes to the ADF or coalition presence of the major protagonists. SIEs were produced to support operations in East Timor, Bougainville and the Solomon Islands, for example.

QUESTION 2.

Did your organisation produce a formal Intelligence Estimate relative to the threat to Australians in Indonesia/Bali? If so, will you produce it to the committee? If not, why not?

RESPONSE:

DIO issued an SIE in July 2002 to support planning for a range of possible contingencies that could lead to ADF deployments (the most likely of which, it concluded, was to provide support and assistance in the event of a natural disaster). This SIE addressed the threat to Australian nationals by referring to, and repeating the terms used in, the Military Threat Assessment described in the response to Question-

on-Notice 2 from the 28 May 2004 hearing (Hansard p. 423), on page 1 above. That is, the threat from radical Islamic groups was assessed as LOW, but could rise to MEDIUM depending on developments. The SIE did not address the threat in Bali specifically.

The SIE is highly classified and cannot be made available to the Committee.

QUESTION 3.

What follow-up was undertaken by you on the subject of possible TNI involvement in the Bali bombings, after TNI exonerated themselves by a public statement to Antara, the Indonesian news agency, following a five-day Indonesian police investigation? Was there no TNI involvement with Bali bombing operatives?

RESPONSE:

The issue of possible TNI involvement in the Bali bombings was considered carefully by DIO analysts as part of their overall analytical response to the situation in the days and weeks following the bombings. DIO reported on public allegations of TNI involvement, including claims that the explosives were supplied by TNI, on 17 October. DIO did not rely solely on TNI public statements on the issue of the provenance of the explosives. The issue of whether or not individual TNI officers were linked with the bombings was more difficult to investigate, but to this point, no evidence has been found of their involvement.

QUESTION 4

In the period before the Bali bombings, what intelligence direction was received? What tasking was your agency undertaking? What effort, by function and estimated percentage of capability, was being placed into support of military operations in Afghanistan and preparation for military operations in Iraq?

RESPONSE:

In the months leading up to the Bali bombings, DIO's analytical effort was in accordance with national intelligence assessment priorities endorsed by government, and the needs of the ADF, which was then engaged in the war against terrorism, including in operations in Afghanistan, and operations in East Timor, Bougainville and with UN forces elsewhere.

A major effort was made by the relevant analytical Sections of DIO to support all ADF operations and to report on related developments. However, by October 2002 the tempo of operations in Afghanistan had declined. In the period before the Bali bombings, DIO was also monitoring related political, military and international developments in relation to Iraq.